

NORTHWESTERN *Banker*

MARCH
1976

ON THE COVER

**Record Farm
Planting
Predicted**

EXCLUSIVE

**Annual Bond
and Investment
Review**

**The Municipal
Bombs of 1975!**

**Area Bankers
Give Their
Views on EFT**





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BAI Forms Two New Chapters

Bank Administration Institute has announced the formation of two new affiliates — The Iowa-Illinois Chapter and the Southeastern Oklahoma Chapter.

The new units, serving banks in southeastern Iowa, west central Illinois, and southeastern Oklahoma, bring overall Institute membership to 8,926 banks and 269 chapters in the U.S. and abroad.

Newly elected officers of the Iowa-Illinois Chapter are: Edward J. Johnstone, II, president, Keokuk Savings Bank & Trust Co., Ia., president; Donald Kellar, auditor, First National Bank, Burlington, Ia., vice president; Robert G. Williams, cashier, Lee County Savings Bank, Fort Madison, Ia., treasurer, and Tom Ritchey, executive vice president and cashier, New London State Bank, Ia., secretary.

Chapter directors are: James C. Bloomberg, vice president, Burlington Bank and Trust Co., Ia.; Leo I. Brunnenn, executive vice president, Hill Dodge Banking Co., Warsaw, Ill.; Robert C. Oatley, vice president and cashier, Ft. Madison Bank and Trust Co., Ia., and Richard K. Reinhardt, president, State Bank, Nauvoo, Ill.

Illinois charter member banks include: Security State Bank, Hamilton; State Bank, Nauvoo, and Hill-Dodge Banking Company, Warsaw.

Charter member banks from Iowa are: Burlington Bank and Trust Co., Farmers and Merchants Bank and First National Bank, Burlington; Keokuk Savings Bank and Trust Co. and State Central Savings Bank, Keokuk; New London State Bank; Citizens State Bank, Donnellson; Fort Madison Bank & Trust Co., Iowa State Bank, and Lee County Savings Bank, Fort Madison, and Wayland State Bank.

United Missouri Bank Tops \$1 Billion in Assets

R. Crosby Kemper, chairman of the board of United Missouri Bancshares, Inc., announced recently that the Kansas City based, multi-bank holding company became a \$1 billion company during 1975. Net income also reached a new record exceeding \$8 million for the first time.

Total assets climbed more than 13% by year end to \$1,056,088,000, up nearly \$122 million from a year earlier. Deposits climbed to \$734,675,000, up \$15,670,000 during the year.

NORTHWESTERN Banker



Oldest Financial Journal Serving
The Central and Western States



for your March 1976 reading

83rd Year No. 1350

FEATURE ARTICLES

- 10 Bank Promotions and Changes
- 16 Corporate News
- 19 Convention Calendar
- 20 Bankers' Market Place
- 25 Annual Bond and Investment Survey—*A NORTHWESTERN BANKER Survey*
- 31 The Municipals Bombs of 1975!—*Brenton W. Harries*
- 38 New DKQ Municipal Index Will Measure Regional Rates
- 39 Area Bankers Give Their Views on EFT—*A NORTHWESTERN BANKER Survey*
- 44 EFT Update by ABA President—*Rex Duwe*

REGIONAL BANKING NEWS

Illinois News	51	74	Montana News
Minnesota News	55	75	Western News
Twin City News	56	77	Nebraska News
South Dakota News	68	78	Omaha News
North Dakota News	70	84	Lincoln News
Wyoming News	71	87	Iowa News
Colorado News	72	92	Des Moines News

OTHER FEATURES

- 106 In the Directors' Room
- 106 Index of Advertisers

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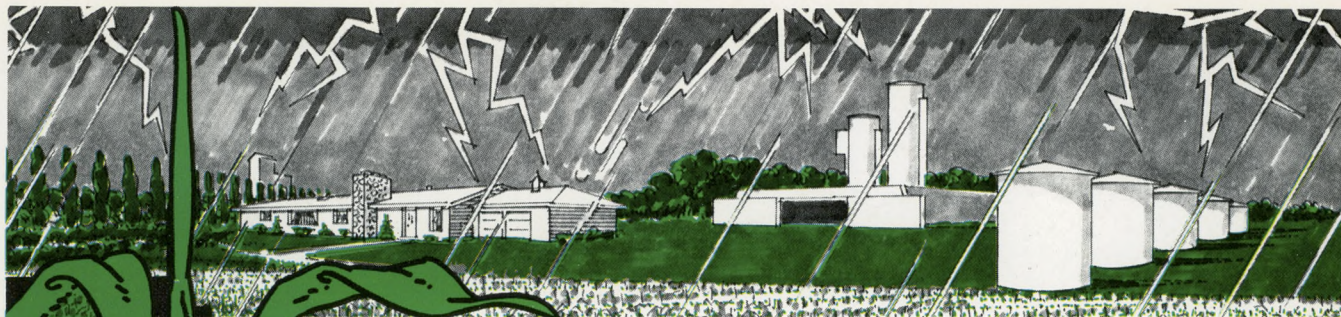
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Northwestern Banker, March 1976



Historic Newspaper

final

NORTH CENTRAL LIFE BUILDING

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NORTH CENTRAL LIFE INSURANCE CO. REACHES BILLION DOLLAR MILESTONE!

Insurance-In-Force Achievement Ranks Company In Top 20% of all U.S. Life Companies

North Central Life Insurance Company of St. Paul, Minnesota, reached a major milestone recently when it achieved a billion dollars of life insurance in force.

North Central Life is the principal subsidiary of The North Central Companies, Inc., St. Paul, Minnesota based financial services holding company.

Insurance Industry figures show that North Central now ranks in the top 20% of

all United States insurance companies in this important statistic, and in the top 15% of all North American Life companies in premium income.

North Central is a major marketer of innovative insurance products through financial institutions including credit life, credit accident and health, mortgage insurance and a variety of ordinary insurance programs specifically designed

for customers of banks, savings and loan associations and other lending firms.

Established in 1921 under the name Modern Life Insurance Company, the company was reorganized in 1951, changed its name to North Central and charted a new marketing strategy. It was in this last 25 year period that the company grew dramatically in size, stature, scope of operations and service to the financial community.

Since 1951, the company's life insurance in-force has grown at a rate three times faster than the life insurance industry.

Currently, the company has more than 1,000 financial institutions as customers throughout the United States and insures nearly 400,000 people.

Company Extends Thanks To Financial Community For Its Help In Billion Dollar Success



Sanborn

Kane

Company officers for North Central Life today announced their official thanks to the financial community for the part it played in helping North Central achieve a billion dollars in Life Insurance in-force.

Theodore Sanborn, chair-

man, and Stanley P. Kane, president, acknowledged that much credit for the continuous growth of North Central must go to those banks, savings and loan associations and other financial accounts whose receptivity to the company's innovative insurance products, imaginative packaging of insurance programs and helpful administrative services caused North Central to grow spectacularly in recent years.

More Than 1,000 Financial Firms Are Customers Of North Central Life.

A recently released analysis of North Central Life's account profile showed that banks, savings and loan associations, auto dealerships, production credit associations, industrial loan and small loan companies, mobile home, motorcycle and boat dealers totaling more



North Central Life's innovative "Shatterproof Nest Egg" program provides bank customers with an unusual way to accumulate money for a variety of future purposes whether they live, die or become disabled. A tax-sheltered version is IRA-qualified for retirement income purposes.

Company Is Major Marketer of Insurance Through Financial Institutions.

A unique marketing concept has made North Central Life Insurance Company of St. Paul, Minnesota, one of the nation's leaders in selling

insurance, reliable sources have reported.

It was ascertained that the company markets its insurance products exclusively to customers of banks, savings and loan associations and other firms engaged in lending services.

The sources indicated that North Central specializes in designing innovative insurance programs for these customers and that currently the company insures nearly 400,000 people, providing over a billion dollars of financial security for its policyholders.

The account list, the survey showed, includes companies of all sizes, located in little towns as well as big cities.

North Central is licensed to do business in 38 states.

North Central Life's twin major marketing thrusts, according to a company spokesman, are in the areas of creditor insurance, in which it was one of the nation's earliest pioneers, and in ordinary insurance, in which it has developed many imaginative products and marketing techniques — all through financial institutions.

"Creditor insurance", it was explained by F. William Stohr, senior vice-president, credit insurance, "is a means of protecting the financial security of a borrower's family or business associates who might not be able to make loan repayments in the event of the death or disability of the borrower. The insurance

Company Marketing Efforts Explained

also protects the investment that the lending institution has in the borrower and assures the institution that the death or disability of a borrower will not result in an unprofitable default or a needlessly embarrassing repossession.

"A creditor insurance program has become increasingly important to lending institutions because it gives them an opportunity to offer their customers a vital additional financial service."

In recent years, North Central Life has also made substantial progress in providing innovative forms of

Ordinary insurance coverages for customers of financial institutions. According to Roland Allen, senior vice-president, ordinary insurance, "A select group of North Central agents, often at the request of the lending institution itself, provide insurance plans for a wide variety of purposes. Perhaps the most significant are the "Overlines" programs which insure the lives of major mortgage holders whose loans exceed the normal limits of creditor insurance. A "Major Borrower Plus" program gives protection for the individual who needs

larger coverage (minimum of \$10,000) to protect a line of credit. And other unique programs have been developed for disability protection, retirement income, and to guard against the high cost of hospital-medical expenses."

As with creditor insurance, North Central's Ordinary insurance programs give financial institutions many additional services to provide their customers.

In total, North Central Life products are currently marketed through more than 1,000 financial services companies throughout the upper Midwest and on the East Coast. The company is licensed to do business in 38 states.

Company Ranks In Top 40 Of All United States Credit Insurance Cos.

Informed sources have reported that the North Central Life Insurance Company of St. Paul, Minnesota, because of its unique relationship with financial institutions, has become a national leader in credit insurance sales, currently ranking in the top 40 of all U.S. credit insurance companies in premium income.

The Company offers a variety of credit insurance products to these customers including credit life, credit accident and health, and mortgage insurance.

Company spokesmen today confirmed that this report was true.

Plan Instalment Credit Conference In Miami, April 4-7

Consumer credit and its prospects in the future will be the center of the banking industry's attention when the American Bankers Association (ABA) hosts its National Instalment Credit Conference, April 4-7, in Miami Beach.

J. Donald Saul, conference chairman and vice president of First National Bank, Cincinnati, said that specific topics include: the economy today as it relates to consumer credit; the automotive outlook; equal credit opportunity; electronic funds transfer systems (EFTs); the outlook for consumer credit; and regulatory and legislative developments.

William T. Gwennap, chairman of the ABA's instalment lending division and vice president of Pittsburgh National Bank, will preside at the conference. The keynote address, "The Competitive Environment," will be delivered by ABA President J. Rex Duwe on Monday morning, April 5.

Luncheon speakers will be Sen. Jake Garn, R-Utah, and columnist Art Buchwald. Mr. Garn is a member of the Senate Consumer Affairs Subcommittee.

Additional information and registration material is available from Ms. Liz Hall, Instalment Lending Division, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036, (202) 467-4056.

NCAA Honors Banker

Wade R. Stinson, president of United Missouri Bank of St. Louis, N.A., has been selected by the National Collegiate Athletic Association as one of its top five graduates of 25 years ago. Mr. Stinson was named not only for one successful career, but for three separate careers after graduating from the University of Kansas where he starred as one of the school's all-time great running backs.

After an outstanding career placing him as one of the nation's leading rushers in college football, Mr. Stinson established a successful career with Equitable Life Assurance Society of the United States in Chicago. In 1964 he was chosen to head the Kansas University athletic program. In 1972 he embarked on his third career, as a banker, when he became a vice president of the United Missouri Bank of

Kansas City, N.A. He was elected president of the St. Louis affiliated bank one year ago.

ON THE COVER

With agriculture continuing to play a major role in the American economy, area bankers and their farm customers look forward to another record year in 1976. Corn planting, as portrayed on the cover, will soon be in full swing.

USDA reports indicate that new crop plantings will be 80.8 million acres of corn. Two key states, Iowa and Illinois, will increase about five percent over 1975. Drouth conditions in the USSR may help market conditions.

Revised forecasts for planted acreage for soybeans indicate that 50.9 million acres will be planted, down seven percent from 1975.

With worldwide wheat stocks on the decline, all countries are going to try to increase production. In North Dakota, the leading state, growers expect to plant 4.1 million acres, the same as last year. South Dakota growers expect to plant eight percent more acreage, and Minnesota growers 10 percent more but Montana growers expect to plant 14 percent fewer acres. Total acreage expected in the traditional acres of the Dakotas, Minnesota, and Montana is down slightly.

Ziegler Record Earnings

The Ziegler Company, Inc., a financial services holding company, has released its preliminary unaudited financial figures for the fourth quarter and for the full year ended December 31, 1975.

For the three months ended December 31, 1975, total revenues were \$5,380,000 and net income was \$691,000, or 20¢ per share, compared with revenue of \$6,351,000 and a net loss of \$1,465,000, or 43¢ per share for the corresponding period in 1974, according to R. D. Ziegler, president.

For the 12 month period ended December 31, 1975, total revenues were \$23,737,000 compared with \$21,713,000 for 1974. Net income for 1975 was \$4,093,000, or \$1.20 per share,

compared with net income of \$505,000 or 15¢ per share in 1974. The \$1.20 per share earnings for 1975 equaled the prior record operating earnings per share of \$1.20 attained in 1972.

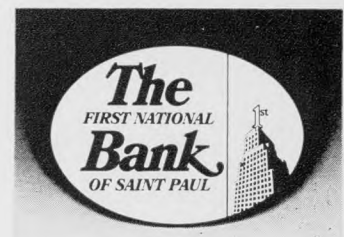
An extra dividend of 10¢ per share, in addition to the regular quarterly dividend of 8¢ per share, had been declared on December 15, 1975, payable on January 20, 1976, to stockholders of record on December 31, 1975. That brought total dividends declared during 1975 to 42¢, compared with the 32¢ that was declared in 1974.

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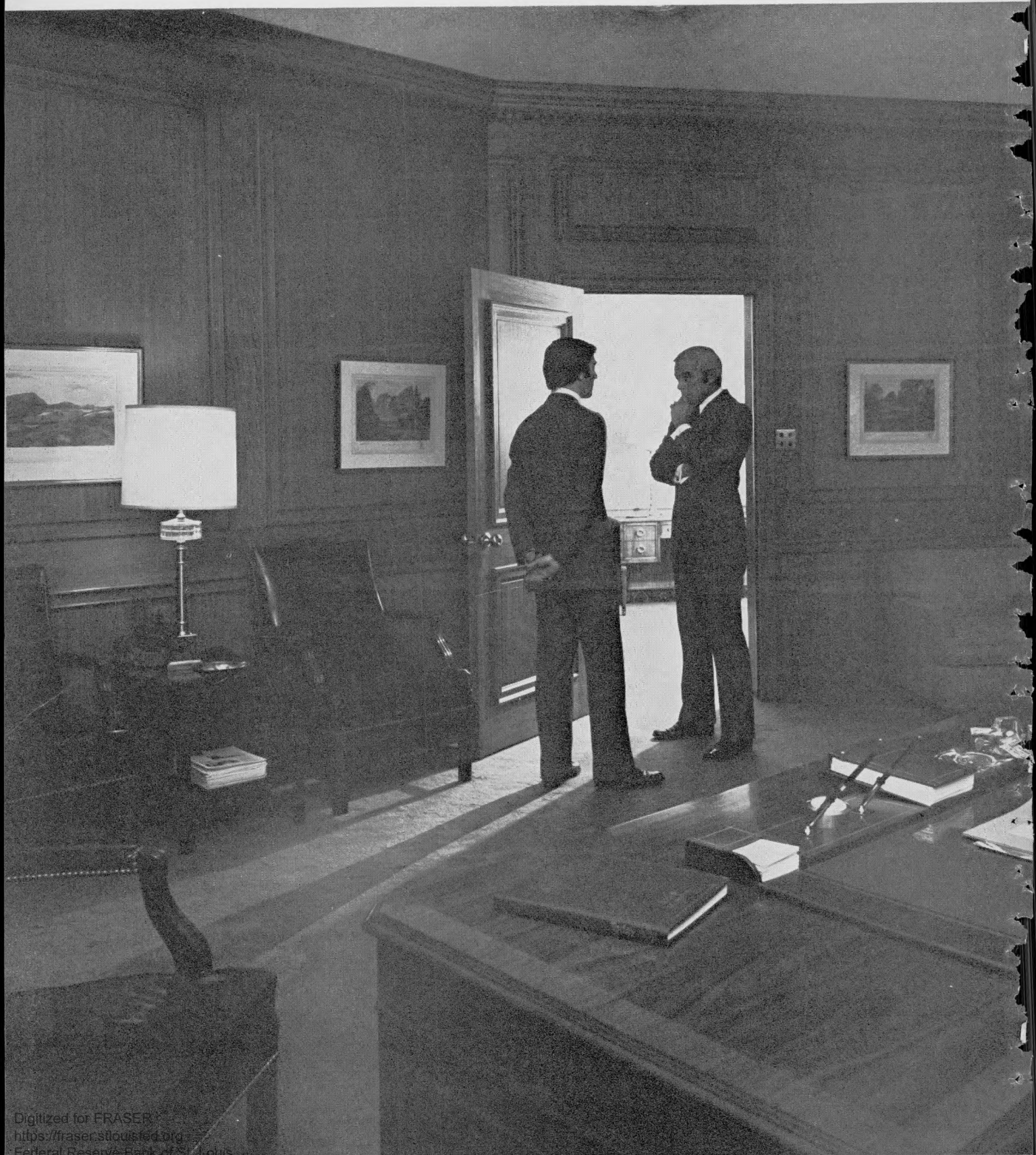
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Northwestern Banker, March 1976

"For the time being, we expect savings flows into S&L's to remain at a very high level, and savings flows for the year may not be too much below the record level of last year."

—FEDERAL HOME LOAN BANK BOARD





**“With savings up, investors
have to get money out.
Let’s go with conventionals
and MGIC’s
secondary market.”**

Today, experts in financial markets know you always check the largest, broadest market first. That is what MGIC’s secondary market is. And now it can work for you better than ever before.

At MGIC, we feel secondary market is so important we’re calling this “the year of the secondary market.” And we are taking several major steps to help you when you need us. They are:

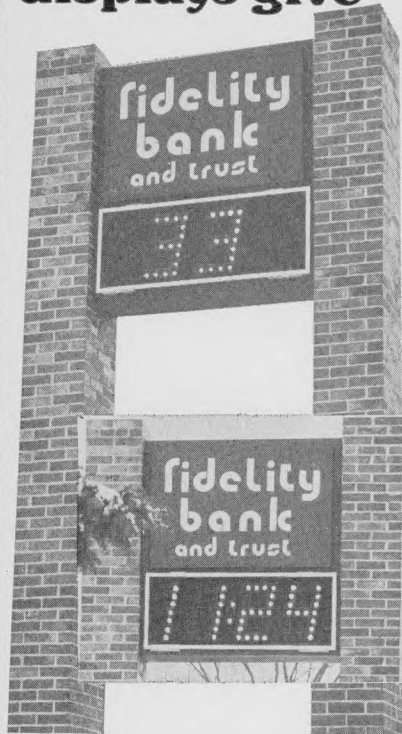
- Doubling our staff of secondary marketing specialists, already the largest in the industry, both at the home office and in the field. These people are in constant contact with buyers.
- Committing the skills and talents of our sales force of more than 100 representatives to finding investors who are ready to buy loan packages right now.
- Increasing our counseling services. Whether you are large or small, you can now receive additional assistance or advice in getting negotiations started. You also get expertise on how to put together all of the documentation to make your buyer’s decision easy.

Then there is the way in which we work with you — always with speed, reliability, and with your profits in mind.

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MGIC
Because experience pays.

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Bank Promotions and Changes

PPROMOTIONS and other announcements have been made by the following banks:

Bank of America, San Francisco: Lloyd J. Sugaski has been appointed executive vice president and executive officer for loans and Kendall D. Martin senior vice president and controller. Mr. Sugaski, formerly senior vice president for credit in the world banking division, succeeds E. A. Iversen who retired March 1. Mr. Martin, formerly head of credit administration for the North America division in Los Angeles, succeeds D. S. Langsdorf as controller. Mr. Martin will be replaced in Los Angeles by Clayton B. Elm who moves up from group vice president in the corporate services office, Los Angeles. Mr. Sugaski also succeeds Mr. Iversen as chairman of the bank's loan policy committee and general loan committee and as a member of the money policy committee. Named as senior administrative officers are executive vice presidents D. S. Langsdorf, for premises and data services, and Arthur V. Toupin, for investments, fiduciary and communications services. Both also were appointed to the managing committee along with Leland S. Prussia, executive vice president and cashier. In their new posts, Messrs. Langsdorf and Toupin assume the duties relinquished by Executive Vice President A. R. Zipf, who recently retired.

The Bank of New York Company, New York, N. Y.: The election of Lawrence Lachman as a director has been announced. He is chairman and chief executive officer of Bloomingdale's.

Exchange National Bank of Chicago: Attorney Robert Kahn recently joined the board of Exchange International Corporation and its wholly-owned subsidiary, Exchange National Bank. Mr. Kahn has been in the private practice of law since 1938 specializing in financial, construction and agricultural law.



R. A. KAHN

Continental Bank, Chicago: Robert K. Miller, a vice president, has been named head of the quality assurance division, a new division which will emphasize customer awareness among bank employees. Mr. Miller, who holds B.S. and M.B.A. degrees from Northwestern University, joined the bank in 1952.

The First National Bank of Chicago: Nick Poulos, financial columnist and former financial editor of the *Chicago Tribune*, recently was elected vice president in charge of press relations for the bank and its parent company, First Chicago Corporation. A 1950 graduate of the University of Illinois Mr. Poulos joined the newspaper in 1952.

First National Bank of Kansas City: Five promotions in the trust and investment divisions have been announced. They are Clark C. Bradshaw, Jack G. Brown and Thomas A. Foster from trust officers to vice presidents; and Anita G. Butler and Michael J. Patton from assistant trust officers to trust officers.

First National Bank in St. Louis: John L. Dudash, marketing officer, has been elected an assistant vice president; James R. Lanigan, bond investment officer, and Gerald L. Walther, cash management officer.

Harris Bank, Chicago: Harris Bankcorp has announced the nomination of four new directors and the retirement of a current director. The four nominees are O. C. Davis, president and director, Peoples Gas Company; Theodore H. Roberts, executive vice president, secretary and treasurer, Harris Bankcorp; and Charles M. Bliss and Kent W. Duncan, executive vice presidents, Harris Bancorp. Remick McDowell, retired chairman of the executive committee of Peoples Gas Com-



O. C. DAVIS

T. H. ROBERTS

Quick.

What's the true market value of a very good used 1976 Peterbilt 352M?

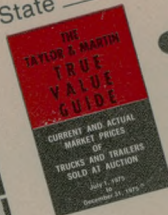
- With 350 Cummins engine?
- RTO 12513 transmission?
- SQHD rear ends, 4.33 ratio?
- Frame mounted stacks?
- Air conditioned, classic interior?
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Taylor & Martin INC.
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C. M. BLISS

K. W. DUNCAN

pany, has retired from the board. Roland S. Carlson, vice president, has been named group executive in charge of metropolitan banking succeeding George R. Slater, senior vice president,

who resigned to become president, Marine National Exchange Bank, Milwaukee, Wis. James L. Roberts, vice president, succeeds Mr. Carlson as division administrator in the financial group. Other promotions announced include: Richard S. Stam and Robert Turpin, vice presidents, trust department; and John H. Laubscher, assistant vice president, banking department; and Robert J. Fridell, Clifford M. Lind and Robert L. Newman, assistant vice presidents, trust department.

Irving Trust Company, New York: Peter C. Palmieri has been promoted

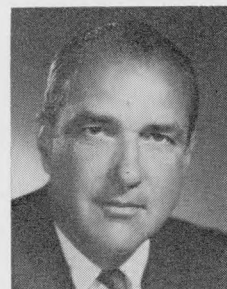
to senior vice president and manager of the international corporate banking division. He assumes the post previously held by Jean D. Zutter, senior vice president, who is now manager of the international correspondent banking division succeeding Ernest D. Shaw who retired January 1.

Mercantile Trust Company, N. A., St. Louis, Mo.: John S. Poelker has been elected a vice president of Mercantile Trust and Mercantile Bancorporation. He remains controller of both companies. Richard E. Callahan, banking officer in the international banking department, has been appointed to head a newly-established operations/customer relations division.



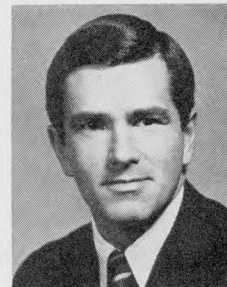
J. S. POELKER

National Boulevard Bank, Chicago: Irving Seaman, Jr., has resigned effective March 31 as chairman of the executive committee, chief executive officer and a director. His duties will be assumed by Henry K. Gardner, president. Mr. Seaman, 52, joined National Boulevard Bank in 1961 as president and chief executive officer. He had previously been vice president, commercial department, at Continental Bank, Chicago, where he started in banking in 1947.



I. SEAMAN

United Missouri Bancshares, Inc., Kansas City: R. Crosby Kemper, chairman of the holding company and its lead bank, United Missouri Bank of Kansas City, has announced the election of G. Lynn Mitchelson as executive vice president of both the holding company and the bank. He will also be a member of the holding company's board of directors.



G. MITCHELSON

A graduate of the University of Kansas with bachelor and master de-

Problem Child



Every banker has them—problem loans with seemingly insufficient or unsatisfactorily controlled collateral. And because business will be looking to their banks more and more for expansion capital, the problem will be compounded, not simplified.

Douglas-Guardian has been in the business of uncomplicating inventory collateral for banks and their customers for over 50 years. We simply bring our Traveling Credit to the situation in the form of Field Warehousing. We are doing it every day for banks just like yours. We would like to work with you on your current "problem child."

Together we might be able to turn him into a little angel.

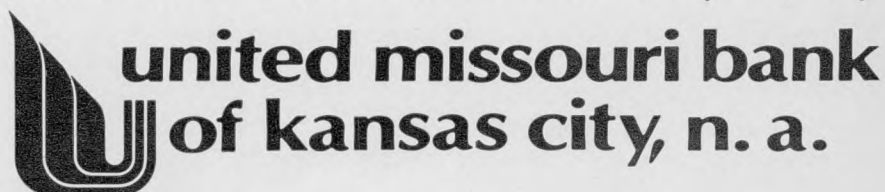


Douglas-Guardian Warehouse Corporation

P.O. Box 52978, New Orleans, La. 70152, Phone (504) 523-5353
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You're very likely to be loaned up seasonally if you have large agribusiness customers. That means overline financing, sometimes loan participation. I think you get a better deal on both with a big bank like United Missouri. Our own large correspondent business means we're not after your customers. We just want to help you serve them better. If this makes sense to you, my number is 816/221-6800. Call me.”



Joe Henderson. He runs United Missouri's Agribusiness division.



grees in economics, Mr. Mitchelson joined United Missouri from Traders National Bank in Kansas City where he was first executive vice president, chief administrative officer and a director. At United Missouri his principal responsibilities will be loan administration and management duties, working closely with the chairman and vice chairman of the board.

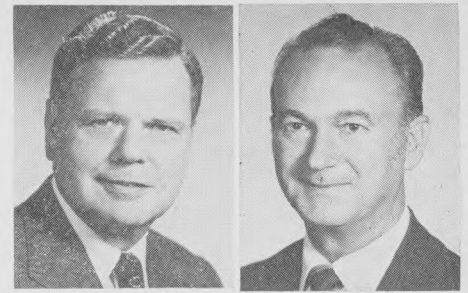
Before joining the Traders, Mr. Mitchelson was with First National Bank of Kansas City for nine years, rising from assistant cashier to senior vice president.

Mr. Kemper also has announced these 10 promotions: Cyrus E. Ricketts, executive vice president and corporate secretary; David D. Miller, vice president and trust counsel; Malcolm M. (Mick) Aslin, vice president and trust officer; Daniel F. Fox, vice president,

United Missouri Bank of Kansas City; Stephen M. Godfrey, bank corporate trust officer; William A. Hann, assistant vice president and pension trust officer; Rita Abernethy and Shirley Blackledge, bank assistant pension trust officers; Robert M. Maddox and Mary Lou Heigele, assistant cashiers.

Valley National Bank of Arizona, Phoenix: Roger A. Lyon, 48, will become president and chief administrative officer of the bank April 1. As president, he succeeds Gilbert F. Bradley, 55, who has been named chairman and will continue as chief executive officer. James B. Mayer, 62, currently chairman of the board, will remain on the board and be chairman of the executive committee.

Mr. Lyon has been associated with Chase Manhattan Bank N. A., New York, for 26 years and is resigning his



R. A. LYON

G. F. BRADLEY

post there as executive vice president, effective March 31. Mr. Lyon started his banking career with The Chase in 1950. He was named manager of the correspondent bank portfolio review department in 1957, moved up as division executive of the bank portfolio division in 1966 and was elected executive vice president in 1972. He is well known throughout the country in his work with the national division serving banks.

Mr. Lyon is treasurer of the American Bankers Association this year. He served as chairman of the ABA's executive committee of the correspondent bank division from 1973-75.

Mr. Bradley has served with Valley National since 1937, starting his banking career there as a junior clerk. He was named president in 1973 and chief executive last November.

Also, J. Robert White, vice president, has been named to head the bank's newly formed public affairs department. He will be responsible for directing the bank's efforts in the areas of government, community, Indian affairs and social responsibility. Warren Goodrich, director of corporate communications, has been elected a vice president.

Heads Minnesota Independents

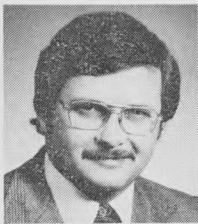
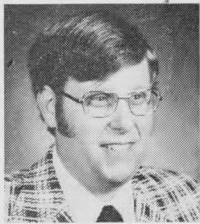
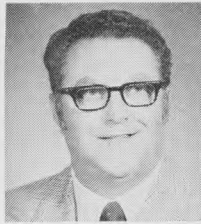
Norbert McCrady has been named executive secretary of the Independent Bankers of Minnesota.

He succeeds Noel Busch who has been elected executive vice president of the recently chartered Independent State Bank of Minnesota, a correspondent bank.

Mr. McGrady, association manager and executive vice president of the consumer finance industries since 1968, was treasurer of Steele County from 1955 until 1962 when he was the GOP candidate for Minnesota Secretary of States.

E. Milton Klohn, president of Town & Country State Bank, Newport, is president of the Independent Bankers of Minnesota.

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Corporate News

PROMOTIONS and other announcements have been made by the following firms:

Amiel Industries of North America, Inc., Atlanta, Ga.: Andre Amiel, president, has announced the appointment of Peter J. Petropoulos as national sales manager for vending operations, Gerard F. Murphy as national sales manager and Craig Startt as product manager at this Atlanta-based coin and currency handling systems and equipment company.

Mr. Petropoulos brings 30 years of experience in coin operations and marketing to the company. He comes from his own firm, International Sales Marketing and Management Consultants, Pompano Beach, Fla. Prior to setting up his own firm, he was affiliated with American International Marketing Corporation, Westinghouse Electric Corporation, Rowe Manufacturing and Canteen Corporation as national sales manager; R.M.I. Industries as director

of special services; and Liggett and Myers Corporation as director of special promotions. He has a master's degree in marketing.

Mr. Murphy joined Amiel Industries in March of 1975 as product manager of the AI-665 currency counter. Previously, he was with Olivetti Corporation. Mr. Startt previously was southeastern regional manager for Varian Data Corporation. He has been with Amiel since May of 1975.

Bank Building Corporation, St. Louis: Thomas E. Murphy has been named director of BBC Financial Research Associates, the new name for the real estate services division. The division's primary objective is to provide a comprehensive consulting service exclusively to the financial client.

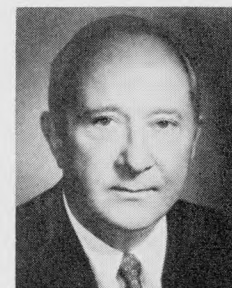
Christmas Club a Corporation, Easton, Pa.: Bryan Bernart has been appointed vice president, marketing, re-

sponsible for the company's marketing strategies, product planning and sales.

CMI Investment Corp., Madison, Wis.: Stanley Hill has been appointed district sales director for northern Washington, western Montana and or northern Idaho for CMI Investment and its largest subsidiary, Continental Mortgage Insurance, Inc. Before joining CMI, Mr. Hill was with the Federal Home Loan Mortgage Corporation and Peoples Mortgage Co., Seattle.

Continental Mortgage has opened a branch underwriting office in Seattle to serve lending institutions in Washington, Oregon, Alaska, western Montana and northern Idaho. The office, located in the Plaza 600 Building, 600 Steward St., Seattle 98101, is being managed by Donald Truitt, who has been an underwriter at the home office in Madison since 1971.

Diebold Incorporated, Canton, Ohio: William H. (Bill) McGurk has been ap-



R. A. HAMLIN

pointed eastern area manager and Robert A. Hamlin director of marketing-eastern for the bank/systems division. Mr. McGurk joined the company in 1965 as a sales representative for suburban New York sales. Mr. Hamlin joined Diebold in 1947 as sales representative in New York City and for the past 15 years has been the eastern bank area manager.

Walter E. Heller International Corporation, Chicago: Edwin J. Reidy



E. J. REIDY

has joined the firm as vice president, according to Franklin A. Cole, chairman. Mr. Reidy occupies a newly-established officer position relating to personnel activities, according to Mr. Cole. Before joining the Heller firm recently he was vice president for organization development and assistant to the president at Hammond Corporation. Previously he had been corporate manager of management development for Armour and Company and also served with the Crane Corporation.

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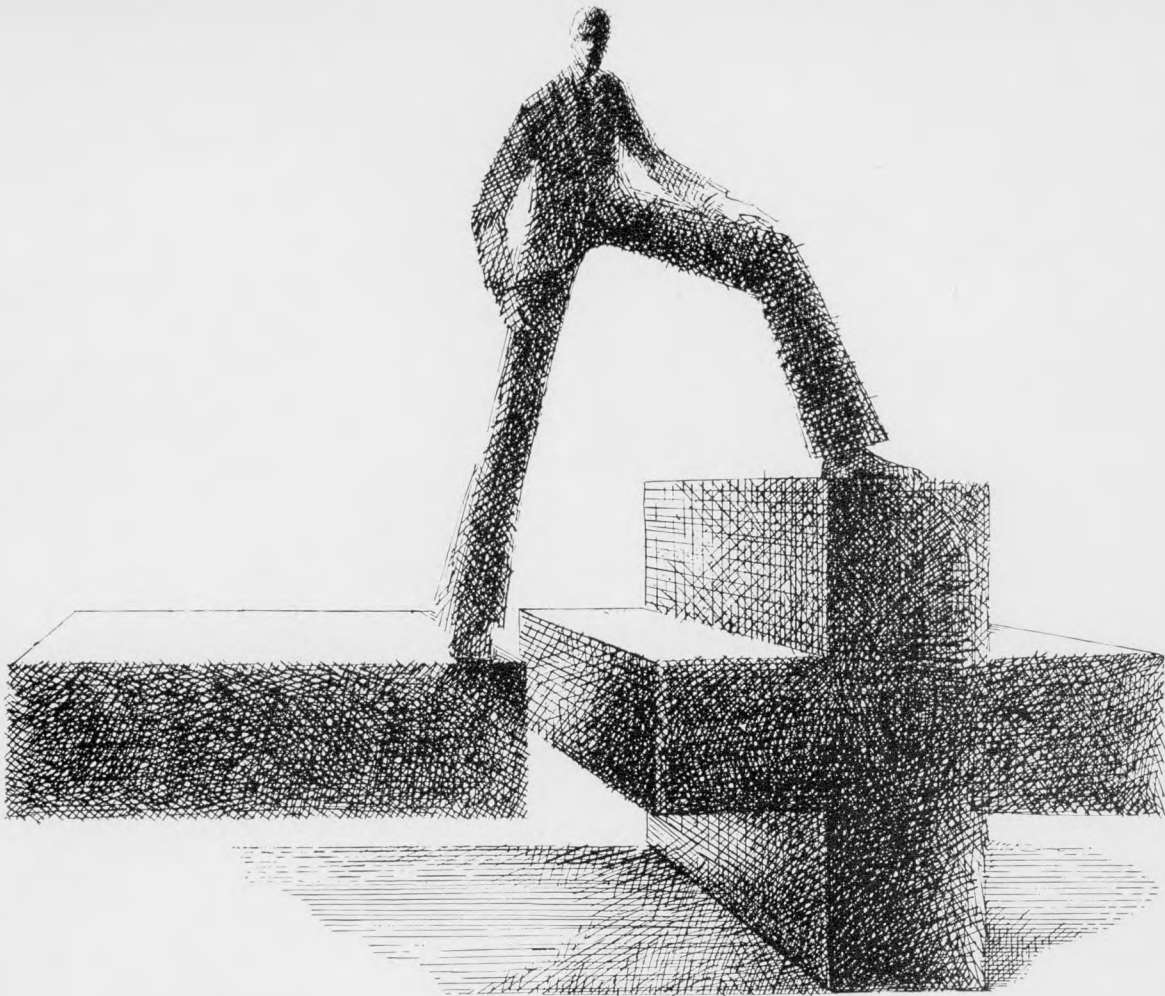
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Lawrence Systems, Inc., San Francisco: James H. Leonard has been elected chief executive officer, a position he assumes in addition to that of president of the company. The announcement was made by Louis E. Tippet who will continue as chairman while relinquishing his responsibilities as chief executive officer to Mr. Leonard.

Mr. Leonard became president of Lawrence in March, 1975. Prior to joining the collateral control services company, he spent 17 years with First National Bank of Chicago, most recently as vice president and group head responsible for loan divisions serving Chicago area business.

LeFebure, Cedar Rapids, Ia.: O. T. Finley Jackson has been appointed



O. T. F. JACKSON

sales specialist for the company's automated financial systems. Mr. Jackson, who has over 20 years of data processing experience with firms such as Univac, Litton Automated Business Systems and the

DataStation Corporation, will coordinate activities in the north central and west coast areas.

NYTCO Services, Inc., St. Paul, Minn.: Robert J. Deason has been promoted to vice president/division



R. J. DEASON

operations manager for the central division. Mr. Deason joined NYTCO as a field representative in the Atlanta, Ga., office in 1959, was promoted to district manager of the Houston, Tex., office in 1963 and vice president and regional manager in charge of the Dallas office in 1966. He now will be located in the central division office in Des Plaines, Ill.

Also announced was the appointment of John W. Drew as vice president/regional sales for the company's Chicago office. A native of Cincinnati, Ohio, Mr. Drew joined NYTCO in 1965 as a member of the auditing staff. In 1969 he joined the sales force and was assigned to the St. Louis office. Upon the company's entry into the cat-

tle industry he opened an office in Amarillo.

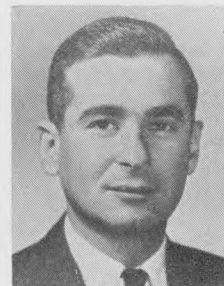
Also, Robert A. Schwiesow and Richard J. Otto have joined the staff of this national third party collateral control company and subsidiary of Space Center, Inc. Mr. Schwiesow previously was with the First National Bank in Council Bluffs, Ia. He attended Bellevue College. Mr. Otto is a graduate of St. Cloud State University.

United Guaranty Residential Insurance Company of Iowa, Davenport:

W. H. Gillison, president, has announced the following promotions: William Y. McKenzie, Jr., from vice president to senior vice president, and W. Reid Wooldridge from property and claims administrator to vice president. Mr. McKenzie will continue to administer marketing and sales and Mr. Wooldridge will be responsible for the underwriting and claims departments.

Record Earnings for Walter E. Heller Corp.

Walter E. Heller International Corporation reported record net income for 1975 from continuing operations (finance and banking). Earnings from these operations increased 6.1 per cent to \$28.5 million, or \$2.52 per share, for the year. On the same basis fourth quarter earnings rose 2.6 per cent to \$7.3 million, a new high, or 65 cents per share.



F. A. COLE

Total earnings, including net income from discontinuing (manufacturing) operations, rose 7.3 per cent to a record \$30.4 million, or \$2.64 per share. On the same basis, fourth quarter earnings rose 13.5 per cent to a record \$8.4 million, or 73 cents per share.

Franklin A. Cole, chairman of the financial services firm, said net income from continuing operations was \$28.5 million for the year ended December 31, 1975.

Earnings for American National Bank, Chicago, a subsidiary of Heller, were \$7.4 million, up 19.1% from 1974, establishing a new record for the bank.

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Convention Calendar

- 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 Midwest 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 20-22—BAI Conference on Bank Holding Company Administration, Stouffer's Riverfront Tower, St. Louis.
- April 21-23—ABA Governing Council Meeting, The Greenbrier, White Sulphur Springs, W. V.
- April 21-24—IBAA Seminar Workshop on Bank Ownership, Royal Orleans Hotel, New Orleans.
- April 24—Montana Independent Bankers Annual Convention, Northern Hotel, Billings.
- April 25-27—BMA Marketing Management Seminar, Del Webb's Townhouse, Phoenix.
- 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.
- April 25-30—RMA Loan Management Seminar, University of Indiana, Bloomington.
- May 2-4—BAI Northern Regional Convention, Hyatt Regency O'Hare, Chicago.
- May 2-4—Nebraska Bankers Association 79th Annual Convention, Radisson Cornhusker, Lincoln.
- 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 13-14—South Dakota Bankers Association 84th Annual Convention, Howard Johnson's, Rapid City.
- May 13-16—NABW Rocky Mountain & Western Regional Conference, Hilton Inn, Albuquerque.
- May 16-18—ABA National Marketing Conference, Waldorf Astoria, N. Y.
- May 16-18—Nevada Bankers Association 57th Annual Convention, MGM Grand Hotel, Las Vegas.
- May 16-19—BAI Forum for Presidents of Smaller Community Banks, Doral Coun-

- try Club, Key Biscayne, Fla.
- May 17-19—ABA Northeastern Regional Bank Card Division Conference, The Americana, N. Y.
- May 19-21—North Dakota Bankers Association 91st Annual Convention, Holiday Inn, Bismarck.
- May 20-22—NABW Northwestern Regional Conference, Hilton Hotel, Portland.
- May 22-25—Illinois Bankers Association 85th Annual Convention, Stouffer's Riverfront Towers, St. Louis.
- May 23-26—RMA Financial Statement Analysis, Airport Marriott, Chicago.
- May 23-26—RMA Financial Statement Analysis Workshop, Airport Marriott, Chicago.
- May 23-27—National Association of Credit Management 80th Annual Convention, New York Hilton.

- May 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'Enfant 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.

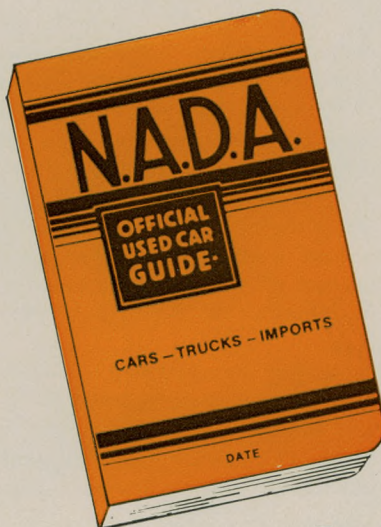
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Bankers' Market Place

NICKNAMED "The Champ," the AI-9400 heavy duty automatic coin counter and wrapper marketed by Amiel Industries counts five denominations at 2,100 coins per minute and averages 21 rolls per minute with a minimum of maintenance. The AI-9400 features a solid state visual alarm system designed to detect when the paper is being depleted, incorrect coin setting, misalignment of coins, an empty hopper, paper failure, and improper coin feeding due to damaged or foreign coins. The AI-9400 offers high quality



Amiel Industries AI-9400 automatic coin counter and wrapper.

mechanical engineering and design for greater reliability.

A companion piece, billed as the biggest little coin wrapper in the industry for its heavy duty automatic coin wrapping, is the AI-9100. It has a throughput of 18 rolls per minute and is built with advanced solid state electronics that give long wear, less down time, greater accuracy and reliability. The AI-9100 is quiet and compact.

Both machines are available through Amiel Industries of North America, Inc., 3000 Clearview Parkway, Atlanta, Ga. 30340.

THE emphasis is on total security with Mosler's lockers, and a new four-page brochure describes its com-

plete locker line, and features Mosler's flexible B-width system.

Maximum flexibility and efficiency are attainable through the modular B-width feature which allows intermixing of the B-SDL, L and BL lockers. In addition, B-SDL, L, and BL lockers can be stacked with the B-width custom safe deposit boxes and with Mosler's exclusive Rapid-Set boxes.

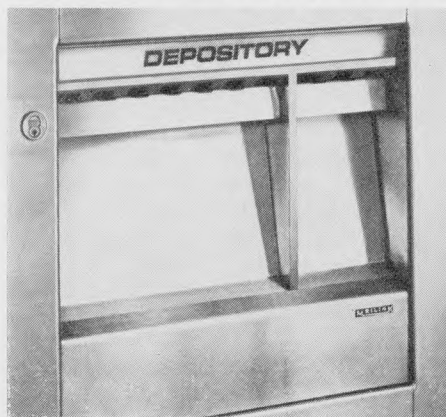
Mosler Teller Lockers are planned for the storage of teller cash trays with additional space for bulk packages. The Bank Lockers are engineered for the storage of bulk reserve cash. The Cash Vault Lockers are designed primarily for collateral storage but can also be utilized for cash storage.

These products, their specifications, and available options are described in Mosler's new brochure.

For further information, write Mosler, Department PR-035, 1561 Grand Blvd., Hamilton, Ohio 45012.

EXCEPTIONAL security and extraordinary convenience are features of Meilink's new *Nightwatch* combination bag and envelope depository. It is also available as a bag drop only. *Nightwatch* provides proven 24-hour protection resisting "fishing" and "trapping" and carries the Underwriters' Laboratories label, as well as exceeding the specifications and requirements of the Bank Protection Act.

Among the innovative Meilink design features are *Nightwatch's* side-by-side hoppers for flexibility and convenience. The new depository's totally mechanical operation has only three mov-



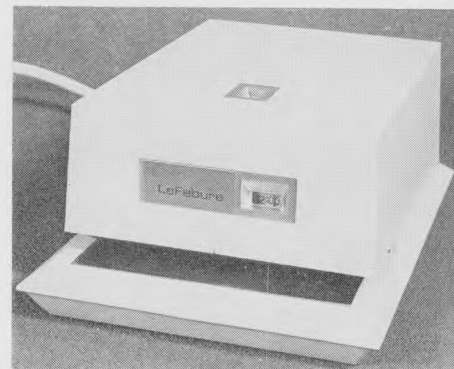
Meilink's "Nightwatch" depository.

ing parts, which eliminates gears, chain drive and power assist.

For more information on Meilink's new *Nightwatch* combination bag and envelope depository write: Meilink Bank Equipment, 3100 Hill Avenue, Toledo, Ohio 43607.

LEFEBURE Corporation is marketing a new check cashing protection system consisting of a document time-dating device and LeFebure's Model 2163 surveillance camera.

Each time a store or bank teller cashes a check, the check is inserted into the device which stamps the time and date and automatically activates



LeFebure Model 2163 used in conjunction with check cashing.

the surveillance camera to take a single frame photograph of the person cashing the check. This system may also be used by banks when customers open new accounts, or make loan applications and account deposits and withdrawals.

LeFebure also offers a Grade A 3000 Vault Alarm System featuring a digital clock. For greater reliability, and to comply with the latest U/L approved circuit changes, a digital clock has been incorporated into the programmer unit of the LeFebure Grade A 3000 Vault Alarm System. As a result, the actual time is now much easier to read.

LeFebure offers lease programs tailored to specific needs on its complete line of banking equipment and security systems. These lease programs are in addition to the usual direct sales basis.

Leasing is through Circle Leasing Corporation, a subsidiary of Merchants National Corporation, Indianapolis, IN.

Plans offer leasing at prime rate, fair market plans, and all offer the option to purchase equipment at the end of the lease.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

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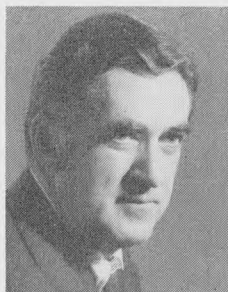
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Shearson Hayden Stone Inc.

Chicago Bank Plans New Financing; Elects Joseph G. Lutz as C.E.O.

CENTRAL National Chicago Corporation, holding company for Central National Bank in Chicago, has announced a program to add \$10,000,000 to its capital funds. This program includes the commitment of \$6,000,000 of new capital funds by its major shareholders. F. H.



J. G. LUTZ

Prince & Co., Inc. and entities associated with the Regnery family each have agreed to invest \$3,000,000 in debt or equity of the holding company, subject to the Central National Bank in Chicago securing an additional \$4,000,000 of subordinated capital debt. Negotiations are in progress with two major Chicago banks for that additional financing.

These actions when completed will bring the capital funds and reserves of the bank to \$42.7 million.

This financing program replaces one previously announced with a group of Chicago investors headed by Donald M. Graham. The new financing program was arranged when it became evident that the initial program could not be completed within the time available on a basis satisfactory to the parties involved.

Elect New Officers

Frank E. Bauder, chairman, and Robert I. Logan, president, advised the board of their decision not to stand for re-election to the board of the bank at the annual meeting in April. In view of this decision, the board elected Joseph G. Lutz president and chief executive officer of the holding company and chairman, president and chief executive officer of the bank. Mr. Bau-

der will continue as chairman of the holding company.

Mr. Lutz has served as vice chairman of the bank for the past two years. He joined the bank in 1973 upon his retirement as Regional Administrator of National Banks for the Seventh Bank Region, a position that he had held for 11 years.

The board of directors again deferred action on the fourth quarter dividend pending completion of the financing program.

Losses

The holding company also announced that the bank made a special provision for loan losses of \$3.0 million in addition to its regular provision of \$700,000 for the fourth quarter. During the quarter the bank charged approximately \$4.2 million of losses to the reserve. After giving effect to

these transactions the bank's loan loss reserve at December 31, 1975, stood at \$6.5 million, or approximately 1.7% of the total outstanding loans.

Commenting on the special provision for loan losses and the write-offs taken in the fourth quarter, Mr. Lutz stated: "Our actions reflect a determination by our directors and management to deal with problems in the loan portfolio as they are identified. The progress that has been made in improving the quality of the bank's assets together with the new capital affords us the opportunity to return now to a competitive and profitable posture."

As a result of the special provision for losses at December 31, 1975, the holding company reported a consolidated net loss of \$2,570,000 or \$2.31 per share for the quarter compared with a net profit of \$203,000 or \$0.18 per share in 1974. The consolidated net loss for the year 1975 was \$11,310,000 or \$10.19 per share compared with \$3,786,000 or \$3.41 per share a year earlier.

Civil Service Direct Deposit Program Will Begin in August in Western States

THE Treasury Department says the next federal recurring direct deposit program, to cover payments by the Civil Service Commission, will start in August, according to the newsletter *Thruput*.

Thruput is the monthly newsletter of the operations and automation division of the American Bankers Association.

In its February edition, *Thruput* reports, "The Civil Service Commission (CSC) will start announcement of the program in August.

"CSC makes about 1.3 million payments a month, averaging \$434 each. The August announcement will cover North and South Dakota, Nebraska, Kansas, Oklahoma, Texas, and all states west.

"Recipients of CSC payments in the central corridor, including Ohio, Kentucky, North and South Carolina and Alabama, will be notified with check inserts on September 1, and all other states east and north on October 1, 1976.

"Pilot CSC programs will start in May for Florida and Georgia.

"The new direct deposit program will begin as a Phase II check system.

EFT is tentatively scheduled for first quarter 1977.

"A new authorization form, SF-1199A, will be used for the CSC direct deposit program and for most of the federal recurring payment programs to be started later. The major difference in the new form is inclusion of the recipient's claim number and identification of the program agency.

"Treasury plans to mail to financial institutions additional updates to its 'green book' procedures guide in mid-March, including details of the CSC program.

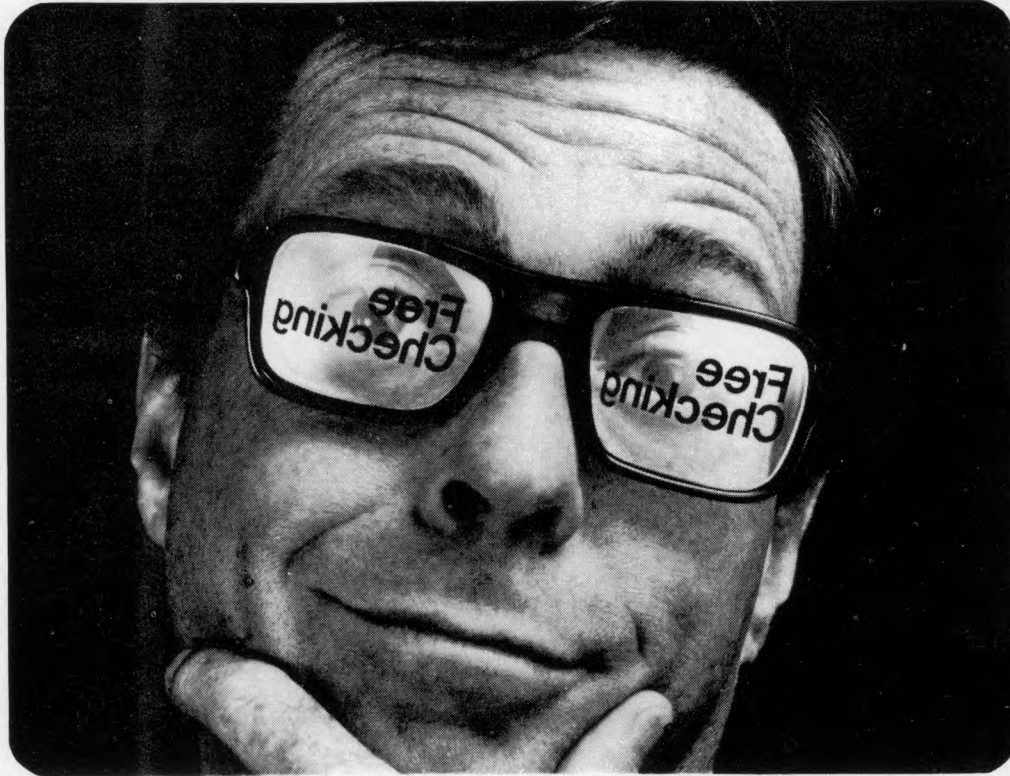
"Since the CSC program will start at different times in different sections of the country, initial supplies of new authorization form SF-1199A will be mailed to financial institutions (at their check-receiving address) about 30 days before the program starts in that section. Additional forms will be available through the U.S. Government Printing Office, Washington, D.C., after July 1.

"A good initial sign-up by CSC recipients is anticipated. An estimated 50% of eligible recipients are expected to opt for direct deposit during its first month."



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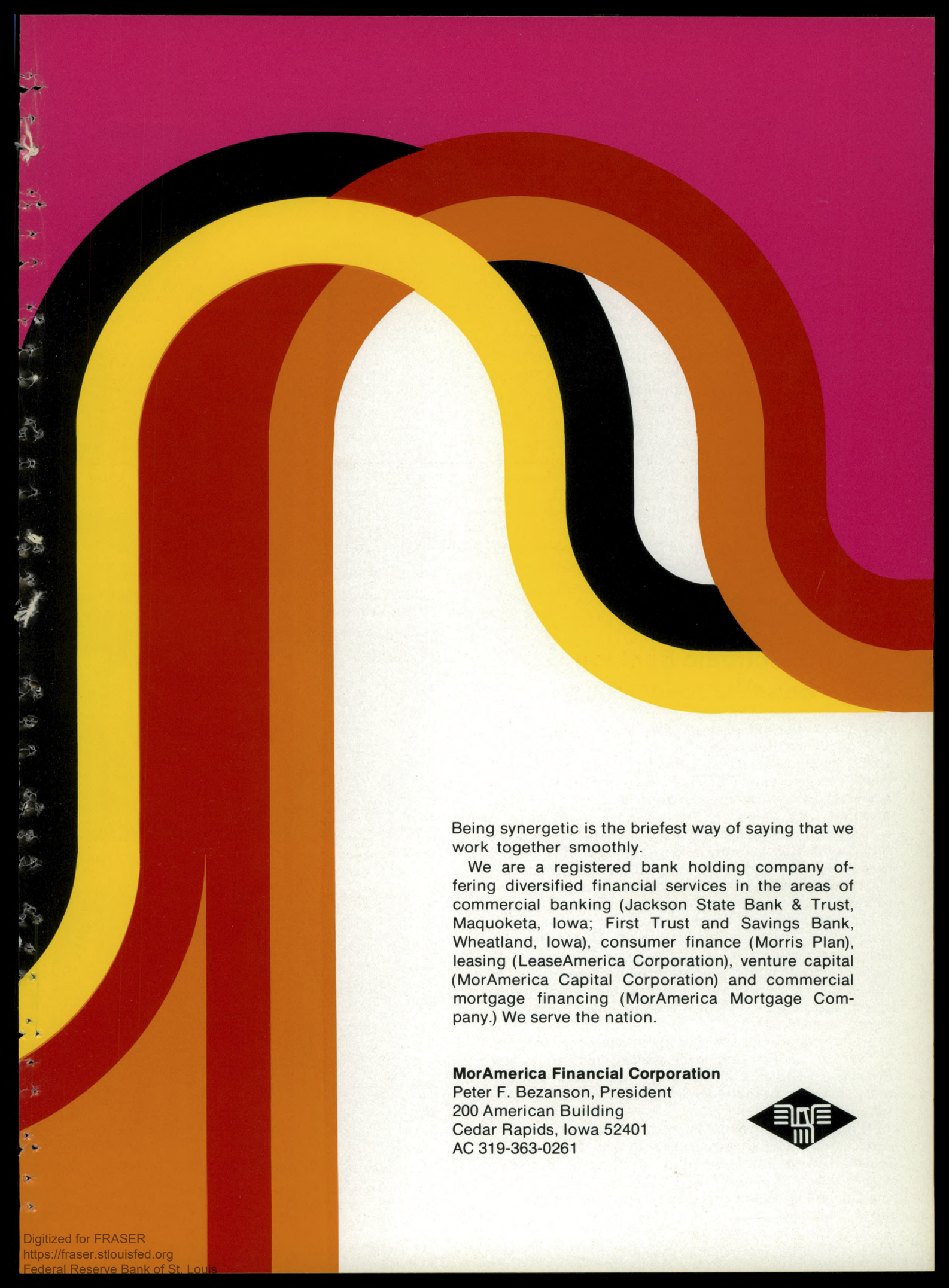
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Opens Mini Computer Center in Waterloo

A FORMAL opening of a new mini-computer center was held in Waterloo last month by Banks of Iowa Computer Services to serve northeastern Iowa customers. Area bankers were invited for a special demonstration and reception.

The remote processing center is similar to the one that is operational in Des Moines. Both facilities are linked to the main processing center in Cedar Rapids, where the new IBM 370/Model 158 has an integral memory storage of over one million characters.

Under the system, banks prepare work for processing and delivery to BICS Waterloo facility by overland courier. BICS prepares the work for computer processing. Cards are key punched from source documents, and MICR items are read and captured by an IBM 1419. Data is sent to Cedar Rapids by telephone lines where work is posted and master files are updated for each participating bank. After the information is prepared on computer disks, it is returned to Waterloo for processing between midnight and 5:00 A.M. Items and a print-out are returned to each bank before the bank opens to the public.

Joe Phernetton, president of BICS, stressed that the new facility can offer an additional plus to participating banks by providing a wide range of services to corporate customers.

Electronic Banking Benefits to Increase

MORE widespread use of electronic banking systems eventually will result in reduced service costs, elimination of most "paper" banking transactions, and greater convenience for the customer, a Continental Bank senior vice president said in Chicago last month.

William D. Plechaty, who heads up personal banking services at Continental, told a meeting of financial executives that electronic funds transfer systems are "an economically-attractive method of making our services more convenient for our customers."

Mr. Plechaty said the expected increase in use of computer-linked terminals will make it possible "to reduce or eliminate most of the paper forms used at teller windows today. Through-the-wall and drive-up automated tellers will also be increasingly employed to speed transactions and increase customers' accessibility to our services."

Mr. Plechaty said the sharing of electronic systems by banks, savings and loan associations, and other financial institutions also will facilitate the establishment of two to five national debit-card systems over the next few years.

"The communications network needed for national check guarantee already exists in the form of the Master Charge and Bank Americard national credit-authorization systems," Mr. Plechaty said. "These systems are with us permanently and will continue to grow."



ROUTING for new Waterloo facility is explained by **Dave Melander**.



HOSTS included **Bill McKinley**, exec. v.p., BICS, and **F. Forbes Olberg**, pres., Banks of Iowa, Cedar Rapids.



Pat and Jack Hix, pres., First Nat'l., Waverly, visit with **Mary and John Mangold**, sr. v.p., host bank.



IBM 1419 Reader-Sorter is explained by **Ed Kadera**, sr. mktg. off., BICS, to **Bill Wilson**, exec. v.p., Oelwein State Bank.

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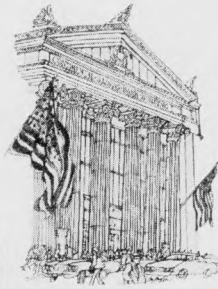
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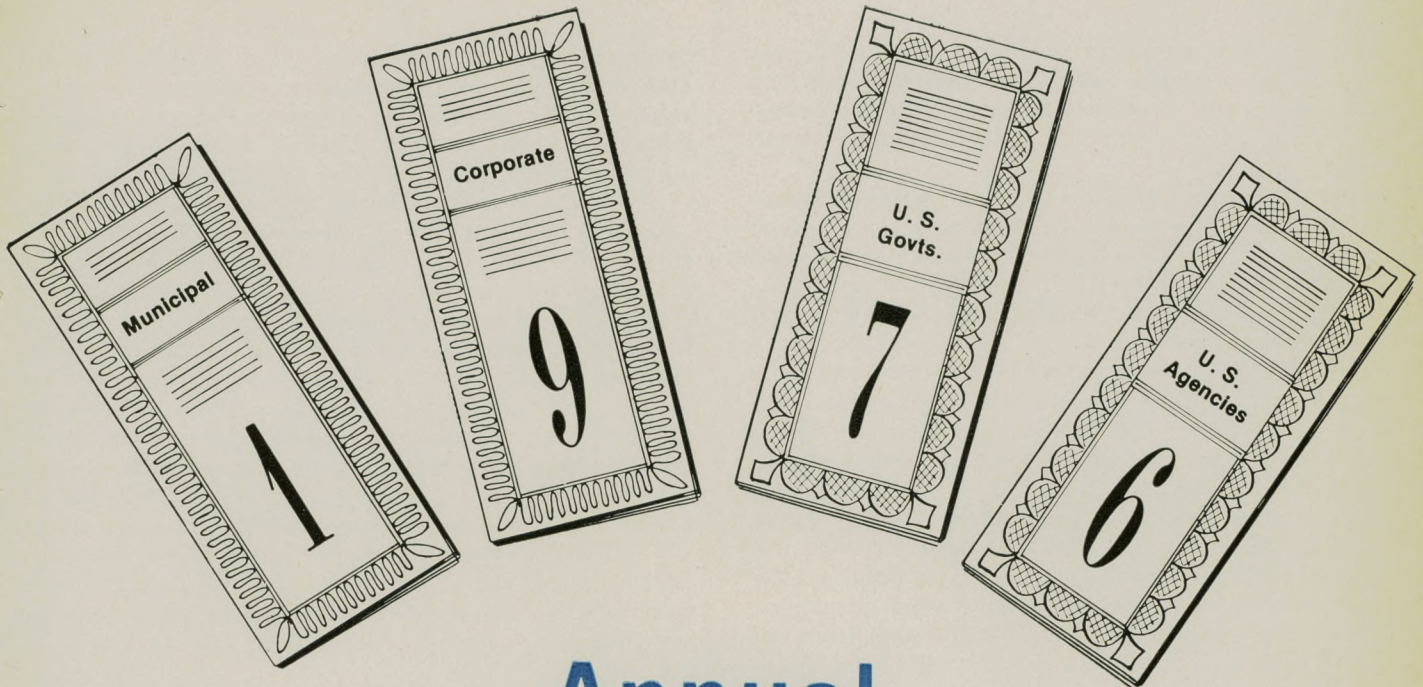
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Annual Bond and Investment Survey

MORE THAN half of the community bankers responding to a special survey expect earnings to improve in 1976. They also anticipate increased loan demand, both real and to offset inflation costs; tax-exempt bonds continue to be of prime interest to most of them, and correspondent banks continue to be their principal source of investment advice.

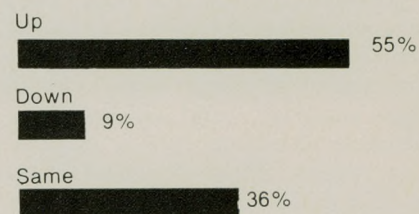
These and other details were learned in the NORTHWESTERN BANKER'S Annual Bond and Investment Survey among selected community banks of varying sizes in upper midwest and mountain states. A summary of answers to the several questions follows:

Question 1

Q. 1 Do you anticipate earnings of your bank to be up or down this year, compared to 1975, and to what extent?

Just over half (55%) expect earnings to improve, while another 36% look for earnings to be on the same level, and 9% look for a downward trend in earnings. The factor of increased costs and depressed income

Q. 1. Do you anticipate earnings of your bank to be up or down this year, compared to 1975?



from some investments will keep net from approaching its 1975 level, in the opinion of several respondents. Also, several bankers from Minnesota called attention to the unfavorable 8% usury limit under which lenders in that state must operate.

Projections for earnings increases ranged from about 5% to 22%, with decreases generally expected to run about 5%. Here are selected responses to the first question regarding earnings outlook:

"keep investments short until rates improve."

Robert C. Conrad, president, Sidney National Bank, Sidney, Nebr., deposits \$11 million: Profits will be up slightly as a result of movement of Federal Funds into a combination of Government and Municipal Bond securities.

Robert S. Ross, president, City National Bank, Shenandoah, Ia., deposits \$20 million: I would guess that our deposits and footings will be up a bit, but with interest rates in their current trend I would anticipate earnings about the same. Would expect a very modest increase in investments.

Harold R. Deitemeyer, president, First National Bank, Beatrice, Nebr., deposits \$26 million: Earnings up 13%. Demand deposits up moderately. Time deposits up 8%. Interest rates on loans to remain firm. Loan demand strong.

Ned K. Job, president, Iowa State Savings Bank, Knoxville, Ia., deposits \$21.5 million: In January, 1975, we took advantage of the favorable bond market to sell some of our securities that were producing relatively low coupon income. The proceeds from the sale of these securities, along with additional funds obtained from deposit growth, were invested in the August and September Treasury offerings of 8¼ and 8½. This reinvestment will increase our 1976 earnings by 12%. We will probably reinvest our 1976 taxable securities that mature during the year into the municipal bond market.

H. B. Schelle, president, Tri-County State Bank, Chamberlain, S.D., deposits \$16.8 million: Gross earnings up, net to remain about the same. We are going to continue our policy of staying short in both municipals as well as U.S. securities. Will take less income to retain quality.

C. W. Berg, executive vice president, State Bank of Faribault, Minn., deposits \$30 million: While income from Governments will probably go down, we anticipate earnings on loans to increase as some lower rates pay out and are replaced by higher rate loans. We intend to continue to replace maturing municipals and governments with like issues to ride through the ups and downs.

W. S. Morgan, president, First National Bank, Pipestone, Minn., deposits \$30 million: The usury rate in Minnesota is 8% and if the legislature does not grant us some relief, our earnings will continue to go down. Our investments will be short term and will not exceed the amount of maturing securities in 1976.

Lyle F. Jacobs, president, First National Bank, Akron, Ia., deposits \$9.6 million: At the present time our loan to deposit ratio is 34%. We would like to increase this by an increase in farm loans and town real estate loans. We will sell U. S. Governments as funds are needed.

M. F. Chevalier, president, Citizens State Bank, Postville, Ia., deposits \$12 million: We expect earnings to decrease, with interest costs increasing, as more and more customers keep their surplus funds in savings. The fed fund market will not produce much income, and low short-term rates mean less income. Increased loans will help some but probably not cover all of the

increased costs. Since we have about two-thirds of our deposits in loans, we must keep a sizable portion of our other funds in short-term investments and are at the mercy of current interest rates. Should we have any surplus funds this year we would plan to keep investments short until rates improve.

Rodney P. Vandenberg, president, First National Bank, Falls City, Nebr., deposits \$24.7 million: Due to pressures on our gross profit margins brought about by more and more deposits going into the time and savings categories, coupled with continued rises in general operating expenses, I feel all of banking is faced with a challenge it has not faced in many years. We are no different than the merchant whose gross profit margins go down with expenses going up, except he does have some opportunity to go up on his prices while we are pretty well controlled by current money market rates. We will see this profit squeeze enter many banks in 1976. I believe the only solution is for us to do the very best job we can in the area of asset management, controlling of costs and charging for our services.

Question 2

Q. 2 What do you anticipate your bank's loan demand to be in the months ahead, compared to 1975, for specific areas such as instalment lending, ag loans, real estate loans, commercial loans?

In each of these four loan categories an expected increased demand was first choice, followed closely by those expecting loan demand to remain about the same level as 1975, while only several banks expect a drop in loan demand. All banks responding to the survey do not make ag loans, and some choose not to become deeply involved in real estate lending; consequently, each category of loans did not have the same number of responses. Of the total replies, the following chart shows the results:

Loans	Up	Same	Down
Agric.	50%	48%	2%
Comm.	59%	39%	2%
Real Est.	54%	40%	6%
Instal.	60%	40%	--

The usury rate limitation of 8% in Minnesota was again mentioned as a limiting factor by respondents from that state. If the 8% limit is increased by the Minnesota legislature this year, several Minnesota bankers replying to the survey see an immediate increase in residential and other real estate lending.

In general, most of the bankers replying expect a steady to increased loan demand based on continued recovery of the economy into 1976, as well as dollar totals being greater to offset inflationary costs in normal loan requirements. Instalment loans are expected to climb in some cities as customers loosen up on purchases due to greater optimism in the outlook. The market for car loans is clouded because of the continuing high prices for cars making buyers think twice.

Several banks mentioned their anticipated loan increases to take care of commercial and residential

“tax exempt interest more important this year.”

construction needs—not only for delayed projects, but also for new volume as people move back into this market.

Marvin R. Campbell, president, Citizens State Bank, Brainerd, Minn., deposits \$30 million: We anticipate loan demand to be rather heavy in the real estate area, posing problems in taking care of our customers in view of the usury rate in Minnesota. We do not have any great volume of farm loans so no change is anticipated in this area, although the consumer loan area should continue to increase as it has over the past few years.

Richard O. Wold, president, First National Bank, Grand Forks, N.D., deposits \$70 million: We expect installment loans to be up 13% by mid-year and real estate loans up 9% by mid-year, with both those totals doubled to 26% and 18% by year-end. We anticipate commercial loans to remain steady to mid-year, then show a 13½% increase by year-end.

Joe H. Gronstal, president, Carroll County State Bank, Carroll, Ia., deposits \$19 million: Total loans are up 20% over last year at this time. Each category of loans has increased about the same percentage. We expect the increase to level off at about 25%.

Tom R. Smith, president, Fidelity Brenton Bank & Trust Co., Marshalltown, Ia., deposits \$42 million: Our loan demand stays about the same. We have allocated extra funds in 1976 to instalment loans and commercial loans. Our loan to deposit ratio is currently 75%. We propose to reduce that to 70% by year-end.

Peter M. Graff, president, McCook National Bank, McCook, Nebr., deposits \$31 million: We anticipate an increase of about 10% in loan volume in 1976. We anticipate very little change in instalment and commercial lending, but anticipate that livestock and farm operations will increase about 15%.

Question 3

Q. 3 Are you making or do you plan to make real estate loans? If “Yes,” on what basis [maturity and rate]?

Of the total responding, 74% said they are making or plan to make real estate loans, and 26% said they are not making such loans or will hold off for the present time.

Maturities are centered around the 20 year mark at 9%, with variances up to 25 years in a number of cases, and downward in a few to as low as even 10 years at 9%. In most cases where 10% to 20% down payment is required the interest rate is 9%, with an occasional 8½% rate. As down payment decreases and maturity lengthens, the rate or point total required increases.

Question 4

Q. 4 In view of your anticipated loan demand, how do you plan to invest your bank's available funds, including your time CDs and regular savings?

Because of varying methods of measuring the term “available funds” and measuring their distribution, no attempt was made to commit these replies to a chart. However, the vast majority of respondents, regardless of what method they selected for these excess funds, stress their intent to keep such funds short-term

because of current low return on investments. They are keeping an eye open to trends in the market, waiting for any upward change in rates that might occur later in the year and keeping such funds as liquid as possible for a later move into more profitable avenues.

The majority of respondents mentioned short-term Treasuries and Governments. Mentioned second most frequently were tax-exempts, then agencies, with fed funds running close behind. All referred to their intentions to distribute a good share of new funds into various loan categories, especially shorter-term instalment loans.

Question 5

Q. 5 Is tax-exempt interest of importance to you at this time? What are your plans for purchase of municipal bonds or for modifying your present municipal holdings?

Of the total replies, 62% said they are going to keep their municipal holdings at the same level or are interested in possible purchases; 27% definitely plan to increase their municipal holdings to some degree, and 11% said tax-exempt holdings are not of importance to them at this time or plan a reduction in tax-exempt holdings.

Q. 5. Is tax-exempt interest of importance to you at this time? What are your plans for purchase of municipal bonds or for modifying your present municipal holdings?

Increase Municipals

27%

Hold same for now

62%

Plan reduction

6%

Many of those offering comments indicate they are interested in tax-exempts and have a continuing program calling for re-investment of rollover funds on a fairly well established percentage basis. The most frequently mentioned range was 16% to 20% of assets in municipal holdings. A number of these bankers said they have already rolled over 1976 funds into new municipal holdings and will not have further purchases until later in the year or next year. Typical comments were these:

H. C. Messerer, president, First National Bank, Cedar Falls, Ia., deposits \$29.3 million: Our bank has in the past six months increased our holdings of tax-exempts on a 15-year laddered maturity basis, and we will continue to be moderately active in the high grade municipal market.

Ned K. Job, president, Iowa State Savings Bank, Knoxville, Ia., deposits \$21.5 million: Tax-exempt interest will become more important to us this year than it was in 1974 and 1975. The corporate tax change in 1975 relieved the pressure on our need for tax-exempt income; however, in 1976 we will start purchasing

"1976 goals are primarily liquidity and quality."

municipal bonds to provide additional tax-exempt income in 1977 and 1978. We will probably increase our ownership of 5 to 10 year municipals by 15%.

W. J. Heimerman, senior vice president, Northwestern National Bank, Sioux Falls, S.D., deposits \$250 million: Our policy has been quite selective to date and we will continue our buying program on the same basis. Our projections are for an average net increase in holdings of 7% over last year.

Peter M. Graff, president, McCook National Bank, McCook, Nebr., deposits \$31.2 million: Yes, it is of importance to us at this time. We carry approximately 20% of our total assets in municipal holdings; but, except for rollovers, do not intend to increase our holdings in municipals.

W. S. Morgan, president, First National Bank, Pipestone, Minn., deposits \$30 million: Our major investment portfolio is in municipals. We do not intend to buy any further municipal bonds in the year 1976.

Marvin R. Campbell, president, Citizens State Bank of Brainerd, Minn., deposits \$30 million: Tax-exempt interest is of great importance to us since we carry approximately \$4 million of these securities at this time. However, we are staying away from purchases at this time because of the market, anticipating an increase in these rates as previously indicated.

Anonymous, deposits \$12 million: We have an ample supply of tax-exempt bonds at this time, so it is not of major importance to us. If rates strengthen again, then we will sell our large city municipals bonds that we have in our portfolio and concentrate on municipal bonds in the rural areas of the midwest states.

Question 6

Q. 6 Are you planning now, or at any time this year, to capture profits in your investment portfolio? What kinds of investments are you considering selling to capture these profits?

A total of 56% replied "No" to this question, 29% said "Possibly" and 15% said "Yes." In the latter two categories, the selling off of Treasury securities and agencies were mentioned most frequently. Here is a sampling of comments from respondents:

"I have already done so and at a profit. I sold low coupon investments at a profit in January '76."

"Based on action already taken, we are letting large public fund CDs run off and selling some governments and agencies at a profit in present market."

"We do not plan to capture profits since we are usually more interested in pushing income into future years. However, we might give this some consideration later in the year if our profit picture does not come up to expectations."

"As a normal policy our bank does not actively trade in the market to generate capital gains and/or loss years. Rather, we attempt to keep our portfolio on a spaced maturity basis, giving us a relatively stable income annually on these investments."

"If, during 1976, we sense the economy beginning to stage a stronger recovery than is now apparent, we will take profits in our U. S. Government securities in anticipation of a less expansionary monetary policy by

the Fed. The funds obtained from profit taking would be kept in short-term securities with higher interest rates anticipated in 1977, for reinvestment."

"Seems pointless to sell, take profits, pay taxes thereon, and be unable to reinvest the proceeds as well."

"We will consider selling any of our securities if the profits are available to be offset by the sale of less desirable securities, which in some instances represent losses. In other words, we are looking for off-set profits to take care of improving the quality of our bond portfolio."

Question 7

Q. 7 What do you consider to be major goal of your bank's investment portfolio this year?

Most bankers mentioned a mix of two or more goals for their investment portfolio but the ones mentioned first in practically all cases were liquidity and quality. These were followed by the desire this year to stay short in order to take advantage later this year of anticipated better rates which would improve yield. A sampling of comments reflects these purposes:

Richard O. Wold, president, First National Bank, Grand Forks, N.D., deposits \$70 million: To lock in liquidity for 1977 and have loans and municipal securities of approximately 75-80% of deposits. Continue to upgrade quality and achieve increased earnings.

H. L. Thorndal, president, Bank of North Dakota, Bismarck, N.D., deposits \$400 million: Switch to better trading securities. Increase overall yield, probably by a slight increase in maturities.

Alfred C. Nowaczyk, president, Bank of Bellwood, Ill, deposits \$29 million: To provide us with the highest rate of return possible, while maintaining normal liquidity and a ladder of maturities out to seven years.

Anonymous, deposits \$58 million: To meet pledging requirements for public funds and maintain a high degree of liquidity.

Ronald R. Jenkins, vice president and cashier, Commercial Bank, Mitchell, S.D., deposits \$46 million: Maintain our liquidity primarily. We intend to re-invest in A rated or better bonds, GOs from the midwest; and no east coast urban areas.

Minnesota, deposits \$12 million: To try to maintain our present return on bonds, if possible, while rolling over about one-fourth of our portfolio. We plan to do this by waiting for bonds at a somewhat attractive rate that extend out from six to 10 years. We can afford to do this, as nearly 80% of our bonds mature within the next three years.

Tom R. Smith, president, Fidelity Brenton Bank & Trust Co., Marshalltown, Ia., deposits \$42 million: Stay short and be able to lengthen the portfolio when rates strengthen.

Robert W. Stafford, president, First National Bank, Ames, Ia., deposits \$41 million: Maintain quality. Keep maturities short while rates appear to be declining. Nevertheless, we expect to increase yields and look for higher rates by fall.

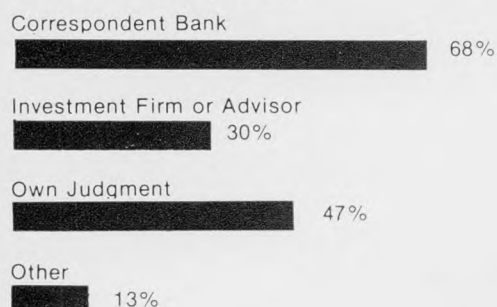
“timing important in achieving above-average results.”

Question 8

Q. 8 On whom do you rely for principal advice about your bank's investment portfolio—correspondent bank, investment firm [or advisor], own judgment, other?

Correspondent banks are relied on for advice by 68% of the bankers taking part in the survey, with this service ranging from periodic consultation to professional handling of the portfolio. Ultimately, the individual banker must make his own decision, based on advice solicited from outside sources. Most respondents stressed this, while 47% emphasized that the investment decisions made are entirely their own.

Q. 8. On whom do you rely for principal advice about your bank's investment portfolio?



Several respondents noted that they belong to multi-bank holding companies and investments are handled as part of their groups.

A second part of the same question asked, “Is your investment portfolio computerized?” and 88% replied in the affirmative. Commenting on the advantages of this computerization, some of the bankers said:

“Our correspondent does it at no cost (offset by security orders). It gives us more information than older record keeping methods.”

“The printouts provide an easy and quick analysis of our investment portfolio, assisting in investment decisions. We particularly appreciate the average maturity and average rate of return in each category.”

“Monthly pricing of our entire portfolio, accurate information on amortization, accretion, daily interest accruals, maturity of investments by years.”

“Periodic pricing and interest accrual and premium amortization; inventory of holdings and maturities, and analysis of locations and ratings.”

One banker, whose portfolio is computerized, simply replied “None.”

General Comments

Several bankers offered these general comments at the conclusion of the survey:

Rodney P. Vandenberg, president, First National Bank, Falls City, Nebr., deposits \$24.7 million: Wide swings in bond prices and yields create great problems in portfolio management. During periods of low yields it is always tempting to improve yields by lengthening maturities in order to cover the ever increasing costs of

deposits and operation. One must learn patience and that continuing cycles bring about those opportunities for bank investments.

Harold R. Deitemeyer, president, First National Bank, Beatrice, Nebr., deposits \$26 million: Quality is of extreme importance in the area of tax-exempts due to the problems of New York City, etc. With interest rates also down, it is difficult to locate adequate yields in the short term to cover short term deposit liabilities.

Peter M. Graff, president, McCook National Bank, McCook, Nebr., deposits \$31 million: I think it is important to keep in mind the serious fluctuations in interest rates and not be stampeded into unwise investments at a time when the return on investments is not suitable, as compared with the rates the bank is paying on savings and time certificates of deposit. The first criterion is the quality of the investments and the necessity of constantly reviewing quality so the integrity of the bank's investment portfolio can be maintained.

Marvin R. Campbell, president, Citizens State Bank, Brainerd, Minn., deposits \$30 million: The problem of managing a portfolio adequately today is very difficult, especially since this area of the bank has not had the attention which it justly deserves. I am sure that this must change in the future as we recognize the problems that develop as a result of purchases which were not ideal and the economic conditions that affected bonds which were accepted as gilt-edged. I think that all chief executive officers concerned in this area of banking, especially in smaller banks, will have to give more attention to this very important function of the bank as it relates to liquidity, soundness of the bank, and profitability.

James E. Hansen, president, Merchants & Miners State Bank, Hibbing, Minn., deposits \$26 million: The country banker is generally too busy to spend much time (on his investment portfolio) and does not have the total expertise in the field, so I personally depend on this help (correspondent bank) and the reports give complete and concise answers.

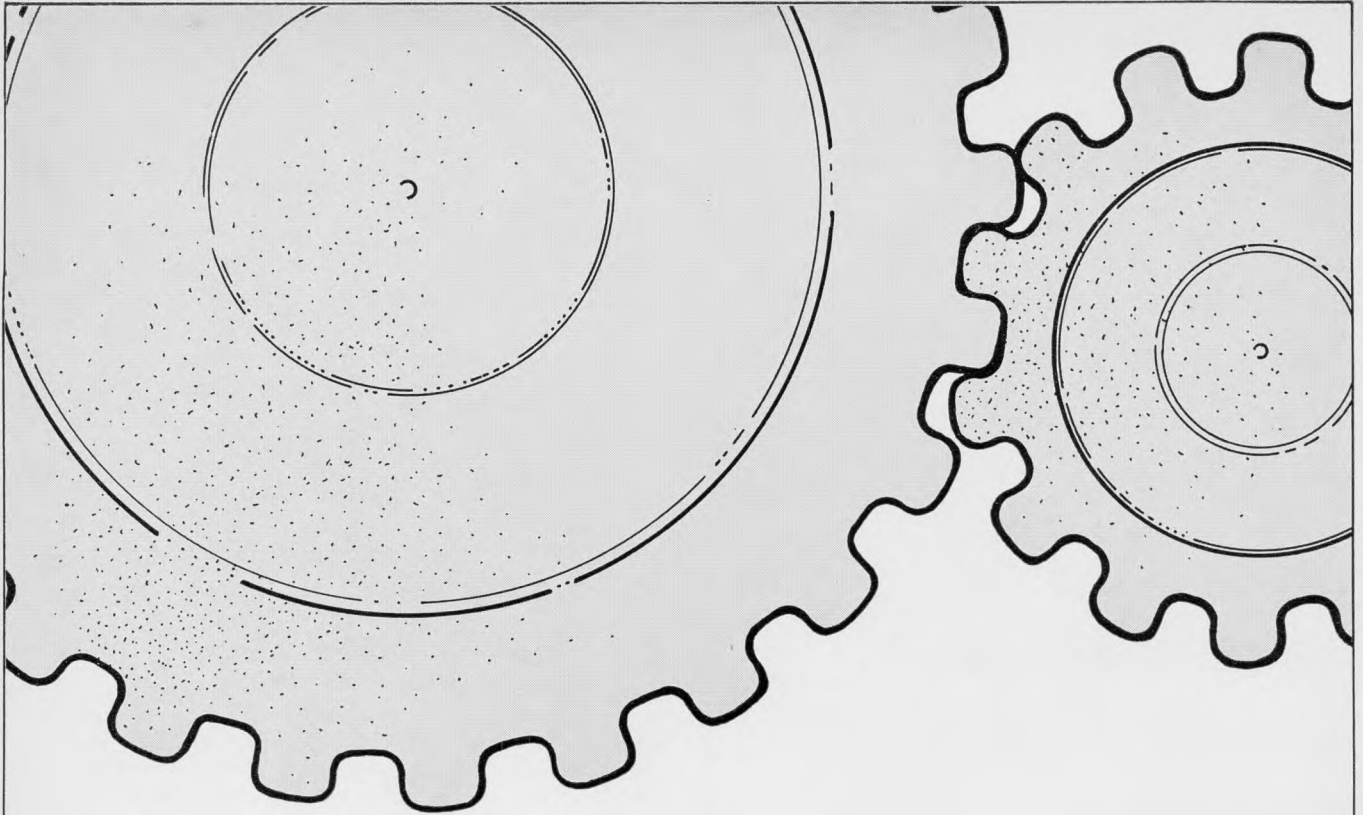
Robert W. Stafford, president, First National Bank, Ames, Ia., deposits \$41 million: Inflation must always be considered. Some longer term commitments must be made, and marketing timing is important in achieving above-average results.

M. F. Chevalier, president, Citizens State Bank, Postville, Ia., deposits \$12 million: With the changing economy we find it very difficult to chart a course. As our overhead continues to increase, it is even more necessary to work closely with our portfolio, not only to maximize earnings, but also to analyze the credits involved.

W. J. Heimerman, senior vice president, Northwestern National Bank, Sioux Falls, S.D., deposits \$250 million: We still feel there will be a demand for funds in the instalment and commercial loan areas and consequently expect to continue an investment strate-

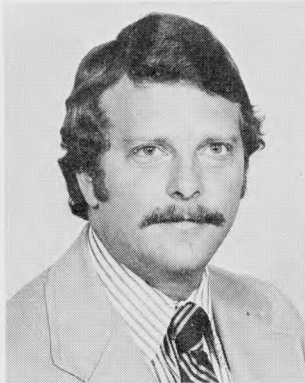
BOND AND INVESTMENT SURVEY . . .

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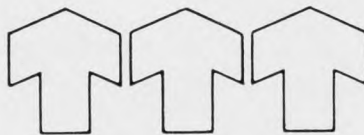


Working together

It's the way we do business best: your people getting to know ours, learning about our expertise, building trust. It simplifies business. And the world of fixed income securities — municipals, Ginnie Maes, governments — is a complex one. A big reason we're a leader is because our people are knowledgeable experts — some of the best in the business. Men who believe in straight talk. And that's the straight of it. If you'd like to know more about us, call our man for your state, or ask him to send you our current annual report.

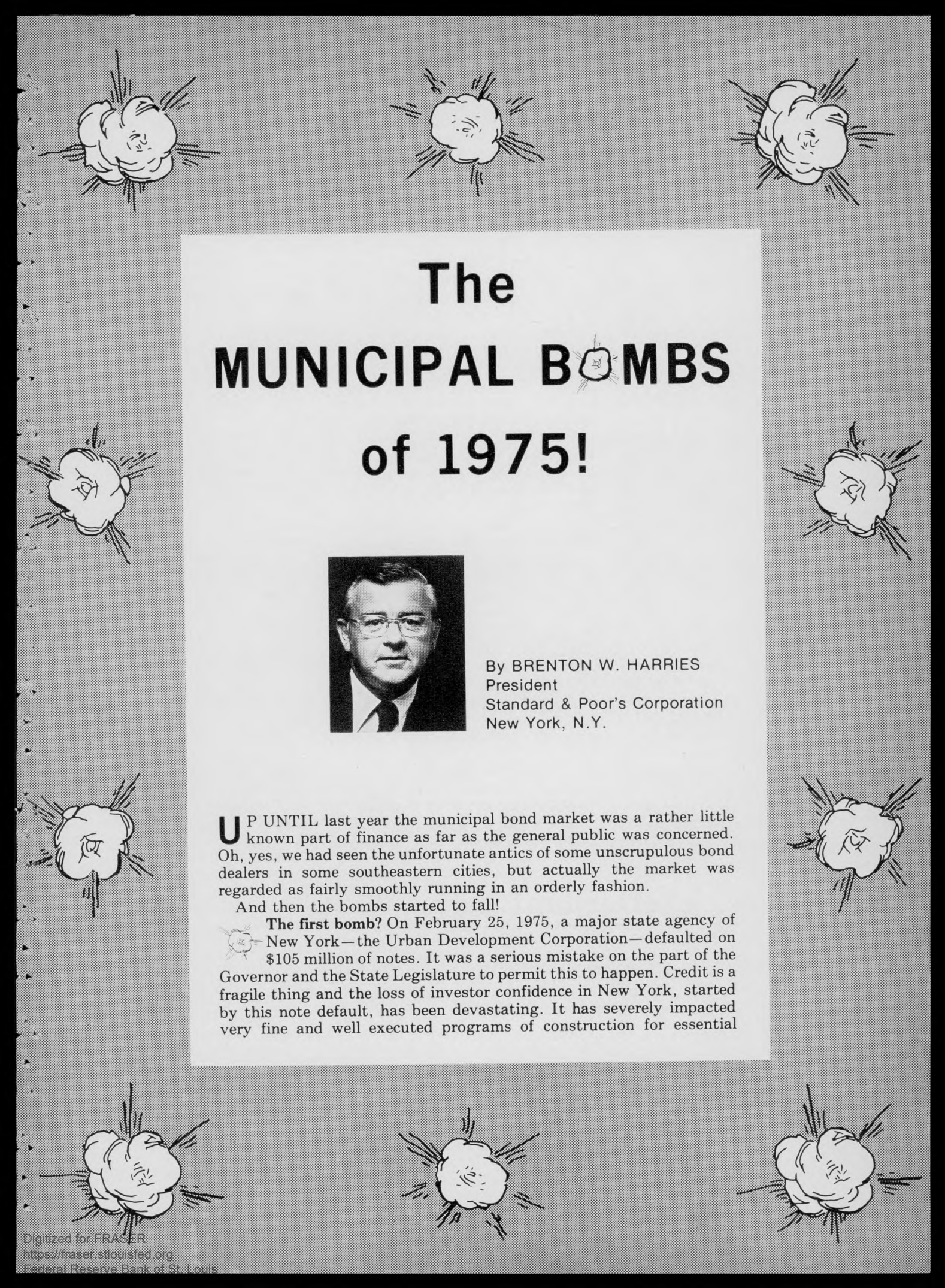


*Jim Howard, Vice President
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The MUNICIPAL BOMBBS of 1975!



By BRENTON W. HARRIES
President
Standard & Poor's Corporation
New York, N.Y.

UP UNTIL last year the municipal bond market was a rather little known part of finance as far as the general public was concerned. Oh, yes, we had seen the unfortunate antics of some unscrupulous bond dealers in some southeastern cities, but actually the market was regarded as fairly smoothly running in an orderly fashion.

And then the bombs started to fall!


The first bomb? On February 25, 1975, a major state agency of New York—the Urban Development Corporation—defaulted on \$105 million of notes. It was a serious mistake on the part of the Governor and the State Legislature to permit this to happen. Credit is a fragile thing and the loss of investor confidence in New York, started by this note default, has been devastating. It has severely impacted very fine and well executed programs of construction for essential

facilities such as housing and schools. The New York State Housing Finance Agency, probably the best run agency of its kind in the country, has seen the market for its notes, which it uses only for construction, not long term financing, disappear. Each month we see a replay of the "perils of Pauline" as our state officials scramble to repay maturing notes.

This agency problem has poured over to affect other states. Massachusetts, particularly, has also been foreclosed from the national bond market, and its Housing Agency faces monthly traumas, even with the assumption by the State of ultimate repayment of the notes.

What is it like when you can't borrow? . . . nobody will lend you money? . . . and you have maturing short term loans coming due that can only be met by borrowing?

Inability to repay short term debt has been the cause of nearly every major credit collapse in recent times: Penn Central and W. T. Grant initially defaulted on short term debt because their borrowing capability disappeared.



The second bomb? New York City's inability to borrow, lack of *cash flow*. Our credit ratings attempt to measure ability to repay debt. An integral part of this analysis is a judgment as to the ability to borrow. In the case of the City and New York State agencies, they lost the ability to borrow to meet maturing short-term debt. This makes

the problem of default on short-term notes an immediate and constantly recurring need. Normally, borrowing is for capital improvement, and I emphasize that in the case of the City the borrowing was for debt repayment, and inability to borrow triggers immediate default.

It was on April 2 of last year that we suspended our rating on New York City's bonds. This came about after a routine check on the City came up with startling answers to the following two questions which were put to the Controller's office.

1. What is your cash shortfall for the next days? Answer: about \$2 billion.

2. If you husbanded all your resources, did not pay any of your bills and applied all your revenues first to the payment of debt service, and you couldn't borrow from the banks, would you have enough money to meet debt service? Answer: no.

We had been watching closely the disintegration of the underwriting account which historically had bid for New York City's bond and notes. We saw drop outs. No big west coast banks. No Chicago banks. No major New England banks. The New York banks were being left to go it alone with whatever dealers could continue to sell Cities. We watched the animosity, distrust, and suspicion building between the banks and the City, and the numbers — the numbers were just too big.

We became convinced that the banks might take a walk. They had proved they could do it in the matter

of the Urban Development Corporation. We decided that the situation had reached a point where default on a note issue or a failure to make a bond interest payment could be more real than imagined, because of inadequate *cash flow*. We, therefore, suspended the bond rating.



The third bomb of 1975?

Regulation of municipal bond marketing. Long before the cash flow problems of New York City surfaced, regulation of municipal bond marketing was in the works. Municipals had been specifically exempted from the 1933 and '34 Acts, and for almost 40 years there really was no need for SEC regulation. But then some bad boys came on the scene with boiler room, fraudulent selling practices, and fouled up a fine business. After it was apparent that regulation was imminent, there were further delays in framing how dealers would be regulated because banks are involved in underwriting and distributing municipal bonds, and other government bank regulators had to have their say.

The event occurred in June when President Ford signed the regulation bill into law, and we now have a self regulatory body writing rules of business which will be enforced by the Securities and Exchange Commission. I don't mean to imply that regulation by itself is bad; what is bad is the timing of its arrival on the scene just as we have the greatest loss of investor confidence in municipals in the past 40 years. The dealers don't know how the rules will affect them and they are uneasy. What effect could it have on local issuers? Well, I'll discuss disclosure requirements in a moment, but let me quickly comment that successful marketing of municipal bonds, whether they be Norfolk, Virginia, Minneapolis or Denver depends upon a vibrant, well financed, group of professional bond underwriters willing to risk their capital by bidding for issues with the hope that the bonds can be distributed profitably to the investing public who, in turn, will be pleased with their purchase and the issuer will meet the repayment requirements on time. If regulation unknown yet becomes heavily onerous, if profitability disappears, dealers will find other uses for their capital than bidding for municipal bonds and the amount of underwriting capital available will shrink. Issuers will not get bids and socially needed facilities won't get built.

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Northwestern Banker, March 1976



My fourth bomb of 1975?

The Federal Bankruptcy Bill. The Bankruptcy Act of 1893 currently has 15 chapters in it. To "help" New York, President Ford introduced a bill to provide Chapter 16 — a proceeding to permit a municipality to seek the shelter of bankruptcy. There has never been a way for municipalities to obtain the shelter from creditors that Federal bankruptcy provides. The bill is currently in conference, different versions having been passed by the Senate and House.

We have outstanding in the United States today some \$220 billion of municipal debt. About \$140 billion of this is tax supported — so-called general obligation debt wherein the full faith and credit of the issuer is pledged. How is this full faith and credit pledged? Historically, and in most states, the fundamental security for this

debt is either a constitutional or statutory requirement that the debt is secured by ad valorem taxing power.

Ad valorem — to the value of. This means that the municipality is required, in order to pay off its general obligation bondholders, to levy and raise taxes on the taxable property in its city or county to the value of the land and the buildings. This has been and is the fundamental security of most tax supported municipal bonds.

This requirement of ad valorem taxation will be abridged by this bill because the municipality will have a refuge it can seek called bankruptcy court, and bondholders can be shut off from this direct requirement of the issuer. A fence can be erected, protecting the municipality from the bondholders, a fence called bankruptcy.

Every bondholder of a general obligation bond will have something taken

away from him. He will suffer a diminution of his basic security pledge.

This bill also provides for a new class of securities *senior* to the general obligation bonds in order to provide cash for maintenance of essential services. Again, the bondholders' security pledge will be short-circuited.

There are other ways to see that essential services are provided in the event of default on debt repayment. Our fathers and mothers came through 7,000 municipal defaults in the 30's without a bankruptcy court. Permitting the issuer to hide behind the protection of a bankruptcy court is *not* the answer. This bill will alter drastically the very structure of municipal debt.



The fifth bomb of 1975? The legislation passed in New

York State providing for a delay of repayment of principal and smaller interest payments on \$1.6 billion New York City notes — the so-called moratorium legislation.

Without question this has to be the worst legislation passed by any state in this century. A clearer case for abrogation of contract could not be made.

Bad enough for the New York City noteholders; how about the effect of this legislation, if held to the constitutional, on other debt issuers? In New York State, catastrophic. The amount of interest payments that taxpayers in New York will have to pay in future years, in order to compensate buyers for the risk that the issues they buy might also experience a moratorium if things go sour, boggles the mind.

And how about you people, in cities and states away from New York? New York case law has historically been powerful precedent for other jurisdictions. Investors can ask, if New York can get away with it, why not Colorado, Minnesota?

Court actions challenging the law have been instituted in both the state and federal courts. The state court, in an unbelievable decision, found the act constitutional. In my humble opinion the act is blatantly unconstitutional and will be so found to be. Oh yes, the noteholders were offered a substitute — a MAC 8% bond due in 11 years which we found unratable. And some 28% of the noteholders exchanged *irrevocably and forever* their City notes for the MAC bonds; 72% of the notes — 1.1 billion are, or shortly will be, in default.

So what has been accomplished by this moratorium act? It has accom-

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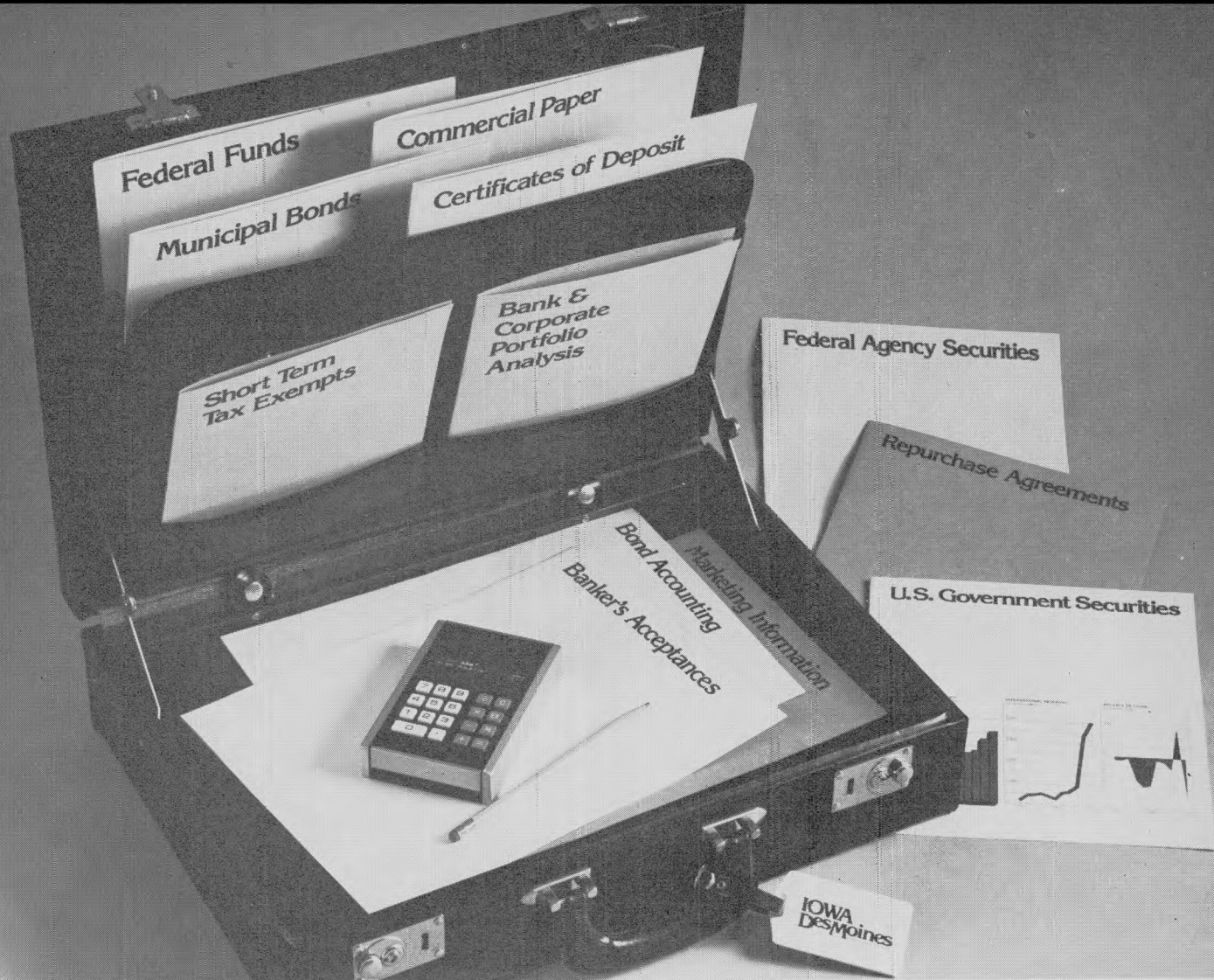
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plished two things. One, it has bought time — time for the City and State to get their affairs in order, budgets balanced, priorities realigned. Court appeals alone can easily run a year past the due dates of the notes. And two, the passage of the act was, in my mind, a political expedient. It said to President Ford, Treasurer Secretary Simon, the Congress and the nation — look to what we will do to prevent a complete breakdown, look how far we will go! And the President then spoke unto the Gothamites — indeed ye have repented and cleansed your souls. Ye have sinned as wastrels and ye have confessed your sins. Now go forth with \$2.3 billion in Federal loans.

But what of the \$1.1 billion note-holders who are out there hanging in the wind? There is no provision in the three-year moratorium plan for their notes to be repaid. The MAC exchange was supposed to handle that. I submit to you that the scenario will unfold as follows:

The Court of Appeals in New York — the highest court — will properly find the act to be unconstitutional, but will give the State say one to three

years by a stay of the order. This will give the time needed to find the \$1.1 billion and who knows what kind of a change of heart there may be in Washington by then? There may even be a few changed hearts.

The end result is that you and I will be rid of this disgraceful legislation, New York will hopefully be well on its way to fiscal recovery, and the noteholder will be able to see some light at the end of the tunnel.



Number six bomb — near and dear to the hearts of all of you — the new problems of municipal disclosure. Part of the problem is that the recent changes to the securities laws specifically excuse municipal bond issuers from having to disclose anything, while at the same time the underwriters are required to provide full information to prospective buyers.

The questions raised by New York City's fiscal crisis, coupled with these recent changes in the securities laws, have caused a feeling of "confused caution" among lawyers advising the banks and dealers who bid for municipi-

pal bond issues. This has led to substantial confusion about what is material and who should be responsible for certifying that everything material has been disclosed and is accurate. And this confusion is resulting in fewer bidders for new bond issues and higher interest costs for states and municipalities.

Last week the state of New Jersey sold \$50 million general obligation bonds. Two major New York banks and one major New York dealer refrained from bidding because of disclosure questions. Counsel to one major New York bank insisted on signed statements from the State Treasurer, Attorney General, and the Governor that all material information was accurate and disclosed. The winning underwriting account bid with a greater profit spread to compensate for the confusion and perhaps because there was less competition. Normally, they could have expected a profit of \$7 to \$8 per \$1,000 bond. Instead they bid with a \$15 profit. The excessive cost to New Jersey, caused by the disclosure problem, therefore, was \$7 per bond, times 50,000 bonds = \$350,000.

I suggest that we not attempt to change the law under which the SEC and the municipal self regulatory body operate. At least the law prevents further Federal encroachment on municipal issuers. Instead, I suggest that the responsibility for municipal disclosure be assumed by each state, wherein a state clearing agency would approve the form of each bond issue and certify as to its accuracy and complete disclosure. This approval would not go to the concept of the bond issue; only its form. There would be no impingement of home rule.

There is ample precedent for what I am suggesting; I am not trying to reinvent the wheel. Many states already have some form of clearing set up. But they should go further.

Perhaps the most advanced state agency I know of is the North Carolina Local Government Commission. Consisting of a staff of 12, this agency assists the local issuers with bond sale procedures, insists on high, uniform accounting standards, and insures that all pertinent information is disclosed.

This is a state wide problem and can be resolved at the state level. Failure to do anything will result in further Federal infringements on local financing. And, as we approach this bicen-

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ennial year, I happen to be one of those people who believe that the fountainhead of power should be where it was 200 years ago — at the state level. In those days you will recall that the states delegated certain powers to the Federal government and permitted certain powers to be exercised by the local governments. I am reminded of that famous quotation of somebody I don't remember — the Federal government's power should be confined to defending the shores and delivering the mail; and they've done a poor job of both.

I suggest that the Municipal Finance Officers Association, the largest nationwide organization of finance officers, carry the ball in assisting the states in adopting disclosure guidelines and in setting up clearing agencies.

Bomb number seven for 1976 — new ways to sell municipals. In business, if

you have trouble selling your product, and there is no way for you to change the buyer, you change the product. The major buyers of municipal bonds historically have been commercial banks, casualty companies, and individuals. But there have been changes in the reasons why these three groups have historically been the main buyers of tax-exempt securities.

The Bank Holding Company Act of 1969 opened up a whole new set of tax shelters for banks through holding company subsidiaries qualifying for such tax breaks as accelerated depreciation and investment tax credits. Municipal bonds are no longer the only way for banks to shelter income. Indeed, bank demand for municipals has been decreasing for the last four years.

Fire and casualty insurance companies are taxed at regular corporate rates and, therefore, buy municipals to shield profits. But their purchase of state and local bonds falls sharply in years of heavy claims when they have little or no profit to shield. These sporadic investors can't be counted on to provide the investment capital which will be needed in the future.

As for individuals, the loss of investor confidence caused by the events in New York has been shattering. Some of the prices on municipals today are ludicrous — totally out of proportion with actual risk. But investor psychology has been badly hurt and will take a long time to mend.

What about the big pools of funds

that municipals don't appeal to because they are not benefited by the tax exempt interest which municipals offer such as foundations, pension funds, mutual savings banks, and other low tax institutions? To appeal to them means paying more interest.

There are bills in Congress again this year providing for what is called the taxable bond option, wherein the issuer may elect to sell tax exempt or taxable. If taxable, the bills provide that the Federal government reimburse the municipality anywhere from a third to 40% of the interest cost, and the

IRS theoretically gets the subsidy back in taxes on the total interest.

I submit that maybe this is an idea whose time has come. The market for municipals must be broadened to make up for the loss of investor confidence and the changing benefits of tax exemption. In addition, I have long believed that an issuer should have all avenues of choice open to him to select that which will result in the lowest possible cost of money to his tax payers.

Midwest Appraisal

A few words about what we see in this neck of the woods (Minnesota).

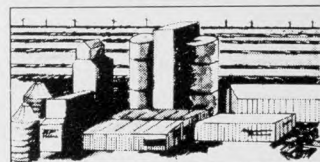
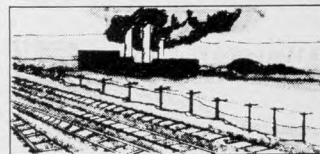
When it comes to industrial development bond issues, we wrote the book.

Back in the sixties, when Iowa needed an industrial development bond act, we were asked to write it. We've been involved in its updating and amendments since then, too. Because when we get involved in something, we stay involved.

Just as we're involved in Iowa. In the more than fifty years we've been in business, we've been responsible for over 80% of the industrial development issues sold in Iowa. Issues for manufacturing plants, processing plants, health care facilities, pollution control, warehousing, and agri-business. In every size community. All over Iowa. We've also been responsible for over 80% of the total dollar volume of Iowa bond issues — over \$300 million since 1963.

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New DKQ Municipal Index Will Measure Regional Rates

A UNIQUE index of municipal bond performance has been developed by Dain, Kalman & Quail, Inc., regional investment banking firm headquartered in Minneapolis, to help investors and municipal officials evaluate performance of representative issues from communities in Minnesota, Iowa, Nebraska, North and South Dakota, Montana, Wyoming and Wisconsin.

Called the DKQ Regional Municipal Index, it will be prepared each week on Thursday and made available to business news media for public information. Summaries and graph comparisons will be prepared quarterly or oftener.

The new index will provide statistical averages for 20 selected tax-free municipal bonds with 10-year maturities. The following municipalities are included:

AAA rated bonds: Minneapolis, Minn.; Madison, Wis.; Omaha, Nebr.

AA rated bonds: Rochester, Minn.; Eau Claire, Wis.; Cedar Falls, Ia.; Fargo, N.D.; Sioux Falls, S.D.; Casper, Wyo.; Des Moines, Ia.

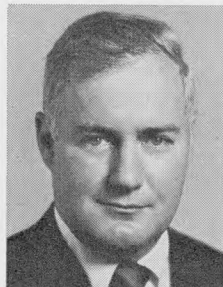
A-1 or A bonds: St. Cloud, Minn.; Duluth, Minn.; Menominee, Wis.; Spencer, Ia.; Jamestown, N.D.; Huron, S.D.; Billings, Mont.

BAA-1 or BAA: International Falls, Minn.; Windom, Minn.; Oakes, N.D.

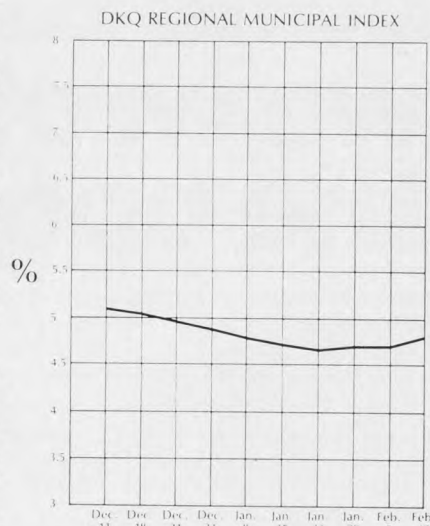
Robert R. Martin, DKQ executive vice president, said the new index would provide a useful information source for investors and others interested in bond trends. "We believe this bond index, which will indicate the movement of municipal bond interest rates throughout our region, will be of interest regionally and nationally because of the current focus on municipal bonds as investment and financing vehicles."

Mr. Martin said the DKQ Regional Municipal Index is calculated using the 10-year maturity because this gives the most consistent indication of market trends, with minimum distortion. The Index also is based on the offered side of the market to provide the most meaningful information for investors. "In constructing this new index," he said, "municipalities were selected whose bonds are well-known to traders in the Upper Midwest and which mirror interest rate movements generally. Our principal objective is to give the investor an easily-understood, dependable indication of whether municipal bond interest rates are rising or falling in our region."

Dain, Kalman & Quail has four municipal bond underwriting departments which will provide index information. The Minneapolis-based investment banking firm has 21 offices located in the eight states covered by the Regional Municipal Index. — **End**



R. R. MARTIN



As credit raters the absence of short term debt is particularly reassuring. We know of no city or state that built up the volume of short term debt that occurred in New York.

I asked our analysts for some one liners that would best describe why our ratings in this area are predominately on the high side. Fiscal conservatism was one; increases in retail sales, property evaluations, good tax collections, balanced budgets, prudent use of debt, stable debt ratios, all indicate that growth is keeping up with debt, reflecting a stable economy.

Of much interest to us is your innovative Fiscal Disparities Act. I'm sure I don't have to tell you how you are being watched nationally on this one. Of particular interest to us is to examine if one of the contributions this act might make is to indirectly help prevent center city decay, the prime problem of our older northeastern cities.

Of the 20 largest cities in the United States rated by our organization, only three carry the triple A rating. Milwaukee, Minneapolis, and Denver.

I hope my comments on some of the rapid fire changes that have taken place in the municipal bond market in 1975 and some of my views on 1976 have not distressed you too much. Perhaps a word to the basics of debt incurrence analysis resulting in a rating would be helpful in conclusion.

The desire to repay a debt can be a hundred times more important than any analysis of debt capacity. We still see that desire, that willingness in plenty of places in America today; places where the incurrence of debt includes the solemn promise to repay. No welshing, no backing off, no repeal of a statutory covenant, no new law that says a bondholder can't sue for 90 days after a default, no new law that says debt service really isn't a first lien on revenues, no moratorium defaults, no running to bankruptcy shelters.

We still have plenty of people in this country who recognize that credit is a fragile thing. In examining analysis of repayment capability in these changing times, we try to continue to recognize that trait, that respect for what full faith and credit really mean, that innate quality that cries out, "This debt will be repaid, not because of the legal requirements, not because of some political hacks trying to run for higher office, not because the Federal government has to help, but because you lent it to me on a promise and that promise will be kept." — **End**



Area Bankers Give Their Views on EFT

A NORTHWESTERN BANKER Survey

▶ "OFF PREMISE automatic teller machines (unmanned), if restricted to use by one bank, should be considered as branches. However, (they) could also be a means to introduce competition into localized areas dominated by a small bank."—Montana banker

Editor's Note: In the last issue of the NORTHWESTERN BANKER the results of a special survey conducted among upper midwest and mountain states bankers on their views of the Electronic Funds Transfer subject were published. That report gave the statistical answers to the questions asked. In addition, bankers from several of the states took time to express their personal views about EFTS but space precluded use of their comments with that statistical report. Selected comments, representative of those submitted, are presented here to give added banker feelings about this current, important development in banking technology. Respondents to the survey were not required to sign their name, but were asked to list the total of their bank's deposits and give the name of their state. (Readers who may wish to express their opinions on this topic are invited to send their comments to the editor.) The selected replies from last month's survey follow:

▶ **Nebraska, deposits \$4.2 million:** When you consider the banking industry as whole, it should be allowed to do the same thing savings and loans are doing, even though it means the small banks may be better off joining the large banks that have the resources to compete with the savings and loans.

▶ **Nebraska, deposits \$1.5 million:** It would appear that EFTS is another means of getting "Branch-Banking"

throughout the United States. If this is the objective, then we are totally against EFTS. Branch banking is the means to forcing the smaller banks out of existence. And we oppose that which is against small business.

I can see using automation within the larger banks for the sake of speeding up the work within that bank. But I do not see how computer banking is going to help the industry. The people in every community — from the very smallest to the largest — want the personal service that people can give. A machine cannot do what a person can do in that respect. In some instances perhaps a machine can give the customer the service of depositing or withdrawal of money, but in the overall banking service we believe in people service.

▶ **North Dakota, deposits \$6 million:** I have mixed emotions about Electronic Fund Transfer Systems. I can see where they could well fit in metropolitan areas with population of 200,000 or over where most of the people have more remote connections with a financial institutions' personnel as a whole and business is more on a number basis.

I have studied this situation and my opinion is that the people and financial institutions have too much to lose by breaking the personal contact they now have in the smaller populated areas.

The larger institutions, if able to go

way out of their normal trade area, will also deplete the least populated areas of capital for use in their own area.

We have a very good example of the savings and loan branches in North Dakota which have their main office in Fargo, N.D., with branches in Devils Lake, Dickinson and other cities in North Dakota, with a small part of their deposits being invested where their branch deposits are.

▶ **Montana, deposits \$18 million:** The way in which EFTS is implemented in our country will have a great bearing on whether our bank is for the use of this technology. If EFT terminals are operated as a communication system, with a routing system common to all banks so that a customer of any bank can go into any store in the country and debit a personal account for a purchase, then we are for EFTS. By this we mean a customer of our bank in our town can go to a store in New York City that deposits with First National City Bank and put a plastic card into a POS terminal, make a purchase, debit his bank account in this bank, and all through an automatic clearing house to pay for the merchandise and credit the store's account in First National City Bank. In addition, a customer of First National City Bank should be able to debit his account to pay for merchandise from a merchant depositing with us in our city.

If EFT terminals cannot be shared

and each big bank is allowed to install terminals nationwide that will only accept a certain type of card for only one bank, then we are against EFTS because it would lead to a few, very large, nationwide banks. This type of EFTS would necessitate high concentrations in banking, lead to monopolistic trends, and do away with small banks and the nation's dual banking system. In this case the consumer would be the real loser.

A unit bank with top management and directors living in the market served has much better knowledge of the community's needs and more interest in a community than a huge centralized bank with top management located in a city far from the market served by its branches. In our opinion, the small banks offer their small markets more individual attention and must be allowed the means to compete with banks of all size.

Off premise automatic teller machines, if they are restricted to use by one bank and cannot be shared, should be considered as branches and should follow branch banking laws in a particular state. There is a place for these machines in providing services at extended hours and at places convenient to customers, but applications to bank supervising authorities should be necessary with regard given to the competitive factors to prevent large institutions from dominating the markets completely.

However, automatic teller machines could also be a means to introduce competition into localized areas dominated by a small bank. That could be healthy, too. In any case, off premise automatic teller machines that are not open to all banks in a market should be under the authority of a banking supervisor. Automatic teller machines are different than POS terminals that could be used by all consumers which could be placed in any store without permission of any banking authority.

If EFTS is to properly serve the public then some provision must be built into the laws to protect peoples' privacy. If possible, these records should not be available to anyone without a search warrant being served on a consumer, with the right to appeal before anyone, including the government, has access to the records. EFTS records could give a detailed biography of a person through the person's financial records including purchases, charitable contributions, church con-



"THE MERCHANT is going to gain more than anyone as he sees his check losses decline and obtains immediate collected funds on deposit."—Colorado banker

tributions, and association with his doctor, dentist, lawyer, etc. These records need legal protection for privacy to prevent "Big Brother" from becoming a reality. All of us will lose if our right to privacy is lost.

In summary, EFTS holds promise of being more economical than moving checks; it could cure the abuse and expense of NSF checks and it could make it easier for a consumer to conduct business any place, which is important in our mobile society. These are positive benefits; however, the dual banking system and small banks must be able to compete after EFTS is in being. Laws and regulations can and must be developed so all can compete on an equal basis when EFTS is implemented. The subject of EFTS is complex and requires careful analysis before steps are taken to implement this system. POS terminals and automatic teller machines are not the same and should be considered on separate terms. Last, but perhaps most important, the question on personal privacy should be settled before EFTS is implemented. Information is power.

Colorado, deposits \$105 million: Sharing of terminals, both CBCTs and ATMs, seems to make the most sense, both economically and for customer convenience. The "keynote" of EFTS *must* be "customer convenience" in order for it to become accepted as a viable way to replace checks. If constraints are applied due to legislative action which would restrict where a customer can *access his deposits*, then

he would have little reason to use this new method of banking and do away with the "float" he presently is able to take advantage of!

The burden of responsibility for installing POS terminals cannot be placed solely with banks. The merchant is going to gain more than anyone as he sees his check losses decline and obtains immediate collected funds on deposit. Therefore, usage inter or intra-state then becomes a customer convenience question rather than a branch banking question.

Illinois, deposits \$6.6 million: Since research has begun on the issue of EFTS, one group has been conspicuously disregarded. That group is the consumers who are expected to accept and use an EFTS system.

To design a product with no market research as to consumer wants and needs would be inconceivable for a manufacturer of consumer products. The banking industry, however, seems quite content to stumble on with such a plan, committing millions of dollars without really knowing what the returns will be.

I, for one, do not stand convinced that EFTS will save anyone any money, nor am I convinced that EFTS will prove to be a viable, long-term solution to the present, near-saturation of our check clearing capabilities.

What I feel is that a much more workable solution to the check volume problem can be seen if one looks at the dollar amounts on checks written. Free checking accounts have been disastrous to the check clearing system. Consumers can be persuaded to use cash for smaller transactions, either through education or through service charges. Ultimately, the consumer will bear a substantial part of the cost of an EFTS system, anyway.

Iowa, deposit size not given: Our responses to the (EFTS) questionnaire are based on the following assumptions:

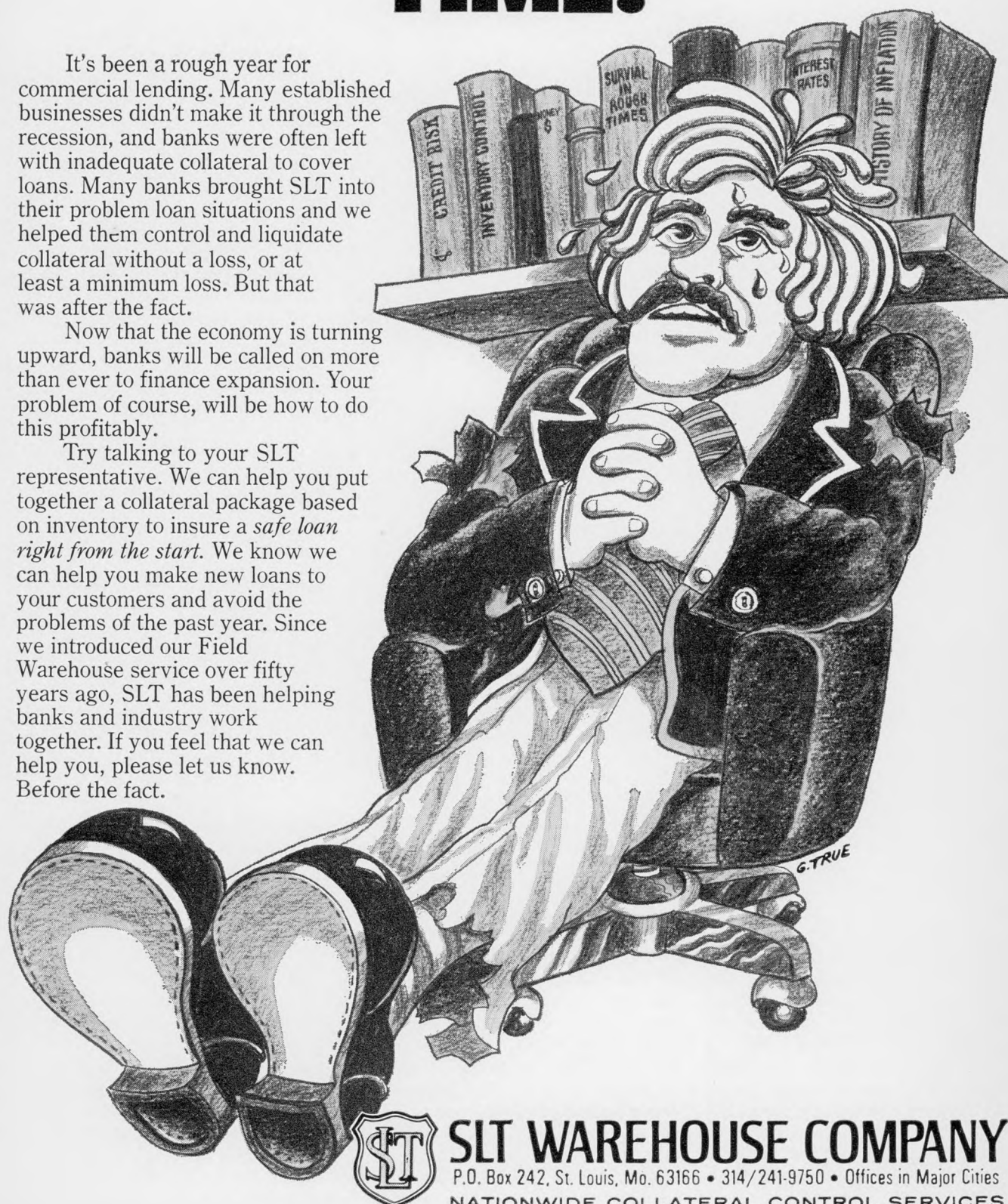
1. That in the state of Iowa after July 1, 1976, any bank establishing an Electronic Funds Transfer terminal of any nature off premises will be required to share it with other banks on an equitable basis.
2. That any bank in the state which wishes to do so will have the capability to issue cards which will activate terminals and to establish terminals in the market place, if it chooses, through either in-house capability, service provided by cor-

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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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Northwestern Banker, March 1976

"The real advantage to all bank customers will exist when a card issued by our bank can be utilized in another city at a department store or wherever that bank customer may happen to be."

—Iowa banker



respondent banks, or service provided by service bureaus.

3. By definition, terminals that are established off premises under existing Iowa law may not be manned by a bank staff member.

If these assumptions are valid and state law is not significantly modified, the concept of limiting the establishment of terminals by type, location or services provided is superfluous and unnecessarily restrictive. The cost of terminals, and systems to support the terminal, will dictate that banks place terminals only in locations where they can be economically justified. It is unrealistic to think that a piece of machinery removed from or in marginal areas of a bank's normal consumer market will attract significant numbers of new business to justify cost of the terminal. Long-term cost justification must come through a generation of large enough volumes of electronic transactions to drive down in-house processing costs.

Iowa, deposits \$16 million: My answers to these questions are based on the assumption that the courtesy counter terminals, check-out counter terminals and remote ATMs are operational to be utilized on a shared basis and that any machine which is established would have the capability of interfacing with any other system being offered by competing banks and/or competing systems operated by non-bank entities.

I am opposed to the location of any of these terminals outside the physical location of the established bank or bank offices without considering them a branch within the meaning of the branch laws of the state if they will not accept transactions from other bank customers. The real advantage to all bank customers will exist when a card issued by our bank can be utilized in another city at a department store or wherever that bank customer may happen to be.

Iowa, deposits \$20.3 million: We are currently operating a courtesy counter terminal in Newton. This is on a shared basis with a correspondent and several other banks. This is all that is allowed under the present Iowa legislation.

We consider this the first step toward a national network of shared terminals. We do not feel, as many bankers do, that the terminals will give the large banks an unfair advantage. Rather, we feel the terminals, on a state-wide or national shared network, would give us an opportunity to retain accounts that might otherwise move to the larger banks of Des Moines. We are also of the opinion that POS (not now authorized in Iowa) will give us a means of meeting the competition from the thrifts with their liberal branching capabilities. The key to this position is the requirement of shared terminals.

Iowa, deposits \$15 million: I have at hand the survey in regards to EFTS. My answer to the questions would be negative in almost all cases.

First, let me say that I feel that the EFTS is a breach of banking; it is placing stores in the position of becoming banks. It will not stop with the transfer of funds. Never has such a plan been made that did not have as its goal a total takeover.

During the past several decades we have seen an erosion of banking services to other institutions — various different loaning agencies, issuing of bank drafts or money orders, separate safe deposit bank companies, insurance agencies, tax work. All these and more have gone or are rapidly being changed. In return, we have acquired hardly any new method of expanding. If they are, it is like IRA accounts and direct deposit of social security checks, which in most cases is more a service than a money making proposition. I am not adverse to the services but I also think we need to consider banking

finding new sources of income rather than decreasing such sources.

Further inroads are rapidly being planned — **NOW** accounts and checking privileges to building and loans. We could stop building and loans moving into checking-banking by refusing to let them use our clearing channels; make them set up their own. There is no reason why a system developed by the bankers of America after so many years could be used cost free by some Johnny-come-lately.

Now back to EFTS. This is almost a death knell for small banks as we see them today. To compete against the larger banks in transfers would be too costly. The only other answer is to cuddle up with some large bank. This so-called modern concept calls this one-stop, shopping-banking. The super market has moved into almost every line including pharmacies to hardware — now it is banking.

Surely American bankers have proven that they are responsible for growth in America. I feel the change that this will bring about is wrong both from a banking point and from a business point.

Summing up, it is my feeling that this is another move to change the banking structure in favor of the large units that can spend huge sums to install these units.

Director of Chicago ACH

Daniel J. Sullivan has been named director of payment systems for the Midwest Automated Clearing House Association, Inc., Chicago. He will be responsible for the day to day operations and implementation of ACH procedures, and will play a technical role in the development of new ACH services.

Approve Wisconsin S&Ls For Public Funds

Gov. Patrick J. Lucey has signed a bill which would enable savings and loan associations to compete for millions of dollars of public funds long deposited by Wisconsin governments with commercial banks.

The bill, passed by the legislature late last month, extends the state guarantee fund to public deposits in s&ls, beyond \$100,000. The first \$100,000 is protected by the Federal Savings and Loan Insurance Corp.

Milwaukee city officials were among the leading proponents of the bill, which was generally opposed by bankers.

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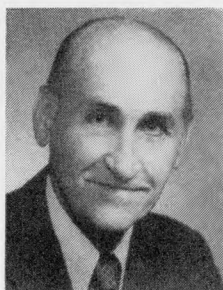
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EFT Update by ABA President



REX DUWE
ABA President,
President and Chairman
The Farmers State Bank
Lucas, Kan.

SPEAKING before the Bank Management Conference of the Missouri Bankers Association recently, J. Rex Duwe, president, American Bankers Association, reported on current electronic funds transfer events that will shape the EFT environment for tomorrow. Here are his remarks:

"Any EFT round-up gravitates toward the interpretive ruling on customer-bank communication terminals (CBCTs) issued by the Comptroller of the Currency, James Smith, in late 1974. The Comptroller said that CBCTs do not constitute bank branches. This controversial statement proved a boon to the legal profession by generating many lawsuits.

"Last October, the Comptroller suspended his ruling after several courts had held that his CBCT interpretation violated at least in part the McFadden Act. But this did not mean an end to CBCTs. It did mean that a decision to use these terminals had to be made by individual banks acting on the basis of internal business decisions and on the advice of their own counsels.

"Some banks have chosen to use CBCTs and have been taken to court. Most of the court decisions have stated that, in one way or another, CBCTs are branches. But, in a first-of-its-kind decision on

January 2 of this year, a U.S. District Court in Oklahoma ruled in support of the Comptroller's contention that CBCTs are not bank branches. The decision is being appealed by the office of the Oklahoma attorney general. As a sidelight, this is the only CBCT case so far in which witnesses have testified. Other decisions have been rendered solely on the basis of legal briefs.

Supreme Court

"What will be the final chapter in the CBCT story? It seems fairly certain that the whole CBCT question will eventually wind up in the Supreme Court. At any rate, that's the prediction of the Comptroller's office and the consensus among many other knowledgeable people.

"But there's a larger question that should be asked: Should the nation's decision about CBCTs rest entirely on legal arguments concerning whether these devices are bank branches?

"What is ABA's position on CBCTs? We believe that CBCTs are a new device for delivering traditional bank services—not in changing those services—and that they should be allowed. Bank branching laws, by definition, only affect banks. If we alone are blocked from installing electronic

terminals, our competitors would gain an unfair advantage. CBCT rulings don't affect thrifts and they certainly don't affect Penney's, Sears, and Montgomery Wards. But these retailers are our financial competitors too. Right now, they are offering a tremendous amount of credit to our mutual customers. These retail outlets are installing computerized "cash registers" that could easily be used to accept the equivalent of deposit.

S & L Competition

"While remembering that our competition isn't limited to thrifts, let's look at some of the recent EFT developments involving them.

"First, the Federal Home Loan Bank Board has said it will continue to authorize "experimental" remote service units for federal thrifts until July 31, 1976. This is an extension of the previous deadline. From the consumer's point of view, a CBCT and RSU are identical. From our point of view as bankers, federal S&Ls are being granted specific authority to operate these units while national banks have been stymied by legal actions and are not able to get the same explicit go-ahead. This is

EFT UPDATE . . .

(Turn to page 46, please)



Consolidated Statement of Condition

ASSETS	December 31, 1975
Cash and Due from Banks.....	\$ 709,106,539
Time Deposits in Other Banks.....	309,375,900
Federal Funds Sold and Securities Purchased under Agreement to Resell.....	332,528,125
Investment Securities:	
U.S. Treasury Securities.....	257,862,557
State and Municipal Securities.....	357,741,278
Other Securities.....	5,749,562
Trading Account Securities.....	157,907,435
Loans, net of Unearned Discount.....	1,807,237,945
Less: Reserve for Possible Loan Losses.....	(25,539,364)
Direct Lease Financing.....	57,956,353
Customers Acceptance Liability.....	29,778,876
Bank Premises and Equipment.....	87,503,045
Other Assets.....	66,037,747
Total Assets.....	<u>\$4,153,245,998</u>
LIABILITIES	
Demand Deposits.....	\$1,232,784,607
Savings Deposits and Certificates.....	654,660,023
Other Time Deposits.....	862,437,384
Deposits in Foreign Offices.....	438,698,644
Total Deposits.....	<u>\$3,188,580,658</u>
Federal Funds Purchased and Other Short Term Borrowings.....	562,841,325
Acceptances Outstanding.....	29,814,155
Accrued Interest, Taxes and Other Expenses.....	57,287,171
Mortgage Payable.....	3,689,738
Other Liabilities.....	42,904,124
Total Liabilities.....	<u>\$3,885,117,171</u>
EQUITY CAPITAL	
Capital Stock (\$16 Par Value) Authorized and Outstanding 3,137,815 shares.....	\$ 50,205,040
Surplus.....	83,921,460
Surplus Arising from Assumption of Convertible Capital Notes by Parent Company.....	24,058,400
Undivided Profits.....	109,943,927
Equity Capital.....	<u>\$ 268,128,827</u>
Total Liabilities and Equity Capital.....	<u>\$4,153,245,998</u>

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“ . . . our competitors aren't just others banks.”

unfair. It means federal S&Ls have an unfair advantage.

“A second important question involving thrifts, banks and EFT centers on direct access to automated clearing houses.

“In June, the Federal Reserve proposed that Fed member banks and other financial institutions ‘authorized to maintain demand deposit accounts’ have the right to direct origination of ACH entries at all Fed operated ACH facilities. At the same time, the Fed suggested direct delivery to any institution that had a “sufficient” volume of transactions and that was on an existing Fed courier route. In November, the Justice Department recommended that the Fed revamp its proposal. Justice suggested that the Fed establish fees for all ACH services and offer participation on a non-discriminatory basis to all financial institutions. ABA expressed concern that the Justice Department had misunderstood both the statutory powers of financial institutions and the way ACH access actually would work under the Fed proposal.

“ABA has consistently maintained that origination of entries through the automated clearing house system should be limited to institutions having demand deposit powers.

“In January of this year, the Federal Reserve Board announced an interim policy for the deposit and delivery of payments on magnetic tape cleared through its facilities. The change permits ACH organizations to allow thrifts to direct access to Fed-operated ACHs if, and this is important, the thrifts are members of an ACH. Essentially the burden of decision as to who gets direct access to ACHs rests, then, with bank-dominated ACH associations, and several of these associations have voted thrifts membership and therefore direct access. ACHs in New York, New England, Michigan, Philadelphia and Pittsburgh already have agreed to admit thrift

institutions to full and equal membership.

“The thrifts also seem to be making head-way in another area. In Chicago, commercial banks are competing with one another in selling point-of-sale services to savings and loans. Continental Illinois National Bank has announced an agreement to establish an EFT computer link-up with the Federal Home Loan Bank of Chicago. The tie-in, scheduled for operation this summer, will allow S&Ls who use FHLB data processing services to participate in the 200 terminal point-of-sale system Continental plans to operate in two major Chicago retail chains.

Shared Terminals

“Meanwhile, Continental’s major bank competitor, the First National Bank of Chicago, recently signed the city’s three largest S&Ls for participation in its new EFT package, known as the “YES” System. Again, remote terminals will be shared.

“Ironically, Illinois savings and loan associations sharing in point-of-sale networks now have a competitive advantage over banks. S&L customers can make both deposits and withdrawals at remote terminals, while bank customers are permitted to make only withdrawals. This court ruling is being appealed by Continental and FNB of Chicago.

“One final note about thrifts and electronic fund transfers. This year, the Federal Home Loan Bank took preliminary steps toward an FHLB operated POS-related switching system. The FHLBS invited computer hardware and software vendors to submit proposals for the design and development of such switching systems.

“In early September, the Federal Home Loan Bank of San Francisco announced it would operate a pilot EFT switch that would permit members to share remote service units in retail establishments. The

San Francisco program was described as the potential forerunner of a nationwide switch and settlement center for thrift institutions. But the Justice Department took exception to the proposal, saying ‘there is no demonstrable need for the Home Loan Banks to enter the EFTS field’ and that government operation could lead to a ‘regulated public utility approach.’

“The San Francisco project has been postponed, at least for the time being. Nonetheless, we must recognize that the FHLB has acted as an advocate for the S&L industry and sometimes that has meant advocating EFT-related powers.

“Turning from thrifts, let me briefly mention a few other EFT developments you and I should be aware of.

“Both major bank card companies are interested in debit cards. About six months ago, National Bank Americard, Inc., announced plans for a nationwide debit card plan. And Interbank Card Association—the Master Charge Company—is proposing its own debit card program to its members. We should keep up-to-date on these programs.

“Moreover, individual banks and groups of banks are preparing to offer similar services. As you know, Financial Communications Services Corporation, operating in Missouri and surrounding states, now has 37 banks participating in its proposed debit card program. And this number is growing every day.

Conclusion

“Electronic transfers are here to stay. But you and I and all other bankers will have to determine which EFT services make sense for our banks. We’ll also have to be very aware of the advances being made by our competitors. And we’ll have to recognize that our competitors aren’t just other banks. Our competition can come from many directions.”

Roger Guffey Succeeds George Clay as 10th Fed President

George H. Clay retired February 29 as president of the Federal Reserve Bank of Kansas City and has been succeeded in that post by Roger Guffey, 46, who has been senior vice president, general counsel and secretary.

Mr. Clay joined the bank in 1958 as vice president and general counsel, and became its fifth president in 1961. A native Kansas Citian, he moved to the Kansas City Fed from Trans World Airlines where he had been vice president-administrative services and a member of the TWA board.

Mr. Guffey joined the bank in 1968 as general counsel and secretary. He was named general counsel and secretary in 1971 and senior vice president in 1973. He has been the senior officer responsible for the bank's administrative services division and has been a member of the management committee.



G. H. CLAY

R. GUFFEY

FDIC Will Continue 3-State Joint Exams

Chairman Frank Wille has announced that the Federal Deposit Insurance Corporation will continue on a modified basis the examination experiment begun in Georgia, Iowa and Washington in January, 1974.

During 1976, however, the experimental program will be changed and the FDIC will examine the 60% of the insured nonmember banks in Georgia which it had not examined during the past two years, the 50% in Iowa it had not examined, and the 80% in Washington it had not examined. These banks, numbering about 525, had been examined solely by the respective state banking departments in 1974 and 1975.

During the course of its examinations during 1976, the FDIC will not only examine these banks to assess their current condition, but will also evaluate the examinations performed

during the previous two years by the respective state departments.

As part of the continuing experiment, the FDIC will not examine in these three states those banks which it has examined during the past two years, leaving their examinations solely to the respective state banking departments. In Georgia this amounts to 40% of the insured nonmember banks, in Iowa 50%, and in Washington 20%.

Consistent with the previous years' arrangements, the FDIC has reserved

the right to examine any bank whether or not it is scheduled for exclusive state examination during 1976 and has also reserved the right to terminate or modify the program at any time. The FDIC will also continue, during 1976, to examine all nonmember insured banks in the three states for compliance with certain Federal laws, including the Truth in Lending Act, the Fair Credit Reporting Act, the Bank Protection Act, the Bank Secrecy Act, and certain disclosure and equal opportunity laws.

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This announcement is not an offer to sell nor a solicitation of an offer to buy these subordinated capital notes. Offering is made only by means of the Offering Circular, copies of which may be obtained from The Security National Bank of Sioux City, Sixth & Pierce Streets, Sioux City, Iowa 51101.

The Security National Bank of Sioux City, Iowa

DECEMBER 1, 1975

BOND AND INVESTMENT SURVEY . . .*(Continued from page 29)*

gy which will provide the necessary liquidity to meet this challenge.

Ned K. Job, president, Iowa State Savings Bank, Knoxville, Ia., deposits \$21.5 million: I feel that bankers who have turned their investment portfolio completely over to an outside party need to continually review and approve all purchases and take a look at the makeup of their portfolio. Even though a banker might feel it is *easier* to turn the investment portfolio over to an outsider, he should keep in mind that many bankers' "best friends" sold them New York City bonds and Penn Central bonds.

Alfred C. Nowaczyk, president, Bank of Bellwood, Ill., deposits \$29 million: A more detailed analysis is required of the financial condition of state and municipal securities.

Lynn D. Grobel, president, First National Bank, Glasgow, Mont., deposits \$28 million: The year 1976

may show banks our size how easy it was to have made pretty good money during 1974 and 1975. It looks like 1976 will be one of the more difficult years.

We don't anticipate much change in our investment portfolio other than hoping to slightly increase the overall yield without decreasing the quality or extending maturities. We are about to our limit on tax-exempt securities and will probably only be replacing those that mature. I feel that there are some good buys in the tax-exempt area. Some of the good quality western municipalities are paying a higher rate because of the problems in the east.

Our investment account is on a computer with a Minneapolis correspondent and we've been pleased with their service. We look to their investment department for advice, as well as counseling with several of the major brokerage houses.

As I mentioned above, I'm looking forward to a good year in 1976; however, I think that when the year is over we will look back and think how much easier things were several years previous.—End

Bank Profitability Study

The nation's medium-sized commercial banks were more profitable than either the larger or the smaller banks during the first half of the 1970s, according to an article by Edward C. Gallick in the January *Monthly Review* of the Federal Reserve Bank of Kansas City.

The relatively weak performance of the net return on assets ratio of the

larger banks in the 1970-74 period was due mainly to the relatively high expenses incurred by these banks. Greater expenses in turn reflected primarily a sharp increase in the cost of nondeposit funds.

Heads ABA Trust Division

James W. North, executive vice president, Chase Manhattan Bank, New York, was elected president of

the trust division of the American Bankers Association last month during the ABA's 57th National Trust Conference at Atlanta's Peachtree Plaza Hotel. Mr. North's term as president of the trust division will run from October, 1976, to October, 1977. During the past year he served as vice president of the division.

Elected to succeed him as vice president was Robert L. Hunt, executive vice president, Security Pacific National Bank, Los Angeles.

SBA Gets New Administrator

President Ford presided at ceremonies in which Mitchell P. Kobelinski, the son of Polish immigrants, became the administrator of the U.S. Small Business Administration. Mr. Kobelinski is the highest ranking person of Polish descent in the federal government. Mr. Kobelinski, 47, a native of Chicago, has been a director of the Export-Import Bank of the United States for the past two and one-half years.

Prior to his federal government service, the new administrator was in banking for 23 years in the Chicago area. He was one of the organizers, officers and directors of the Parkway Bank and Trust Company and the First State Bank of Chicago. He also was a partner in Parkway Development Company, a construction and real estate development firm in Chicago.

Mr. Kobelinski holds a Bachelor of Philosophy degree from Loyola University of Chicago and a Juris Doctor degree from its Law School.

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K. C. Clearing House Opens Fight on Crime

BANKERS in Metropolitan Kansas City have just announced a reward program to fight crimes against banks. The program, called OPERATION BREAKER — Bankers Reward to Expedite Action against Kidnapping, Extortion and Robbery — is sponsored by all 110 banks of the Greater Kansas City Clearing House Association.

"It is our intention that this program will act as a deterrent to bank robberies, along with other bank crimes, and assist in the apprehension of those guilty of such crimes," said John J. Sullivan, president of the Greater Kansas City Clearing House Association and president of Roeland Park State Bank in Roeland Park, Kan. "We are aware of the success of similar programs operating throughout the country and we are optimistic that our program will enjoy similar success."

Initial preparation of the system began in early 1975 when the policy and planning committee and the finance committee of the Clearing House looked at programs used by other clearing houses throughout the

country. They found that cities such as New York, Detroit, Cleveland and Washington have used similar programs quite effectively in reducing bank crimes.

In Kansas City the Clearing House has been encouraged to take an active role in this area by the Federal Bureau of Investigation, the Kansas City, Mo., police department and the Kansas City Crime Commission. Thanks to the overwhelming support of these groups, the banking community, and the media of Greater Kansas City the program is operational.

Publishes Bank Marketing Compensation Study

Publication of the Bank Marketing Association's first official study on compensation for BMA members in charge of the bank marketing function was announced recently by Eugene J. Callan, BMA president and executive vice president, The New York Bank for Savings, New York City.

Entitled the *1975 Bank Marketing Compensation Survey*, the publication was authored by Richard C. Fowler,

director of BMA's research and planning department. Mr. Fowler, working with the BMA research and planning council, also developed the original survey from which the publication is drawn.

In describing the purpose of the new survey, Mr. Callan noted that although general data on bank compensation has been reported for many years, nowhere before has the chief marketing officer's pattern of compensation been probed—beyond just asset size and region.

"And nowhere before has the bank chief marketing executive been profiled across different bank sizes," he said.

U.S. Savings Bonds Hit Record High of \$7 Billion

United States Savings Bonds sales hit a record high of more than \$7 billion during 1975, Treasury officials said recently. This is the highest sales figure for Series E and H Bonds since H Bonds were introduced in 1952.

Total year-end holdings of Series E and H Bonds were \$67.5 billion. Including Freedom Shares—which were withdrawn from sale in 1970—the total adds up to \$67.9 billion.

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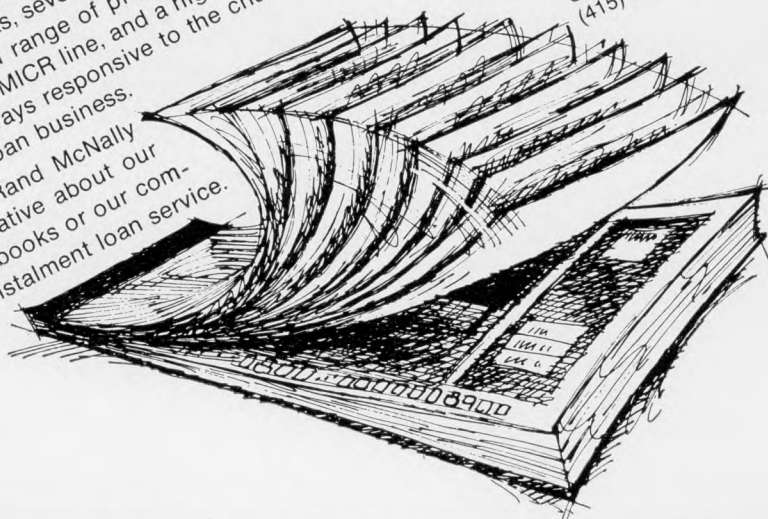
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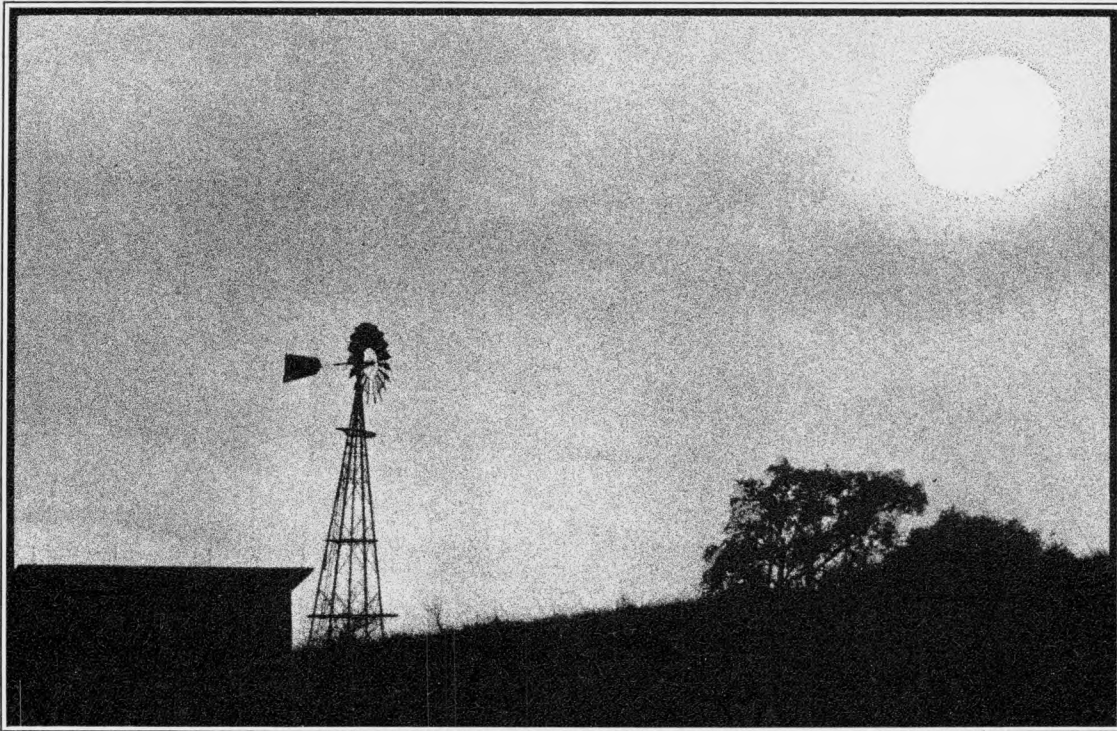


And we can offer you a whole range of management tools, from expense reporting systems to employee benefit programs.

We've also staffed our correspondent department with men who know the country.

One of them is Warner Frohman. Before he got into banking, he ran his own farm and cattle operation.

And we hope you'll call him, the next time you need something from a big-city bank.



THE American National Bank
AND TRUST COMPANY OF CHICAGO

LaSalle at Washington/LaSalle at Wacker 60690/Phone (312) 661-5000/Member FDIC

Illinois News

ARTHUR F. BUSBOOM President Rantoul

ROBERT C. SCHRIMPLE Exec. V. P. Chicago



Peoria Bank/S&L Joint EFT Effort

COMMERCIAL National Bank and First Federal Savings and Loan Association of Peoria have announced the formation of a joint committee of officers from the two institutions to research the possibility of providing a convenient system to allow central Illinois financial institution customers access to their accounts from many retail locations through an electronic funds transfer system, and to provide retailers and retail customers with an improved system of check cashing thereby reducing bad check losses and check cashing difficulties.

David E. Connor, president of the Commercial Bank, and F. M. Bourland, president of First Federal Savings stated that this will probably represent the first "joint effort" of a savings and loan association and a commercial bank to develop a mutually compatible system.

The research to be conducted will be directed toward providing all competing financial institutions with an improved system to provide better and more convenient services to their customers and therefore will be compatible with the needs and requirements of other financial intermediaries. Permissive legislation may be necessary to permit some of the proposals which will be developed by this committee.

Bank of Mundelein Announces Changes

The Bank of Mundelein has announced the election of John D. Auston to its board of directors and the promotions of Richard Oppedal and Gayle S. Mammosser to assistant cashiers.

Mr. Auston joined the bank in March of 1966 shortly after its opening as a teller and has progressed to vice president and cashier. Mr. Oppedal, who joined the bank in August, 1975, as a loan officer, will serve in the instalment loan area. Mrs. Mam-

mosser began as a teller in 1967 and later was advanced to head teller. She will now be responsible for the teller service area.

Named at Oak Park

Donald C. Henderson has been appointed executive vice president of Oak Park Trust and Savings Bank, according to William R. Langley, bank president.

Mr. Henderson joined the bank in 1950 and is the corporate secretary. He is president of the Western Cook County Bankers Association.



D. C. HENDERSON

Bank of Naperville Appoints 2 Officers

The Bank of Naperville has announced the recent appointments of Thomas E. O'Brien to instalment loan officer and Dennis J. Zuchowski to assistant trust officer in the trust department. Mr. O'Brien had previously served as second vice president of the Hartford Plaza Bank in Chicago.

Promoted at Cicero

First National Bank of Cicero has announced the promotions of four staff

members: Glenn J. Richter to vice president and cashier, Christine Viskocil to assistant vice president and trust officer; Nancy Tomisek to assistant secretary and assistant trust officer and John W. Pindiak to assistant cashier and trust officer.

Rockford Bank Promotions

Illinois National Bank & Trust Co. of Rockford has announced the following promotions and staff changes: Van Anderson and Marvin W. Weber from vice presidents to senior vice presidents, Darrell C. Thompson from investment officer to vice president and investment officer, Robert E. Sharp from computer operations officer to assistant vice president.

Two new officers were elected. They are Bradford P. Piersma, assistant investment officer, and Thomas H. Scoville, assistant trust officer.

Bank of Westmont Promotes 4

The Bank of Westmont has promoted four officers. They are: Albert P. Harker, Jr., assistant vice president and cashier, David L. Smith, assistant vice president; Donald F. Smit, assistant vice president and personnel officer and Jean Sirovatka, assistant cashier.

Mr. Harker has been with the bank for nearly three years. He previously served as assistant vice president and branch manager of the Imperial State Bank in Vandalia, Ohio.

Promoted at Princeton

Robert I. Zearing, president of the Citizens First National Bank of Princeton, has announced the promotion of James E. Coplen to vice president and trust officer.

A graduate of Purdue University earning his B.S. degree in business administration in 1967, Mr. Coplen has seven years of experience in trust work of all types. He joined the bank as trust officer in 1973.

Illinois 1976 Bank Group Meetings

Group	Date	Location
1	March 16	Sears Tower, Chicago
3	March 17	Oakbrook Sheraton Inn
2	March 18	Joliet Sheraton, Joliet
4	April 7	Emerald Hills, Sterling

Lincolnshire Bank Promotes Nelson and Crear

The First National Bank of Lincolnshire has announced the promotions of Michael H. Nelson to vice president and Steven L. Crear to cashier.

Mr. Nelson, previously cashier, joined the bank in 1974 after serving



M. H. NELSON

S. L. CREAR

with the Wheeling Trust and Savings Bank as assistant cashier. Formerly assistant cashier, Mr. Crear has been with the bank since it opened in 1973. Previously he served as a teller at the First National Bank of Deerfield.

Rolling Meadows Bank Elects Hoskins Director

Dick Hoskins, president of Hoskins Chevrolet, Inc., Elk Grove Village, has been elected to the board of the Plum Grove Bank of Rolling Meadows. The announcement was made by Richard D. Hughes, chairman.

Promoted at Harvey

Donald A. Morrison recently was elected a director of the First National Bank in Harvey. He is one of the principal owners of the Morrison Furniture, Inc., in Harvey and Morrison's Ethan Allen Galleries, Olympia Fields.

Donald G. King, bank president, also announced the following promotions: George W. Diersen and Robert J. Piel from assistant vice presidents to vice presidents. Both are from the consumer credit department.

Mr. Diersen began his banking career in 1967 as a commercial teller and was promoted to assistant loan officer in 1973. Mr. Piel joined the bank in 1968 as a teller trainee. He was advanced to note teller and then collection analyst in instalment loans.

IBA Credit Division Elects 1976 Officers

Robert Streuter, vice president, City National Bank of Murphysboro, recently was elected president of the Illi-

nois Bankers Association (IBA) consumer credit division beginning July 1, 1976.

Other elected include: Lawrence A. Wilson, City National Bank & Trust Co., Dixon, first vice president; David G. Siebert, First National Bank, Dwight, second vice president, and Norman C. Peterson, IBA, Chicago, secretary.

Elected to three year terms on the executive committee are: C. Paul Johnson, Alton Banking & Trust Co., and Jerome R. Thomas, American National Bank & Trust Co., Chicago. Elected to two year terms are James N. Brasel, First National Bank, Woodstock, and B. J. King, Herrin Security Bank. Elected to one year terms are John Gabel, Citizens Bank & Trust Co., Park Ridge, and Robert Ritter, Bank of Pontiac.

Charter Issued For New Granite City Bank

A charter has been issued to Colonial Bank at 2400 Pontoon Road in Granite City. Officers are: P. H. Lichtenberger, chairman and president and George T. Wilkins, Jr., secretary.

IBA Bicentennial Projects

To commemorate the nation's 200th birthday, the Illinois Bankers Association (IBA) is sponsoring a two-part Bicentennial project.

The first project, "Your Bank Takes Root in Tomorrow's History," is a tree planting program. The idea behind it is "the Bicentennial isn't something you watch: it is something you do." Banks can plant, in groups of 10 trees,

a living memorial to recognize and honor community notables, important community events and historical community sites. The banks are planting Marshall Seedless Ash and Summit Ash trees.

The second of these projects is "Your Bank Displays Illinois Tradition." This is a display titled "Illinois and its Banking Heritage," which contains a collection of documents, original photographs of Illinois cities, her most famous sons, from pre-statehood through the turn of the century. The display can be leased from the IBA.



Sears Bank & Trust has announced the following promotions: **Paul M. Fasulo**, senior vice president and controller; **Richard M. Pollack**, senior vice president, investments; **Gerald G. Kirstner**, vice president and auditor and **James R. Henry**, commercial loan officer.

* * *

Thomas J. Vavrek was named assistant cashier of the National Bank of North Chicago. He joined the bank's loan department in 1971 after serving in the U. S. Army. He is a graduate of St. Norbert College in West DePere, Wis.

Top Banks in Illinois

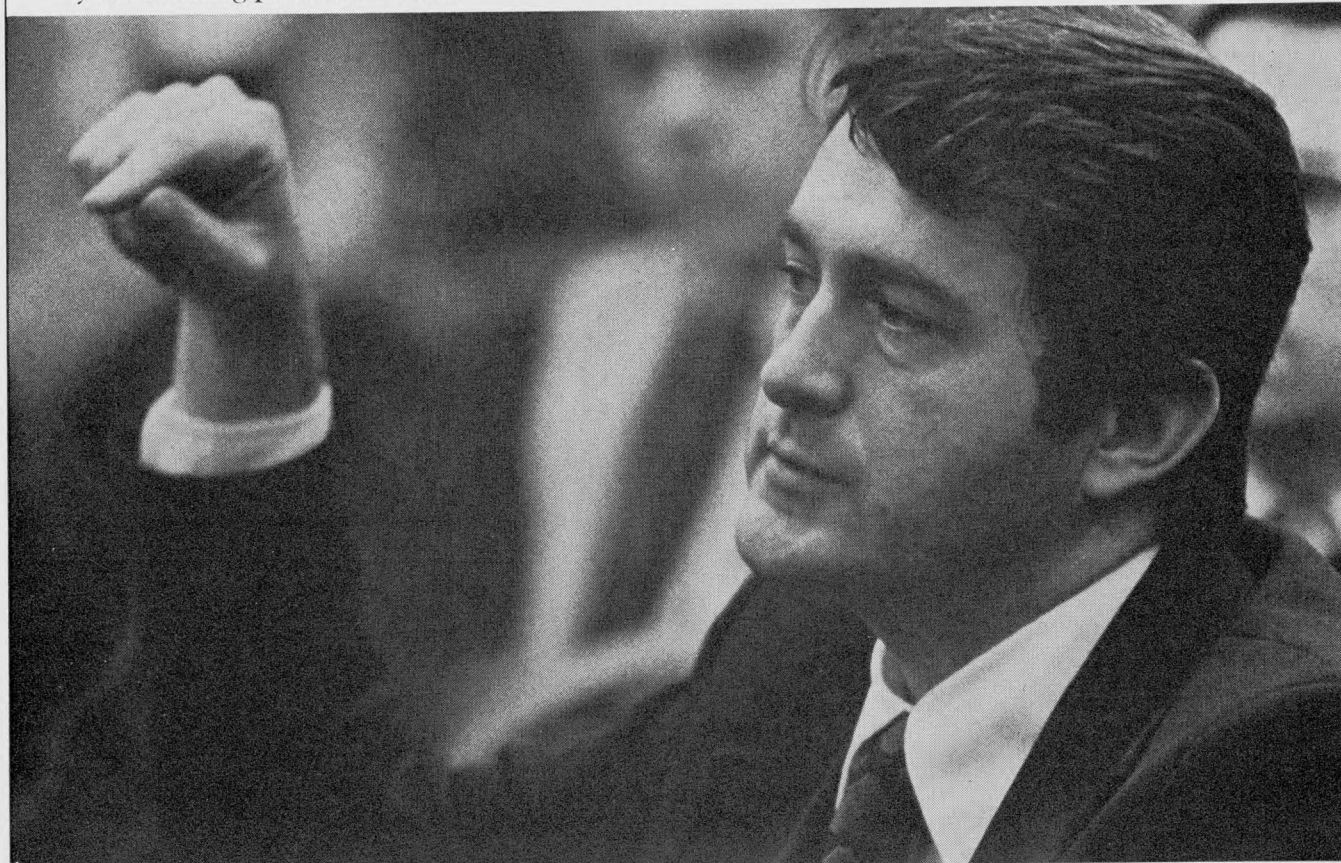
DEPOSIT and loan figures reported by leading correspondent banks in Chicago as of year-end are shown in the chart below. Comparative figures for the same period a year ago also are featured.

(Last 3 figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. Continental Bank	\$15,000,999	\$11,815,691	\$15,142,639	\$12,206,630
2. First Natl	14,192,788	11,751,379	15,298,438	12,272,571
3. Harris Tr. & Svgs.	3,188,581	1,807,238	3,180,392	1,966,264
4. Northern Trust Co.	2,794,000	1,790,679	3,010,377	2,323,725
5. American Natl B&T	1,286,524	711,903	1,207,404	841,924
6. LaSalle Natl Bank	614,609	408,630	562,419	384,270
7. Central Natl Bank	534,785	392,670	602,602	458,260
8. Exchange Natl	422,589	317,311	429,462	329,511
9. Natl Boulevard	340,464	209,548	355,903	223,176
10. Lake View Bank	329,681	118,183	328,536	141,431
11. Drovers Natl Bank	255,373	177,126	254,527	202,330
12. Commercial Natl, Peoria	245,539	177,367	227,604	168,754

Looking For Answers?

BAI Has Them. At conventions, conferences, seminars, workshops, think sessions, and courses. Coordinated by a professional staff with practical experience in every aspect of bank administration. Providing the most effective tools, techniques and problem-solving ideas to help you cope with today's ever-changing banking environment. So plan now to attend a BAI convention in 1976. You'll be able to discuss your banking needs with people in the know—bankers, educators, consultants—authorities in the financial community who will add new dimensions to your banking professionalism.



Be sure to attend one or more of the following major meetings in 1976:

January 25-27
Seventh National Conference
on Bank Security
New Orleans, Louisiana

February 1-3
ERISA Conference
Chicago, Illinois

March 7-10
Exception Item Conference
Chicago, Illinois

March 21-24
EDP Audit Conference
Kansas City, Missouri

April 4-6
Eastern Regional Convention
Norfolk, Virginia

April 20-22
Conference on Bank Holding
Company Administration
St. Louis, Missouri

May 2-4
Northern Regional Convention
Chicago, Illinois

May 16-18
Southern Regional Convention
Oklahoma City, Oklahoma

June 6-8
Western Regional Convention
Salt Lake City, Utah

August 1-8
The Graduate Program in Bank
Administration
Madison, Wisconsin

August 1-13
School for Bank Administration
Madison, Wisconsin

October 17-20
52nd National Convention
Philadelphia, Pennsylvania



BANK ADMINISTRATION INSTITUTE

303 South Northwest Highway Park Ridge, Illinois 60068 312-775-5344

Consolidated Statement of Condition

	December 31, 1975
ASSETS	
Cash and due from banks	\$ 359,046,128
Investment Securities	140,671,546
U.S. Treasury securities	174,660,623
Obligations of states and political subdivisions	25,339,347
Federal agencies and other securities	66,352,853
Trading account securities	28,203,269
Federal funds sold and securities purchased under agreements to resell	960,361,154
Loans	12,599,212
Bank premises and equipment	6,366,349
Other real estate	13,184,484
Customers' acceptance liability	15,579,410
Interest receivable	42,732,835
Other assets	Total Assets
	\$1,845,097,210
LIABILITIES	
Deposits	\$ 746,216,218
Demand deposits	625,121,731
Time deposits	Total Deposits
	\$1,371,337,949
Federal funds purchased and securities sold under agreements to repurchase	148,355,586
Funds borrowed	102,447,816
Acceptances outstanding	14,355,062
Unearned income	9,227,411
Other liabilities	54,736,228
	Total Liabilities
	\$1,700,460,052
RESERVES	
Reserve for possible losses on loans	\$ 17,340,958
CAPITAL FUNDS	
Capital notes	
4.75% due 1990	\$ 10,000,000
7.75% due 2003	10,000,000
Common stock, \$100 par value, 250,000 shares authorized and outstanding	25,000,000
Surplus	25,000,000
Retained earnings	57,296,200
	Total Capital Funds
	\$ 127,296,200
	Total Liabilities and Capital Funds
	\$1,845,097,210



When numbers say a lot about people.

1975 was Northwestern's second best in our 103-year-old history for income before securities gains or losses.

1975 was our best year ever for net income!

We think that says quite a bit about Northwestern people. Every one of them.

Each month of 1975 seemed to bring new challenges — difficult, multi-faceted, unusual. The economic signals were confused and askew and a reliance on human judgment became more important than charts.

Each month, Northwestern people read the signs and responded resourcefully. They responded with one eye to good bank management and another to the community's financial needs.

Through it all, Northwestern people made the year

a successful one, for ourselves and for our customers.

And, because of our people, Northwestern Bank enters the Bicentennial year confident, secure and optimistic.

We're mighty proud of our people.



**NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

An Affiliate of Northwest Bancorporation

Member FDIC



BOARD OF DIRECTORS

Judson Bemis
Chairman and
Chief Executive Officer
Bemis Company, Inc.

Fredric H. Corrigan
Chairman of the Board and
Chief Executive Officer
Peavey Company

Kenneth N. Dayton
Chairman
Dayton Hudson Corporation

James C. Harris
Vice Chairman of the Board and
Chairman of the
Trust Committee
Northwestern National Bank

Philip B. Harris
Chairman of the Board and
Chief Executive Officer
Northwestern National Bank

John M. Hallern
Chairman of the
Executive Committee
Brooks-Scanlon, Inc.

Byron E. James
Chairman of the Board
McQuay-Perlex, Inc.

Geri M. Joseph
Contributing Editor
Minneapolis Tribune

Paul W. Kraemer
President and
Chief Executive Officer
Minnesota Gas Company

Donald W. McCarthy
President
Northern States
Power Company

John A. McHugh
President
Northwestern National Bank

Raymond O. Mithun
Founder Chairman
Campbell-Mithun, Inc.

John A. Moorhead
Retired Chairman
Northwestern National Bank

John W. Morrison
Vice President and
Chief Financial Officer
Honeywell, Inc.

William G. Phillips
Chairman and
Chief Executive Officer
International Multifoods
Corporation

John S. Pillsbury, Jr.
Chairman and
Chief Executive Officer
Northwestern National Life
Insurance Company

Henry T. Rutledge
Chairman and
Chief Executive Officer
Northwest Bancorporation

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Retired President
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Otto A. Silha
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The Minneapolis Star and
Tribune Company

William H. Spoor
Chairman of the Board
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George R. Steiner
President
American Linen Supply Co.

Richard H. Vaughan
President
Northwest Bancorporation

David M. Winton
Chairman of the Board
The Pax Lumber Company Ltd.

Northwestern Banker, March 1976

Minnesota News

JOHN D. CHISHOLM President Rochester

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



To Head Anoka Bank

Lawrence P. Keillor has been elected president of the First National Bank in Anoka. Lee Carlson, vice president of Main Motor Sales and Service, has been elected to the bank's board.

Mr. Keillor joined First National in 1943. In 1945 he was elected assistant cashier and in subsequent years rose to senior vice president. He was elected a director in 1958.



L. P. KEILLOR

Appointed to Board Of Duluth Bank

Robert J. Rich, Sr., has been appointed to the board of directors of the Northwestern Bank of Commerce, Duluth. He is president of RJR Communications and KBJR-TV, formerly WDSM-TV of Duluth-Superior.

Altura State Elects Top Executive Officers

Francis Kramer recently was elected president and chairman of the Altura State Bank. He has been a board member for over 30 years.

Thomas L. Doran was named executive vice president and is the chief executive officer. He has been with the bank for the past 16 years as cashier.

Jim Kramer advanced from assistant cashier to cashier. He is the third generation of the Kramer family affiliated with the bank. Patricia Schultz was appointed assistant cashier.

Citizens State, Brainerd, Election, Promotion

Citizens State Bank of Brainerd has announced the election of Everett Henrickson to executive vice president

and the promotion of Harold Sweeney to vice president and senior loan officer.

Mr. Henrickson joined the bank in 1974 as vice president after serving 11 years as senior vice president with the Ellis Group of Banks in Florida. Mr. Sweeney has been with the bank as manager, instalment loan department, and vice president since May of 1968.

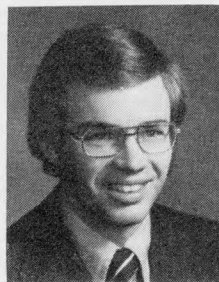
First Edina National Elects Bermel to Board

Warren R. Hinze, president of First Edina National Bank, has announced the election of Bruce C. Bermel to the bank's board. Mr. Bermel is executive vice president of Bermel-Smaby Realty, Inc.

Northfield National Names Finnern Vice President

Wayne A. Finnern recently was promoted to vice president of the Northfield National Bank.

Mr. Finnern, who heads the bank's commercial lending activities, began his career in 1970 at First Merchants State Bank in St. Paul and transferred to First Minnehaha National, Minneapolis, in 1971. He joined the Northfield bank as assistant cashier in 1972 and was elected assistant vice president in 1974.



W. A. FINNERN

Henry W. Schroeder

Funeral services were held recently for Henry W. Schroeder, chairman of the First National Bank of Long Prairie.

Mr. Schroeder joined the Peoples National Bank in 1906 and was appointed assistant cashier in 1908 and elected a director in 1915. In 1947 he purchased the stock of the Bank of Long Prairie which later became

known as First National Bank. He became president and retained his title of cashier and director. In 1956 Mr. Schroeder was named chairman.

Buy Bank of Elbow Lake

Larry A. Smith, president and chairman of the Bank of Elbow Lake, has announced that J. J. Connole and W. W. Schoenwald of Minot, N. D., have purchased controlling interest in the bank. Mr. Smith also announced election of the following directors: L. A. Smith, J. J. Connole, W. W. Schoenwald, Harlen O. Estenson, Richard A. Stonestrom and Harriett C. Rosengren.

L. A. Smith remains president and chairman and J. J. Connole is now executive vice president.

Mr. Connole has been an officer at the First National Bank in Minot for the past 15 years. He most recently was cashier and secretary of the board. Mr. Schoenwald has been in investment planning and real estate in Minot for over 18 years. He will not be moving to Elbow Lake but will be active in the management of the bank as a director and consultant.

To Head Walker Bank

Clarence J. Elsenpeter of The First National Bank of Walker has announced changes in the bank's officers. They are: Mr. Elsenpeter, from president to chairman; Clifford G. Swenson, president; John C. Elsenpeter, executive vice president; Christopher A. Opheim, cashier and auditor, and Thomas P. Abelmann, assistant cashier.

Wayzata Bank and Trust Election and Promotion

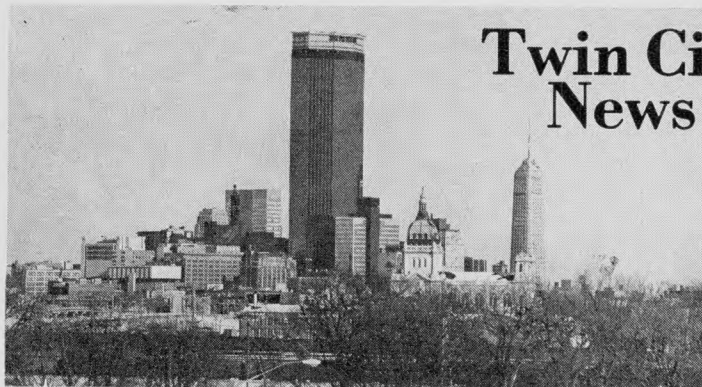
Clarence Rosen, Jr., has been elected to the board of Wayzata Bank and Trust Co. Mr. Rosen joined the bank in 1964 and was elected cashier in 1971 and vice president and cashier in 1975.

Also announced was the promotion of Dawn Minnick to manager of the bank's new Auto Bank. She joined the bank in 1968.

Crookston Bank Directors

Armin Ross and Lee Wall have been elected to the board of directors of Polk County State Bank of Crookston. Mr. Ross farms 2,600 acres in the Fisher and Erskine areas. Mr. Wall is associated with John Padden, Morris Dickel and Kenneth Johannson in the practice of law.

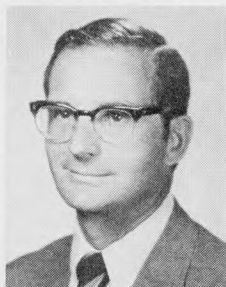
Twin City News



DIRECTORS of First National Bank of Minneapolis recently elected **DeWalt H. Ankeny, Jr.**, president and member of the board.

He succeeds **George H. Dixon**, chairman and president, who was nominated by **President Ford** to be Deputy Secretary of the Treasury. Mr. Ankeny's election and Mr. Dixon's resignation from his First Minneapolis posts became effective when the latter was confirmed and sworn in last month.

No other changes in the bank's organizational structure are planned at



D. H. ANKENY, JR.

tended Blake School in Hopkins and Phillips Exeter Academy in Exeter, N.H. He graduated with honors from Dartmouth College in 1954, and the following year received an MBA from the Amos Tuck School and an MS in engineering from the Thayer School of Dartmouth.

Mr. Dixon, 55, joined First Minneapolis as president in 1968, and subsequently also became chairman. A native of Rochester, N.Y., he previously was vice president-finance and treasurer of the Sperry and Hutchinson Company, the S&H trading stamp firm. He is a graduate of the Wharton School of Finance and holds an MBA degree from the Harvard University Graduate School of Business.

Richard A. Frandeen has joined the bank as assistant vice president in the commercial banking group. Mr. Frandeen, a native of Minneapolis, has been with Citizens and Southern National Bank since 1971, serving in the Atlanta headquarters and as manager of the bank's New York service office.

In addition the bank has announced three promotions; **Susan D. Wright**, real estate officer, residential loans division; **Jerald W. Raarup**, bond investment officer, money market division; and **Diane L. Sorem**, investment officer, first Total Plan division.

* * *

Cherokee State Bank, St. Paul, has announced the promotions of **William**



G. H. DIXON



R. A. FRANDEEN

this time, and the position of chairman will remain vacant.

Mr. Ankeny, 43, began his career with First Minneapolis in 1967 as an officer in the trusts and investment management group and subsequently advanced through various responsibilities in the banking area.

For the past year he has been executive vice president in charge of the retail and investment services group. Also he is a member of the bank's policy and planning committee and the executive credit committee.

Prior to joining the bank he was with the Theo. Hamm Brewing Co., from 1955 to 1966. Mr. Ankeny at-

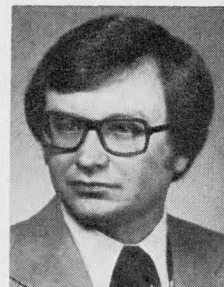
R. Jordan from vice president and cashier to senior vice president and **Leroy S. Petrasek**, assistant cashier, to cashier.

Mr. Jordan, who has been with the bank for 41 years, was elected a director last year. Mr. Petrasek joined the bank in 1962.

* * *

National City Bank of Minneapolis recently announced the appointment of **Rolland E. Glessing** to investment officer.

Prior to joining National City, Mr. Glessing was associated with Security State Bank in Howard Lake. A native Minnesotan, he received his B. S. degree in 1968 from the University of Minnesota.



R. E. GLESSING

* * *

John R. Winsor has been elected an executive vice president of Piper, Jaffray & Hopwood Incorporated, a Minneapolis-based investment securities firm. In addition, **R. Rodney Pakonen** has been elected a vice president and **Ingolf Hermann** and **John J. Spindler** assistant vice presidents.

Mr. Winsor, formerly a senior vice president, recently was elected to the board of governors of the National Association of Securities Dealers.

* * *

First State Bank of Saint Paul has elected **Otto B. Klett** chairman, **Herbert J. Wogsland** president and **Robert W. Gibson** assistant vice president.

Mr. Klett was advanced from the presidency which he had held since 1968. Mr. Wogsland previously was a vice president of First Bank System, Inc. Mr. Gibson joins the bank from First Grand Avenue State Bank in St. Paul. His new duties will be centered in the instalment loan department.



W. R. JORDAN



L. S. PETRASEK

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Twin City News

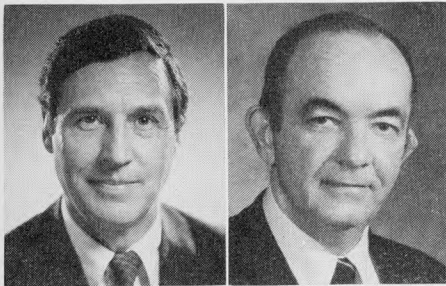
(Continued from page 56)

It was jointly announced February 18 by **Philip B. Harris**, chairman of the board and chief executive officer of Northwestern National Bank of Minneapolis, and **Edson W. Spencer**, president and chief executive officer of Honeywell Inc., that **John W. Morrison**, vice president and chief financial officer of Honeywell, will become



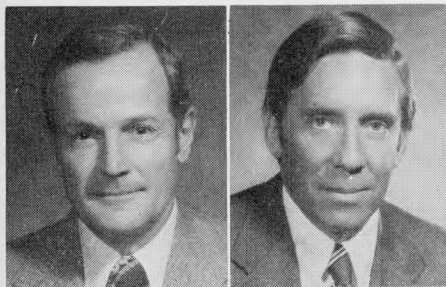
P. B. HARRIS

J. W. MORRISON



J. A. McHUGH

J. C. HARRIS



W. F. RICH

E. P. GILLETTE

chairman and chief executive officer of Northwestern National Bank of Minneapolis, effective July 1, 1976. A director of the bank since 1968, Mr. Morrison will replace Mr. Harris upon the latter's retirement. Mr. Harris also announced that **John A. McHugh**, president, will become chief operating officer of the bank.

Mr. Morrison is a graduate of Yale University and Harvard Business School. A World War II veteran of the U. S. Air Force, he has been with Honeywell since 1948. In December, 1968, Mr. Morrison became vice president and chief financial officer and was

elected a director of Honeywell in February, 1972. He is a director of Northwestern National Life Insurance Company and Wayne-Gossard Corporation of Humboldt, Tenn., as well as a director of the Children's Home Society of Minnesota. Mr. Morrison's replacement at Honeywell will be selected prior to his departure from the firm in June, 1976, according to Mr. Spencer.

Mr. McHugh, a graduate of the University of Minnesota Law School, joined the bank in 1954 as a trainee and by 1968 had risen to senior vice president. In that year, he was elected president of Northwestern National Bank of St. Paul and was credited with much of the extraordinary growth of that bank over the next six years. In 1974, he returned as president of Northwestern National Bank of Minneapolis.

Mr. Harris said that Mr. Morrison's background as the top financial officer of a leading industrial firm and his experience in both domestic and international markets would be helpful to the bank in its plans for the future. Well acquainted in banking circles, Mr. Morrison's active involvement with Northwestern over the past seven years as a director will enable him to further the "executive team" concept instituted by Mr. Harris when he became chairman and chief executive officer in January, 1974. Continuing as members of that team, in addition to Mr. Morrison and Mr. McHugh, are:

James C. Harris, vice chairman and chairman of the trust committee, who joined Northwestern in 1947 after earning his MBA from the University of Minnesota.

Willis F. Rich, Jr., executive vice president, who joined Northwestern in 1947 and is responsible for all commercial banking activity.

E. Peter Gillette, Jr., executive vice president, is responsible for all retail banking, marketing, communications and personnel operations.

* * *

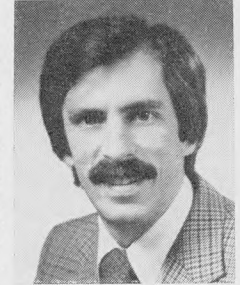
Wendell L. Olson, president of the Fourth Northwestern National Bank of Minneapolis, has announced that **Charles G. Schiefelbein** has been elected to the bank's board of directors. Mr. Schiefelbein is president of the Midwest Oil Company of Minneapolis.

Charles Schiefelbein replaces his

father, **Frank J. Schiefelbein**, who did not stand for re-election. The senior Schiefelbein is chairman of Midwest Oil and has served as a bank director for the past 20 years.

* * *

Fred M. Senn has been elected marketing officer and advertising manager of First Bank System, Inc.



F. M. SENN

Mr. Senn joined the system as advertising manager in 1972 from the government and aeronautical products division of Honeywell, Inc. He is a graduate of St. John's University in Collegeville, Minn.

* * *

James W. Reagan, president of the American National Bank and Trust Company of St. Paul, has announced the following promotions: **Joseph E. Edell** to senior vice president and chief finance officer, **John T. Phillips** to senior vice president and senior trust officer and **Milan J. Thoreson** to retail banking officer. He also announced new officer elections: **Thomas G. Gross**, **Richard N. Hess**, **Anna Kohout** and **Kathleen A. Whaley** to retail banking officers and **Gregory A. Karlstad** to data processing officer.

* * *

Harold S. Myers of Omaha, Nebr., and **David C. Myers** of Weeping Water, Nebr., recently purchased controlling interest in the State Bank of



D. FARBER

J. D. PHILPOTT

St. Anthony Village, Minneapolis, from **Allan Burrill** and **Dan Burrill**. The Burrills have owned the bank since 1958.

The new owners have been in banking in Iowa, Nebraska and Colorado.

Donald Farger, previously president of the Bank of Niobrara, is the new

Movin' on up

Statement Of Condition

December 31, 1975 and 1974

Resources	December 31 1975	December 31 1974
Cash and Due from Banks	\$ 18,158,280	\$ 27,725,252
Interest Bearing Time Deposits with Foreign Banks	16,000,000	—
Investment Securities:		
U.S. Treasury	13,027,475	12,074,978
U.S. Government Agencies	1,999,413	2,490,041
Obligations of States and Political Subdivisions	32,956,317	39,828,815
Other Securities	<u>1,060,878</u>	<u>1,175,870</u>
Total Investment Securities	49,044,083	55,569,704
Trading Account Securities	772,787	1,625,581
Federal Funds Sold	2,000,000	—
Loans, Net of Reserve for Loan Losses		
1975 \$1,000,209; 1974 \$390,323 and Unearned		
Discount 1975 \$1,622,388; 1974 \$1,748,814	109,482,230	99,675,399
Leasehold Improvements and Equipment	1,829,474	475,708
Accrued Income Receivable	2,045,499	2,392,687
Other Assets	<u>1,013,276</u>	<u>726,582</u>
Total Resources	<u>\$200,345,629</u>	<u>\$188,190,913</u>
 Liabilities & Stockholders' Equity		
Deposits:		
Demand	\$ 66,141,741	\$ 65,823,368
Time	77,100,360	76,060,200
Foreign Branch	23,699,856	2,237,879
Total Deposits	166,941,957	144,121,447
Federal Funds Purchased and Securities Sold		
Under Agreements to Repurchase	7,350,000	21,005,866
Other Liabilities	3,624,654	2,230,013
Subordinated Capital Notes	<u>1,600,000</u>	<u>1,600,000</u>
Total Liabilities	179,516,611	168,957,326
Stockholders' Equity:		
Common Stock, Par Value \$5.00		
Authorized 1,750,000 Issued and Outstanding		
1,573,232 — 1975; 1,570,232 — 1974	7,866,160	7,851,160
Surplus	7,857,160	7,851,160
Undivided Profits*	<u>5,105,698</u>	<u>3,531,267</u>
Total Stockholders' Equity	<u>20,829,018</u>	<u>19,233,587</u>
Total Liabilities and Stockholders' Equity	<u>\$200,345,629</u>	<u>\$188,190,193</u>

*Includes reserve for loan losses of \$915,338 (1975) and \$1,388,870 (1974) on which deferred income taxes have been recognized. The difference of \$473,532 was transferred to undivided profits.

Reuben L. Anderson

Chairman of the Board
Reuben L. Anderson-
Cherne, Inc.

D. O. Andreas

Chairman of the Board
Archer-Daniels-Midland
Company

L. W. Andreas

Director
Archer-Daniels-Midland
Company

Marvin Borman

Partner
Maslon, Kaplan, Edelman,
Borman, Brand & McNulty

Edward C. Brown, Jr.

President

Directors

C. Bernard Jacobs
Chairman of the Board
& Chief Executive Officer

Kenneth H. Dahlberg

Chairman & President
Detection Sciences, Inc.

John H. Daniels

Chairman of the Board
National City
Bancorporation

Frederick L. Deming

President
National City
Bancorporation

Whitney Eastman

Retired Vice President
General Mills, Inc.

Walter W. Heller

Regents' Professor of
Economics
University of Minnesota

S. L. Jerpbak

Banker

Mrs. Rhoda S. Lund

Vice President
Lunds, Inc.

Bernard J. Malusky

President & General
Manager
Farmers Union Grain
Terminal Association

E. T. Montgomery

Retired Twin Cities
Metropolitan Group
Manager
Sears, Roebuck and Co.

Erwin A. Olson

Director
Archer-Daniels-Midland
Company

C. Wilbur Peters

President
Minnesota Fabrics, Inc.

Morton B. Phillips

President
Ed. Phillips & Sons Co.



Member F.D.I.C.

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Northwestern Banker, March 1976

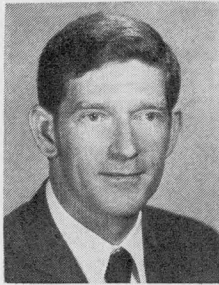
president and chief executive officer. **Jim D. Philpott**, formerly with Northwestern Bancorporation, will serve as senior vice president. **Harold S. Myers** will be chairman and **David Myers** and **Jess Zimmerman** of Omaha also will be named directors.

The Burrills will remain as officers of the bank. No other changes in personnel are anticipated.

* * *

Northwest Bancorporation (Banco) has announced the following elections:

Ronald D. McLellan, senior vice president and controller; **Thomas E. Dolan**, vice president, marketing and consumer services; **Jackson L. Schutte**, vice president and treasurer; **James H. Treanor**, assistant vice president, and **Charles S. Neerland**, assistant vice president, public affairs and communications services.



R. D. McLELLAN

Mr. McLellan joined Banco in 1971 as controller and was named vice president in 1974. Mr. Dolan began his banking career at Northwestern of St. Paul in 1969. Mr. Schutte joined Banco in 1972 as assistant vice presi-



J. A. TREANOR

C. S. NEERLAND

dent and was elected treasurer in 1974.

* * *

Richard A. Erickson, assistant vice president, Midland National Bank, addressed the Wisconsin Indianhead Chapter of the Bank Administration Institute at the annual Employees-Spouse Night on March 10. The banquet was held at the Holiday Inn, Eau Claire. Mr. Erickson's talk, with the theme of "Your One Big Opportunity — You," focused on employee motivation, self-improvement, and a positive attitude. Mr. Erickson has addressed a number of banking groups in the area.



R. A. ERICKSON

* * *

Norman E. Henning, vice president and chief engineer of Twin City Testing and Engineering Laboratory, Inc., and **Robert E. Larson**, president of The Farm Oil Co. have been named directors of First Security State Bank of St. Paul.

* * *

Northwest Bancorporation recently announced a proposed public offering of 800,000 shares of common stock. A registration statement covering the

offering was filed with the Securities and Exchange Commission. Based on a closing price of \$47.50 per share on Feb. 5, 1976, the amount of the offering would aggregate approximately \$38 million.

Salomon Brothers has been designated as manager of the underwriting group that will market the common shares to the public.

Of the net proceeds from the financing, approximately \$10 million will be used by the corporation to provide additional equity funds for Northwestern National Bank of Minneapolis, the corporation's largest bank subsidiary, while \$12 million of the proceeds will be added to capital funds of other subsidiary banks. The balance will be added to general corporate funds.

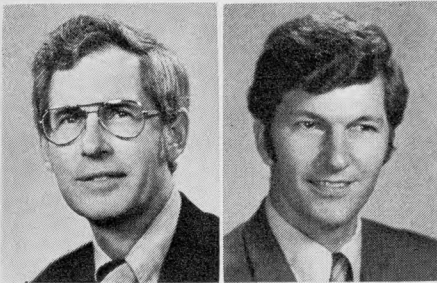
* * *

G. Richard Slade, president of the Northwestern National Bank of Saint Paul, has announced the election of **Everett F. Carter** to the board and the appointment of **Reverend Monsignor Ambrose V. Hayden** to the trust committee.

Mr. Carter is executive vice president and director of Buckbee Mears Company. Reverend Monsignor Hayden is vicar general of the Archdiocese of Saint Paul and Minneapolis with responsibilities as pastor of the Cathedral and Vicar for finances.

Mr. Slade also announced the following promotions and elections: **Dennis S. McChesney**, vice president, commercial banking; **James J. Diebert**, vice president and loan review division manager; **John R. Barthe**, assistant vice president and manager of the collections department; **Robert I. Ryti, Jr.**, trust operations officer; **John R. Dan**, loan collections officer; **Jack V. Pedersen**, personal banking officer and **Ann Henneberry**, assistant trust officer.

Mr. McChesney joined the bank in 1973 as an assistant vice president from Chemical Bank, New York, where he was assistant secretary. Mr. Diebert joined the bank in 1968.



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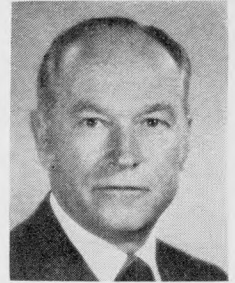
Northwestern Banker, March 1976

Midland Displays Winners of Art Competition



MIDLAND National Bank has on display the Grand Purchase Prize winner and other winning entries in the national art competition sponsored annually by Minneapolis' Art Instruction Schools, Inc. Shown are **John P. Knutson**, Midland's chmn., & **Stacey Pesek** admiring the grand prize entry which was one of 1,000 entries in the 1975 competition. Contest judges **Brent Copp**, **George Karn** and **Richard Graham** reviewed the entries and chose one by a local Minnesotan, **John Berkey** of Excelsior, as winner of the Grand Purchase Prize.

M. D. McVay, executive vice president of Cargill, Inc., has been elected a director of Northwestern National Bank of Minneapolis.



M. D. McVAY

At the same time, two men retired from the board. They are **John M. Hollern**, chairman of the executive committee of Brooks-Scanlon, Inc., and **Fred M. Seed**, retired president of Cargill, Inc.

* * *

Northwestern National Bank of Saint Paul has begun a unique program that helps many of the visually impaired handle their own banking, according to **G. Richard Slade**, bank president.

The new program enables those who read Braille to write their own checks by using an aluminum template. Besides letting the writer position the various elements on the check, it enables the writer to record, in Braille, information he will need to balance his statement, which also appears in Braille.

Besides the Braille program, which also provides a savings program, Northwestern/Saint Paul is also offering new statements and checks that are printed larger than normally.

Henderson Bank Sold

Controlling interest in the Sibley County Bank, Henderson, has been sold by O. L. Bud Tomson to Laurence Hauge and David Christenson of St. Louis Park. Mr. Hauge is chairman and Mr. Christenson is president of the Citizens State Bank in St. Louis Park.

Mr. Tomson will continue as president of the bank in Henderson until June 1, at which time he plans to join his brother, O. Jay Tomson, president, Citizens National Bank, Charles City, Iowa.

Deluxe Ups Dividend

J. L. Rose, president, DeLuxe Check Printers, Inc., St. Paul, has announced the company has increased its regular quarterly dividend from 16 cents to 18 cents per share. A total of 11,856,710 shares are outstanding.

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MINNEAPOLIS, MINNESOTA



LEFT — W. C. Dub Hartley, pres., Miami County Natl., Paola, Kan., and Dick Carlander, chmn., MBA bank management committee and pres., State Bank of Faribault. RIGHT — Truman Jeffers, exec. v.p., MBA; Lee Gunderson, chmn., ABA communications council, pres. Wisconsin Bankers Assn. and exec. v.p., Bank of Osceola, Wis.; John Chisholm, pres., MBA and pres. Marquette B&T, Rochester, and C. Paul Lindholm, v.p. of the MBA and sr. v.p., Northwestern Natl., Minneapolis.

EFT, Usury Hold Conference Limelight

By **BEN HALLER, JR.**
Editor

LEGISLATIVE efforts to obtain passage of an EFTS bill and one to increase the permissible rate charged on business and ag loans were the principal topics of discussion at the 15th Senior Bank Management Conference conducted last month in Minneapolis by the Minnesota Bankers Association. Approximately 850 persons attended the two-day meeting.

Richard J. Carlander, chairman of the MBA bank management committee and president of the State Bank of Faribault, presided at the first session, which covered "Banking Legislative Issues 1976," featuring five speakers.

Favors CBF Bill

The Hon. Alec Olson, Spicer, president of the Minnesota Senate, was the leadoff speaker, addressing himself initially to SF 1788, the Consumer Banking Facilities Bill. He said the denial of EFT to banks, when savings and loans are freely given this authority, is like telling other banks in a town they can't be open on Saturday even though one of the other banks already is open and getting business. He strongly supports the concept of the CBF bill and feels that Minnesotans also support the fairness of having open competition in the EFT field. He called on bankers to show a united front on this bill.

On the matter of usury, Sen. Olson said, "It will be dealt with in some form" this year. He said he has not been a champion of SF 733, but rec-

ognizes the need to look at the balance sheets and see what needs to be done. The bill is one passed by the Minnesota Senate last year authorizing the charging of 5% interest above the Fed discount rate (same as national bill



Andy Boss, vice chmn., MBA bank management committee and pres., St. Anthony Park State, St. Paul, and Joe Batten, management consultant from Des Moines.

passed by Congress). The Minnesota House had proposed 3%. However, the 5% version passed the conference committee and was adopted by the Senate. It now awaits House action in St. Paul.

Legislative Speakers

John S. Jackson, MBA general counsel, and Bill McGran of O'Connor and Hannan, MBA legislative counsel, then discussed some details of SF 1788 and SF 733, as well as other pending legislation.

Gene A. Beito, president of North-

ern State Bank, Thief River Falls, then gave some association background on the CBF bill. He reminded the audience that extensive hearings had been held at all district meetings of the MBA. Last year the bill was passed with only 10 dissenting votes before being vetoed by the Governor. The re-drafted bill hopefully overcomes the Governor's concern for the public users and has the support of the overwhelming majority of Minnesota banks.

W. C. "Dub" Hartley, president, Miami County National Bank, Paola, Kan., reported for the ABA on the Financial Institutions Act, the FINE Study and other federal proposals, relating their impact on Minnesota banks. Mr. Hartley likened the present situation, where thrifts are being given all kinds of "banking" powers liberally, to a football game where the opposing team must play with restrictive rules while watching the referees advise the other team and leading their cheering section.

Management Principles

On the second day, W. Andrew Boss, vice chairman of the MBA bank management committee and president, St. Anthony Park State Bank, presided. The first address was given by Joe Batten, a nationally-known management consultant from the Des Moines firm of Batten, Batten, Hudson & Swab, Inc. Mr. Batten, the author of "Tough-Minded Management," gave an excellent quick review of established management principles. He cited three principal causes as standing in the way of management success: 1. Procrastination. 2. Paralysis of analysis. 3. Passivity. He then gave bankers a list of check points for personal management behavior, followed by some



Gene Beito, pres., Northern State, Thief River Falls; Bill McGran, MBA legislative counsel, and John Jackson, MBA general counsel.

suggestions to improve management sharpness and capability.

EFT Seminar

The Electronic Funds Transfer Seminar was started off with a look at the national scene by Russell C. Browne, Jr., advisor for payments system to the Comptroller of the Currency, Washington, D.C. Mr. Browne noted that EFT is being developed extensively in other nations and at some point in the future there will likely be international clearances and financial communication interchange. He said the ultimate goal is letting the customer make transactions when and where he wants to, and to eliminate the overburdensome load of current paper work.

Mr. Browne listed the following implications for community banks: 1. In most states the wording of EFT proposed bills or laws calls for granting access to all, assuring that community banks won't be locked out. 2. Community banks should recognize their favorable, unique position with local customers. 3. Community banks have a number of sources available to them

for getting into EFT. Although it may be too expensive for banks under \$25 million to initiate a system, equipment and service geared to smaller banks' needs are available. He urged all community banks to prepare, to upgrade their operations, and to test their correspondents for strengths and cooperation—and get set to move in EFT.

Truman Jeffers, MBA executive vice president, gave a quick slide review of the alarming increase in POS installations and ATMs throughout the Twin Cities area and in all of Minnesota by thrift institutions by virtue of their almost unlimited authority to offer the service that banks must await state legislation to perform. Where there were 23 locations with one s&l a few months ago, more than a dozen s&ls now have in excess of 130 installations and the number grows almost weekly.

The "Viewpoint of the Retailer" was given by James Dirlam, divisional credit manager of Dayton's Department Stores in Minneapolis. He labeled EFTS as an interesting aid to retailing, which retailers will be anxious to look at for developing business as



Clinton Morrison, chmn. of the U. S. Chamber of Commerce, visits with MBA's Truman Jeffers before Mr. Morrison's luncheon address.

a means of providing additional service to attract customers.

A panel discussion was then held by the speakers, fielding questions from the floor.

John Chisholm, MBA president, and also president of the Marquette Bank & Trust Company, Rochester, presided at the noon luncheon. He introduced Clinton Morrison, chairman of the U. S. Chamber of Commerce, who gave his "Outlook for Business and Banking." Mr. Morrison is vice chairman of the board and chairman of the trust committee at the First National Bank of Minneapolis.

Three speakers concluded the afternoon program. Lee Gunderson, president of the Wisconsin Bankers Association and executive vice president, Bank of Esceola, discussed "Communicating Banking's Message." David H. Abramson, president-elect, Minnesota Society of CPAs, and managing partner of Alexander Grant & Co., Minneapolis, reviewed "Bank Audits." Winding up the program was Dr. Ted. R. Brannen, professor of management, University of Southern California.—

Independent State Bank Elects 1976 Officers

Independent State Bank of Minnesota, Minneapolis, has elected its directors and officers for 1976. The following officers also were elected directors: chairman — Russell Hanson, chairman and executive vice president, Swift County Bank, Benson; president — Gordon C. Donnelly, president, State Bank of Wheaton; executive vice president — Noel H. Busch; vice presidents — Richard H. Plunkett, chairman and president, The Rochester

Bank & Trust Company, E. Milton Klohn, president, Town & County State Bank, Newport, and Edward A. Hennen.

Directors are Rolf B. Hage, president, Westbrook State Bank; Harvey E. Latvala, president, First National Bank, Keewatin; Clayton M. Nelson, president, Security State Bank, Ellendale.

Named at Spring Valley

Maxine Jacobson was named assistant cashier and customer service

officer of the First National Bank of Spring Valley.

2 Promoted at Worthington

First National Bank of Worthington has announced two promotions. Mark Winer and Daryl Standafer have been named assistant cashiers.

Blue Earth State Bank Elects Assistant Cashier

Richard Prescher recently was elected assistant cashier of the Blue Earth State Bank.

Largest Banks in Minnesota

DEPOSIT and loan figures for leading metropolitan banks in Minnesota are shown as they were reported at year-end. Comparative figures for the same period a year ago also are shown.

(Last 3 figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. Northwestern Natl., Mpls.	\$1,371,338	\$960,361	\$1,329,736	\$993,868
2. First Natl, Mpls.	1,221,875	948,982	1,318,047	981,852
3. First Natl, St. Paul	1,138,708	843,298	1,175,108	963,431
4. American Natl, St. Paul	217,438	138,620	218,893	149,104
5. Northwestern Natl, St. Paul	195,551	145,487	191,454	160,239
6. Marquette Natl, Mpls.	182,255	108,905	173,600	100,700
7. Natl City Bank, Mpls.	166,899	109,176	144,086	99,461
8. First Natl, Duluth	157,842	101,318	156,359	103,335
9. Midland Natl, Mpls.	143,949	92,253	143,460	100,551
10. Northern City Natl, Duluth	127,843	81,437	129,028	81,473
11. Northwestern Natl SW, Bloomington	101,356	71,255	85,623	64,760
12. Northwestern Natl, Rochester	97,468	70,174	86,554	68,180
13. Midway Natl, St. Paul	86,187	54,590	76,024	51,293
14. First Natl, Rochester	83,934	55,815	76,624	46,447
15. Central NW Nat'l, Mpls.	77,742	51,623	66,905	48,000

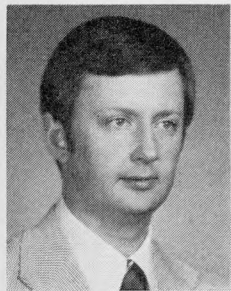
*Farmers and Mechanics Svgs. Bank, Mpls., reported deposits of \$870,767 and loans of \$663,149. 1974 figures were \$811,445 deposits and \$662,352 loans.

Gibbon Banker To Head Citizens State, Lafayette

Earl G. Wise, formerly executive vice president and director of State Bank of Gibbon, has been elected president of the Citizens State Bank in Lafayette. He and his wife, Audrey, recently purchased stock in the bank. No other personnel changes are anticipated.

Nat'l City of Minnetonka Opens for Business

The new National City Bank of Ridgedale inside the Ridgedale Shopping Center, Minnetonka, opened for business last month, according to Donald M. Jerpbak, president. The new bank's initial capitalization is \$2 million.



D. M. JERPBAK

Mr. Jerpbak recently was elected president. He formerly was vice president in the mortgage and instalment loan departments of National City Bank of Minneapolis.

Other officers include Dennis H. Van Heel, vice president and cashier and Glenn W. Keller, assistant vice president.

Directors are Lee R. Anderson, president, A.P.I. Incorporated; Edward E. Mueller, president, Whirl-Air-Flow Equipment and Supply Company; Simon R. Navickas, president, Gas

Supply, Inc.; Clifford M. Roberts, vice president, Cargill, Inc.; Clyde B. Roe, president, Great Plains Supply Company; Dennis O. Thompson, president, O. B. Thompson Electric Company; Joe A. Walters, attorney and partner, O'Connor & Hannan Law Firm and Mr. Jerpbak.

Alexandria Promotions

Debra E. Bisek was elected instalment loan officer of the First National Bank of Alexandria recently. Linda Dusek was elected auditor.

Little Falls Directors

John H. Lemme and John Simonett have been elected directors of American National Bank of Little Falls. Mr. Lemme is president and general manager of Little Falls Broadcasting Company. Mr. Simonett is a partner in the law firm of Rosenmeier and Simonett.

Robbinsdale Bank Selects Dr. Hills as Director

Dr. Dale A. Hills, a Robbinsdale dentist, has been elected to the board of the independent Guaranty State Bank of Robbinsdale. He has been practicing dentistry in the area for 30 years.

Elected at Moorhead

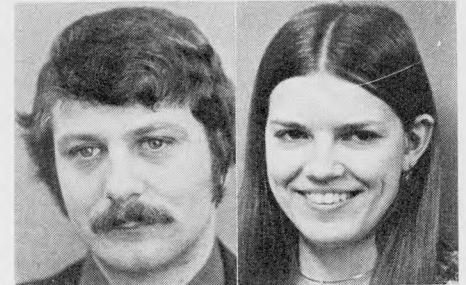
Harold L. Olsgaard and David I. Carlsen recently were elected directors of the First National Bank in Moorhead. Mr. Olsgaard is a Comstock area

farmer and Mr. Carlsen is vice president of finance at American Crystal Sugar Company.

First of Hastings Elects Two Officers

Jon R. Bergin was appointed cashier and Julie Borner assistant cashier of the First National Bank of Hastings.

Mr. Bergin previously was associated with the Northeast State Bank of



J. R. BERGIN

J. BORNER

Minneapolis and the Guaranty State Bank of Robbinsdale. Mrs. Borner has been with the bank since 1960. Her responsibilities will be in bank operations.

American State, Moorhead, Selects Directors, Officers

Jacob Sigmund and Gale Stenerson recently were elected directors of American State Bank of Moorhead. Mr. Sigmund is president of S&S Construction, F-M Asphalt, Mid-America Contractors, Red River Tool & Supply, Greater Moorhead Development Corporation and Fargo Gateway Center. Mr. Stenerson is vice president and treasurer of Stenerson Brothers Lumber Co.

The bank also announced the following officer promotions: Ken Benson, executive vice president; Rog-

To Head Mora Bank

John P. Ingebrand recently was elected president of the Kanabec State Bank, Mora, according to O. Jay Tomson, chairman. For the past six years, Mr. Ingebrand has served as executive vice president. Mr. Tomson previously was chairman and president.

Mr. Ingebrand is serving as vice president of the Minnesota Bankers Association Sixth District and has been an instructor at St. Olaf College Banking School for the past two years.

Promoted at Silver Bay

Patricia Viola was elected cashier of First Northwestern State Bank of Silver Bay.

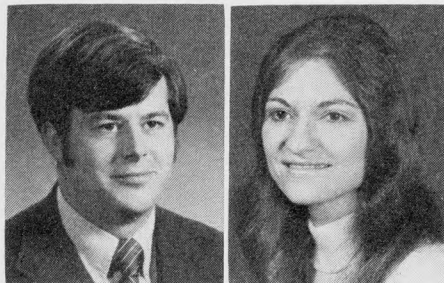
Mid America of Egan Election and Promotions

Michael E. Larkin, vice president of Mid America National Bank of Eagen has been elected to the bank's board.

Other promotions announced include: Thomas D. Vars, Dan J. Seaberg and Carl A. Monzel to assistant vice presidents, Audrey Berg to secretary to the president and Joan Connor to auditor.

2 Advanced at N. Mankato

Steve C. Rome, assistant cashier, recently was promoted to assistant vice president of the Valley National Bank



S. C. ROME

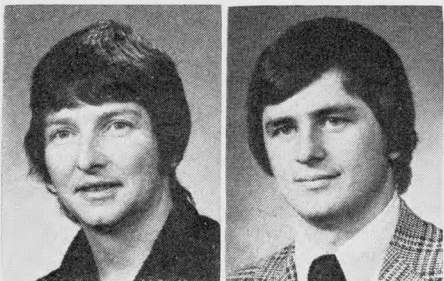
P. KUNKEL

of North Mankato. Pat Kunkel was appointed assistant cashier.

Mr. Rome has been with the bank since June of 1971 and Mrs. Kunkel since February of 1969.

Community State, Alexandria, Promotes Anderson, Blank

Carol J. Anderson has been promoted from assistant cashier to cashier of the Community State Bank of



C. J. ANDERSON

R. C. BLANK

Alexandria. Roger C. Blank has been named assistant cashier.

Mrs. Anderson joined the bank at its opening in 1972 and Mr. Blank in 1973.

Lake City State Bank Elects 2 Directors

Lake City State Bank has elected Harley Eggenberger, owner of Rose Clothing Store, and Kenneth Garbisch,

manager of United Building Center, to its board of directors. They replace Vic Bouquet and Lester Howatt.

Mr. Bouquet, retired owner of the former Bouquet's Super Valu Store, served as a director for 10 years. Mr. Howatt served 24 years as a director and as a vice president since 1967.

Retires at Willmar

Oscar A. Johnson has retired from the board of Citizens National Bank of Willmar. He was one of the organizers of the bank, which received its charter in 1964, and also served as a vice president for several years.

Big Lake Banker Retires

Citizens State Bank of Big Lake recently held an open house to honor Melvin C. Enger, who retired as a bank director after over 40 years of service. Mr. Enger acquired his bank stock and director's seat in 1935 at the death of his father who was a co-founder of the bank 10 years earlier.

Detroit Lakes Bank Elects Lueben Director

Robert Lueben, general manager of Swift & Co., has been elected to the board of the First National Bank of Detroit Lakes. He succeeds the late Alden Pearson, a founder of the bank.

Winona Bank Elects Sister Rowland to Board

One new director has been elected at Merchants National Bank of Winona. She is Sister M. Joyce Rowland, president of the College of Saint Teresa.

Glenwood Banker Retires

E. A. Walter, chairman of the Glenwood State Bank, recently resigned but will remain a director for another year. His retirement came 40 years after he arrived at the bank as cashier. His banking career spanned 60 years.

Cloquet Bank Advances Two

City National Bank of Cloquet has appointed Arlen B. Lund assistant cashier and promoted Joan A. Hoff from assistant cashier to installment loan officer.

Bennie H. Edman

Funeral services were held recently for Bennie H. Edman, 78, of rural Pennock. He was a farmer and served

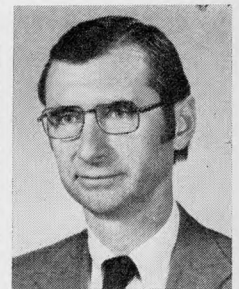
on the board of the State Bank of Pennock for 43 years.

Bernard J. Snyder

Funeral services were held recently for Bernard J. Snyder, 76. He had been affiliated with First National Bank of Winona for 42 years retiring as assistant cashier in 1959. Mr. Snyder joined the bank in 1917 as an exchange clerk and was named assistant cashier in 1951.

Richfield Bank & Trust Staff Assignments

Robert Prentiss has been promoted to manager of trust marketing and pensions and profit sharing at Richfield Bank and Trust Co. Claire Hesterman has been elected personnel officer and Bruce Winslow assistant vice president.



B. WINSLOW

Mr. Prentiss joined the bank in 1971 and Mr. Winslow in 1974 after serving as president of the Third Northwestern National Bank of Minneapolis for four years.

Joins Pierz Bank

Floyd L. Mathiowetz has joined the Farmers and Merchants State Bank of Pierz as cashier in charge of operations.

Mr. Mathiowetz, 28, began his career as a bank examiner with the State of Minnesota Commerce Department and most recently was with the First State Bank of Spring Lake Park. He fills a vacancy created when Harvey Sedlecek, assistant cashier, resigned to take a bank position in Warren.

First National of Virginia Elects Kajala Director

George V. Kajala, DDS, has been elected to the board of directors of the First National Bank of Virginia. Doctor Kajala received his degree in orthodontics from the University of Minnesota School of Dentistry.

Elected at Springfield

G. M. Pieschel, president of the Farmers & Merchants State Bank of Springfield, has announced the election of Stan DeZeeuw and Alice Hauptli as assistant cashiers.

South Dakota News

TED SCHANZENBACH President **Selby**

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



2 Sioux Falls Banks Merge

John T. Vucurevich, chairman and president of United National Bank of Sioux Falls, has announced the merger of the Union Bank & Trust Company, Sioux Falls, and the United National Bank.

Mr. Vucurevich began his career in 1951 purchasing the Rushmore State Bank in Hill City. In subsequent years he acquired various state banks in eastern South Dakota and in 1971 he acquired Union Bank & Trust.

Dakota State, Milbank, Top Executive Changes

Dakota State Bank, Milbank, has announced the following promotions; M. W. Wise, president and chief executive officer; Ralph Ramsey, vice president and cashier, and Dean Webb, assistant cashier. Earl F. Nixon has retired from active participation and has been named chairman. F. F. Phillippi has been named founder and chairman emeritus.



M. W. WISE

Mr. Wise has been associated with the bank since March of 1940. He was promoted to assistant cashier, insurance department, in 1947 and vice president and cashier in 1960. He has been a director since 1958.

Mr. Ramsey joined the staff in September of 1970. He was appointed as-



R. RAMSEY

D. WEBB

stant cashier in 1973 and cashier in 1975.

Mr. Webb joined the bank in May of 1975. Mr. Nixon was one of the original incorporators of the bank in 1938 and had been president since 1960. Mr. Phillippi founded the bank and served as president until retiring in 1960 after which he continued as chairman.

Dr. Kenneth Schulte, a local veterinarian, has been elected a director.

Named at Clark

Helen Peterson and Tom LaBrie have been named assistant cashiers at Citizens State Bank in Clark.

3 Receive Promotions At Aberdeen Bank

Three promotions have been announced by A. M. Severson, president, First National Bank of Aberdeen. At the main office, Larry Klingman, operations officer, was elected cashier, and Michael E. Swanton, marketing officer, was advanced to assistant vice president and marketing officer. At the Britton office, Patrick Cleberg, loan officer and assistant manager, was promoted to assistant vice president and assistant manager.

Mr. Klingman joined the bank as an officer trainee in 1968 and was elected operations officer in January, 1970. Mr. Swanton, with the bank

since 1965, was elected insurance officer in 1969 at Mobridge and in 1970 transferred to the main office as assistant marketing officer. He was elected marketing officer in 1974. Mr. Cleberg joined the bank in 1970 and was elected agricultural loan officer in 1973.

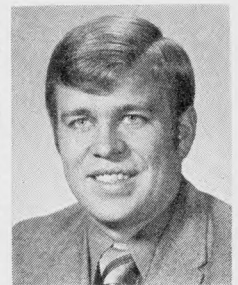
Aberdeen National Bank Elects Three Officers

Jack M. Thompson, president of the Aberdeen National Bank, has announced the election of three new officers. They are Evelyn Neal, assistant manager, insurance department of the Spink County branch; Richard P. Ferris, assistant cashier and commercial lending officer at the main office and David C. Mentzer, assistant cashier and agricultural representative at the main office.

Also announced was the resignation of Gary L. Scofield, assistant cashier and agricultural representative. He has joined First Bank System as liaison credit officer.

Joins Waubay Bank

Martin (Rick) Gruneich has joined the State Bank of Waubay as vice president.



M. GRUNEICH

Mr. Gruneich is a graduate of South Dakota State University in 1969. He joined Northwestern National Bank, Sioux Falls, as an agriculture credit analyst. He also worked in the instalment loan department and in 1972 was appointed personal loan officer. Since 1973 he has been with the J. T. Miller Co. as a field representative with the South Dakota Bankers Association.

Largest Banks in South Dakota

DEPOSIT and loan figures for some of the largest banks in South Dakota are shown in the chart below as they were reported at year-end. Comparative figures for a year ago also are featured.

(Last 3 figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. Natl Bank of S.D.	\$345,260	\$242,535	\$318,118	\$211,497
2. Northwestern Natl, Sioux Falls	249,698	152,586	226,437	148,005
3. First Natl Bank, Black Hills	188,275	128,658	174,168	125,721
4. First Natl Bank, Aberdeen	187,225	139,124	165,063	131,316
5. First Natl Bank, Sioux Falls	92,678	57,488	81,881	54,134
6. United Natl Bank, Sioux Falls	81,777	51,627	69,067	38,977

First State of Highmore Names Kilber Cashier

Robert L. Kilber has been elected cashier of The First State Bank of Highmore. He began his banking career in 1958 and was associated with it from that time through April of 1965 and returning again in October of 1970. In January of 1971 he was elected assistant cashier.

First National, Sioux Falls, Promotions, Appointments

An appointment to the board and the promotion of three staff members of The First National Bank in Sioux



LONG NELSEN BASS

Falls have been announced by Bill Baker, president.

Arnold S. Pederson, president of Pam Oil, Inc., has been named a director. For the past five years he has been on the advisory board of the Western Mall branch.

Tom Long, who is responsible for agricultural and correspondent banking operations, has been promoted to vice president. He joined the bank in 1974 and previously was associated with banks at Geddes, Valley Springs and Vermillion.

Warren Nelsen has been promoted to vice president and manager, Empire branch. He has been with the bank since 1946 serving in the main office until 1971 when he was transferred to the Western Mall branch as assistant vice president and assistant manager.

Grace Bass has been named assistant cashier in charge of the organization of the collection department during the bank's move to its new facilities.

Watertown Bank Announces Promotions

Farmers and Merchants Bank and Trust of Watertown has announced the following promotions: William M. Hanten, vice president and assistant credit manager; Marlyn E. Kuper, vice president and instalment loans manager; Burton L. Christenson, vice pres-

ident; Michael M. Twiss, instalment loans assistant manager and assistant cashier and Doris Berg, assistant trust officer.

National Bank of S.D. Promotes Three Officers

National Bank of South Dakota has announced the promotion of Dwayne Breukelman to assistant vice president, Huron office, and the elections of Anne Gormley to loan officer, South office, Sioux Falls, and Jim Eickhoff to instalment loan officer, Rapid City.



D. BREUKELMAN

Mr. Breukelman first joined the bank at its Platte office in 1966.

Wilmot Banker Retires

E. W. Boehmke has retired as president of the Wilmot State Bank after a 50 year career in banking.

His career began in 1918 at Holland, Minn. He was appointed assistant cashier at Wilmot in 1942.

8 Promoted at Northwestern Of Sioux Falls

Larry J. Cornell, assistant vice president and manager of the Westwood branch, Northwestern National Bank of Sioux Falls, has been advanced to vice president and Westwood manager. John S. Fiddes was ad-

vanced from assistant vice president to vice president at the Sioux Falls main office. Other promotions announced include: Howard F. Marquardt, main, Edith Reetz, main, Betty M. Anderson, Stockyards, and Janet A. Skyberg, Westwood, all to operations officers; Patricia R. Waring to personal banking officer at Colonial, and Jean M. Cavanaugh, to personal loan officer at Brookings.

Mr. Cornell joined the bank as instalment loan manager at Madison in 1960. He moved to the main office in 1963 as assistant vice president and became department manager in 1968. He has managed the Westwood branch since 1974. Mr. Fiddes has been with the bank since 1954 serving as teller, credit analyst, personal loan officer, advertising director, systems analyst and since 1959 personnel manager.

Retires at Belle Fourche

Regina Donahue, long-time employee of the Bank of Belle Fourche, recently retired as cashier. She joined the bank in 1942.

Burke Bank Announcements

Mark Knudson has been named cashier of the First Fidelity Bank of Burke after a year and a half association. Also announced was the election of Mrs. Avis Swift, associated with the bank for 15 years, as assistant cashier.

Robert Scheinost, executive vice president of the First Fidelity Bank, Colome, was named to the board as

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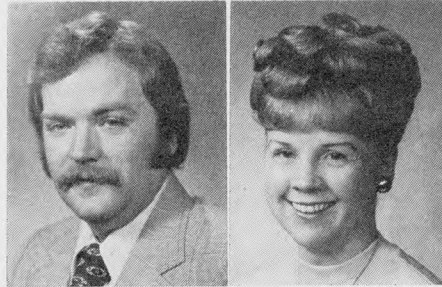
a result of the resignation of Kenneth Johnson and L. R. Norman.

Mitchell National Bank Elects 2 Officers

Dennis Everson has joined the Mitchell National Bank as an agricultural representative and Deborah Cowan has been named marketing officer.

Mr. Everson, a graduate of South Dakota State University, has been an assistant county supervisor of the Farmers Home Administration in

Mitchell. Ms. Cowan has been with the bank for six years. She is a graduate of Doane College in Crete, Nebr.



D. EVERSON

D. COWAN

North Dakota News

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



Valley Bank of Grand Forks Announces Staff Changes

Valley Bank and Trust Co. of Grand Forks has elected L. Russell Brown and Tom K. Callaghan to its board. Larry Brown, president of Agsco, Inc., and director since 1956 and Henry Larson, director since 1936, have retired.

Russell Brown is sales manager of Agsco, Inc. and Mr. Callaghan is part owner of Dow Welding Supply Co.

Five bank officers received promotions. They are Ron Briehner, assistant vice president and manager of the instalment loan department; Pat Grinde, assistant cashier and assistant trust officer; Wayne Ostlund, loan officer, and Mike Porter and Donna Larson, assistant cashiers.

5 Elected Officers At Fargo Bank

Election of five new officers of the Fargo National Bank and Trust Company have been announced by C. S. Miller, president. They are June Nygard, assistant auditor; Jeff D. Hanson, assistant cashier; Carole Sagen, assistant secretary, trust department, and Linda Sailer and Sharon Erickson, administrative assistants.

Elected at Mandan

Wallace Joersz and Donald Russell have been elected directors of the Mandan Security Bank succeeding

their fathers, William Joersz and William Russell.

Wallace Joersz is part owner of Joersz Corporation that operates Marv's Hardward and Bill's Super Valu. Mr. Russell established Speedy's Tire Service in 1969 and now has four stores in Mandan, Bismarck, Minot and Aberdeen. He also is president and general manager of Cloverdale Foods Company.

Merchants Nat'l, Fargo, Announces 7 Promotions

Seven staff promotions have been announced at the Merchants National Bank and Trust Company of Fargo. They are Roy Johnson to vice president and manager of the new southwest facility; David M. Kramer, vice president, operations; Charles A. Nelson, assistant vice president, agricultural department; Phyllis M. Larson and David Parish, assistant operations officers, operations; William J. Stenson, assistant secretary, trust, and Thomas J. Archbold, trust farm manager.

Mr. Johnson has been with the bank as assistant vice president since May of 1969. Mr. Kramer, formerly assistant vice president, joined the bank in 1959.

2 Promotions at Hillsboro

Terry Reed has been elected assistant cashier and Dennis Bondy assistant cashier and insurance depart-

ment manager at the Northwestern State Bank of Hillsboro.

Minot Staff Promotions

Noel K. Hanson has been named assistant vice president and trust officer of the American Bank and Trust Company, Minot. Kenneth A. Lindemann has been promoted to assistant cashier in the instalment loan department.

Mr. Hanson joined the bank in 1967 as assistant vice president and in 1973 transferred to trusts. Mr. Lindemann joined the bank in 1974.

Jamestown Bank Promotes 3

The First National Bank of Jamestown has announced the following three promotions: William N. DuToit from assistant vice president and agriculture representative to vice president; Shirley Herring to insurance officer and Jean Weatherly to assistant cashier.

Mr. DuToit began his career with the bank in 1970 as agriculture representative and was elected assistant vice president and agriculture representative in 1972.

Valley City Banker Named Boss of the Year

Walter Bauer, president and chairman of the First National Bank of Valley City, has been awarded "Boss of the Year" by the Valley City Jaycees. Mr. Bauer had been active since coming to Valley City in 1957.

Northwestern of Valley City Announces Staff Changes

Ernest J. Miedema has been elected to the board of Northwestern National Bank of Valley City, according to K. B. Cummings, president. He is the city's mayor.

Darrel T. Wavra and Oscar A. Lauzon have been elected assistant vice presidents. Mr. Wavra joined the bank in 1967 and first became an officer in 1974. Mr. Lauzon joined the bank in 1966 and became branch manager at Tower City in 1966 and a bank officer in 1971.

Appointed at Fargo

Donald E. Matteson has been appointed agricultural representative at Fargo National Bank & Trust Co. He is completing requirements for his masters degree in agricultural economics at North Dakota State University.

Dakota National, Fargo, Announces Staff Changes

Steward A. Turing was elected vice president and cashier of Dakota National Bank & Trust Co. of Fargo. Other promotions announced include: Jerome D. Thompson and Kurt D. Eriksmoen, assistant cashiers; John F. Stadsvold, assistant secretary, trusts, and Patrick J. Triggs, instalment loan officer, time pay.

To Head Hazen Bank

The Union State Bank of Hazen has announced a realignment of bank offi-

cers. Byron (Bud) Pulles has been elected president moving up from vice president. He succeeds George Stroup who was named chairman. Harvey Huber was named vice president and cashier; Charles Stroup vice president and Hazel Jensen assistant cashier.

Mr. Pulles, 58, has been with the bank since 1967 and previously served as cashier and vice president. Mr. Huber, 33, joined the bank in 1968 as assistant cashier and later was elected a vice president. Mr. Stroup, 29, joined the bank in 1973 as an assistant vice president.

city officer of The First National Bank of Rawlins.

Charter Rejected

A charter for a bank in Mills has been rejected. Mayne Miller, agent for the organizers of the proposed new national bank to be located on Wyoming Blvd. in Mills, said the Comptroller rejected the application because it was felt that the economy of Mills and the surrounding area was not strong enough to support a bank.

The applicants have filed another application.

State Senator Joins Levell Bank Board

State Senator Cal Taggart has joined the board of the Western National Bank of Levell, according to E. J. Cassidy, president.

Named at Worland

Mary Ann Weber has been elected executive secretary of the Stockgrowers State Bank of Worland. The bank also has increased its surplus from \$740,000 to \$865,000.

Bank of Laramie Elections

Bank of Laramie has announced the election of Patricia R. Guthrie as a director and Karen Hays as auditor.

Mrs. Guthrie is a graduate of the University of Wyoming and has been a partner in the Yarn Shop since 1969. Mrs. Hays joined the bank five years ago.

Stockgrowers Bank Promotes Rabus

Richard E. Rabus has been promoted from loan officer to assistant vice president of the Stockgrowers Bank of Evanston, according to Roger A. Weidner, bank president.

Mr. Rabus previously was employed since 1968 at the First National Bank of Nevada in Reno where he completed his training program and was promoted to second loan officer at the Greenbrae office.

Elected at Riverton

American National Bank of Riverton has announced the election of two new directors. They are Lewis Medow, son of the late Gerhard Medow who served on the board until his death December 4, 1975, and L. J. Geraud, agribusinessman. Both are prominent in Fremont County agriculture.

Largest Banks in North Dakota

DEPOSIT and loan figures for some of the largest banks in North Dakota are shown in the chart below as they were reported at year-end. Comparative figures for a year ago also are featured.

(Last 3 figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. Bank of N.D.	\$311,720	\$119,002	\$253,630	\$242,918
2. First Natl B&T, Fargo	88,279	55,050	68,631	49,408
3. Merchants Natl B&T, Fargo	83,844	64,763	71,490	55,601
4. First Natl Bank, Minot	75,287	49,858	62,942	42,401
5. First Natl Bank, Grand Forks	74,381	44,782	62,003	39,917
6. First Natl B&T, Bismarck	72,659	54,619	60,779	47,306
7. Dakota Northwestern, N.A., Bismarck ..	72,522	51,570	60,983	45,604

Wyoming News

H. H. WATT President Riverton

M. C. MUNDELL Secretary Laramie



Staff Changes at Sheridan

Robert G. Miller, president of the First National Bank of Sheridan, has announced the election of two new board members. They are John A. Brayton and Floyd J. Reisch, both vice presidents of the bank.

He also announced the following promotions: William H. Porter, vice president and trust officer; William L. Linn, assistant vice president, and John L. Piesik and David Withrow, assistant cashier.

University Nat'l, Laramie, Elects Fortman Chairman

Charles R. Fortman has been elected chairman of the University National Bank of Laramie succeeding E.

G. Jackson, who is retiring from the position but will remain a director. Mr. Fortman is owner and manager of Fortman's Paint and Glass and has been a member of the board since 1966.

Saratoga State Names Rancher To Board

Valley rancher Tom Trowbridge has been named to the board of the Saratoga State Bank. The announcement was made by George W. McIlvaine, president.

Promoted at Rawlins

John Martin has been promoted to assistant vice president and David Shadrick to assistant cashier and secu-

Top Banks in Wyoming

DEPOSIT and loan figures for some of the top banks in Wyoming are reported at year-end as shown in the chart below. Comparative figures for the same period a year ago also are featured.

(Last 3 figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. Wyoming Natl, Casper.....	\$155,102	\$ 90,619	\$137,314	\$ 73,563
2. First Natl Bank, Casper.....	152,946	82,885	117,945	68,485
3. American Natl Bank, Cheyenne.....	60,863	35,243	50,989	32,841
4. Stockmens Bank, Gillette.....	59,271	42,503	52,957	33,238
5. The First Natl B&T of Wyo., Cheyenne..	57,933	27,275	48,772	28,353
6. Cheyenne Natl.....	49,069	36,768	54,995	34,322
7. Rock Springs Natl Bank.....	43,558	22,203	38,068	23,325
8. Bank of Commerce, Sheridan.....	41,691	23,776	39,955	23,373
9. First Natl Bank, Laramie.....	40,038	24,968	42,077	24,150
10. Jackson State Bank.....	37,433	23,099	31,645	21,355

Cheyenne Bank Promotes 3

Bernard R. Weber, president of the First National Bank & Trust Company of Wyoming, Cheyenne, has announced the promotions of Robert Louis Godfrey to loan officer, Dennis Lee McCann to assistant cashier and Philip Marsh Ellis to agricultural loan officer.

Named at Cheyenne

Richard M. Baker has been named vice president and trust officer of Cheyenne National Bank. He came to the bank from a Denver bank where he was in charge of the trust and estate division.

Colorado News

W. M. WATROUS Pres. **Bush**
G. L. SCARBORO Exec. Mgr. **Denver**



Joins Colo. Springs Bank

Greg Ireton has joined the First National Bank of Colorado Springs as senior vice president in charge of the lending division. Mr. Ireton previously was with The First National Bank and Trust Company of Oklahoma City where he was senior vice president and group head of special industries lending.



G. IRETON

He will manage the trust department succeeding Richard P. Brown, who, by his own request, becomes chairman of the trust committee and the investment policy committee.



W. R. ALEXANDER

C. H. KREBS

Mr. Alexander joined the bank in 1953, became vice president and trust officer in 1960 and senior vice president and trust officer in 1964.

The bank also announced that Charles H. Krebs, assistant vice president, correspondent department, has been named manager of the Northern Division. Jerome B. Woods recently resigned the post to become executive vice president of Security Bank of Billings, Mont. Mr. Krebs joined the bank in 1969 and now will service correspondents in northern Colorado, western Nebraska, Wyoming, Montana, Idaho and parts of North and South Dakota.

Promoted at Bear Valley

Kyle J. McClaugherty, previously vice president of The First National Bank of Bear Valley, has been advanced to senior vice president. He has been with the bank since 1970.

Michael F. Everett, who joined the bank in 1967, was promoted to vice president and cashier.

United Banks Elects Two New Directors

George R. Cannon and R. Earle Honnen have been elected directors of United Banks of Colorado, Inc., raising the number of directors to 18.

Mr. Cannon is president of Cannon Land Company, a family-operated land and investment cattle company. Mr. Honnen is president of McCoy Co., a private investment company.

Named at First of Denver

W. Robert Alexander has been elected executive vice president, trust, of The First National Bank of Denver.

Largest Banks in Colorado

DEPOSIT figures for some of the top Colorado banks are shown in the chart below as they were reported at year-end. Comparative figures for a year ago also are featured.

(Last 3 figures omitted)

	December 31, 1975	December 31, 1974
1. First Natl Bank, Denver.....	\$818,280	\$869,910
2. United Bank of Denver.....	704,983	671,050
3. Colorado Natl Bank, Denver.....	429,064	427,673
4. Central Bank & Trust.....	334,844	354,063
5. American Natl Bank, Denver.....	146,887	137,632
6. First Natl Bank, Colo. Springs.....	137,997	138,519
7. First Natl Bank, Boulder.....	104,207	84,840
8. First Natl Bank, Fort Collins.....	101,702	98,387
9. Jefferson B&T, Lakewood.....	96,545	104,814
10. Security Natl, Denver.....	89,298	80,174

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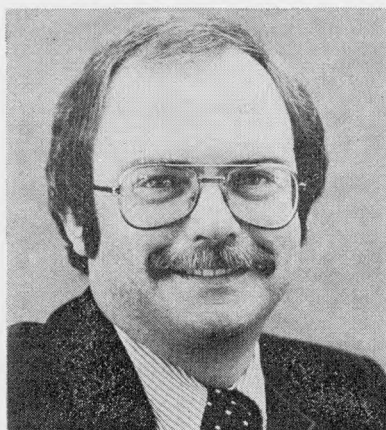
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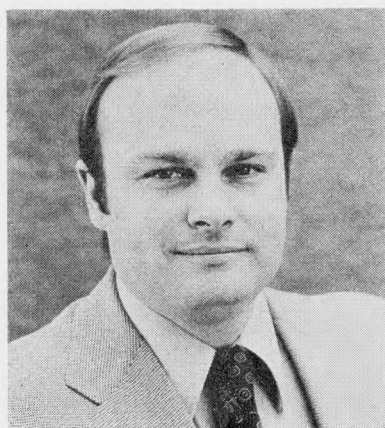
Don Echtermeyer



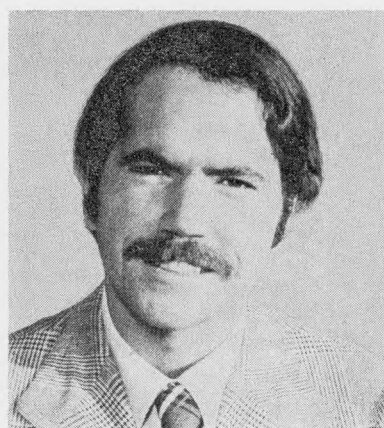
Bill Tumelty



Darla Slaby



Larry Matthes



Chris Jeavons

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Montana News

A. F. WINEGARDNER President Billings

J. T. CADBY Secretary Helena

Elected at Great Falls

Forrest Henderson, president of the First Trust Company of Montana, Great Falls, has announced that John Reichel and Edie Anderson have been elected to the bank's board. Mr. Reichel is president of the First National Bank of Great Falls and a director of the Helena branch of the Federal Reserve Bank of Minneapolis. Mrs. Anderson presently serves on the Great Falls Parks and Recreation Board and is a former director of C. M. Russell Museum and past president of the Cascade County Medical Auxiliary.

Security State, Polson, Adds 2 To Staff

The Security State Bank in Polson has added two new officers to its staff. They are Lynn Weaver, operations and loan department, and Alan Bradley. Mr. Weaver previously was a state bank examiner for over six years. Mr. Bradley has worked in the time pay department of the Western Montana National Bank in Missoula and as manager of the instalment loan department of the First National Bank at East Grand Forks, Minn.

First National of Helena Announces Promotions

Bruce Thomson, president of the First National Bank and Trust Company, Helena, has announced the election of Richard A. Porte to the bank's board. Mr. Porte is president of Caird Engineering Company.

Mr. Thomson also announced the following staff changes: Glen N. Gray and Stuart Ellison to vice presidents; Marilyn Miller to real estate loan officer, and Michael Fries and Richard Sapp to instalment loan officers.

Mr. Gray joined the bank in 1955 as a personal loan officer. In 1968 he was elected assistant vice president and manager of the home loan department and real estate loan department where he continues. Mr. Ellison joined the First National Bank in Havre in 1960. He transferred to the First National



in Great Falls in 1970 and to the Helena bank in 1974 as assistant vice president and manager of the agricultural loan department, where he continues.

Appointed at Billings Bank

Michael J. Rooney has been appointed vice president of the Security Bank N. A., Billings. He has 10 years of banking experience in Iowa and Nebraska. Mr. Rooney was cashier of the Bank of Commerce in Sheridan, Wyo., before moving to Security.

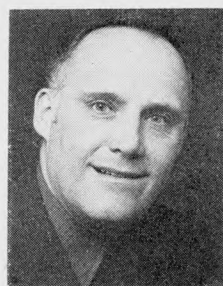


M. J. ROONEY

Western Montana Nat'l Announces 3 Promotions

John E. Lipski has been promoted to vice president, business development at the Western Montana National Bank, Missoula. Angela M. Bourquin has been promoted to real estate loan officer and Clara M. Storing to administrative assistant.

Mr. Lipski began his banking career at Western in 1967 as assistant cashier and personal loan manager. He most recently was assistant vice president, business development.



J. E. LIPSKI

Central Bank, Great Falls, Promotes Servoss

G. Roger Servoss has been promoted to assistant vice president and officer in charge of instalment loans

at Central Bank of Montana, Great Falls.

Mr. Servoss joined the bank last year. He began his banking career with First National Bank of Cincinnati in 1967.

Security Bank, Billings, Announcements

John M. (Jack) Dietrich, senior partner of the law firm of Crowley, Haughey, Hanson, Gallagher and Toole, has been elected a director of



J. M. DIETRICH

E. E. COOMBS

Security Bank, N. A., Billings. Mr. Dietrich is a graduate of Stanford University and the University of Montana Law School.

Eugene E. Coombs has rejoined the bank after a six-month absence. He is now vice president with agri-business, commercial loan, public relations and correspondent banks. During his absence he was with Associate Realty, Inc.

Northwestern Bank, Helena, New Staff Assignments

W. B. Andrews, president of the Northwestern Bank of Helena, recently announced several staff changes and the election of a new director.

E. Phil Maronick, president of Maronick Construction Co., Inc., in East Helena, was named to the board. Elected officers are Dale W. Anderson and Ralph L. Samson, senior vice presidents; Sadie Hunter, customer service officer; Alan V. Johnson, commercial banking officer and Jeffrey M. Brown assistant controller. Promoted are Robert E. Lindquist to vice president and controller and Frank W. Shaw to vice president.

Mr. Anderson comes to Helena from Sioux Falls, S. D., where he was president of Northwest Agricultural Credit Company. Previously he was vice president of the First Northwestern National Bank of Marshall, Minn. Mr. Samson began his banking career in 1930 at the Federal Reserve Bank

Western News

Helena Branch. He joined Northwestern Bank in 1947 advancing from loan officer to assistant cashier to vice president and head of instalment loans in 1955. Since 1965 he has managed the real estate department.

Mr. Lindquist joined the bank in 1969. He will assist with operations of the newly formed Northwestern Union Trust Co. Mr. Shaw has been with the bank since 1967 when he joined the Banco management trainee program. He advanced from advertising manager to assistant cashier and in 1973 was promoted to assistant vice president.

Montana Bank Officers Assume New Positions

Vern E. Hendershott, president, has been elected chairman and chief executive officer of Montana Bank, Great Falls. Charles E. (Chuck) Ped-



V. E. HENDERSHOTT

C. PEDERSEN

ersen has been elected president. Mr. Hendershott said the changes are preparatory to his retirement planned for September of 1977.

Mr. Hendershott joined the bank in 1960 from Pendleton, Ore., where he was manager of a branch of First National Bank of Oregon. He was elected president in 1962 and chief executive

officer in 1963. Mr. Pedersen joined the bank in August, 1974, from First National Bank of Oregon where he was vice president, national division, at the administrative headquarters in Portland.

Robert H. Oakland was elected a vice president of the bank. He also is president and general manager of City Motor Company, Inc., Great Falls, and will continue to operate that business. Paul A. Matteucci, a director since 1956, retired from the board and was elected an honorary director.

Elected at Lewistown

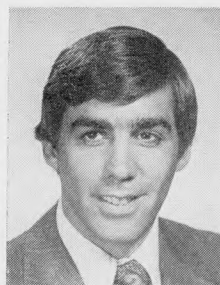
Northwestern Bank of Lewistown has announced the election of Joan Felke to accounting officer. She joined the bank in 1970.

The bank also announced the approval of a \$70,000 increase in its total capitalization, increasing it to \$1,470,000.

Promoted at Missoula

The promotion of James M. Beaton to assistant vice president of the Southside National Bank of Missoula has been announced by Earl W. Johnson, president.

A native of Billings, Mr. Beaton joined the bank in August of 1970 and in July of 1974 became manager of the instalment loan department. He continues in this responsibility.



J. M. BEATON

NW Banking School Receives Final Approval

Final approval to establish the Northwest Intermediate Banking School (NIBS) has been received from the Oregon and Washington Bankers Associations. The school, featuring a single-session program each year, will be located at Lewis and Clark College in Portland, Ore., and will conduct this year's 10-day resident session August 4-14.

NIBS, developed as the result of cooperative efforts of Oregon and Washington bankers, will direct its instruction toward bankers with a minimum of three to five years' experience in the industry. The program will concentrate on credit administration, bank administration and interpersonal relationships, with the development of a long-range marketing plan for the student's bank or a bank profile, supplied by the school, as the end product.

The board of directors of NIBS consists of bankers from both sponsoring states. Elected in January as board chairman is Johan A. Mehlum, president of Siuslaw Valley Bank of Florence, Ore. Vice chairman is Thomas H. Rainville, executive vice president of the Bank of Everett, Wash. Another NIBS board member, John Hagopian, was named as director of the school for its first year. He also is a member of the board of directors of North Pacific Bank in Tacoma, Wash.

Those wishing to submit their names for early consideration may do so by writing to Northwest Intermediate Banking School (Attn: Jo Anne Miller), Oregon Bankers Association, 1212 Oregon Bank Building, Portland, Ore. 97204. Information should include the prospective candidate's name, position or title, number of years in banking, name of present bank and address.

Promoted at Zions

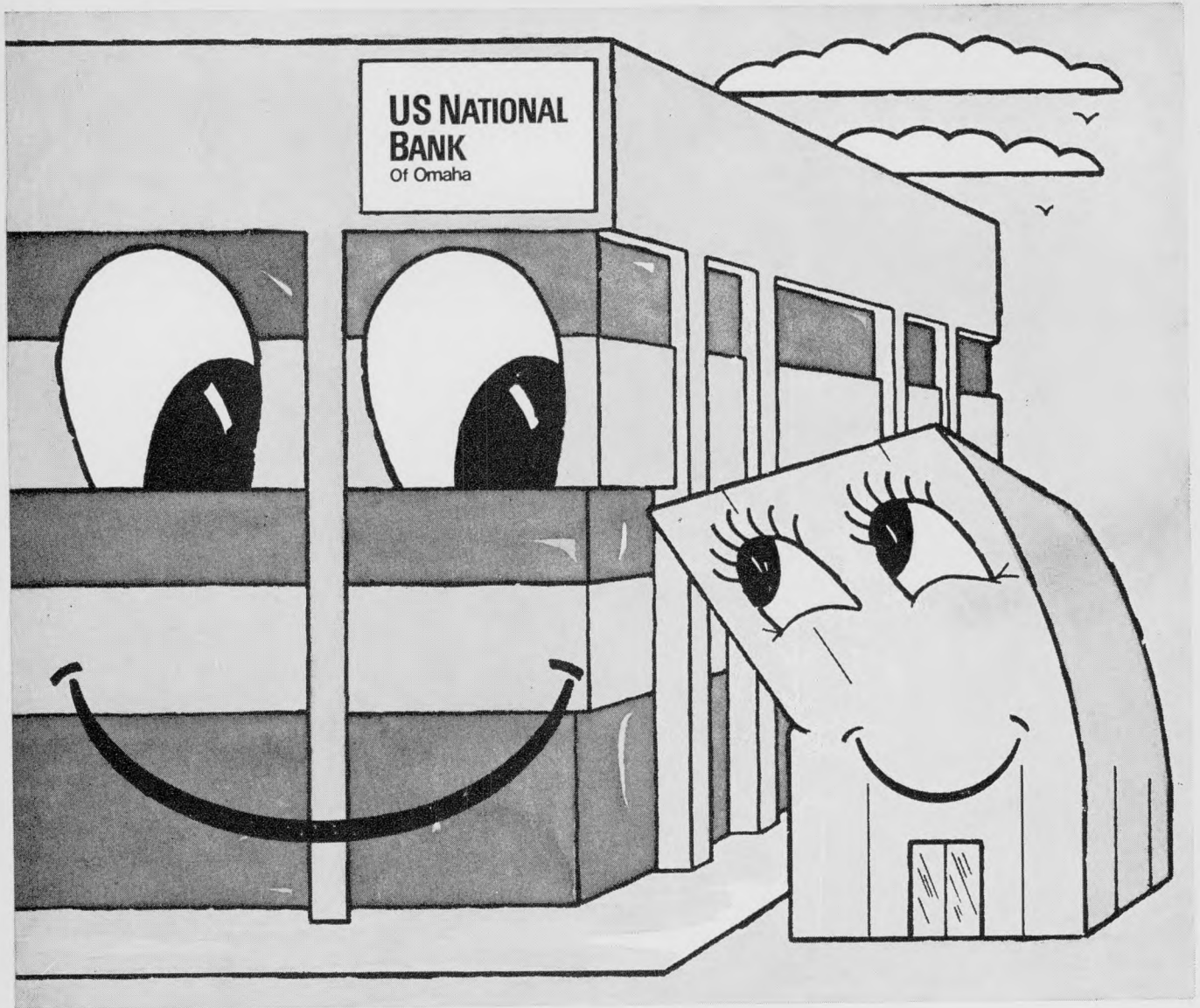
Glen M. Robinson has been appointed senior vice president in the business development department of Zions First National Bank. He formerly served as vice president.

Top Banks in Montana

DEPOSIT and loan figures for some of the top Montana banks are reported at year-end as shown in the chart below. Comparative figures for the same period a year ago also are featured.

(Last 3 figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. Security Bank, Billings	\$149,350	\$ 97,661	\$147,616	\$101,016
2. Midland Natl, Billings	143,753	90,883	123,311	81,508
3. First Natl Bank, Great Falls	113,618	74,786	109,142	68,910
4. First Natl B&T, Billings	100,861	66,707	90,623	67,203
5. Northwestern Natl, Great Falls	92,591	59,083	90,047	78,573
6. Western Montana Natl, Missoula	78,932	58,876	68,170	52,896
7. First Metals B&T, Butte	71,089	44,776	66,491	46,682
8. First Natl Bank, Missoula	70,595	47,928	61,467	47,656
9. Northwestern Bank, Helena	56,125	35,151	60,034	33,953
10. Montana Bank, Great Falls	55,957	28,822	53,613	33,953



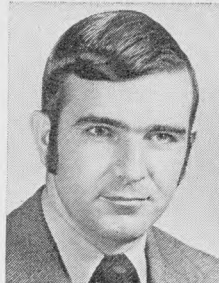
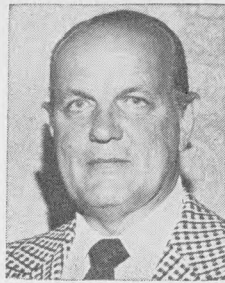
EVERYONE NEEDS SOMEONE TO LEAN ON...

We'd be happy to have you lean on us . . .
 over 300 banks in 10 states do. Our correspondent bank
 department will help you provide new and better
 services to your customers . . . we're proud to be called
 . . . U. S. National Bank . . . lean our way.

**US NATIONAL
 BANK**
 Of Omaha

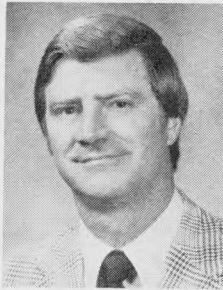
Nebraska News

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



Western Nat'l, Scottsbluff, Names Hall President

Gary W. Hall has been named president of the Western National Bank of Scottsbluff. He previously served as executive vice president. Mr. Hall replaces H. D. Kosman who was reelected chairman.



G. W. HALL

To Head Walthill Bank

Harold Matney has been elected president of The First National Bank of Walthill. He previously was vice president. The bank also announced the promotions of Margie French and Mary Ann Henjes to assistant cashiers.

Nebraska City Bank Promotes 2 officers

Otoe County National Bank, Nebraska City, has promoted Dennis Kennedy from vice president and cashier to executive vice president and cashier and Dave DiGiovanni from assistant vice president to vice president. Mr. Kennedy has been with the bank since 1971 and Mr. DiGiovanni since 1973.

Joins Wayne Bank

William Dickey has joined the First National Bank of Wayne as a loan officer. He formerly was operations officer for Naperville National Bank and Trust Company in Naperville, Ill.

Stratton Bank Sold

Robert Kehr is the new managing officer of Commercial Bank of Stratton. The bank has been purchased by Dan Hoff and Dale Stine and Associates who also have interests in other banks in the state.

Mr. Kehr has been with the Farmers

State Bank at Kelgore and the Gordon State Bank, most recently as vice president, commercial and installment loans, at Gordon.

Named at Scribner

Joan Moeller has been named assistant cashier of the Scribner Bank.

Randolph Bank Elects Lackas Cashier

Neil M. Lackas, cashier, has been elected director of the First State Bank, Randolph. He joined the bank in 1961, was named assistant cashier in 1966 and cashier in 1972.

Stromsburg Bank Elects Top Executive Officers

Warren Johnson has been promoted to president of Stromsburg Bank and James Rosenquist has been named executive vice president.

Mr. Johnson joined the bank as assistant cashier in 1949 after short associations with the First National Bank of Osceola and First National Bank in Shelby. He moved up to cashier in 1951, was elected a director in 1952 and was named executive vice president in 1957.

Mr. Rosenquist joined the bank in 1962, was elected a director in 1964, promoted to assistant vice president in 1967 and to vice president in 1969.

Michael Galen Keller

Funeral services were held recently for Michael Galen Keller, 61, president of the First National Bank, Ogalala, since 1952. The bank was purchased by his father in 1935. Mr. Keller was a former director of Packers National Bank of Omaha and Bank of Keystone, Nebr.

South Sioux City Bank Announces Staff Elections

Nebraska State Bank, South Sioux City, has announced the following staff changes: John Paulson, executive vice president; Scott Bradley, vice

president; John Portwood, assistant vice president and Randy Lanning, assistant cashier.

Kearney Bank Advances Helen Easterbrook

Helen Easterbrook recently was elected trust administration officer of Platte Valley State Bank in Kearney. She joined the bank in March of 1973.

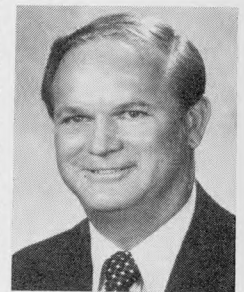
Changes at Gering

William R. Michaels, president of Lockwood Corp., has been elected to the board of Gering National Bank and Trust Company.

Larry Sauter and John McLellan, Jr., have been elected assistant cashiers.

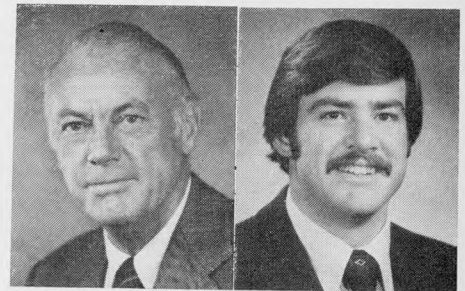
To Head Scottsbluff Bank

J. T. Selzer recently was elected president and chief administrative officer of the Scottsbluff National Bank and Trust Company. He replaces H.D. Kosman who was elected chairman and will continue his active role in the bank as chief executive officer.



J. T. SELZER

Mr. Selzer has held the position of executive vice pres-



H. D. KOSMAN

H. KOSMAN

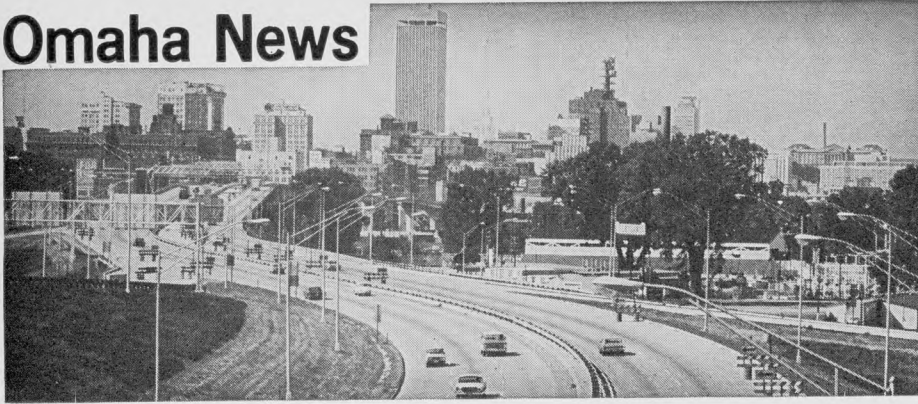
ident for the past seven years and has been a bank officer for 15 years.

The bank also announced that H. Hod Kosman was elected assistant vice president.

Elected at Fremont

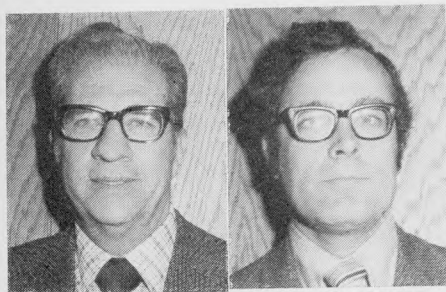
Sandy R. Reed has been elected assistant cashier of the First State Bank of Fremont. She joined the bank in January of 1970 and has served as manager of the Parkview office since November of 1974.

Omaha News



HOWARD H. Agee has been elected chairman of the North Side Bank. He is president of the American Road Equipment Company of Omaha and has been a member of the bank's board since 1968.

Other newly elected members of the board are **A. Bruce Truesdell**, president of Truesdell Distributing Corpo-



W. C. RADFORD

R. V. VOORHEES

ration; **Bernard Taulborg**, partner in Taulborg Brothers Builders, and **Frank Catalano**, president of Williams Machine & Tool Company.

Four officer promotions and four new officers elections also have been announced. **Roger V. Voorhees** and **W. Charles Radford** have been named vice presidents; **Dennis B. Friese**, assistant vice president and **Joan Larson**, cashier. Newly appointed officers, all assistant cashiers, are **Robert C. Stringer**, instalment loans; **Daris Gillespie** and **Norvin (Junior) Bunselmeyer**, data processing, and **Mariann Shanno** at the bank's new office in Florence.

* * *

At the February meeting of the Omaha-Lincoln Financial Analysts Society, whose members are the investment and bond analysts of banks, trust companies, insurance companies and investment banking firms, **John E. Van Horne**, president of Van Horne Investments, Inc., Omaha, was awarded the trophy for the best government bond guesstimate for 1975. Guessti-

mates are made a year in advance for the year-end quote. In a market which is quoted in 32nds (31¼ cents per thousand), Mr. Van Horne lucked out and hit the price right on the nose at 79-10/32!!!

* * *

Omaha National Corporation has announced the promotions of **Howard E. Reelfs** to second vice president and financial officer, **George M. Brady** to financial officer and **Melvin R. Katskee** and **Steven McWhorter** to general attorneys.

Mr. Reelfs joined The Omaha National Bank in July, 1974, and in November, 1974, was promoted to control officer. Mr. Brady joined the bank as assistant auditor in 1974 and in 1975 was named assistant control officer. Mr. Katskee was promoted to assistant legal counsel in 1975 and Mr. McWhorter recently joined the corporation as assistant legal counsel from a private law firm.

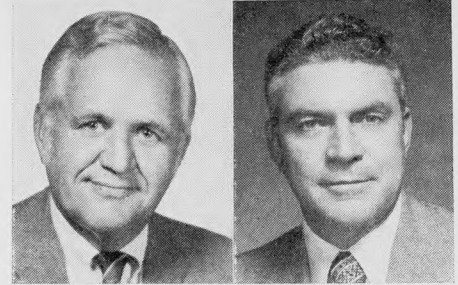
* * *

Edward J. Wagner has been named vice president in charge of marketing, advertising and public relations for First West Side Bank in Omaha, according to **James A. Irving**, chairman and chief executive officer.

Mr. Wagner joined the bank in 1966 as manager of the teller division and in 1968 was promoted to assistant vice president in charge of the facility bank.

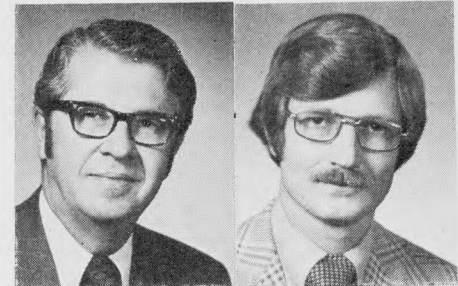
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Kirkpatrick, Pettis, Smith, Polian Inc., an Omaha-based investment banking firm, has announced several



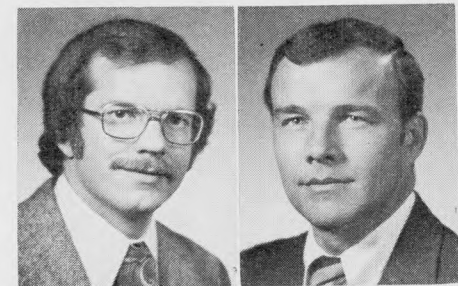
H. H. DAVIS, JR.

L. C. PETERSEN



J. SOSHNIK

G. E. KING



O. L. SADDLER, JR.

T. T. THULL

top-level promotions. **Herbert H. Davis, Jr.**, has been named board chairman succeeding **Carl A. Falk**, now chairman emeritus, who will continue to serve several accounts. Mr. Davis, who joined the firm in 1948 and was named president in 1967, will remain chief executive officer.

L. C. (Jack) Petersen has been named president. With the firm since 1966, he was named chief operating officer last year and will retain that title.

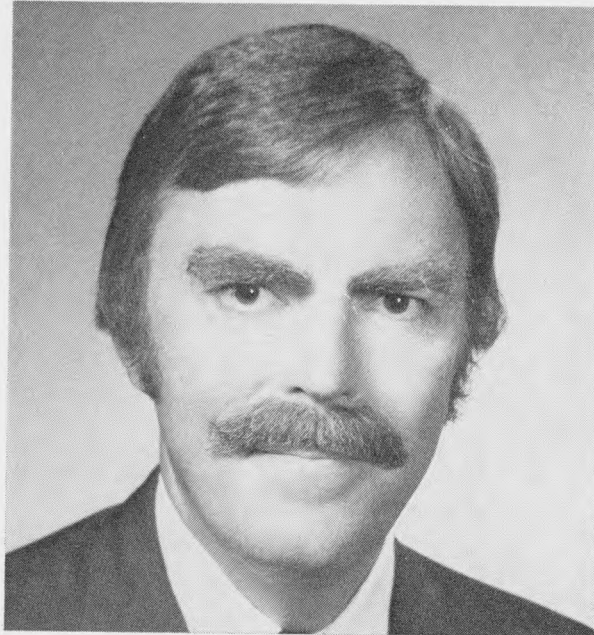
Joseph Soshnik, formerly executive vice president, has been named chairman of the executive committee. He resigned as chancellor of the University of Nebraska-Lincoln to join the firm in 1971 and was named executive vice president in 1973.

Three new vice presidents also were announced: **Gary E. King**, municipal bonds; **Owen L. Saddler, Jr.**, securities trading, and **Theodore T. Thull**, securities and mutual funds.

* * *

Donald J. Murphy has been named chief executive officer of the United States National Bank succeeding **Kermit Hansen** who remains chairman of

Larry Carlson.



A good man for your money.

18 years of experience in municipal and Government securities led Larry Carlson to the position of Vice President, Investments, First National Bank of Omaha.

It's been Larry's pleasure to use this experience to satisfy the growing needs in First National Territory. Now, he would like to serve you.

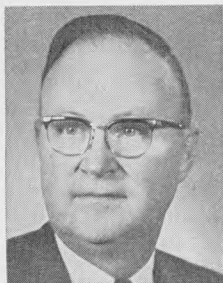
Feel free to contact Larry anytime. Call him Toll Free at 800-642-9907 in Nebraska. Or from States adjacent to Nebraska, call him Toll Free at 800-228-9533. You'll like his bond of service.



first national bank
of omaha
you're in first national territory

the board.

Mr. Murphy became president of the bank last October when Mr. Hansen was advanced to chairman. Prior to that he was president of Northwestern National Bank of Omaha for 10 years. U. S. National and Northwestern National are affiliated with Northwest Bancorporation of Minneapolis.



D. J. MURPHY

Mr. Hansen was named bank president in 1973 and chief executive officer in 1974 following the retirement of Edward W. Lyman.

Mr. Murphy said he will have full responsibility for the day-to-day operations of the bank. The change will permit Mr. Hansen to devote more time to civic endeavors and matters related to changes in national and state regulation of banks, he said.

* * *

Two promotions in the trust division of the bank have been announced. **John R. Caswell** has been elected assistant trust investment officer and **Stephen E. Heady** has been elected assistant trust officer.

* * *

John M. Shonsey, chairman of the American National Bank of Omaha, has announced the promotions of **William A. Waldie** to vice president and **Ben G. Ohlander** to assistant cashier.

Mr. Waldie, a 20-year veteran of the financial field, joined the bank in 1972. Moving up from assistant vice president, he continues in his post of business development officer. He earned his bachelor's degree in business administration from the University of Nebraska. A commercial loan officer, Mr. Ohlander joined the bank staff last September.

Fremont Bank Promotions

John R. Young, Jr., president of the First National Bank & Trust Company of Fremont, has announced the following promotions: C. Jurging, senior vice president; Kenneth D. Grant and Edith Erling, vice presidents; Gary L. Bernhardt, cashier; Michael A. Lindahl, marketing officer; R. Spencer Wedberg, loan officer; Janet J. Howard, internal control officer, and Linda Brodd, assistant trust officer.

Mr. Jurging joined First National in 1948 specializing in bank operations.

40 Largest Banks in Nebraska

DEPOSIT and loan figures for the top 40 banks in Nebraska, all with \$25 million deposits or more, are shown in the accompanying chart as they were reported at year-end. Comparative figures for a year ago also are featured:

(Last three figures omitted)

	December 31, 1975		December 31, 1974	
	Deposits	Loans	Deposits	Loans
1. The Omaha Natl., Omaha	\$472,627	\$286,202	\$460,653	\$346,017
2. First Natl. Lincoln	316,658	188,328	307,820	182,880
3. First Natl., Omaha	280,448	177,061	304,789	176,233
4. U. S. Natl., Omaha	244,182	180,341	251,333	189,404
5. Natl. Bk. of Commerce, Lincoln	242,360	137,854	209,740	141,862
6. Northwestern Natl., Omaha	87,911	57,763	79,761	56,314
7. 1st Natl., Hastings	81,591	55,121	72,427	47,372
8. 1st Natl., Grand Island	71,088	46,222	70,578	44,337
9. 1st Natl. B&T, Columbus	68,756	29,943	62,758	28,722
10. Commercial Natl., B&T, Gr. Island	60,714	39,951	47,845	27,773
11. City Natl., Hastings	56,544	29,541	52,085	29,481
12. Center Bank, Omaha	55,959	37,757	52,432	37,703
13. 1st Natl. B&T, Fremont	54,375	33,798	49,712	29,293
14. DeLay 1st Natl., Norfolk	53,607	33,642	49,209	33,265
15. Southwest Bank, Omaha	50,585	31,932	47,054	33,119
16. 1st Natl. B&T, Kearney	49,756	34,633	40,528	27,688
17. Scottsbluff Natl.	47,686	25,220	43,859	22,392
18. First West Side, Omaha	47,655	32,229	45,281	30,182
19. 1st Natl., Holdrege	45,606	29,273	41,285	22,105
20. Overland Natl., Grand Island	44,370	32,735	40,485	31,863
21. 1st Natl. B&T, North Platte	42,438	33,313	38,509	28,508
22. 1st Natl., McCook	41,243	24,298	38,828	20,430
23. 1st Natl., York	41,199	30,772	35,226	25,817
24. Douglas County Bank, Omaha	40,443	26,463	36,087	23,485
25. Fremont Natl.	40,104	19,520	39,310	22,199
26. Guardian State, Alliance	38,485	20,315	34,897	16,449
27. Packers Natl., Omaha	38,435	20,413	33,584	19,773
28. Platte Valley State, Kearney	37,741	26,521	33,502	25,912
29. North Side, Omaha	36,299	19,356	31,329	19,008
30. Gateway Bank, Lincoln	34,565	24,494	31,722	22,675
31. American Natl., Omaha	33,776	22,838	28,750	19,124
32. 1st Natl. B&T, Fairbury	32,107	15,691	30,921	13,956
33. McCook Natl.	31,205	18,361	29,614	16,199
34. Beatrice Natl. B&T	30,294	19,675	29,506	18,372
35. Gering Natl.	30,217	20,327	24,079	17,021
36. Jones Natl., Seward	27,186	16,851	24,707	15,505
37. Washington County, Blair	27,083	17,660	25,619	17,306
38. Northwestern Natl., Norfolk	25,802	16,983	21,611	14,972
39. Union B&T, Lincoln	25,721	17,723	22,133	15,001
40. Geneva State	25,446	15,262	22,943	12,273

Mr. Grant joined the bank in 1974 as marketing officer and has since moved to commercial and agricultural lending. Miss Erling has been with the bank since 1936. Her present duties include being secretary to the chairman and president with special administrative assignments. Mr. Bernhardt joined the bank in 1964 specializing in operations and general bank administration.

To Head Minden Bank

Dale Wells recently was elected president of The First National Bank of Minden. J. L. Craig was elected vice president-cashier and Larry Wilcox vice president.

Eloise Rogers Agee, daughter of the late Richard H. Rogers, bank president and chairman, and Morgan Wells were elected to the board of directors.

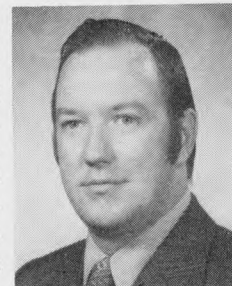
Kearney State Changes

Francis L. Richards has been elected to the board of Kearney State

Bank. John Burvainis was elected assistant cashier.


Columbus Bank Promotes John M. Peck

John M. Peck recently was promoted to executive vice president of the First National Bank and Trust Company of Columbus, according to J. O. Peck, chairman. Mr. Peck joined the bank in September of 1969 following 10 years of banking experience with The Omaha National Bank.



J. M. PECK

The bank also announced that it has increased its capital and surplus each \$525,000. Each account now totals \$2,275,000.



Our electronic data processing system is silent, swift and sure.

Start with the best equipment modern technology can come up with. It silently works its magic all over the state.

Add the fact that we have more computer centers than any other bank — four. In Lincoln, Fremont, Grand Island, and North Platte. That makes us swift.

And, when we process something, we do it right. People like Dave Lesback, Bill Cummings, Roger Ormsby, Claude Hanson, wouldn't have it any other way.

So, hook up to our complete bank management systems — it's the best there is — we're sure.

Complete Range of Data Processing Applications

Accounting Applications

Demand Deposit
Bond
Certificate of Deposit
Commercial Loan
Expense
General Ledger
Personal Loan
Payroll
Savings
Safe Deposit Box
Mortgage Loan

Item Processing System

Proof and Transit
ACH Capabilities

On-Line Systems

Teller Units
Cathode Ray Tubes

Automated Tellers

Commercial Services

Payroll Accounting
Accounts Receivable
Accounts Payable
General Ledger

NBC

National Bank of Commerce The People Place

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WATS Line: 800-742-7317
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Bank Security, Detecting Bad Loans Highlight Nebraska Management Conference

By **BEN HALLER, JR.**
Editor

SPEAKING from his vantage point as a former bankruptcy judge in Nebraska's U.S. District Court, Jerrold L. Strasheim gave Nebraska bankers a judicial insight into some of the causes he has seen for bank loans going bad. Mr. Strasheim, a partner in the Omaha law firm of Venteicher and Strasheim, was speaking before the Nebraska Bankers Association's annual Bank Management Conference at the Holiday Inn, Kearney.

Some loans, he said, turn bad due to totally unexpected events, such as an underinsured trucking firm experiencing a bad highway accident. Most loans going bad, or businesses heading for bankruptcy, give a signal, he stated. Mr. Strasheim said that from his experience "you won't find much of a clue on balance sheets and financial statements, for virtually every debtor in bankruptcy court shows some net worth on the balance sheet." Examples he cited included American Beef and King's Food Hosts.

"However," he continued, "all have a common affliction — lack of cash or liquidity even though they have assets. One needs to look to the cash position, cash sources and cash uses. What is the timing — will cash sources provide cash at times needed?" Mr. Strasheim also discussed foreclosure vs. workout,

citing various ways the latter approach is handled. He added, "If the workout is not to the interest of the bank, it is not reasonable to do so."

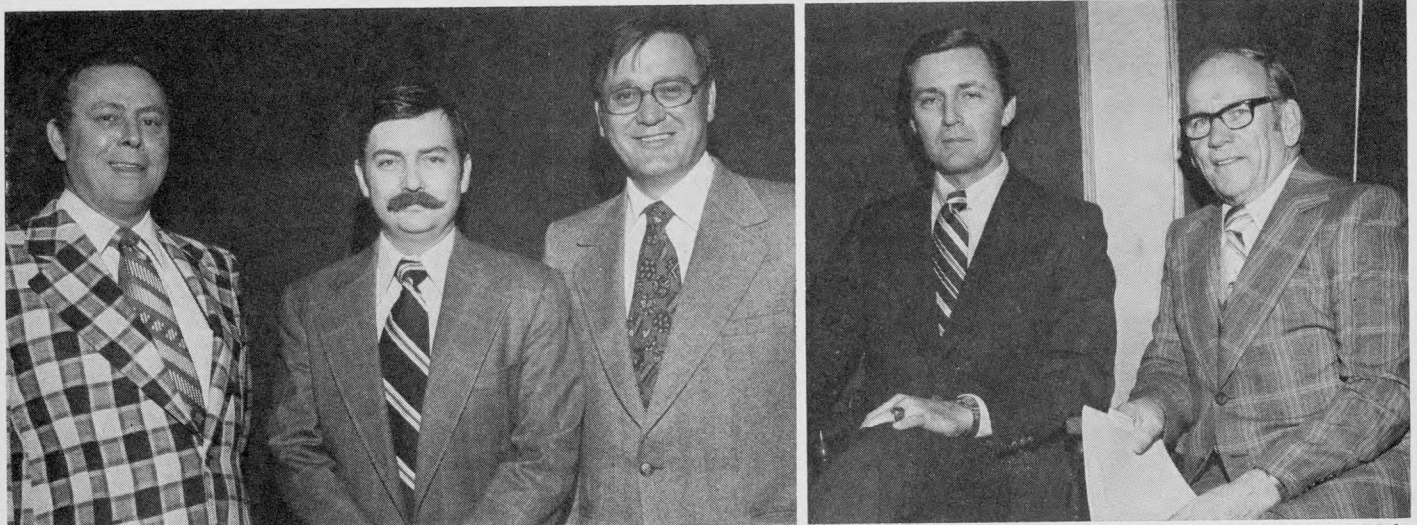
Jesse Snyder, head of the FDIC's intelligence unit for the division of bank supervisors, reviewed statistics relative to bank compliance or lack of it with the Bank Protection Act. The biggest problem he noted was lack of "bait money" or its use during hold-ups. He urged bankers to update their security programs and document all decisions and reasons for them so as to comply with the law.

A panel of five international bankers representing major correspondent banks from Omaha and Lincoln reviewed various phases of international banking and how all its related services are available through the correspondent banks in Nebraska.

Gunnar E. Kronholm, president, Drivers State Bank, South St. Paul, related the harrowing details surrounding the kidnapping of his wife, March 15, 1974. Mr. Kronholm immediately notified the FBI, and in a later phone call the kidnapers demanded \$200,000 ransom from the bank. An FBI agent posing as Mr. Kronholm made the drop. The FBI in the meantime had pooled all evidence and determined who the kidnapers were and

isolated the ringleader. In a bizarre turn of events, the FBI managed to arrest the ringleader. Mrs. Kronholm at the same time was using her professional training in human behavior to outwit her captors. She escaped, made her way to a phone and was picked up immediately by the FBI, who arrested the rest of her captors and seized the money. All the men involved, except one, were later sentenced for terms from seven to 20 years.

Mr. Kronholm has several suggestions for bankers, including well-lighted home premises, tamper-proof locks, watch dogs and alertness for any tell-tale signs or changes. Clarence Kelly, head of the FBI, told the Kronholms after the nightmare was ended that at least "lightning doesn't strike twice" on kidnappings. Unbelievably, it did. A few weeks after the kidnapping, Mr. Kronholm was checking the house before retiring to bed. He spotted a pair of shoes sticking out beside a basement fireplace, but had presence of mind to casually return up the steps where he bolted the basement door and called to his wife to call the police and bring his shotgun. After an exciting few minutes the police captured the intruder who was found to have a gun, gags, bindings and a kidnap note already made out!



SPEAKERS at the Nebraska Bankers Association Bank Management Conference in Kearney last month included, left to right: **Richard K. Draper, Jr.**, chmn. of NBA Committee on Bank Management and exec. v.p., Bank of Elgin; **Jesse Snyder**, FDIC, Washington, D. C.; **Jerrold L. Strasheim**, Omaha attorney; **Grant Alan Jacobsen**, FBI special agent in Omaha office, Grand Island, and **Gunnar E. Kronholm**, pres., Drivers State Bank, So. St. Paul, Minn.



INTERNATIONAL banking panelists were: **Tom Potter**, a.v.p., Natl. Bank of Commerce, Lincoln; **Don Lewis**, v.p., The Omaha Natl.; **Vivian Onik**, internatl. bkg. assoc., U. S. Natl., Omaha, and **Brad Korell**, internatl. bkg. off., Natl. Bk. of Commerce, Lincoln. Mr. Korell filled in for **Joe Crimmins**, v.p., 1st Natl., Lincoln, who was unable to attend. Panel moderator (not pictured) was **Paul Quinn**, v.p., 1st Natl. Omaha.

FBI Special Agent Grant Alan Jacobsen, Omaha, followed Mr. Kronholm and related "Updated Procedures for Improved Bank Security," after which he and Mr. Kronholm conducted an open discussion.

Earlier, NBA Executive Manager Robert Harris gave a review of state legislation affecting Nebraska banks. One of the important bills heard February 10 would require state funds to be deposited in Nebraska banks at 1%

above the Treasury bill rate for the previous month.

The bill's sponsor feels this would move state funds out into Nebraska communities in the form of loans instead of in out-of-state investments as at present. The total volume of these loans could range from \$25 million to more than \$100 million.

Wayne Dobson, Abbott Professor of Banking at the University of Nebraska, testified before the committee that these dollars placed in the form of loans in Nebraska communities could have a multiplier effect of two or more times to benefit the local communities and state economy—thus generating a great volume of taxable income.

Mr. Harris said the bill, as proposed in its early form, would place \$100,000 in each Nebraska bank (national and state), with the rest of the funds apportioned to banks based on their equity capital.—**End**

Elected at Kearney

First National Bank and Trust Co. of Kearney has announced the following staff elections: Wilma Ingram, loan operations officer; Patty Schroeder, trust administration officer, and Lloyd Scheve, auditing officer.

Sell Dorchester Bank

James H. Clark, Wayne C. Clark and Marion Graham have reported the sale of the Citizens State Bank of Dorchester and the Clark Insurance Agency to Bob Spinar and Harley D. Bergmeyer.

James Clark, bank president, said that his health is the major reason for selling. Wayne Clark will continue at the bank as cashier.

Mr. Bergmeyer, 34, has assumed his new position as bank president and insurance agency manager. For the past eight years he was vice president and stockholder of the Farmers Bank of Clatonia and partner in the Bergmeyer-Schuerman Insurance Agency in Clatonia.

Bank of Valentine Names Sullivan Assistant Cashier

Betty Sullivan has been named assistant cashier of the Bank of Valentine.

Application Approved

Chester Insurance Agency, Inc., has received permission to become a bank

holding company through the acquisitions of 80% or more of the voting shares of State Bank of Chester. It also has permission to engage in the business of a general insurance agency.

Promoted at Thedford

Citizens State Bank of Thedford has announced the promotion of Samuel Ogle from assistant cashier to cashier.

Norfolk Bank Promotion

Dennis L. Meek recently was promoted to assistant vice president of Northwestern National Bank of Norfolk. He is a native of Red Oak, Ia., and a 1970 graduate of Morningside College.

Martell State Bank Elects Two Directors

Lewis G. Morris of Lincoln and William M. Symon, Jr., of Leawood, Kan., have been elected directors of the Martell State Bank. Mr. Morris is vice president and treasurer of the Lincoln Liberty Life Insurance Co. Mr. Symon is secretary and general counsel of the Old American Insurance Co.

Beatrice Banker Retires

William Wilson Cook, chairman and trust officer, the Beatrice National Bank and Trust Co., recently retired ending a banking career of 42 years.

Before joining the bank under the guidance of his late father, Daniel W. Cook, Mr. Cook attended Wentworth

Military Academy, the University of Nebraska and completed financial courses at Harvard and Northwestern University. Down through the years he was responsible for the bank's expansion program which included the Pickrell State Bank, Wymore National Bank and Beatrice State Bank which he later sold in 1971.

Mr. Cook will continue as chairman.

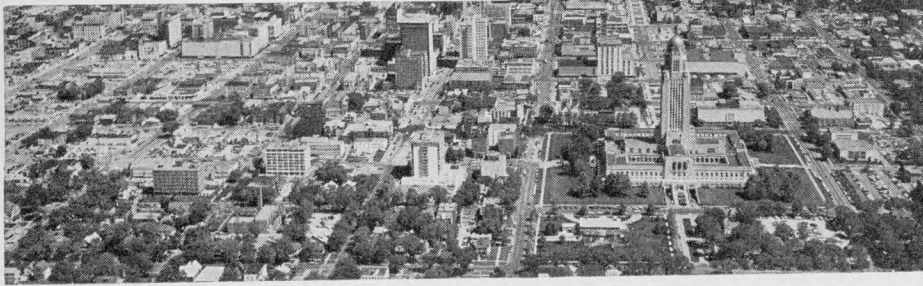
Elected at Bellevue

Fred Wilson and Glen Dunlap have been elected directors of the Bank of Bellevue. Mr. Wilson is vice president in charge of the bank's loan department and Mr. Dunlap is vice president, operations manager and head of the bank's office at Offut Air Force Base.

Calendar of Events

- March 16-18—NBA Teller Symposiums.
- April 6-7—NBA Agricultural Seminar, Holiday Inn, Columbus.
- April 7-8—NBA Agricultural Seminar, Holiday Inn, North Platte.
- May 2-4—NBA Annual Convention, Radisson Cornhusker, Lincoln.
- May 28—NBA President's Golf Tournament.
- June 6-8—Washington Visit, Washington, D. C.
- Sept. 26-28—NBA Agricultural Symposium, Lincoln Hilton.

Lincoln News



DALE L. Blanchard, vice president, commercial banking division, National Bank of Commerce, has been named as one of the "Five Outstanding Individuals" in Lincoln for 1976.

In early 1967 Mr. Blanchard joined NBC and since then his responsibilities have included: manager, international banking department; manager, loan administration department, financial analysis and discount teller. In 1971 he had a special duty assignment as international officer in the Bank in Montreal in Canada. He is a member of numerous associations.

Other National Bank of Commerce officers nominated for the award include **Rod Johnson, Jane Shepard, Dennis Stelzer, Larry Traudt and Tom Yaussi.**

* * *

First National Lincoln has announced exclusive sponsorship in Nebraska of a new management information service for banks which will be offered through its correspondent bank division.

Known as Bankplan, the service is designed to translate input data from the individual bank to valuable information that can be used by the chief executive officer in establishing guidelines for controlling costs and attaining maximum profits.

Bankplan provides the individual bank subscribing to the service with decision-making information based on the following three key items:

1. A complete financial and profitability analysis which is supplied each month.
2. A comparable financial analysis to banks of similar size which is supplied each quarter.
3. A preliminary and comprehensive annual budget based on past performance and projected goals.

In essence, the service, which is currently being used by hundreds of banks in various parts of the country, offers

individual banks the opportunity to establish an effective financial and cost analysis system at a cost equivalent to that of the salary of a part-time clerk.

Richard L. Kearns has been elected a director and promoted to executive vice president of Lincoln Bank South. Mr. Kearns, a native of Rushville, joined the bank when it opened in April of 1965.



R. L. KEARNS

* * *

Citizens State Bank has announced two new appointments. They are **Jim Artz** to cashier and security officer and **Jeff Munford** to assistant cashier.

Central City Bank Holds Open House

Central Bank of Central City recently held an open house in its enlarged, newly remodeled facility.

The bank contains four new offices, enlarged bookkeeping area, new vault and private booth for safety deposit box customers, restrooms, employees lounge, directors' meeting room and two customer resting areas. Crystal chandeliers accent the combination of earthy tones and walnut throughout the interior.

Plans are to convert the large second floor hall into a public meeting room at a later date, according to C. A. Gaghagen, bank president.

Joins Kearney Bank

Richard M. Fritz, president of the First National Bank and Trust Co., Kearney, has announced the addition of Melvin Wiens to the bank's agricultural department as farm manager.

Mr. Wiens was raised on a farm near Hastings. He attended the University

of Nebraska and received his Bachelor of Science degree in agronomy. For five years he was in sales and sales management with the Standard Oil Co. and also was central Nebraska sales manager for the Funk Seed Co. before joining the bank.

Open House Held at Remodeled St. Paul Bank

Citizens National Bank in St. Paul recently held an open house. The public was invited to inspect the bank's spacious new facilities and to register for door prizes. Refreshments were served and there were drawings for \$50 merchandise gift certificates.

The bank's facility was expanded to include a nearby lot. The interior and exterior of the building were renovated and a drive-in window was added.

10th Fed Reports Earnings for 1975

The Federal Reserve Bank of Kansas City recorded gross earnings of \$243.6 million in 1975, and net earnings of \$201.1 million before payments to the U.S. Treasury and statutory dividends to member banks, according to George H. Clay, president. Most major service functions of the Bank—including check clearing, funds transfers, and U.S. Government securities operations—continued to grow during 1975, Mr. Clay said.

While 1975 gross earnings were up \$3.1 million over 1974, net earnings in 1975 declined \$7.3 million from 1974. Earnings of \$242.9 million on the Bank's holdings of U.S. securities—an increase of about \$9 million over 1974—were offset by a sharp decline in earnings from loans to member banks. The Bank earned \$366,000 on loans during the year, down from the \$6.7 million earned in 1974.

Harris Bank, Chicago, Plans Trust Office in Arizona

Harris Bank, Chicago, has announced plans to open a trust department representative office in Arizona in late summer of this year. The office is scheduled to be located at 6710 East Camelback Road, Scottsdale. Staffing the office will be Robert Turpin, vice president, and Bruce Frobes and George Fischer, assistant vice presidents. The three currently are based at Harris Bank headquarters in Chicago.

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Iowa News

D. K. DEKOSTER President Waterloo

NEIL MILNER Exec. V.P. Des Moines



Farnhamville. The following officers have been elected: J. C. Madson, president; Gordon L. Madson, vice president; Dewey C. Madson, cashier; Steve Lane, assistant cashier and O. W. Madson, chairman.

Farmington Office Manager Named Vice President

Donald L. Von Seggen, manager of the Farmington office of State Central Savings Bank of Keokuk for 20 years, has been promoted to vice president. He has been with the bank for 20 years.

Staff Changes Announced At Marshalltown Bank

Orian K. Ervin, formerly vice president, recently was named executive vice president of the Commercial State Bank of Marshalltown. He will continue as personnel officer. Charlene Howard, assistant cashier, assumed new duties as operations officer. Shirley Naylor was named assistant trust officer and Kathleen Waterman, assistant cashier and Mall office manager.

Joins Lake Park Bank

Robert (Bob) Cooper has joined the Security State Bank in Lake Park as cashier. He formerly was assistant vice president in the Mahaska State Bank in Oskaloosa and has five years of banking experience.

Open House at Mt. Pleasant

A formal open house was held recently at the remodeled and enlarged Mt. Pleasant Bank & Trust Company.

In addition to remodeling of the interior, the front was redesigned and rebuilt. The bookkeeping department was relocated to a building next door. Features included are a large foyer and walk-up window.

Plan Meetings on Iowa Transfer System

THE Iowa Transfer System is expected to be in operation by the middle to latter part of May and will meet the mandatory sharing requirement of Iowa law by July 1, an ITS spokesman states. Bids have been received from vendors and ITS expects to have a signed contract with the successful bidder by April 1. To inform Iowa bankers of latest details of ITS development and officially sign up participating banks, a series of eight meetings will be held around the state during the last two weeks of March as follows:

- Mar. 22—Ramada Inn, Waterloo
- Mar. 23—Hilton Inn, Sioux City
- Mar. 24—Holiday Motor Lodge, Clear Lake
- Mar. 25—Ramada Inn, Council Bluffs
- Mar. 29—Holiday Inn, Cedar Rapids
- Mar. 30—Julien Motor Inn, Dubuque
- Apr. 1—Hyatt House, Des Moines

Joins Marion Bank

Harold Knaack recently joined Farmers State Bank, Marion, as assistant operations officer. He received a degree from the University of Northern Iowa and has over three years of banking experience with Iowa State Bank in Des Moines.

Northwest Bank, Davenport, News Announcements

Sam Geifman has been elected to the board of Northwest Bank & Trust Company of Davenport as the ninth member. He is chief executive officer of the Geifman Food Stores supermarket chain.

Sharri A. Pheiffer has been promoted from assistant cashier to assistant vice president and Everett Sortor, CPA, has been elected internal accounting systems officer.

The bank also announced that it recently hosted an assembly of 2,700

guests at the Masonic Temple. William D. Ruckelshaus, former U. S. Deputy Attorney General, was the guest speaker. Bob J. Slavens, bank president, delivered remarks entitled "Northwest Bank & Trust Company and its Strength."

Joins Missouri Valley Bank

Everett P. Brown, 42, joined Peoples State Bank in Missouri Valley as a vice president on March 1, according to John A. Kovar, president of the bank. Mr. Brown resigned last month as vice president in the correspondent banking division of the United States National Bank of Omaha to accept the new post. Prior to joining U. S. National in 1967, Mr. Brown was a loan officer for four years at Boone State Bank and Trust Co., Boone, and earlier was associated with Ralston Purina Company of St. Louis, Mo.



E. P. BROWN

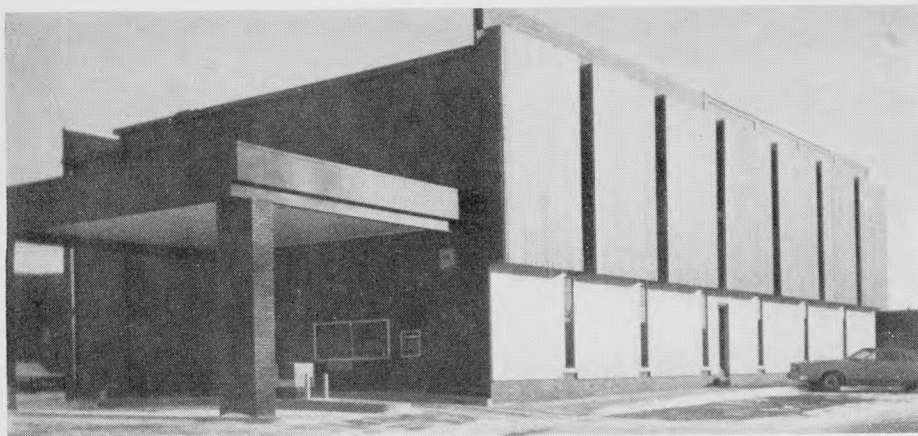
national Bank of Omaha to accept the new post. Prior to joining U. S. National in 1967, Mr. Brown was a loan officer for four years at Boone State Bank and Trust Co., Boone, and earlier was associated with Ralston Purina Company of St. Louis, Mo.

Retires at Farnhamville

O. W. Madson has retired as president of the Security Savings Bank of

Iowa Bankers 1976 Group Meetings

Date	Group	City
May 3	8	Davenport
May 4	4	Cedar Rapids
May 5	2	Fort Dodge
May 17	5	Council Bluffs
May 18	6	Des Moines
May 19	7	Waterloo
May 20	3	Clear Lake
May 21	12	Okoboji



Ankeny State Bank

Ankeny State Bank Holds Open House

ANKENY State Bank recently held an open house to dedicate its newly remodeled banking quarters. The project included a 5,000 square foot addition, new vaults, new drive-in facilities and extensive remodeling of the old bank, according to Dean E. Minor, bank president.

Promoted at Sibley

David Wier was promoted to vice president of Sibley State Bank recently. He had served as assistant vice president.

Monticello State Bank Elections and Promotions

John Maurice, vice president of the Wilton Savings Bank, has been elected a director of Monticello State Bank. Before joining the Wilton Bank, Mr.

Maurice was a bank examiner for the Federal Deposit Insurance Corporation.

Irma Adix has been promoted to assistant cashier. Nella Hoffman, assistant cashier, recently retired. She was honored by the bank with a retirement dinner for her 44 years of service.

First Trust and Savings, Davenport, Promotions

First Trust and Savings Bank, Davenport, has announced the elections of Ted C. McNaney, executive vice president; Cal Harmsen, cashier; Mildred E. Cain and Shari L. Hoag, assistant cashiers.

Mr. McNaney and Albertus W. Barnes of Rock Island were elected to the board.

Promoted at Bettendorf

Kathy Price has been named assistant cashier and bookkeeping manager at the Security State Trust and Savings Bank of Bettendorf. Nancy Eckblad has been named assistant cashier and office manager at the newly opened office at 18th Street and Middle Road.

Manly State Announces Elections, Promotions

Manly State Bank has announced the election of G. C. (Griff) Venz, M. O. Kahn and Otto McDonough to its board of directors. Mr. Venz is owner of Central Show Printing Co. in Mason City; Mr. Kahn is from Clear Lake and Mr. McDonough is a farmer in the Rock Falls area.

Raymond W. Harman, who has been with the bank since 1972, was promoted from assistant vice president to vice president and farm representative. Floris Yezek, with the bank since 1964, was named assistant cashier. A new member of the bank's staff is Alan W. Chapman, who has been with a branch bank in Britton, S. D.

Lansing Bank Reports Staff Changes

Kerndt Brothers Savings Bank of Lansing has announced the election of John C. Brophy as chairman of the board. Mr. Brophy, president of the Lansing Company, Inc., joined the bank's board in 1959.

Also announced were the promotions of Kathy Connelly and Diana Moritz to assistant cashiers.

Cedar Rapids Bank Elects Two Directors

The election of Joe Hladky III to the board of Peoples Bank and Trust Co., Cedar Rapids, has been announced by Ted J. Welch, chairman. Mr. Hladky, executive vice president of The Gazette Co., is a graduate of the University of Iowa.

Fred E. Bellamy has been elected an honorary director.

Elected at Denison

John J. Kenney of Vail has been elected to the board of First National Bank of Denison filling the vacancy created by the retirement of Frank Crabb. Mr. Crabb had served as a director since January of 1964.

Mr. Kenney, a native of Crawford County, farms near Vail.

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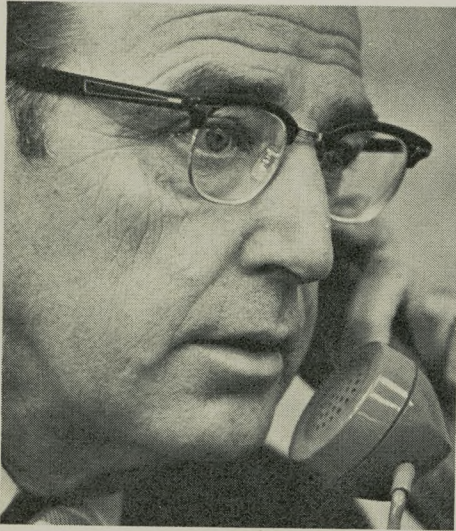
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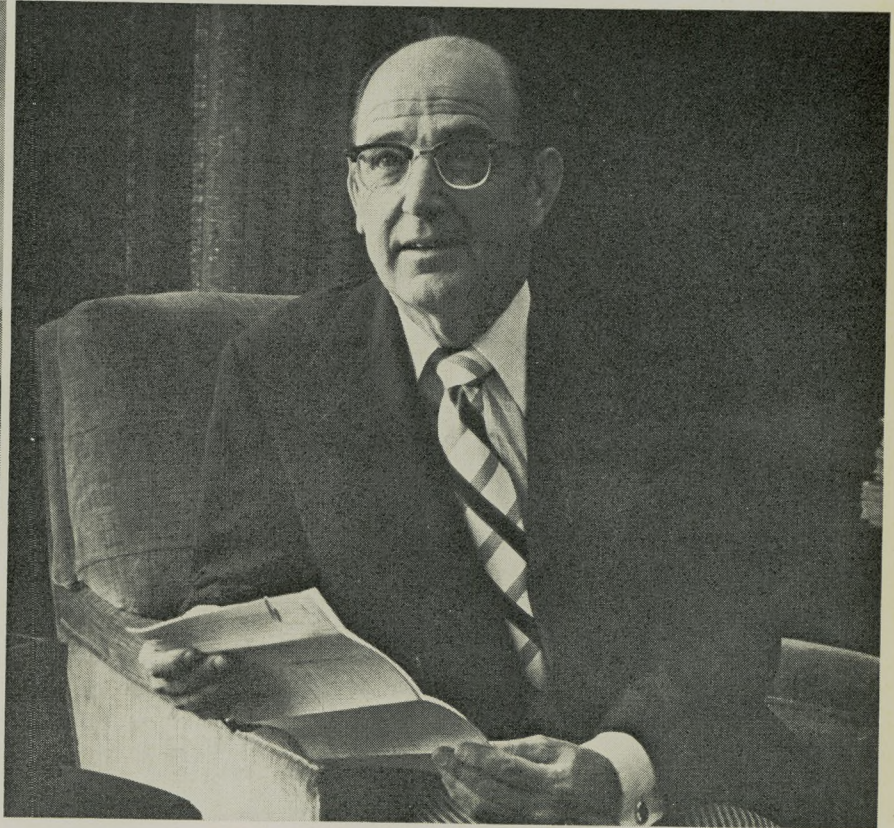
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PICTURED left to right at the Iowa Investment Bankers Association annual meeting are these officials: Messrs. Kirke, Cornelison, McLain, Strandberg and Marasco.

Investment Bankers Elect New Officers

MEMBERS of the Iowa Investment Bankers Association held their annual meeting at the Wakonda Club in Des Moines last month. During the business session new officers and directors were elected as follows (all from Des Moines):

President—Wm. T. Kirke, manager, Loewi & Co.

First Vice President—Mike Cornelison, first vice president-sales manager, R. G. Dickinson & Co.

Second Vice President—John McLain, associate vice president, Dean Witter & Co.

Secretary-Treasurer—Gene Strandberg, secretary-treasurer, Carleton D. Beh Co.

Directors for three-year terms: Jim Rude, Dain, Kalman Quail & Co.; Jim Weiser, trust investment officer, Central National Bank & Trust Co., and Jon Gaskell (reelected), R. G. Dickinson & Co.

The new officers selected the tentative dates of May 27-28 for the 1976 Field Day at the Wakonda Club and named Ralph Marasco as Field Day chairman. He is with Dean Witter & Co.

customers will be waited on simultaneously with expansion capabilities to three with the pneumatic tube system.

The motor bank, which will extend some 28' into the air, will contain inside walk-up teller stations, a loan office, and an employee lounge on the main floor. The entire basement area has been designed to accommodate community activities.

The Kirk Gross Company of Waterloo, architects, planners, designers, and contractors have the turn-key responsibility for the building program and will utilize local trades where possible.

A. Elias Spangler, Donald Lee Brisbin

Funeral services were held recently for A. Elias Spangler, 94, and Donald Lee Brisbin, 66, both directors of the Security Savings Bank of Eagle Grove. Mr. Spangler had been a director for 40 years and Mr. Brisbin for 13 years.

The bank elected James H. Spangler, farmer, to its board. He is the nephew of the late A. E. Spangler.

Elected to Board at Fonda

Paul M. Goettsch, officer trainee, has been elected a director of the First National Bank of Fonda. He fills the vacancy created by the death of William F. Neavin who was a director for many years.

Mary Evans has joined the bank's staff.

Northwestern State Bank, Orange City, Changes

Edward Leahy and Philip Den Herder have been elected to the board of Northwestern State Bank, Orange City. Mr. Leahy, executive vice president, joined the bank in August, 1975. He formerly was vice president of the Security National Bank of Sioux City, which he joined in 1969. Mr. Herder is president of Sioux Feed Incorporation.

In addition, Hallard De Jong was promoted from loan representative to assistant cashier.

Hills Bank and Trust Announcements

Earlis Rohret, rural Oxford farmer, has been elected to the board of directors of the Hills Bank and Trust Company. He fills a vacancy that has existed since the death of former bank president, A. F. Droll.

Alfred Klein was named a vice president.



Belle Plaine Plans New Building

CARL Groszkruger, president of the Citizens State Bank in Belle Plaine, has announced a major building program to start as soon as weather permits.

A full-service motor bank will be

built one block north of the existing bank on Highway 131. The unique structure, as shown by the architect's model, has been designed to offer full banking services such as drive-up and night deposit systems. Two drive-up

Man Promoted in New York Bank

Mark R. Mayne has been promoted to assistant vice president responsible for corporate loan accounts in the metropolitan function of Manufacturers and Traders Trust Company of Buffalo, N. Y. He joined the bank's commercial lending area in 1973. Previously Mr. Mayne had been an officer of the Montgomery County National Bank of Red Oak, Ia.



M. R. MAYNE

Advanced at Waverly

The First National Bank of Waverly has announced promotions of the following assistant cashiers: Pauline E. Koch to assistant vice president and trust officer; Marjorie Pruin to auditor and Janice Johnson to assistant vice president. The following were elected officers: Richard Dewey, assistant cashier and farm representative; Tom Leary, assistant cashier and security officer, and Duane Harms, assistant cashier and instalment loan manager.

Staff Changes at Newton

Dennis D. Essing recently was promoted to executive vice president and elected a director of Newton National Bank. G. J. Merrill Anderson, president of Central National Bancshares, Inc., Des Moines, was elected an honorary member of the board. Greg Cranston was promoted to agricultural representative.

Resigns From Marion Bank

Hildajune Parker, assistant operations officer of Farmers State Bank in Marion, has resigned after 16 years of service.

State Bank of Lawler Elects Scally, Stone

State Bank of Lawler has elected Joseph Scally vice president and security officer and Susan Stone cashier.

Mr. Scally joined the bank in 1963. In 1969 he left to attend the University of Iowa where he majored in business administration. He returned to the bank in March of 1974. Ms. Stone joined the bank in 1967.

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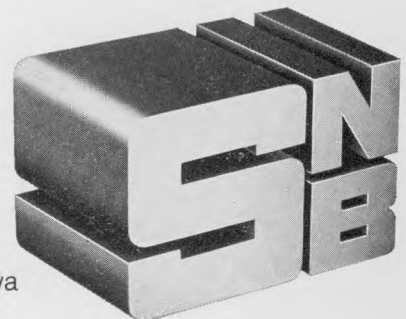


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Gene Hagen, Vice President
Banks and Bankers Division

Security National Bank

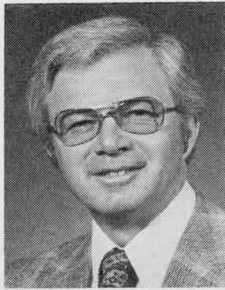
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Des Moines News

JOHN R. Fitzgibbon, chairman and chief executive officer of the Iowa-Des Moines National Bank, has announced the election of **W. O. Conyers** and **Jack C. Pester** to the bank's board. Mr. Conyers is president of Gibbs-Cook Equipment Company and Mr. Pester is chairman of Pester Derby Oil Company.



W. O. CONYERS

Mr. Fitzgibbon also announced the following personnel actions. **R. Jack Lytle** has been named managing officer of Master Charge. **Robert G. Millen** has been promoted to senior instalment loan officer and **Lance D. Davenport** has rejoined the bank as manager-bank offices. Mr. Davenport previously joined the bank in 1969 and in 1972 was elected corporate services officer.

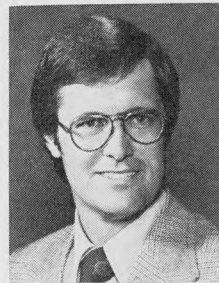
Since 1974 he has been with City National Bank of Cedar Rapids.



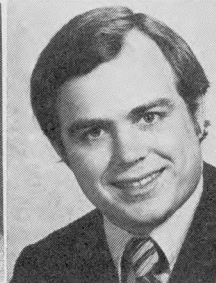
J. C. PESTER



R. J. LYTLE

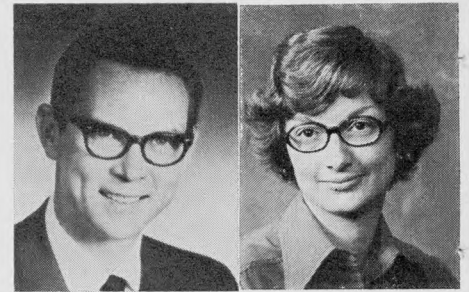


R. G. MILLEN



L. D. DAVENPORT

David L. Miller, president of the West Des Moines State Bank, has announced five promotions. They are: **O. Lee Minear** to senior vice president, **Joyce A. Chapman** from cashier to vice president and cashier, **Archie G.**



O. L. MINEAR

J. CHAPMAN

Overby from trust officer to assistant vice president and trust officer, **Marlene S. Cox** to assistant vice president, and **Henry Kime** to assistant cashier.

* * *

John Rodgers Welch, formerly correspondent banking officer of Valley National Bank, has been elected vice president. **William A. Wishman**, formerly comptroller has been elected vice president and comptroller and **Jack C. Callison**, instalment loan officer, has been elected assistant vice president.

* * *

Northwest Des Moines National Bank has elected **Richard C. Remer** vice president. He was recently named manager of the bank's Johnston office. **Robert G. Mann**, assistant vice president, was named cashier and operations officer and **Dean L. Payton**, previously manager of the Uptown office, was named assistant vice president and consumer loan manager.

* * *

Iowa State Bank has promoted the following to assistant cashiers: **Robert F. Cook**, **Gary L. Johnston**, **Harold E. Knaack**, **Ausma Plostins** and **Ethel K. Smith**, **Marjorie K. Smith** was named assistant trust officer, **Doris Olson**, executive secretary, and **C. Ted Carlson**, security officer.

* * *

Paul T. Manning, chairman of Plaza State Bank, has announced the election of a new director. He is **Browne Barr**, owner of Crossroads U.S.A.

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— Duane W. Spicer,
Ankeny State Bank

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— H. H. Van Hosen, President,
The Newton National Bank

**Thank you, gentlemen, we couldn't
have said it better ourselves.**

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correspondent bank:**



Central National Bank & Trust Company

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AFFILIATED WITH CENTRAL NATIONAL BANCSHARES, INC.

Brenton Fingertip Banking Begins Operation

C ROBERT Brenton, president of Brenton Banks, Inc., has announced that 14 of the 17 Brenton Banks are participating initially in the electronic funds transfer system, Brenton Fingertip Banking. The system began operation in mid-February.

Electronic terminals were placed at the point of sale in 16 selected super-



markets ("Shop 'N Teller") and the 24-hour "Anytime Teller" service was expanded to six additional locations including the Des Moines Municipal Airport.

Automatic teller machines are located in Adel, Davenport, Grinnell and three locations in Des Moines.

The point of sale terminals are located in Cedar Rapids, Waukee, Des Moines (5 locations), Indianola, Jefferson (2 locations), Marshalltown (4 locations), Perry and Vinton.

Mason City Bank Promotions

Phyllis Groh was named assistant vice president of the United Home Bank and Trust Co., Mason City. Two new officers elected are Dolores McLaughlin, assistant operations officer and Gary Widdel, computer sales officer.

Allen D. Patton, president of Metalcraft, Inc., and a bank director since January of 1957, was elected an advisory director. J. Merrill Anderson, former president of the Iowa Farm Bureau and now president of Central National Bancshares, Des Moines, was elected to the board succeeding B. C. Grangaard, chairman of Central National Bancshares and chairman and chief executive officer of Central National Bank and Trust Company, Des Moines.

Son Succeeds Father As Chairman at Muscatine

S. G. Stein IV has been elected

chairman of the Central State Bank, Muscatine, succeeding his father, S. G. Stein, III, who has been elected honorary chairman and a director. Mr. Stein IV is president of S. G. & P. Stein Furniture Company and a director of Grain Processing Corporation.

Mr. Stein III will continue as an active director.

Named Director at Jesup

Herbert Schares has been elected to the board of the Farmers State Bank of Jesup. He is a former farmer and has been in the retail grocery business for 12 years.

Promotions at Iowa City

Iowa State Bank & Trust Company, Iowa City, has announced the following promotions: John A. Krieger from assistant vice president to vice presi-

dent, Harry E. Bigger from assistant cashier to assistant vice president and Nancy Hormel to assistant cashier.

Davenport Banker Named Outstanding Young Iowan

Larry Makoben, vice president of the correspondent banking department, Northwest Bank & Trust Company, Davenport, has been named an "Outstanding Young Iowan" by the Bettendorf Jaycees. Mr. Makoben, 35, is a graduate of the University of Wisconsin's Graduate School of Banking and the Agricultural Credit School at Iowa State University, Ames.

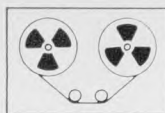
Citizens National, Boone, Promotes Two Officers

Merle Hove has been elected vice president and James Niemants assistant cashier of The Citizens National Bank, Boone. Mr. Hove, who will continue as agricultural representative, joined the bank in August of 1963.

Largest Banks in Iowa

DEPOSIT and loan figures for Iowa banks reporting deposits of \$50 million or more at year-end are shown in the chart below. Comparative figures for a year ago are also featured.

	(Last three 000 omitted)			
	December 31, 1975	December 31, 1974	December 31, 1975	December 31, 1974
	Deposits	Loans	Deposits	Loans
1. Iowa-Des Moines Nat'l Bank	\$442,166	\$265,187	\$375,724	\$256,308
2. Central Nat'l Bk. & Tr. Co., Des Moines	271,161	97,239	262,059	97,523
3. Davenport Bk. & Tr.	255,172	131,707	226,926	116,510
4. Bankers Tr. Co., Des Moines	207,438	99,790	188,223	106,691
5. Merchants Nat'l, Cedar Rapids	203,288	123,802	200,727	123,909
6. Security Nat'l, Sioux City	158,356	98,955	148,107	89,116
7. Toy Nat'l, Sioux City	118,788	81,034	93,159	60,945
8. American Tr. & Sav., Dubuque	114,906	50,986	100,204	49,950
9. Nat'l Bank of Waterloo	111,781	59,326	106,819	52,952
10. First Nat'l, Sioux City	109,452	59,020	98,929	61,628
11. First Nat'l, Dubuque	101,474	55,876	84,195	51,316
12. Dubuque Bk. & Tr.	97,743	53,839	88,248	46,955
13. Valley Nat'l Bank, Des Moines	96,180	57,104	69,693	38,981
14. N.W. Nat'l Bank, Sioux City	93,586	60,144	74,456	47,142
15. Waterloo Sav. Bk.	86,952	39,077	67,694	38,512
16. Peoples Bank, Cedar Rapids	82,922	36,422	72,540	29,614
17. First Nat'l, Iowa City	81,025	49,885	68,660	44,514
18. Council Bluffs Sav. Bank	76,906	49,215	69,568	46,349
19. First Nat'l Bank, Mason City	74,961	51,538	70,400	45,800
20. Union Bank and Tr., Ottumwa	72,400	39,606	65,348	38,513
21. Security Savings Bank, Marshalltown	62,164	37,517	55,711	34,698
22. Iowa State Bk. & Tr., Iowa City	61,973	38,273	53,205	35,629
23. United Home Bank, Mason City	60,963	40,178	60,257	37,186
24. First Nat'l Bank, Muscatine	60,830	41,712	57,283	40,368
25. First Nat'l, Fort Dodge	59,831	39,775	53,833	34,070
26. First Nat'l Bank, Clinton	59,809	36,272	44,994	31,040
27. Capital City St. Bk., Des Moines	59,522	33,826	53,985	31,945
28. First Nat'l, Council Bluffs	59,129	38,755	56,086	37,543
29. Central St. Bk., Muscatine	59,136	28,214	56,449	27,185
30. Monticello St. Bk.	57,204	31,748	50,121	27,639
31. Union Tr. & Sav., Fort Dodge	56,103	37,067	49,325	28,527
32. Peoples Bank, Waterloo	55,513	23,626	43,566	19,338
33. Citizens First Nat'l, Storm Lake	53,269	28,132	46,803	26,095
34. First Nat'l, Burlington	52,919	30,593	44,809	28,158
35. Jasper Co. Sav. Bk., Newton	52,784	31,375	48,225	31,559
36. State Bk. & Tr., Council Bluffs	50,380	28,297	44,453	27,940



Automated Clearing House

Superintendent Files EFT Report

TOM Huston, Iowa superintendent of banking, has filed a 30-page report on Electronic Funds Transfer (EFT) to the Iowa General Assembly pursuant to Senate File 536. Mr. Huston's findings and recommendations include areas where he believes changes can be beneficial. Here are his comments:

I. Statewide EFTS Terminals

Section 8 of Senate File 536 provides in pertinent part, "Any state bank may utilize a satellite facility at any location within this state, and at any other location permitted by applicable law. A satellite facility authorized by sections (8) through (12) of this Act shall not be subject to the restrictions on location or number set forth in section 524.1202 of the Code, and shall not require the prior approval of the superintendent, except to the extent required by section (10) of this Act."

The findings during the experimental period show that none of the 27 banks approved to operate experimental satellite facilities either requested or received approval for the establishment of such terminals outside of the metropolitan complex in which the applicant bank was located or a town in which the applicant bank maintained a "bank office" as defined in section 524.1201 of the Code. In our opinion, the establishment of such EFT satellite facilities over the next two years commencing July 1, 1976, should be limited to locating such terminals in the same metropolitan complex in which the bank establishing the terminals is situated and in towns in which the bank is operating bank offices. This change in the law should permit a more orderly development of EFT in Iowa, especially in the smaller communities, and give all banks additional time to determine the practicality of EFT in their communities. On the other hand, those banks that elect to establish satellite facilities in their cities or towns open the door to all other banks as a result of the mandatory sharing requirements in Senate File 536. We do not necessarily believe that the present language in the

law would be detrimental to any bank or its customers, but we cannot predict at this time how all banks will react to such permissive legislation and have attempted to propose a change which will allow for an orderly development and further monitoring of EFT progress.

II. Mandatory Sharing of Terminals

Section 10 of Senate File 536 provides in pertinent part, "1. The satellite facility is available for use, on a nondiscriminatory basis, by any Iowa bank and by all customers designated by any bank which uses the satellite facility."

We refer to the nondiscriminate use of electronic satellite facilities as "mandatory sharing" and to us this means that all such remote EFT terminals must be able to complete a transaction entered by any Iowa bank customer who has been issued an acceptable EFT card beginning July 1, 1976. It does not mean that an Iowa bank whose customers may use an EFT terminal established by another bank must have an arrangement or contract with that other bank. We are of the opinion that mandatory sharing of electronic satellite facilities as envisioned cannot be accomplished nondiscriminately without a "central switch" through which all electronic transactions can be channeled to and from banks. While the proposed central switch, referred to as ITS (Iowa Transfer System) is being developed and reportedly will be operational by July 1, 1976, we are concerned about what would happen in the event ITS or some similar central switch is not in fact ready or able to accommodate all the banks that may require such service by July 1, 1976. The development of such a central switch seems to us to represent a monumental undertaking that should be given adequate time to develop properly. Therefore, we are suggesting that mandatory sharing be delayed for approximately eight months to ensure orderly development of the switch. As we view the present law, in the event mandatory sharing is not possible by July 1, 1976, all electronic satellite terminals

would be required to shut down. This concerns us because of the effect such an interruption could have on the customers of those banks who have already become accustomed to using EFT terminals during the experimental period.

We are also of the opinion that ITS or any other "switch" utilized by an Iowa financial institution should be defined and licensed so that some control can be exercised over the activities of such facilities.

In addition to the above, we believe that the superintendent of banking should have specific statutory authority to approve or deny agreements between state bank and ITS or any other switch that might be developed. We have reviewed our present law and do not find such authority and question whether or not we would have the authority to require such approval by regulation. To resolve this question, we suggest that section 524.218(2) of the Code be amended to read as follows:

"2. Any contract, to which a state bank is a party, for the performance of bank services of a type referred to in either section 524.804 or 524.803, shall be approved by the superintendent prior to its execution."

III. Crossing State Lines

Section 8 of Senate File 536 provides in pertinent part, "Any state bank may utilize a satellite facility at any location within this state, and at any other location permitted by applicable law." We believe this language would enable an Iowa chartered bank to cross into any other state for the purpose of establishing an EFT satellite facility provided that state did not bar the Iowa banks entry.

Section 9 of Senate File 536 states, "A satellite facility, located so as to be generally accessible to persons other than employees of a bank or an affiliate of a bank, may not be utilized within this state by a bank other than an Iowa bank, except that any other bank may utilize a satellite facility which is so located with the consent of an Iowa bank which is concurrently utilizing the same satellite facility." We see some danger in this language in that it seems to place entry into the Iowa EFT market by out-of-state banks in the hands of individual Iowa banks. In studying this matter we have concluded that Iowa banks should be offered more protection than the present law provides and suggest that consid-

eration be given to the following proposals:

1) No out-of-state bank be allowed to *establish* electronic satellite facilities in Iowa.

2) All EFT terminals established by banks in Iowa be controlled by an Iowa bank. (This will enable bank regulators to control such terminals through the supervised bank.)

3) Customers of out-of-state banks be allowed to use terminals in Iowa established by Iowa banks provided the out-of-state bank was linked with a switch capable of transmitting any electronic transaction from the Iowa terminal to the out-of-state bank.

4) No Iowa bank be allowed to *establish* electronic satellite facilities in other states at this time.

5) No deposits could be credited to an out-of-state bank through an Iowa based electronic satellite terminal.

Our proposals in this area are intended to insure, once again, the orderly development of electronic banking. We have rejected the permissive language in the present law primarily because we believe that larger out-of-state banks might be able to persuade an Iowa bank into granting consent for it to use one or more of the Iowa bank's EFT terminals. Once such consent was received the out-of-state bank, through mandatory sharing, would gain access to all terminals located in Iowa. We have rejected the straight reciprocity approach because of the potential adverse effects large out-of-state banks could have on the Iowa deposit market. While Iowa depositors might benefit initially from outside invasion of its deposit market, it could create problems for some Iowa banks, savings and loans, and credit unions, which in the long run would have adverse effects on other depositors and the economy of those areas affected. We would not necessarily be opposed to allowing reciprocity on a limited basis and it has been suggested that we consider such a limitation which would allow only those banks situated in the first tier of counties in neighboring states to establish terminals in the first tier of Iowa's border

counties if Iowa banks in border counties were given the same privilege in the neighboring state.

The five proposals we have made in this section would not allow state banks to place electronic satellite facilities outside Iowa's borders at this time, but would allow the customers of Iowa banks to transact business through an out-of-state EFT terminal provided such terminal would accept the customer's EFT card and provided further that the laws of the state in which the terminal was located would permit such usage. Our proposal is more restrictive with respect to usage of an Iowa based EFT terminal by a customer of an out-of-state bank in that it would limit that customer's transactions on an Iowa terminal to strictly debit transactions. No deposits would be allowed from an Iowa terminal to an out-of-state bank. Customers of out-of-state banks would make their deposits to their bank the same way that they presently do but the proposal would not restrict the major purpose for EFT terminals, that being the elimination of paper in the form of checks and restoring credibility to the check or in this case the debit item.

To Head Clear Lake Bank

Ray V. Hewitt recently was elected president of the Clear Lake Bank and Trust Company replacing M. A. Arneson who was named chairman.

For the past two years, Mr. Hewitt has served as executive vice president



R. V. HEWITT

M. A. ARNESON

of the Clear Lake Bank. His 20 years of banking experience includes being president of the Marine National Bank, Waukesha, Wisc.

Eagle Grove Bank Elects McCart Director

George McCart recently was named to the board of directors of Security Savings Bank, Eagle Grove. He replaces Dr. Martin Schaeferle who

moved to North Carolina. Mr. McCart, 48, has farmed west of Eagle Grove for the past 29 years.

Joins Corwith Bank

Richard Halverson has joined the Corwith State Bank as insurance and farm representative. He most recently was assistant manager of the Armstrong Farmers Coop.

Dubuque Bank Elects Babka, Tiede Directors

First National Bank of Dubuque has announced the election of Edward A.



E. A. BABKA

M. G. TIEDE

Babka and Milton G. Tiede to its board of directors.

Mr. Babka is owner and publisher of the Babka Publishing Company of Dubuque. Mr. Tiede is general manager of the John Deere Dubuque Works.

Rolfe State Bank Promotes Shoemaker and Dixon

Rolfe State Bank has announced the promotions of Donald E. Shoemaker, formerly cashier, to vice president and Robert J. Dixon, formerly operations officer, to cashier.

Mr. Shoemaker joined the bank in 1963 from Central Trust and Savings Bank in Cherokee. He also was associated with the Livestock National Bank in Sioux City. Mr. Dixon is a graduate of the University of Iowa in Iowa City.

Waterloo Bank Elects Molinaro Director

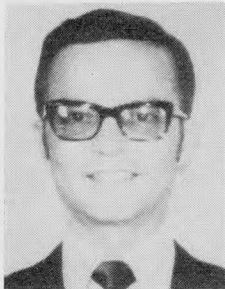
Robert J. Molinaro has been elected to the board of the Peoples Bank and Trust Company, Waterloo. Mr. Molinaro is executive vice president and general manager of Warren Transport, Inc., where he has been employed for 25 years. He attended the University of Wisconsin, Iowa State Teacher's College and the Chicago College of Advanced Traffic.

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Alta Bank Names CEO

James (Jim) R. Johnston, 39, is the new executive vice president of The

First Trust & Savings Bank of Alta. He comes to Alta from Creston where he had been cashier of the Iowa State Savings Bank for the past eight years.



J. R. JOHNSTON

Mr. Johnston replaces George Morrow who is taking an extended leave of absence for health reasons. He has been the chief executive officer since August of 1955.

Mr. Johnston, a graduate of Iowa State University, was associated with Brenton Banks, Inc., from 1959-68 working his way from an officer trainee to vice president.

Promote 2 at Churdan

First State Bank of Churdan has promoted Donna Hunt to assistant vice president and Joyce Clark to assistant cashier.

Helen Leeper Receives Promotion at Packwood

Helen Leeper recently was promoted to cashier of the Farmers Savings Bank of Packwood. She joined the bank in 1969.

Clinton National Bank Officer Changes

Clinton National Bank has announced the following officer changes: Maurice J. Losey, senior vice president and cashier; Roger J. Hill and John E. Wait, assistant vice presidents; William A. Venema and Ruth M. Zastrow, assistant cashiers and Donna E. Schoolman, customer relations officer.

Harold Topliff Orr

Funeral services were held recently for Harold Topliff Orr, retired Monona banker.

Shortly after his sixteenth birthday Mr. Orr began working as a bookkeeper in the Monona State Bank, which his father founded the year he was born. He spent his active life at the bank and its successor, a period of 57 years. Mr. Orr rose to the offices of teller, assistant cashier, cashier, vice president and trust officer and president, which

he held at the time of his retirement in 1965.

Top Executive Changes At Centerville National

Three major reassignments were announced at the annual Centerville National Bank stockholders meeting.

Robert F. Malmberg, formerly president, was elected chairman, trust officer and a member of the bank discount committee. William H. Griggs, formerly executive vice president, was elected president, chief executive officer



R. MALMBERG

W. H. GRIGGS

and a director. Robert K. Beck, previously chairman, will be joining the Hawkeye Bancorporation board of directors in April.

The realignment comes after the announced acquisition intention of Centerville National Bank by Hawkeye Bancorporation. The transfer is expected this spring awaiting Federal approval.

Mr. Malmberg had served as president since 1968 and has been with the bank since 1946. Mr. Griggs came to the bank last September. He has been associated with Hawkeye Bancorporation since October of 1967 with Pella National Bank and Clay County National Bank of Spencer. Prior to joining Hawkeye he was with the First National Bank of Omaha.

Mr. Beck had served as the bank's chairman since 1968.

First State of Mapleton Holds Open House

The First State Bank of Mapleton held an open house January 31 for the public to view its newly remodeled facilities. On February 1 the bank held an open house for area bankers and associates followed by cocktails and a buffet at the Willow Vale Country Club.

Named at La Crosse, Wis.

Ralph Brennan, president of J. F. Brennan Company and River Steel,

Inc., has been named to the board of the National Bank of Wisconsin in La Crosse, according to Lyle W. Anderson, bank president.

J. F. Brennan Company began as a partnership under the trade style Brennan Brothers at Lansing, Ia. In 1958 it was reorganized as the J. F. Brennan Company.

Mr. Anderson also announced the promotion of John F. Lyche to personal services officer.

Saeger Named Cashier Of Orange City Bank

Bill Saeger has been promoted to cashier of the Sioux County State Bank, Orange City, after an association of three years. He previously was assistant cashier.

First National, Oelwein, Names Top Executives

Louis H. Mulder has been named president of The First National Bank of Oelwein. He previously served as chairman.

Other promotions announced include Harry E. Young, chairman and Robert J. Arthaud, executive vice president and cashier.

Elected at New Hampton

Wendal Liddle, owner of Liddle's Super Valu, has been named a director of the First National Bank of New Hampton, according to Merrill Shaw, president.

First State of Audubon Elects New Officers

New officers have been elected by the First State Bank of Audubon.

A. A. Kruse, who has been executive vice president for many years, was named president. He is succeeded as executive vice president and chief executive officer by F. James Boyd who has been vice president.

Stephen Garst and John Chrystal, both of Coon Rapids, who recently purchased controlling interest in the bank, have been elected vice presidents. Gene Karstens was elected assistant vice president and cashier.

Sioux Center Bank Announces Promotions

The American State Bank of Sioux Center has announced two promotions. They are Cal Cleveringa to assistant vice president and Jan Van Meeteren to assistant cashier.

Discuss Financial Reform at IBA Group 1 and 11 Meetings

By MALCOLM FREELAND
Publisher

BECAUSE financial reform in 1976 appears inevitable, the need for a uniform approach by the banking industry is vital to achieving equity.

This was the suggestion made last month at Groups 1 and 11 of the Iowa Bankers Association by IBA President Dale DeKoster and IBA Executive Vice President Neil Milner. Special concern was expressed over the Financial Institutions Act, passed by the Senate, and the FINE study, now being conducted by the House Committee on Banking, Currency and Housing. Known as the Financial Institutions and the Nation's Economy study, it covers elimination of Regulation Q after five years, payment of interest on demand deposits within five years, permitting checking accounts for S & Ls, credit unions and mutual savings banks, branching across state lines, charter conversions of federal S & Ls to national banks, a single regulatory agency, consumer lending by thrift institutions, reserve requirement for S & Ls, and a variety of housing incentives. President DeKoster described the differences between FIA and FINE.

The two group meetings drew excellent registrations. Group 1 in Sioux City recorded a total of 790. Group 11 in Burlington registered 690.

Officers of Group 1 are: Chairman, Marvin G. Hansen, president, Early Savings Bank, and secretary, Cliff Young, executive vice president, Onawa State Bank. Mr. Young is newly-elected. Group 11 officers continue as

follows: Chairman, Robert G. Oatley, assistant vice president, Fort Madison Bank & Trust Company, and secretary, Robert Laughrige, vice president, Union Bank and Trust Company, Ottumwa.

Thomas H. Huston, Iowa superintendent of banking, told delegates attending both groups that there are no state-chartered banks on the "problem list" at present. He added that although he was not releasing specific figures on holdings of New York bonds by Iowa banks, he could assure the public that the total amount was comparatively small. Mr. Huston concluded by describing highlights of his recent EFT report to the Iowa legislature. His report recommends that all Iowa banks restrict EFT terminals to their respective town or complex for the next two years. A more detailed article on his report appears in this issue.

Dr. Robert R. Spitzer, coordinator, Office of Food for Peace, Department of State, Washington, D.C., and Dr. Benjamin Rogge, professor of political economy, Wabash College, Crawfordsville, Ind., were featured speakers at Sioux City.

Dr. Spitzer emphasized the importance of agricultural exports, which last year amounted to \$22.5 billion. Worldwide, there are 10 million tons of relief food. A total of six million tons is provided by the United States through the agency headed by Dr. Spitzer.

Dr. Rogge predicted that 1977



LUNCHEON SPEAKER at the Group 11 meeting in Burlington was **Timothy Hays**, Mayor of Whoopup, Mo. In describing life in Whoopup, he said "our town is unlisted on maps to make it more difficult for the CIA to find us."

would be a very good year — but by 1978, we will be back to double digit inflation. He suggested that we will look back on eight and nine % interest rates as "the golden years." He believes that we will see rates of 12 to 15% in the years ahead. He sees even greater government involvement with the result that in 10 years America will be similar to the England of today.

Burlington area bankers heard Arthur Davis, IBA general counsel, describe the duties performed for the Association by its general counsel, which includes entering cases like the Small vs Huston case as amicus curiae. A current report was also made on U.S. Savings Bonds. At year-end, Iowa had a total of \$4,414,000,000, or \$536 per capita. Only one other state leads Iowa. Nebraska has \$571 per capita. Nation-



APPEARING on the Group 11 program at Burlington were: **Robert G. Oatley**, Gp. 11 chmn. and v.p. & cash., Fort Madison B&T; **Robert J. Laughrige**, Gp. 11 secy.-treas. and sr. v.p., Union B&T, Ottumwa; **Neil Milner**, exec. v.p. of the IBA; **A. Arthur Davis**, Des Moines, IBA general counsel; **Tom Huston**, Iowa superintendent of banking; **Dale K. DeKoster**, pres. of the IBA and pres., Waterloo Savings Bank, and **C. Robert Brenton**, v.p. of the IBA and pres., Brenton Banks, Inc., Des Moines.

Photos Taken at Sioux City



LEFT — Leo Carlson, pres., First Nat'l. Bk., Sibley, and Gary Stevenson, v.p., First Nat'l. Bk., Sioux City. RIGHT — Speakers Rogge and Spitzer with Tom Horn, pres., Sioux City Bkrs. Assn. and exec. v.p., Security Nat'l. Bk., Sioux City.



LEFT — Terry M. Martin, v.p., The Merchants Nat'l Bk., Cedar Rapids; Orrin A. Wilson, 2nd v.p., The Northern Tr. Co., Chicago; JoAnn Kuehl, v.p., and M. J. Kuehl, pres., Sec. St. Bk., Lake Park, and Richard C. Storlie, correspondent bk. dept., Northwestern Nat'l Bk., Minneapolis. RIGHT — Joe Valenti, v.p., Drovers Nat'l Bk., Chicago; Ed Lenaghan, exec. v.p., Iowa Bankers Ins. & Services, Des Moines, Rudy Dybeck, v.p., Des Moines office of the Fed, and Bernard Miller, v.p., Drovers Nat'l Bk., Chicago.



LEFT — Mr. and Mrs. Les Olson, pres., The Toy Nat'l Bk., Sioux City; Mr. and Mrs. V. P. Mouw, exec. v.p., First Nat'l. Bk., Sioux Center, and Mr. and Mrs. Max Kiernan, pres., Alton Sav. Bk., Alton. RIGHT — Ed Newell, v.p., Mitchell Nat'l. Bk., and Bill Heimerman, sr. v.p., N.W. Nat'l. Bk., Sioux Falls.



LEFT — Bill Hamilton, corresp. bk. off. (left) and Ken Wales, v.p. (right), both of First Nat'l. Bk., Minneapolis, join Del Olson, v.p., The Omaha Nat'l. Bk. **RIGHT** — Mr. and Mrs. Jerry Just, v.p., N.W. Nat'l. Bk., Sioux City, and Mr. and Mrs. John Christensen, pres., Farmers Nat'l. Bk., Aurelia.

wide, 1975 showed a total of \$7 billion in bond sales with total outstanding of \$69 billion. Group 11 will hold its annual golf outing at Fairfield June 9.

BMA Plans Conference

Authoritative speakers from both the banking and business fields will head up the Bank Marketing Association's 9th Annual Marketing Research Conference, scheduled for May 2-5 at the Hyatt Regency Chicago in Chicago.

This year's program will be geared towards the needs of both new and experienced bank marketing researchers, with special sessions designed for both. More than 40 program speakers will discuss their approaches to practical, real-life problem situations during 25 program sessions.

Subjects such as attitudinal segmentation, advertising testing, focus group usage and effective trust prospecting will be some of the major areas probed at the conference. Also featured this year will be a special seven-hour "Basics of Bank Marketing Research Course" taught by noted researchers Anthony Diina of Erie County Savings Bank, Erie, PA, and Kelley Clowe of First National Bank of Denver.

CME Lists New Contracts For Live Cattle Futures

The Chicago Mercantile Exchange, pending approval of the Commodity Futures Trading Commission, was to begin listing new contracts for live cattle futures trading effective February 23, Everett B. Harris, president, announced.

C.M.E. rules require that each live cattle contract shall be for choice grade live steers as defined by the U.S. Department of Agriculture. Accordingly,



GROUP ONE registrants included, from left: Mr. and Mrs. Jack Wilhelmy, pres., Community St. Bk., Whiting; Larry Lane, Bank of Niobrara; Hermine Leffler and husband, Chuck, v.p., First Nat'l. Bk., Lincoln; Margaret Stoneman; Dick Wagner, pres., State Sav. Bk., Hornick, and Lyle Stoneman, v.p., First Nat'l. Bk., Lincoln.



PICTURED at the Burlington meeting were Mike Byrne, corr. bkg. off., American Natl. B&T, Chicago, and his wife, Cristina, and Linda and Charles E. Walsh, a.v.p., Farmers & Merchants B&T, Burlington.

the new contracts will conform to the USDA's new beef grade standards, which are also scheduled for adoption February 23.

Existing live cattle contracts for the

delivery months of April, June, August, October, and December, 1976, will be traded concurrently with new contracts but will be for liquidation only.

Employees Learn from Mock Robbery

DURING a bizarre, late-afternoon holdup last month at the Security Savings Bank in Eagle Grove, three robbers wearing assorted disguises invaded the bank and held 13 employees at bay in the main lobby. While two of them held guns on the bank staff, the third gang member quickly went from one teller window to another scooping up available money.

There was one catch—it was bogus money! So were the bandits, although everything else was real. Although the employees knew a mock holdup was to be staged that day they didn't know the exact time, the manner in which it would be staged, the number of "robbers" to be involved nor what they would look like. Thomas F. Anderson, assistant vice president and security officer of Security Savings Bank, had arranged the exercise, with approval of the bank management, in cooperation with Eagle Grove Police Chief Curt Green and his staff.

Bank officials and police were satisfied with the job the police did as their part—not only staging the holdup but using proper interrogation procedures afterward—and the job the staff did in compiling their description reports within minutes after the "holdup" was concluded.

Employees Alerted

It all started a month earlier when Mr. Anderson, as part of the bank's security procedures, conducted training sessions for the staff on what to do during and immediately following such a robbery. Employees were aware a robbery would take place but didn't know until the actual day when it would take place. The staff was told approximately when it would happen so there would not be any unfortunate incidents during the "dry run," such as a staffer becoming suddenly ill or one unexpectedly becoming violent.

The mock holdup took place after hours in late afternoon to assure that no customers would be present. A uniformed police officer stood guard at both front and rear doors of the bank in the event any passerby should become alarmed. One person across the street saw the disguised bandits run for their car, but also saw the nearby police car and correctly determined that things were under control.

The three police perpetrating the

holdup (pictured here from a Polaroid snap taken after their "arrest") had on such disguises as wigs, a rubber mask and women's clothing. They were in the bank nearly 10 minutes, using actual, unloaded weapons. Since



UNSAVORY would be the usual description for characters like this who recently "held up" the Security Savings Bank at Eagle Grove. The three men pictured were city police officers who took part in a planned robbery aimed at testing reactions and descriptive ability of the bank staff.

it was after-hours all genuine money was locked in the bank vault and only fake money was left in the teller cages.

Description Procedure

After the trio ran from the bank, the employees were given description sheets to complete. These were then reviewed after the "robbers" were brought back in so employees could compare their descriptions with what the men actually wore. Two women employees spotted the one dressed in women's garb as an impersonator. The staff descriptions were varied, but officials were generally pleased with the results, especially with several employees whose descriptions fit very closely with what the trio wore.

One major point later stressed by police officers was the necessity for having as good a description as possible of the weapons used. This was one point where employee descriptions could have been better. The actual weapons were then displayed to the staff and they were shown the differ-

ence between a revolver and an automatic weapon.

Mr. Anderson said bank officials "feel this drill has made our staff much more alert in case a real robbery occurs."

Fort Madison Bank & Trust Announces 5 Promotions

Fort Madison Bank & Trust Co. has announced the following staff changes:

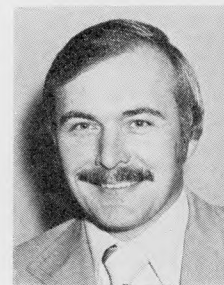
Charles J. Walker, executive vice president, Robert G. Oatley, vice president and cashier; Louis W. Fowler, vice president and auditor; Larry L. Humphries, vice president and manager



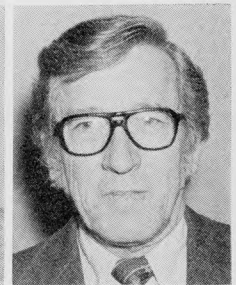
C. J. WALKER

of the instalment loan department and Dale W. Krogmeier, assistant vice president and manager of the River Hills office.

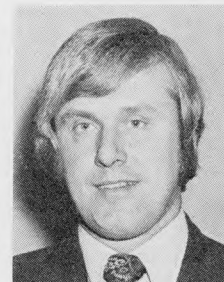
Mr. Walker joined the bank in March of 1970 and had been senior loan officer; Mr. Oatley came to the



R. G. OATLEY



L. W. FOWLER



L. L. HUMPHRIES



D. W. KROGMEIER

bank as an assistant vice president in September of 1971 and most recently was serving as a loan officer. Mr. Fowler joined the bank in 1946 and Mr. Humphries in 1971.

Appointed at Emerson

Emerson State Bank has appointed Lieselotte Curtis assistant cashier.

Elected at Muscatine

First National Bank of Muscatine has elected Dorothy Drake assistant cashier and Mary Jane Crossley manager of the bank's downtown drive-in facility.

Decorah Bank Advances 4

Security Bank and Trust Company, Decorah, has promoted Gerald Gipp to vice president and Helen Olson, Mary Stevenson and Virginia Omdahl to assistant cashiers. Mr. Gipp had been assistant vice president in charge of instalment loans since June of 1975 and will continue as the bank's instalment loan officer.

DeWitt Bank and Trust Names Billhorn Cashier

Jon Billhorn was named cashier of the DeWitt Bank and Trust Company. He began his career at Farmers-Merchants Savings Bank of Manchester, his home town. He joined the newly-organized First Central State Bank in June of 1967.

North Iowa State Bank Promotes Paul to Cashier

North Iowa State Bank in Belmond has promoted Curtis A. Paul from cashier to vice president.

Elected at Dubuque

Holmes Foster has been elected to the board of Key City Bank and Trust Co., Dubuque. He is senior vice president and secretary of Banks of Iowa, Inc., and a former deputy superintendent of banking for Iowa.

Sabula Banker Retires

Otto J. Mohr, assistant cashier and manager of the Teeds Grove Savings Bank at Sabula, recently retired after serving the community for the past 14 years. Mr. Mohr farmed in the area before joining the bank in 1962. He also had served on the bank's board for over 20 years.

Construction Begins on New Raccoon Valley State Bank

Construction has begun on the new Raccoon Valley State Bank building in Adel, according to Leland Goodrich. He said it will be the first Iowa commercial solar heated, solar cooled building to be constructed in Iowa.

The structure will be made of brick, glass and copper. The interior will include several private offices, confer-

ence rooms and a community room. Bank depository, drive-in service and ample parking space will be featured.

To Head Vinton Bank

Chas W. (Bill) Barron recently was elected president of the State Bank of



C. W. BARRON

Vinton succeeding John T. Strawn, Jr., who was elected chairman. Mr. Strawn, president since 1972, succeeds Judge W. Tobin who stepped down from the position of chairman but will remain a director.

Judge Tobin served as the bank's president and chairman since 1935. He retired as president in 1972.

Other officers elected are: Barry J.



J. T. STRAWN, JR.

J. W. TOBIN

Lefstad from assistant cashier to cashier, Rosemary J. Boisen to assistant cashier and Randall J. Mickelson to assistant cashier and farm representative.

Paulson, Tanner Named At Northwood State

Kary Paulson has been elected vice president, cashier and director of the Northwood State Bank. He joined the staff in 1972 after a three year association with the Iowa Department of Banking. He is a graduate of Mankato State College.

James Tanner has been appointed assistant cashier.

Staff Changes at Davenport

Staff changes at Davenport Bank & Trust include: Jane A. Faulkenau, Gerald H. Venes, Robert J. Hartman, Jr., and David D. Kling, assistant vice presidents and Timothy J. Foley, Anthony E. Hughes, Curtis N. Johnson, Betty M. Richards and Russell W. Scott, assistant cashiers.

Parkersburg Promotion

Norm Gerdes has been named a director and secretary of the board at Parkersburg State Bank. Mr. Gerdes, who is vice president, joined the bank in April of 1975.

Elected at Marion

Wayne A. Kinney has been elected a director of The First National Bank of Marion. He is president and treasurer of Modern Piping, Inc., Cedar Rapids; vice president of Mary Moppets of Cedar Rapids, Inc., and president, secretary and treasurer of Old Capitol Motors, Ltd., Iowa City.

Joins Marshalltown Bank

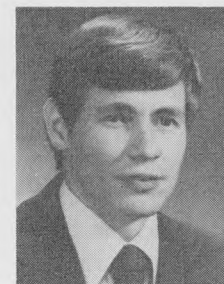
Charles Juhl has joined Fidelity Bank of Marshalltown, according to Tom Smith, president. Mr. Juhl is a December, 1975, economics and political science graduate of the University of Northern Iowa, Cedar Falls.

Mahaska State, Oskaloosa, Reports Staff Changes

Rex Blom and John Pothoven have been elected to the board of directors of Mahaska State Bank, Oskaloosa.

Promotions announced include: John Pothoven, vice president; Evelyn Vos, assistant trust officer; Gladys Allsup, Calvin Van Ee and Jim Goering, assistant cashiers, and Hester Whitlach, controller.

Mr. Pothoven recently joined the bank from Merchants National Bank of Cedar Rapids where he was in the correspondent banking department. From July, 1971, to October, 1973, he was farm representative for the Iowa Falls State Bank.



J. POTHOVEN

Promoted at Bloomfield

Dr. Harry D. McCree, veterinarian, has been elected to the board of the David County Savings Bank, Bloomfield.

Promotions announced include: Marne E. Bond to vice president; Dorothy Dixon to cashier; Beatrice Ryan and Doran Ryan to assistant cashiers and Lois Irvin to public relations officer.

Emmetsburg Bank Names Clasen Vice President

J. F. Spies, president of the Iowa Trust & Savings Bank in Emmetsburg, has announced the promotion of Ruth Clasen from assistant vice president to vice president. Her duties are in the administrative and customers service areas and she also handles the bond portfolio. Ms.



R. CLASEN

Clasen joined the bank in 1936 and was first elected an officer in 1960.

Joins Ottumwa Bank

Gary L. Larson, a native of Storm Lake, has been named an assistant trust officer of Union Bank and Trust Company of Ottumwa. He earned his bachelor's degree and master's degree in business administration from the University of Iowa, Iowa City.

Bettendorf Bank Names Young Vice President

Donald B. Young has been elected vice president and trust officer of Bettendorf Bank. Mr. Young was graduated from the University of Iowa, Iowa City, in 1958, and received his Juris Doctorate degree from the University of Illinois in 1961. He comes to the bank from Ottumwa.

Clinton Bank Adds Director

Charles W. Harrington has been elected to the board of the First National Bank of Clinton. He is a farmer residing in DeWitt.

Newly elected officers are Jean M. Herrity and Charles Shaw, assistant cashiers. The following officers changes have been announced: Kenneth R. Kramer and Madonna Pinter, assistant vice presidents and William E. Zickau, trust officer.

Officer Elections at Creston

Lee McNichols has been named cashier of the Iowa State Savings Bank, Creston. He has been with the bank since May of 1970 and is a graduate of Northwest Missouri State University in Maryville, Mo.

Jean Trussell has been appointed assistant cashier. She has been with the bank since September of 1969 and has 24 years of previous experience in banks in Colorado, Kansas, Illinois and Iowa.

Rose Dooley Honored



Rose Dooley, chmn. & treas. of Iowa Bankers Insurance & Services, Inc., was honored last month on the occasion of her 47th anniversary with the Iowa Bankers Association. Miss Dooley joined the IBA in 1929, working continuously with the organization since that date. She was presented with a bouquet of 47 red roses by her associates, and also was the guest of honor at a special luncheon for the staff.

The bank also announced the election of Robert Gordon to the board of directors.

2 Retire at Brooklyn

C. W. Fowler, director since 1924, and C. C. Ecklund, director since 1938, have retired from their positions at the Poweshiek County Savings Bank of Brooklyn. Mr. Fowler had continued as chairman since his retirement from active employment in January of 1975.

New directors elected are Glen J. Kriegel and Gerald A. Read. Both are area farmers.

Appointed at Oskaloosa

The appointment of Dr. Ronald L. Goldsmith as a new member of the board of Iowa Trust and Savings Bank, Oskaloosa, has been announced by H. W. Sauter, bank president. Mr. Goldsmith has been a partner in Mahaska Veterinary Clinic since 1959.

Appointed at Bettendorf

Joyce Vermost has been appointed assistant cashier at Security State Trust & Savings Bank in Bettendorf.

First Federal S&L's TMS Service Expands Further

The Money Service, originated and trademarked by TMS Corporation of the Americas, Lincoln, Nebr., a subsidiary of First Federal Savings & Loan of that city, announces further expansion of its electronic funds transfer sys-

tem in Illinois, Ohio, Maryland, Florida, Nebraska and Iowa.

On November 10, customers of First Federal S&L, Aurora, Ill., with TMS accounts were able to begin using their cards at National Tea's two food stores in Aurora. The firm also has 185 stores in the Chicago metropolitan area. Also, several financial institutions in the Chicago area have shown considerable interest since the new service became available.

Broadview S&L, Cleveland, O., is now offering TMS in 55 Pick-N-Pay supermarkets, the largest supermarket chain in the Cleveland area. The system utilizes the new IBM 3600 remote terminal together with a TMS magnetic stripe card.

Baltimore Federal S&L, Baltimore, Md., has signed a TMS license and will begin offering TMS there this year. It is a \$620 million asset institution, with 15 branches. American Federal S&L, dealer for TMS in Washington, D. C., Maryland, and part of Virginia, signed Baltimore Federal. American Federal began using the TMS service for its customers last July.

Florida Money Service, Inc., Gainesville, Fla., will be marketing and licensing TMS to all financial institutions in Florida.

In Nebraska, TMS cards now are honored at Ben Simons clothing stores in its two stores located in Lincoln, and the cards also may now be used at seven Richman Gordman department stores across the state—five in Omaha, one in Lincoln and one in Grand Island. The 10 Richman Gordman shoe stores in Nebraska will soon be honoring TMS cards.

First Federal S&L of Council Bluffs, Ia., reports an increase of 13.2% in its new accounts in the first two weeks since opening two remote service units.

TMS headquarters reports that the 50,000 transaction milestone was surpassed last fall, and that cards on 49,000 savings accounts in Nebraska have been issued. When TMS first commenced operation in January, 1974, First Federal of Lincoln had \$48 million in TMS accounts compared to \$800 million net total savings (excluding certificates) for the state of Nebraska in all financial institutions. As of June 30, 1975, a TMS spokesman states, savings dollars in TMS accounts have increased to \$82 million (an increase of 70.83%) while total net savings for the state of Nebraska have increased to \$1.23 billion up 53.75%.



BANKERS attending seminar sponsored by Capital City St. Bk., Des Moines, last month included from left: **G. M. Barnett**, pres., Guthrie Co. St. Bk., Guthrie Center; **Bob Dixon**, pres., Rolfe St. Bk.; **Tom Hay**, pres., Security St. Bk., Casey; **Homer Jensen**, v.p., host bank, and **Marv Logan**, pres., Davis Co. Sav. Bk., Bloomfield. **RIGHT** — **Dick Bueneke**, exec. v.p., host bank, is shown with panelists, **Harry Watts**, Des Moines attorney, and **Don Holder**, CPA, Des Moines.

Practical Bank Seminar Held by Capital City State Bank

BANKERS attending a "Practical Bank Seminar" sponsored by Capital City State Bank, Des Moines, were treated to discussions of tax planning for banks and one bank holding companies, problems in banking law, and methods smaller banks may utilize the Small Business Administration.

Don Holder, C.P.A., Des Moines, reviewed tax law changes made in 1975, including raising the surtax from \$25,000 to \$50,000 and changing the investment credit from 7½ percent to 10 percent. Commenting on the new rules covering Individual Retirement Act (IRA), Mr. Holder said bankers should be aware of May 30, 1976 deadlines for filing new forms with the Department of Labor and presenting planned summaries to all participants.

According to Mr. Holder, during 1975, there were 5,000 cancellations of pension plans and 6,000 cancellations of preferred profit sharing plans by American business due to the complicated regulations.

Long Term Planning

Suggesting that banks should make decisions on a long-term basis, fitting needs to five, seven, ten years, or longer, taking advantage of bonus depreciation and investment credit in making purchases. In planning new buildings, bankers should list specific components for investment credit and establish varying periods of depreciation for items like plumbing, flooring, and roofing.

Special interest was shown in Mr.

Holder's discussion on cash vs. accrual accounting, reserve method vs. direct charge off of bad debts, and year-end tax saving moves.

Concluding his comments, Mr. Holder gave specific examples on how to solve capital deficiency problems, particularly when bankers are planning a new building or expansion program.

Attorney Watts discussed the recent Iowa Supreme Court decision, affirming a lower court ruling that The State Bank of Fort Dodge acted properly in exercising its right of offset in its action against Farmers Cooperative Elevator of Duncombe. Added comment was made on proper handling of warehouse receipts.

Concluding his remarks, Mr. Watts covered the Equal Credit Opportunity Act and bank liability under current consumer credit contracts.

Robert Brekke of the Des Moines S.B.A. office conducted a question and answer session on activities of the Small Business Administration. He stressed the importance of qualified management in repayments and business success, reminding the audience that S.B.A. makes available an active corps or senior executives to assist small business at no charge. He suggested that banks and potential borrowers should review a new business kit available through S.B.A.

Lending Forms

Richard Bueneke, executive vice president of the host bank, served as moderator for the sessions. Homer R.

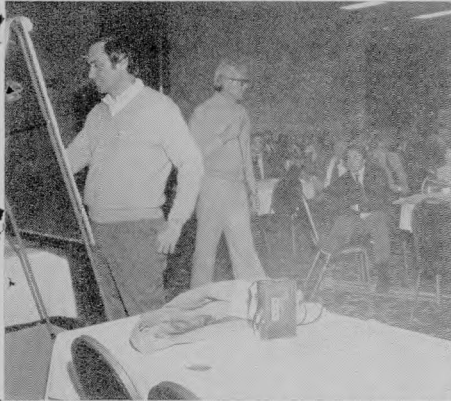
Jensen, vice president in charge of correspondent banking relationships, assisted in planning the seminar. Mr. Bueneke announced that a series of updated forms for lending are being made available at modest cost to community banks. The new forms cover business loan — single payment, secured or unsecured; business loan — multiple payment, secured or unsecured; business loan — single payment, interest precomputed, secured or unsecured; business loan — multiple payment, interest precomputed, secured or unsecured; consumer credit note — multiple payment, secured or unsecured; consumer credit note — single payment, secured or unsecured; guaranty-personal; assignment of savings account or Certificate as collateral; real estate mortgage note, and real estate mortgage.



SBA information was presented by **Robert Brekke**, shown with **Tom Dunlap**, pres., South Story Bk. & Tr. Co., Slater.

Great Iowa Brain Robbery Draws Ideas for Industry

By MALCOLM FREELAND
Publisher



Murray Raphel writes responses on a display board while Ray Considine gets rapid-fire ideas from audience on needs of customers, tellers and management personnel. The idea exchange came after individual table discussions by those attending.



A TOAST to the successful Iowa Great Brain Robbery is offered by the four principal participants (l. to r.): Lark Billick, IBA's p.r. dir., who was in charge of the program; Gilbert Hamblet, whose after-dinner speech, "Don't Take Yourself Too Seriously," wowed the 180 registrants, and Ray Considine, Los Angeles, and Murray Raphel, Atlantic City, who teamed up to present the several work sessions during the two full days of the marketing seminar. The coffee mugs they're holding display the "Great Iowa Brain Robbery" logo and a cup was given to each registrant, along with a "Stay of Execution" certificate that proclaims the holder completed the seminar.



Lark Billick is arrested and handcuffed by Polk County Sheriff Clemens and a deputy after being cited by the sheriff during the luncheon for perpetrating Brain Robbery.



"Don't you have my notebook?" is the frantic plea of Lark Billick, but his secretary, Pat Smith, very emphatically points back to the meeting room with "No, it's at the head table!" Enjoying the whole procedure is Mike Newhouse (center), mktg. dir., Security Natl., Sioux City. (The notebook was at the head table.)



Jim Peters, a.v.p., Newton Natl.; Bob Clark, v.p., Central Natl. B&T, Des Moines, and Gus McCulley, v.p., Burlington B&T, enjoy a refreshment break. Concentrated sessions offered diverse marketing subjects like 60 Ideas in 60 Minutes, Critique of Advertising (with numerous display of newspaper ads), Methods of Selling, How to Help, Giving Added Value and 4 Objections to Sales.



Typical of the table discussions during each session is this one held by (l. to r.) Sam W. Neill, sr. v.p., Security Sav., Marshalltown; John G. Fey, a.v.p., Security Sav., Scranton; Jim Currie, pres., State Bank of Schaller; D. B. Mullins, v.p., City Natl., Shenandoah; Don Clouston, Morningside State, Sioux City, and David Moore, 1st Natl., Dubuque. Participants took turns as recorder for their table during the brain-storming sessions and would then report their findings to the entire group in the rapid-fire report session conducted by the team.



In the DIRECTORS' ROOM



Daily Moral Inventory

LIABILITIES	ASSETS
<i>Watch for—</i>	<i>Strive for—</i>
Self Pity	Self-Forgetfulness
Self Justification	Humility
Self Importance	Modesty
Self Condemnation	Self Valuation
Dishonesty	Honesty
Impatience	Patience
Hate	LOVE
Resentment	Forgiveness
False Pride	Simplicity
Jealousy	Trust
Envy	Generosity
Laziness	Activity
Procrastination	Promptness
Insincerity	Straightforwardness
Negative Thinking	Positive Thinking
Vulgar, Immoral	Spiritual
Thinking	Clean Thinking
Criticism	Look for the GOOD

*Eliminate the Negative
Accentuate the Positive*

Strict Boss

The old-time plumber was concerned about coffee-breaks, feather-bedding and other production interruptions.

"When I was an apprentice, we used to lay the first two lengths of pipe — then the boss would turn on the water and we'd have to stay ahead of it."



"I'm sorry, Mrs. Kirk, but you must be more specific. 'Plenty' won't do."

Ethnic Heroics

The passenger list on one flight across the Atlantic included people of many different nationalities. During the course of the flight, a storm blew up and forced the pilot to lighten the weight of the plane. He asked for volunteers to bail out.

A Frenchman arose, yelled, "Vive la France," and jumped out the door. Then an Englishman got up and yelled, "Long live the Queen," and leaped out. Finally, a Texan got up and yelled, "Remember the Alamo," and pushed a Mexican out of the door.

Too Many Troubles

"Man, you sure look worried."
"I've got so many troubles that if anything bad happens today, it will be at least two weeks before I can worry about it."

Parrot Learns a Lesson

Aboard a ship a magician was entertaining the guests — all except a parrot hanging nearby. Everything, including a pigeon that was made to disappear, was greeted by a shout of "Faker!" from the bird. Suddenly an explosion destroyed the ship, and the parrot landed on a raft occupied by the magician. After two days of merely sitting and staring at the man, the bird finally admitted: "All right, you win! What did you do with the ship?"

Girl Hater?

Two small boys were playing together when a very attractive little girl walked by. One of the boys said fervently to his pal, "Boy, when I stop hating girls, she's the one I'll stop hating first!"

Times Change

We used to wonder what the future had in store for us. Now we wonder what the store will have in the future for us.

Conceit

CONCEITED GIRL: "How do you like it, girls? It's just a little something I threw on."
"Looks like you missed," replied one of the girls.

INDEX OF ADVERTISERS

MARCH, 1976

A	
Acorn Printing	96
Allison-Williams Co.	47
American National Bank Chicago	50
American Trust & Savings Bank, Dubuque	89
Amiel Industries of North America	3
B	
BanClub	22A
Bank Administration Institute	53
Bankers Trust Company	86
Becker & Cownie	34
Beh, Carleton Company	37
C	
Central Bank of Denver	73
Central National Bank, Des Moines	93
Continental Illinois National Bank	24
Creative Group	22
D	
Dain, Kalman & Quail	36

Daktronics	10
Dawson Hail Insurance	5
DeLuxe Check Printers	15
Dickinson & Co., R. G.	34
Doane Agricultural Services	16
Douglas Guardian Warehouse	12
F	
Financial Institution Services	22D
First National Lincoln	85
First National Bank, Minneapolis	57
First National Bank, Omaha	79
First National Bank, St. Paul	7
G	
Gross, Kirk Company	92
H	
Harris Trust & Savings Bank	45
Hawkeye Bancorporation	48
Heller, Walter Company	17
Hibbard, O'Connor & Weeks	30
I	
Insurance Programmers	43
Insured Credit Services	23
Iowa-Des Moines National Bank	35, 108
L	
Leamington Hotel	62
M	
Merchants National Bank	2
Midland National Bank, Minneapolis	63
MorAmerica	22B-22C
Mortgage Guaranty Insurance Corporation	8-9

N	
NADA Used Car Guide Company	19
National Bank of Commerce	81
National City Bank	59
North Central Life Ins. Co.	6
Northwestern National Bank, Minneapolis	54
O	
Omaha National Bank	33
P	
Piper, Jaffray & Hopwood	48
Prom Sheraton Inn	18
R	
Rand McNally	49
S	
SLT Warehouse	41
St. Paul Hospital & Casualty	14
Salmon Brothers	21
Security National Bank, Sioux City	47, 91
Shaw, McDermott	32
T	
Taylor & Martin	11
Travelers Express Company	61
U	
United Guaranty Corporation	107
United Missouri Bank of Kansas City	13
United States Check Book	69, 88
United States National Bank	76
V	
Van Wagenen, G. D. Company	60

Two is beautiful.

#1 Is The Biggest. But #2 Is Beautiful.

The largest company in private mortgage insurance is MGIC. (They're also the oldest. *And* the best known.) But while we respect their success, we're not afraid to tackle them every chance we get.

You see, we have something the #1 company doesn't have.

It's a corny thing called special service.

When you're #2 you work harder at having the right answers faster than #1. (For example, processing at United takes less than 24 hours.)

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Send For Your Free T-Shirt.

Our new "Two is beautiful" T-Shirts have made more than one person at United smile. And feel better. And perform better.

And now you can get into one of our T-Shirts. Easily.

If you'd like one, let us know your size and name on company letterhead. (Size Range: Women's: Extra Small, Small, Medium, Large; Men's: Small, Medium, Large, Extra Large.) We'll send



you a "Two is beautiful" T-Shirt. Free. Just like that.

But there's a catch.

Only *two* to a customer.

We're #2. No Complaints.

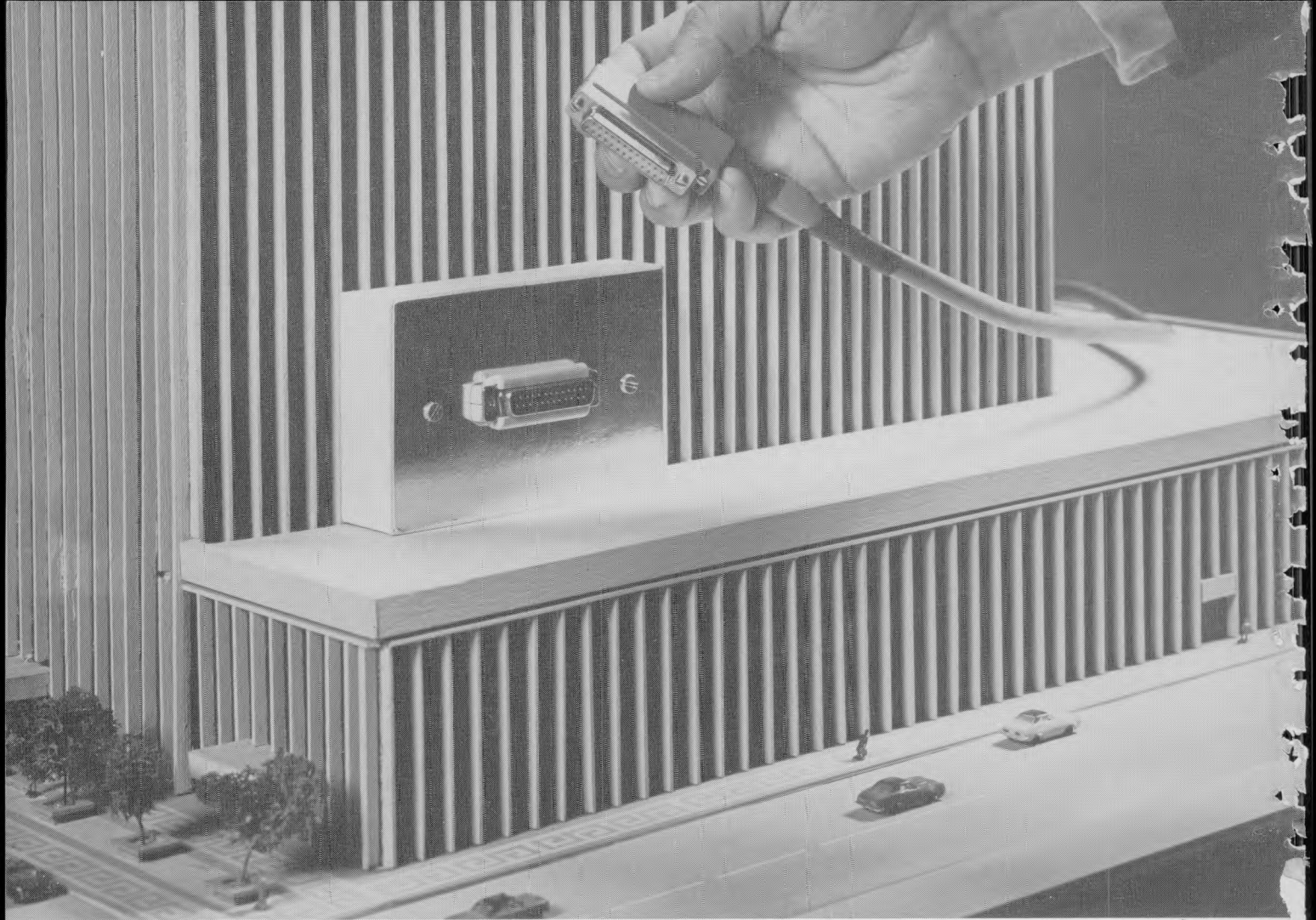
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That's where “Correspondent On-Line” comes in. It's a direct hookup that gives your bank all the computer capability of the largest bank in Iowa, instantly, as you need it. What's more, there's no major capital outlay on your part.

If that sounds interesting, let's talk about it now. You will need some internal planning to put yourself in a position to move “On-Line” with us.

There's one thing for sure. When the time is right, plugging your bank into our computer will get you a lot of help for your money.

IOWA- Des Moines

NATIONAL BANK

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