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JUNE 1976 • 83rd Year No. 1353

OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES MEMBER OF AUDIT BUREAU OF CIRCULATION . MEMBER BANK MARKETING ASSOCIATION

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Defeat Financial Reform Bill

THE 16-month drive for reorganiza-tion of the financial system in this thrifts bank-like power tion of the financial system in this Congress ended in defeat because of a lack of support in the House Banking, Currency and Housing Committee.

Committee chairman Henry Reuss, D., Wis., announced that the bitterly controversial Financial Reform Act would be sent back to the committee's subcommittee on financial institutions supervision, regulation and insurance.

Mr. Reuss said he hoped the subcommittee would study the subject further and decide whether some portions of the bill might be salvaged.

There are reports that the subcommittee would consider a modest bill increasing powers of thrift institutions and credit unions, but even this might be difficult to pass this year.

The reform proposal was intended to provide more flexibility in the financial system by removing some of the differences between commercial banks and thrift institutions.

commercial bank lobby launched an all-out assault on the bill, charging that it grossly favored thrift

Chairman Reuss and Rep. Fernand J. St Germain, D., R.I.—authors of the reform bill-told the reporters after the meeting that the attack on the bill by commercial banks did not alone result in its defeat.

Both said the absence of strong public support for it, and the lack of unity among lobbies favoring it figured in the outcome.

File Suit Against Loan Production Offices

The Independent Community Banks

in Illinois have filed suit in U.S. District Court here seeking to shut down 10 retail oriented loan production offices opened last month by the \$14.2 billion-deposit First National Bank of * Chicago on the ground they violate both state and Federal branching laws.

The ICBI suit, which also asks for a declaration prohibiting any further opening of these offices, states FNB-Chicago's operation of what it calls "community banking offices," including automated teller machines at each location, "has caused and will continue to cause immediate irreparable injury to plaintiff's members, many of which are located in areas affected by defendant's offices."

Financial Reform Act Opposed by AFL-CIO

D EFEAT of the Financial Reform Act of 1976 came about after a number of trade grows in the second s ber of trade groups joined forces with the American Bankers Association in opposing the bill. One of the strongest groups was the AFL-CIO. Here are the reasons why AFL-CIO opposed the legislation:

1. It did not provide an effective remedy for the problem of frequent, sharp cyclical declines in homebuilding, related to tight money and high interest rates, which have led to high unemployment and recessions.

2. The legislation could make such declines worse in the future because Federally chartered savings and loan associations would be permitted to invest in consumer loans, corporate debt securities and commercial paper. The likelihood of a shift from mortgages to higher yield securities is demonstrated by the 1970-75 experience of state-chartered mutual savings banks, which have been able to buy corporate securities. They decreased the mortgage proportion of their total assets from 73.2 to 63.7% and only 36% of their net growth of assets went into mortgages.

3. It did not provide for selective credit regulation, and would not prevent large withdrawals from savings and loans and mutual savings banks for investment by households, either directly or through money market funds, in corporate bonds, Treasury bills, and other market securities when higher interest rates are paid on such securities than on mortgages.

4. The bill's requirement that 80% of total assets be in "housing" in order to be able to pay an interest rate on savings 1/4 percentage point above the regular ceiling was misleading. It would not stop a decline in savings and loan mortgage investments. The 80%, in addition to residential mortgages, could include loans on other securities issued or secured by the U.S., states, municipalities, or certain Federal agencies; all investments to meet liquidity requirements; and marketable deft securities having a maturity of less than five years. Nor would parallel provisions prevent a further decline in the mortgage-to-total assets ratio of mutual savings banks.

5. A relative decline in mortgage investments of savings and loans would not be stopped by certain tax provisions once the new investment powers are available, as demonstrated by the experience of State-chartered mutual savings banks which are subject to similar tax law provisions.

The AFL-CIO believes that legislation that would give thrift institutions additional means of improving their earnings should also require those institutions to further serve the purpose for which they were originally created; that is, to provide funds for housing. Such legislation is impossible this year. The AFL-CIO proposes a new start in 1977 with a new approach.

6. The AFL-CIO could in this Congress support a partial bill that would deal solely with regulation of financial institutions. The Senate has already passed a Financial Institutions Act of 1975 containing provisions adverse to housing, and any Senate-House conference would result in enactment of those harmful provisions.





The Landenberger Pheasants

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To James F. Landenberger, 38, Cedar Rapids, lowa, composition begins by studying the subject in its natural habitat.

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skins are constantly referred to as the painting progresses.

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His works can be found in private collections in the United States, Canada and England, and have been offered in galleries in New York and Washington, D.C. Two of his paintings have won honors, having been selected in competition for the 1974 lowa Duck Stamp and the 1975 lowa Trout Stamp.

Jim is a frequent contributor to the state magazine "lowa Conservationist" and his works have been featured as covers for the "New York Conservationist" and the "Pennsylvania Game News."

Jim's original painting of the state bird of lowa, the Goldfinch, hangs in the lowa Governor's mansion.

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Announce ABA Candidates for '77

T wo candidates for president-elect of the American Bankers Association in 1977 have been announced following the annual spring meeting of the ABA governing council at the Greenbriar Hotel in White Sulpher Springs, Va. They are:



J. M. PERKINS

T. R. SMITH

John H. Perkins, president, Continental Illinois National Bank & Trust Company, Chicago and William J. Copeland, vice chairman, Pittsburgh National Bank.

Mr. Perkins is currently chairman of the government relations council and is former president of the marketing division.

Two candidates have also been announced for treasurer in 1977. They are Thomas R. Smith, president, Fidelity Savings Bank, Marshalltown, Ia.,

and Hermann Moyse, Jr., president, National Bank of Baton Rouge, La.

The only announced candidate for president-elect for 1976-77 is A. A. Milligan, president, Bank of A. Levy, Oxnard, Calif.

The current president-elect is S. Liddon McPeters, president, Security Bank, Corinth, Miss. He will succeed Rex Duwe, chairman, Farmers State Bank, Lucas, Kan., as ABA president at the convention in Washington, D.C., October 2-6.

Amiel To Use ID Cards for Employees

Amiel Industries has inaugurated a program of corporate identification with the issuance of an identification card to be worn by all personnel.

"We feel that in the conduct of business in the critical area of money handling, it would be wise for our company to institute this additional safeguard in security," stated Andre Amiel, president of the world's largest coin and currency handling systems and equipment company.

"Banks and armored car companies are well aware of the need for constant security checks. We hope that by having our personnel wear identification cards to quickly identify them as Amiel Industries' employees, we will help make the job of the security officer a little easier."

"All Amiel Industries personnel will wear the ID card which features both a photograph and signature of the employee," he said.

24 Foreign Bank Offices in Chicago

Loans and other assets of the offices of foreign banks operating in Chicago exceeded \$1½ billion by the end of last year, more than double the amount recorded at the end of 1974, according to an article by The Federal Reserve Bank of Chicago.

Although foreign banks maintained offices in the city as far back as 1861, the article notes, the growth of foreign banking in Chicago was held back by legislation prohibiting such activities. A major change occurred in 1973 when the state legislature passed the Illinois Foreign Banking Office Act, which permitted foreign banks to establish branches within the Loop area. Since that time, 22 foreign banks from countries around the world have established branches there. These, together with two fully-owned foreign bank subsidiaries, brought the number of offices of foreign banks in Chicago to 24.

ON THE COVER

Vacation travel during this Bicentennial Year will set a new all-time high record if the trend for the first five months of 1976 continues.

Shown on the cover are Mickey Mouse and his friends participating in a Bicentennial parade at Disney World near Orlando, Florida, which is one of the top tourist attractions in the nation.

Many communities in the North-WESTERN BANKER area will be featuring Bicentennial events during the summer months. Expenditures for tourism in some areas will exceed agricultural income. As an example, Herman Lerdahl, president, Mitchell National Bank, Mitchell, South Dakota, told South Dakota bankers recently that he feels tourist dollars in his area will surpass farm income in 1976. (Mitchell offers the famous Corn Palace as a key attraction).

Dollars spent on travel mean an important source of revenue for community bankers, in the form of greater deposits and solid loan volume. Recreation and travel continue to represent major growth industries in America.

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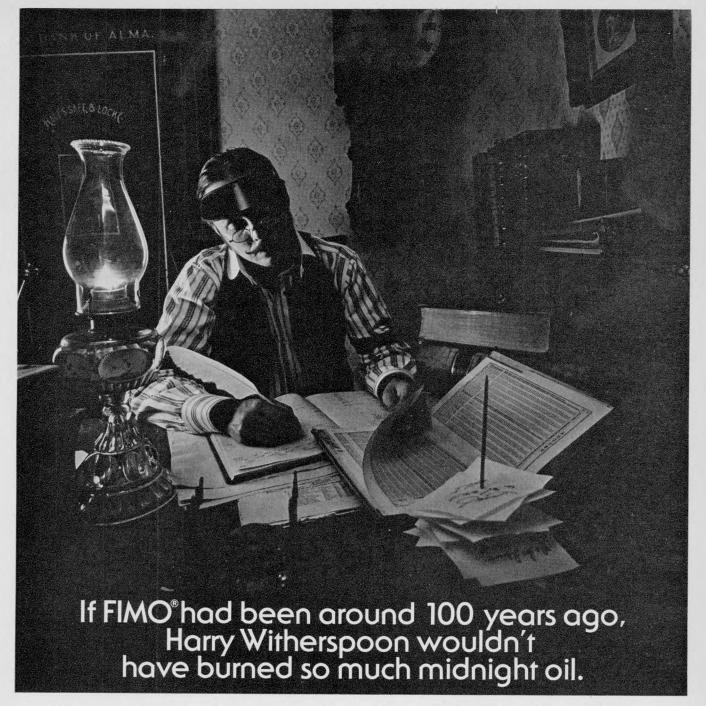
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FIMO is the new American Express Company Financial Institution Money Order Program. It's designed especially for today's fast-paced banking world, where saving time is a key to saving money.

FIMO cuts down on expensive teller time by fast issue. It also replaces the sale of many cashier's checks. And it eliminates those endless hours of costly book-keeping chores, because American Express takes over all the processing, reconcilement and exception items.

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Even though FIMO is an entirely new concept in money orders, it has almost a century of experience behind it. After all, the American Express Company has been the leader in the commercial money order business for over 93 years.

The banking industry has gone through a lot of changes since Harry Witherspoon's day. And our new FIMO Program was designed to help you meet your changing needs. FIMO, a new financial service from an old, old friend.

For more information, write or call G. E. Rosenwald : Director — Money Order Sales Development American Express Company #2 American Express Plaza, 37th Floor New York, New York 10004

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ABC Summer Olympics NBC News Update Monday Night Baseball CBS Morning News And much, much more...

This year, it will be harder than ever to escape Karl Malden.

It's always been pretty tough to elude Karl Malden. But this year, your customers will be seeing him practically everywhere they turn.

This is Karl Malden's fourth year for American Express Travelers Cheques, and he'll be selling harder than ever.

He'll be seen more this year than ever before. Telling people what makes American Express the best travelers cheque.

It's the biggest effort ever in travelers cheque advertising.

Your customers, in major markets across America, will be seeing new American Express Travelers Cheques commercials every week for the rest of the year.

And on dozens of prime-time

shows. On programs like NBC News Update, CBS Morning News, ABC's Good Morning America.

On sports shows like W.C.T. Tennis, Monday Night Baseball, plus the biggest event of all, the Summer Olympics.

Throughout all these shows, Mr. Malden will be reminding your customers about loss and theft.

And he will be pointing out how easy it is to protect themselves with the best travelers cheque in the world.

So be ready. More and more of your customers will be expecting

American Express Travelers Cheques. Make sure you have them on hand.





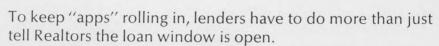
American Express Travelers Cheques

"The year (1976) is very likely to see about 1.5 million housing starts—better in comparison to 1975 but only average when compared to previous years."

—NATIONAL ASSOCIATION OF HOME BUILDERS Economic News Notes



The way starts are today, to hit our target we've got to increase Realtor business. Call MGIC— I hear they can help!"



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MGIC
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Bank Promotions and Changes

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

American National Bank and Trust Company of Chicago: The bank has expanded its correspondent banking division with the addition of Ted C. Axton, second vice president, and Benson R. Culver, correspondent banking representative, to the staff. Mr. Axton, who served in the bank's suburban business service office in Elmhurst, will have responsibilities in Illinois and Mr. Culver will be working with correspondent banks in Indiana and Michigan.



T. C. AXTON

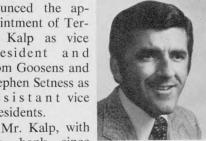
B. R. CULVER

The bank also announced the election of the following six officers to second vice presidents: Ronald Bean, G. Lawrence Bliss, Berthil W. Ivarson and Richard G. Rand, plus two officers in the bank's London office - Edwin S. Lacy and Fredrik C. Schokking.

Five individuals were elected to officer status: Kevin J. Caufield and Timothy J. Pettit, business service officers; Ronald A. Gold and Ronald M. Hem, trust officers; and Adam E. Robins, loan officer.

Bank of America, San Francisco: The bank's Chicago corporate service

office has announced the appointment of Terry Kalp as vice president and Tom Goosens and Stephen Setness as assistant vice presidents.



T. KALP

the bank since 1968, has served

the past three years as an account officer at the Los Angeles corporate ser-

vice office. In Chicago he will be the administrative assistant to senior vice president Gerald H. Thompson, office head. Messrs. Goosens and Setness have been assigned to the Chicago office as corporate finance officers since joining the bank in 1974.



T. GOOSENS

S. SETNESS

Bank of America also has announced the appointment of George



G. W. COOMBE, JR.

W. Coombe, Jr., to executive vice president. Mr. Coombe has directed the bank's legal, legislative and tax department since joining the staff in June of 1975. He came to the bank from General

Motors Corporation where he had served as assistant general counsel since 1969 and corporate secretary from 1969 to 1973.

Chase Manhattan Corporation, New York: The corporation has elected three new directors. They are Howard C. Kauffman, president of Exxon Corporation; Elvis J. Stahr, Jr., president of the National Audubon Society, and C. William Verity, Jr., chairman and chief executive officer of Armco Steel Corporation.

Chase Manhattan Bank also has announced the promotion of Joseph J. Harkins to department executive of the institutional banking department. A senior vice president, Mr. Harkins formerly was senior banking executive in corporate banking.

Continental Illinois Corp., Chicago: The Rev. Raymond C. Baumhart, S.J., president of Loyola University in Chicago, and Paul J. Rizzo, senior vice president and a director of International Business Machines Corp., have been elected directors of Continental Illinois Corp., parent of Chicago's Continental Bank.

Harris Trust and Savings Bank, Chicago: The Harris Bank elected. William J. DeVerna vice president and John M. Chieppa and Ronald M. Beacon assistant vice presidents. Mr. De-Verna is a member of the international banking division and Messrs. Chieppa and Beacon serve in the banking and trust departments, respectively.

Other banking department officers elected were Clifford Perry III, personal banking officer, William E. Nelson, business services officer, Jerry M. Ley, metropolitan banking officer, and James E. Hinners and Barry L. Kaufman, international banking officers.

Other trust department officers named were Richard C. Caldwell, trust officer, Donald H. Gustafson, real estate officer, John F. Scholz, investment research officer, and John E. McGrath, Sherry K. Sohn, and John M. Wallick, trust investment officers.

In addition, Curtis P. Goter was elected credit officer and William F. Hick, investment officer.

Edward J. Williams, assistant vice president, was named division administrator of the Harris Bank's Convenience Banking Division.

Irving Trust Company, New York: William M. Horner, vice president and



W. M. HORNER

officer in charge of the midwestern district for Irving* Trust Company retired on April 30.

After many ' years of experience in the banking field, Mr. Horner joined the Irving in 1958 as an

assistant vice president and loan review officer. He became a vice president in the national division the same year, and during the ensuing 18 years his expertise in banking became well known throughout his district which encompasses the states of Illinois, Iowa, Minnesota and Wisconsin.

Mr. Horner was graduated in 1952 from the Graduate School of Banking, at Rutgers, N.J. He served in the United States Army during World War-



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II from 1942 to 1945 and was discharged with the rank of staff sergeant.

He lives in Madison, N.J., with his wife, Dorothy Roberts Horner.

LaSalle National Bank, Chicago: The following officer appointments have been announced: commercial banking department — George H. Groves, assistant vice president, national division, N. Bradford May, loan officer, division I; data processing department — Marion Orem and Judith Kellogg, data processing officer, systems development. Howard Lange was designated manager, trust tax division.

Mercantile Trust Company, St. Louis: The following promotions have been announced: Gene Gillespie, investment officer; Stephen R. Green, banking officer, and Charles M. O'Fallon, operations officer.

National Boulevard Bank of Chicago: Daniel N. Quigley has been pro-

moted to executive vice president, Kenneth A. Lindstrom to senior vice president in addition to his titles of cashier and secretary, and Marshall A. Warshauer to senior vice president in addition



D. N. QUIGLEY

to his title as trust officer.





K. A. LINDSTROM M. A. WARSHAUER

Mr. Quigley joined the bank in 1974 as vice president in charge of the personal bank department and in 1975 he assumed additional responsibility as head of the operations department and consumer credit department. Prior to joining the bank he was with Manufacturers Hanover Trust Company in New York City.

Mr. Lindstrom joined the bank in 1966 as vice president and comptroller. In 1972 he assumed the additional title of secretary. Mr. Lindstrom's duties expanded in 1973 when he was elected vice president-administration and secretary which gave him over-all responsibility for the bank ser-

vices department and the comptroller's department. He received the title of cashier in November, 1973. Mr. Warshauer joined the bank in 1957 as an assistant trust officer and began the organization of the bank's trust department. In 1958 he was elected trust officer and in 1959 vice president. Prior to joining the bank he was with the American National Bank and Trust Co., Chicago.

United Missouri Bank of Kansas City, N.A.: Howard L. Boswell has been promoted to assistant vice president, and Kenneth F. Harris to assistant cashier. Mr. Boswell joined the bank in 1974 after an association with First National Lincoln in Nebraska.

Corporate News

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

Amiel Industries of North America, Inc., Atlanta, Ga.: The company has announced the following appointments: Peter J. Petropoulos, vice president of marketing/vending industry; John L. Harrigan, vice president of marketing; Thomas G. Dauer, vice president of advertising; Charles F. (Budd) Austin, public relations manager; and Virginia L. Vann, public relations assistant.

Mr. Petropoulos has been with Amiel Industries since last January as national marketing manager-vending industry. He came from his own firm, International Sales Marketing and Management Consultants, Pompano Beach, Fla.

Before joining Amiel last February Mr. Harrigan was vice president of marketing of Keene Corporation, transit systems division. He also has been president of General Register Company and Register Printing Company, divisions of American Totalisator Corporation, vice president of the office systems division of GAF Corporation and president of the Atlas division of Litton Industries.

Mr. Dauer, who joined Amiel in July of 1975, had been director of advertising, a position he will continue to hold. He has been with several advertising agencies in New York and Atlanta and most recently was vice president and general manager with



AT left is John L. Harrigan, newly-appointed v.p. of marketing at Amiel Industries of North America, Inc. With him is Peter J. Petropoulos who was named v.p. of marketing/vending industry.

Safety Print, Inc.

Mr. Austin most recently served as vice president-senior communications officer of Bankers Trust of South Carolina

John H. Harland Company, Atlanta: J. William Robinson, president and di-

rector, has been elected chairman to succeed the late John H. Harland. Mr. Robinson joined the company in 1950 and served as vice president, treasurer and controller prior to his election as president in 1969.



J. W. ROBINSON

North Central Life Insurance Company, St. Paul, Minn.: John M. Lorenz has joined the company as a regional sales manager. He previously was with the Mutual Service Insurance Company for 18 years in a variety of sales and sales management positions. Most recently he was regional sales manager for Minnesota, Iowa, Nebraska and North and South Dakota.

United Guaranty Residential Insurance Company, Bettendorf, Ia.: The

c o m p a n y announces the opening of its Kansas City, Mo., underwriting office with John R. Lewis as underwriter. The office will offer improved service for the Nebraska, Kansas and western Missouri areas. Mr. Lewis her



J. R. LEWIS

eas. Mr. Lewis has been with the company for over three years.

Anew resource

for you and your capital short, expansion minded, sales hungry or consolidating customers.

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We supply revolving credit secured by accounts receivable, inventories, machinery, equipment and property.

Also funds for buy-outs, mergers and consolidations.

All at competitive rates.

What's more, the loan management expertise we apply will do more than protect your investment and ours. It will eventually put your customer in a position where he no longer needs our help.

Next time extra monies are needed, tap your new supply. Call BFC (that's us). At 612-372-7988. Or write us at 1404 Northwestern Bank Building, Minneapolis, Minnesota 55402.



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Convention Calendar

June 6-18—ABA Stonier Graduate School of Banking, Rutgers University, New Brunswick, NJ. June 9-11—Wyoming Bankers Association

June 9-11—Wyoming Bankers Association 68th Annual Convention, Jackson Lake Lodge, Moran.

June 11—ABA Board of Directors Meeting, ABA Headquarters, Washington, DC. June 13-15—BMA Bank Planning Conference, Drake Oakbrook, Oakbrook, Ill.

June 13-16—ABA National Operations & Automation Conference, ABA Headquarters, Washington, DC.

ters, Washington, DC.
June 13-16—Minnesota Bankers Association
86th Annual Convention, Radisson South
Hotel, Bloomington.

June 13-16—Idaho Bankers Association 69th Annual Convention, Sun Valley Lodge.

June 17-18—Oregon Bankers Association 71st Annual Convention, Valley River Inn, Eugene.

June 20-22—Washington Bankers Association 80th Annual Convention, Sheraton-Spokane.

June 20-23—Utah Bankers Association 68th Annual Convention, Sun Valley Lodge, Idaho.

June 23-26—Montana Bankers Association 73rd Annual Convention, Sun Valley Hotel, Idaho.

July 11-23—ABA School for International Banking, University of Colorado, Boulder. July 18-21—ABA I&PD Risk Management in Banking Seminar, University of Colorado, Boulder.

July 19-23—ABA Bank Card School, Northwestern University, Evanston, Ill.

July 22-24—Iowa Independent Bankers Annual Meeting and Convention, The New Inn, Okoboji.

July 25-31—ABA Operations/Automation Division Business of Banking School, New England Center, Durham, NH.

August 1-6—ABA The National School of Real Estate Finance, Ohio State University, Columbus.

August 1-13—BAI School for Bank Administration, University of Wisconsin, Madison.

August 6-8—BAI The Graduate Program in Bank Administration, University of Wisconsin, Madison.

August 14-20—BMA Graduate Course im Bank Marketing Management, University of Wisconsin, Madison.

August 16-27—ABA National Trust School/ National Graduate Trust School, Northwestern University, Evanston, Ill.

August 19—ABA Board of Directors Meeting, Hyatt Regency O'Hare, Chicago.

August 19-20—ABA Governing Council Meeting, Hyatt Regency O'Hare, Chicago. September 8-11—ABA Western Regional Trust Conference, Sahara Tahoe, Lake Tahoe.

September 12-14—BMA EFTS Conference, Hotel Toronto, Toronto.

September 12-15—ABA Bank Card Annual Convention, Hyatt Embarcadero, San Francisco.

September 12-17—RMA Loan Management Seminar, University of Indiana, Bloomington.

Right of Privacy Ruling by Court

An individual's right of privacy does not extend to microfilmed records of his bank account when they are demanded by the Internal Revenue Service, the U.S. Supreme Court has ruled.

The Court held, 7-2, that when an individual uses banking facilities, he has no legitimate expectation of privacy and thus IRS need not meet strict search warrant procedures when subpoenaing records directly from a bank.

"The depositor takes the risk, in revealing his affairs to another, that the information will be conveyed by that person to the government," Justice Lewis Powell said for the majority. Dissenting opinions were filed by Justices Thurgood Marshall and William Brennan.

The majority said the Fourth Amendment does not prohibit the obtaining of information revealed to a third party and conveyed by him to government authorities. The Bank Secrecy Act's recordkeeping requirements, it added, do not alter these considerations so as to create a protectable Fourth Amendment interest of a depositor's bank records.

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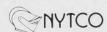
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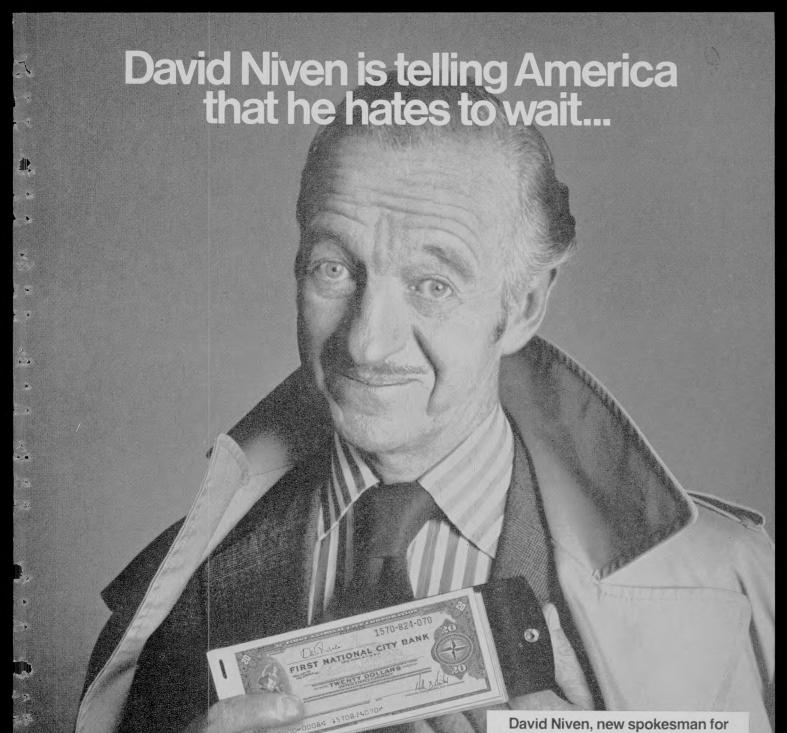
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Hearing on Authorized Transfers

THE Board of Governors and FDIC have published a statement supplementing an earlier proposal that would authorize transfers of funds from savings accounts to cover check overdrafts. The statement makes clear that such transfers can be made only upon the voluntary action of depositors. The period for comment has been extended to June 14.

The Board published the clarification after receipt of comments indicating that the proposal, first made public March 15, 1976, could be misunderstood as permitting banks to transfer funds from savings to checking accounts without customer approval.

As indicated in the first announcement, overdraft protection transfers could be made only on the basis of a voluntary agreement by the depositor with his bank. The Board's present Regulation Q does not permit banks to enter into such agreements.

The proposed service would permit customers to instruct their banks — also on an entirely voluntary basis — to transfer funds automatically from a savings to a checking account when the checking account falls below a

minimum level set by the customer.

The supplementary announcement also made it clear that banks may make a service charge for overdraft protection transfers, if the service charge equals or exceeds 30 days' interest on the amount transferred.

Heads Reserve City Bankers Association

Gabriel Hauge, chairman, Manufacturers Hanover Corporation and Manufacturers Hanover Trust Company, was elected president of the Association of Reserve City Bankers during its 65th annual meeting in Palm Beach,

Mr. Hauge, who will serve for the 1976-77 term, succeeds Richard P. Cooley, president and chief executive officer of Wells Fargo Bank, N.A., San Francisco.

The Association of Reserve City Bankers, founded in 1911, is a national banking trade association concerned with the study of long range factors in the management and development of banks. Its members are commercial bank executive officers in leading cities around the country.



GABRIEL HAUGE

Mr. Hauge was born in Hawley, Minn.

Booth Named ABA Standards Director

James T. Booth has been named standards director of the American Bankers Association, (ABA) according to Donald E. Stevens, executive director of the ABA's banking professions group.

Mr. Booth's new responsibilities will include the coordination of all ABA standards activities with the American National Standards Institute (ANSI) and the International Standards Organization (ISO). He will also coordinate the activities of the ABA's Standards Policy Board.

Mr. Booth, 31, had previously served as both assistant standards director and assistant director of the ABA's operations and automation division. He joined the ABA in 1973. Prior to that time he held positions in the operations and corporate customer service areas with the Chase Manhattan Bank, N.A., of New York.

To Head Committee For Economic Development

Robert C. Holland, who recently resigned as a governor of the Federal Reserve Board, has been named president of the Committee for Economic Development, effective July 1. William H. Franklin, retired chairman of Caterpillar Tractor Co. and board chairman of CED, made the announcement recently.

Mr. Holland, 51, succeeds Alfred C. Neal, who will retire after serving as president of CED for 20 years. Mr. Neal's background is also with the Federal Reserve.

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* When Tom and Susan Kelly were married, they planned to buy a house and have children. Well, they did have a child. And another on the

, But they were living in Germany at the time while Tom completed his tour of duty. When they returned to Pittsburgh last summer, he didn't have a job or even a credit rating. So they moved in with his parents.

A lot of lenders wouldn't have loaned this couple the time of day. They still haven't recognized the full potential of the youth market. They view it as sort of risky. Well, that's what

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When we heard about the Kelly's situation from the people over at Ryan Financial Services, we took a close look. Tom had a promising future and the determination to make it. So we guaranteed their loan. That broke up this happy home. Tom and his family moved into their new Ryan Homes' Townhouse on January 3rd.

Many lenders are too cautious. They reflect the attitude of those who claim young adults, on the whole, are unstable. At Continental, we're old enough to know better.





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Reveal Bank Construction Plans

R EMOTE unmanned facilities play a significant part in the future facilities planning of many of the nation's larger banks, but such facilities are not seen as a replacement for new, manned facilities, a survey by Bank Building Corporation shows.

Bank Building Corporation (BBC) recently commissioned a study of banks nationwide with assets of \$50 million and over as part of the company's on-going market research activities. BBC is an organization specializing in the planning, designing, constructing and equipping of financial and health care facilities.

The study sought information on plans by the banks for new facilities to be constructed during the next five years. It reveals the role that bankers are beginning to see for EFTS, at least in the way it might affect new facilities planning.

Significantly, the study showed that two of every three banks with deposits in excess of \$50 million plan on constructing new, manned facilities during the next five years.

And, during the same time span, almost half (45%) of the same group of

banks plan to install remote, unmanned facilities.

Moreover, most of the banks plan full-service automatic teller installations as a feature in their new, manned facilities. The percentage of those planning such installations ranges from 57% (for new facilities planned under 2,000 square feet) to 63% (for new facilities planned over 3,000 square feet), a factor which leads BBC planners to believe that most banks are coming to view the automatic teller aspect of EFTS as a marketing tool, and not as a substitute for manned facilities.

"We believe this is a proper perspective to take on automatic tellers," said a BBC spokesman. "New depositors are a prime consideration in facility planning, and that means you cannot just put up a machine to get the job done."

Major Findings

The study also produced these major findings:

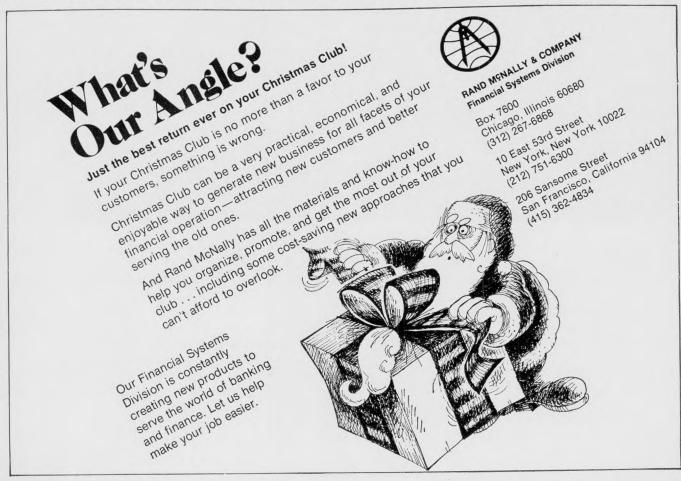
 Seventy-nine per cent of the banks consider the best deposit opportunity as the single most important factor in selecting locations for their new, manned facilities.

- Of the 4,000 new manned facilities planned by the banks over the next five years, most (2,500) will be freestanding buildings, with some 1,300 planned for construction in larger buildings and the remaining 200 going either way.
- More new facilities are planned by the largest banks. Banks with deposits in excess of \$500 million which account for only 10% of the deposits in excess of \$50 million will be building some 30% of all the new, manned facilities planned.
- More of the largest banks also plan remote, unmanned facilities.
 Fifty-three per cent of the banks with deposits in excess of \$500 million plan such facilities, while an average of about 44% of the banks in smaller deposit categories plan remote, unmanned facilities.

Automatic tellers also occupy a prominent role in the planning of remote, unmanned facilities. Most of

CONSTRUCTION PLANS . . .

(Turn to page 24, please)



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CONSTRUCTION PLANS . . .

(Continued from page 22)

these will be full-service machines, with a relatively small number planned as only cash dispensers.

Only 12% of the banks, according to the survey, have point-of-sale terminals included in their remote, unmanned facility plans, but those banks plan a total of 15,218 point-of-sale terminal installations.

"Based on the number of point-ofsale installations planned, it would be fair to say that such terminals occupy a dominant role in some banks' plans, but it should also be noted that a large percentage of these terminals are planned as a shared facility," said the BBC spokesman.

The survey results were based on

a questionnaire mailed to all United States banks identified as having deposits in excess of \$50 million, with a 23% response to a total of 2,040 questionnaires distributed, according to BBC.

Master Charge Volume Grows

Year-end figures for the U.S. released by Interbank Card Association show that gross dollar volume and outstandings in 1975 on the Master Charge card were up sharply while the delinquency rate plummeted to its lowest level since midyear 1973.

Retail sales on the card surged by 16.7% for the year, standing at \$10.1 billion at the end of the last quarter, compared to \$8.7 billion in total cash

register activity in 1974. This buying activity was the chief factor in a 14.4% leap in gross dollar volume on the card to \$11.3 billion, as compared to 1974.

Outstanding balances on the Master Charge card were up by 12.7% to \$5.42 billion at the end of 1975, compared to \$4.81 billion at the close of 1974. The average sale on the card increased from \$22.77 in 1974 to \$24.42, and the average outstanding balance on the card was \$365.72 at year end, a new record.

Despite this heavy climb in activity, Interbank pointed out that past due accounts of 30 days or more stood at just 4.3% at the end of 1975, compared to 5.4% in December 1974—a drop of 20%.

Risk, Insurance Meet Is Scheduled For July

A seminar on premium-saving risk and insurance management techniques for bank executives will be held July 18-21 at the College Inn Conference Center, Boulder, Colo., by the insurance and protection division of the American Bankers Association (ABA).

Designed to give participants practical, effective working knowledge of important insurance coverages and markets, the meeting will be conducted by experts in bank insurance and risk management.

Subjects of special interest to be covered during the seminar include bankers blanket bond insurance and coverage of directors and officers, fiduciary, trust department errors and omissions, and safe deposit liability.

Joins CSBS

Robert A. Richard, senior economist with the Federal Reserve Bank of Cleveland and an ex-superintendent of banks of Ohio, has joined the staff of the Conference of State Bank Supervisors as director of state banking department services.

To Head MACHA in 1976

John J. Sullivan, Jr., president and chief executive officer of Roeland Park, State Bank in Roeland Park, Kan., has been elected president of MACHA for 1976. He succeeds Frank E. Boesche, senior vice president of Commerce Bank of Kansas City, N.A. Mr. Sullivan served on the board of directors for MACHA in 1975.

John Sullivan has been affiliated with Roeland Park State Bank since 1959.

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These relatively economical solid state message displays can include both single stroke and double stroke characters. The new message centers may be used either showing in a traveling or a flashing mode. They also can display accurate time and temperature in either Celsius or Fahrenheit.

For emphasizing the information displayed, the travel speed of messages may be varied or the display time may be varied. Ease of programming is a special feature of these new Time-O-Matic message centers. Compact desktop keyboard programmer has automatic centering of typed messages and displays message input being typed. The same keyboard monitor duplicates any outdoor display—continuously in view to the operator. An additional lobby monitor is also available.

For full information and brochure, write File 301, c/o Northwestern Banker.

COMMUNITY banks seeking a unique premium promotion may wish to consider an idea developed by Phil Morris, president, The First National Bank, Marion, Ia.

Four Marion landmarks have been captured on canvas by Jerry Lee, area artist. Prints of the entire set, measuring 11 by 17½" are available to residents when they deposit \$100 or more in a new or existing Daily Interest Savings Account. The prints cover The Marion Railroad Depot, The First National Bank Corner, The Granger House, and the J. S. Alexander House. Many communities have similar landmarks that may soon disappear.

TO UPDATE THE Manual Style C System in use since the mid-1930s, RAND McNALLY has announced a completely new coupon book for its manual, as well as online, Christmas Club customers.

Featuring a unique two-coupons-toa-page concept, the Coupon Book be-

comes longer — yet thinner — with the ultimate coupon approximately the same size as the older variety. The new book will offer complete compatibility with the old book so they can be used interchangeably without loss of present inventory, including coupon filing binder.

The new size book makes available all the dynamic full color cover designs and support material, previously restricted to the automated size books. Designed for manual posting to prescheduled ledger cards or as source documents for teller terminal on-line entry, the new two-to-a-page Christmas Club coupon is computer generated for accuracy and readability.

An innovative and attractive new coupon design includes a preprinted due date which appears under a captioned heading of "Week Due." The pre-printed date schedule on paper jacket or inside front cover can be retained or dropped as wished or plastic ackets can be used which show off the colorful cover designs.

The two-to-a-page concept actually encourages multiple payments (already estimated to be 65% of transactions) and makes them easier to handle since teller can handle on one piece of paper for two payments.

A MAJOR new series of generalpurpose computers, featuring a new approach to mainframe design and the ability to operate as multiplevirtual machines, was unveiled at a recent press conference by NCR Corporation, Dayton.

The initial models of the series, called the Criterion 8550 and Criterion 8570, were developed to meet the information-processing requirements of medium to large-sized computer users in the late 1970s and early 1980s.

Heads Chicago A.I.B.

Leo J. Latz, Jr., vice president and personnel manager, Exchange National Bank of Chicago, recently was elected president of the Chicago chapter of the American Institute of Banking (AIB) and chairman of its board of regents. Mr. Latz assumed his leadership roles in AIB-Chicago at the end of April. The terms run consecutively for one year.

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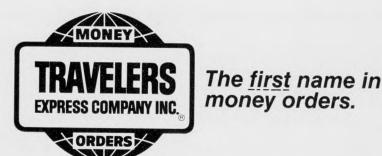
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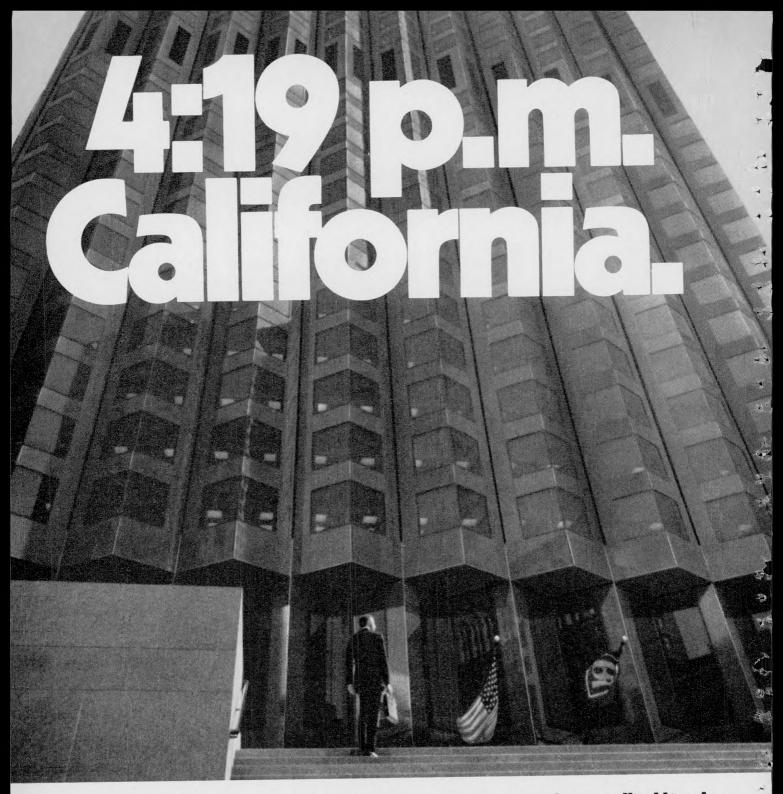
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There are generally three views as to handling competition. The first holds that you should not mention your competition. Those supporting this view contend that mention of competition is in the nature of a negative suggestion, calling the prospect's attention to the fact that competition exists. "Sell your own proposition, and let the other guy sell his."

The **second** viewpoint is that competition must be recognized and challenged; that it cannot be gracefully ignored. The advocates of this view are not afraid to mention the competition by name and point out weaknesses of the other's products. An example of this is the Avis vs. Hertz series of ads and Ford and Rolls Royce ad campaign.

A third view is somewhere between the extremes. It is

Competitive Challenges



By GEORGE L. MICHAEL
Vice President
American National Bank & Trust Co.

doubtless wise to avoid knocking of competitors, but yet it is impossible to ignore them completely; in fact, it is downright dangerous.

A thorough knowledge of your competitors and their products and services must underlie any effort to combat them. These principles apply to our banks in relation to competition, whether it be the bank on the opposite corner or the s&l or finance company down the street. It applies to commercial banking as an industry. We must know our competition. These days that is a full-time job, due to the rapidly-changing financial market scene. We are hard pressed to keep up with the changes, let alone do much about meeting the challenge.

Recent Legislation

As you know, on Sept. 30, 1975, the Senate Banking, Housing and Urban Affairs Committee voted to phase out Regulation Q over a five and one-half year period. This

same committee also voted to permit interest on demand deposits by 1978. In another recent development, the Federal Regulatory Agencies agreed to strike out the 40-year ban against business savings accounts in commercial banks. These are just steps towards erasing the distinction between savings and checking accounts.

The s&ls promoted business savings accounts by encouraging business customers to keep much of their bank deposits earning interest, and when it became necessary to pay a bill, a transfer could be made from savings to checking by telephone.

The s&ls of the Twin Cities have been active in promoting this service and have had some success. This new type of account, with a top limit of \$150,000.00 now can be offered by commercial banks and follows federal interest rate ceilings including the differential between thrifts and banks.

The winds of change are blowing. These developments can have an impact on your bank and mine; on how and where we are going to obtain and use our loanable funds.

EFT

We also are experiencing a technological revolution in the funds transfer business, and this is a major force for change in the consumer banking environment. We have had 10 years of much talk and little action concerning the movement toward the less cash/less-check society. We are now seeing electronic funds transfer systems emerge rapidly and sharpen the competition between banks and thrift institutions and others. *Business Week* calls this "the twin battle grounds of electronic banking": consumer deposits with \$800 billion at stake, and consumer credit, with \$200 billion on the line. We are in the business of buying and selling money. So are a lot of other people.

Our Competitors

One question often asked is: who are our competitors? Too often we talk as if banks and savings and loans associations are the only players in the consumer financial services market. Banks, s&ls, mutual savings banks, credit unions and retail operations are trying to expand their sphere of influence over the consumer.

We find that the s&ls have found a way to work cooperatively, and have been able to form powerful combinations that can give the banks a run for it. Savings and loans can branch in every state. They are developing terminals that can provide full service while bankers have been held back by court and legislative action. Some courts have said that the terminals must be considered branches, and must be limited to the same powers and locations allowed under state law for branch banks.

Savings and loans and savings banks have broadened their powers to provide financial services in many states, and they are close to achieving their goal of becoming full service financial institutions for all families. All the while the powers of thrift institutions have grown, they still have a beneficial rate advantage over banks in what they can pay on savings accounts (Regulation Q).

Even more startling is the idea that institutions that have not been in the business of taking deposits, may be able to do so in the future. Major retailers are encroaching on the banking business by buying savings and loans (which can permit them to set up branches in the company's stores) and through the establishment of point of sale terminals. National retail chains can easily service banking

"... the advent of electronic banking should allow any company to enter the retail consumer financial services market."

"... nationwide banking is very likely to develop."

terminals for store owned financial institutions. It is also possible that such giant consumer finance companies as CIT Financial Services, Inc., and giant retail sellers such as Sears, Wards, and Penneys, each of them substantial extenders of consumer credit, may eventually get into the business of holding consumer cash balances and transferring funds. In effect, the advent of electronic banking should allow any company to enter the retail consumer financial services market.

"In other words," according to Paul Nadler, professor of business administration at Rutger's University and perennial speaker at banking meetings, "while the bankers have been fighting among themselves, the thrifts and the retail chains have been concentrating on broadening their legal and technical ability to enter the marketplace and erode some of the banking industries business." It would appear that much of this success is due to the fact they are not fighting among themselves or breaking up trade associations and dividing groups as happened in Illinois and has threatened in other states. Mr. Nadler continues, "rather they have fixed their eyes on their goal of enlarged financial powers and territories, and have not engaged in intramural battles along the way."

Bank Cards

There is no doubt about it that the seeds of the revolution were sown in the mid 60s when the banks moved into credit card business. The bank cards laid the groundwork for the development of electronic banking. A lot was learned from that experience. What the bank cards did was allow us to deliver some of our customer services at about 1,500,000 convenient locations. It also provided a delivery of bank services over a broader time span by means of making banking service available on the merchant's hours rather than the bank's hours. Even so, bank cards only offer limited services. All of that is going to be changing as we move into EFTS.

EFTS will not go away, we can't ignore it, and we're going to have to try to understand it if we are going to provide effective leadership in a consumer oriented financial institution. The biggest opportunity is from a marketing standpoint. The first consideration is time convenience. It permits financial services to be delivered to customers instantly and on an around the clock basis. Secondly, it involves place convenience. The relative and rapidly declining cost of EFTS installation is making it feasible for us to deliver timely banking service to our customers at literally millions of places. A final and most important aspect of EFTS is that once the basic communications network for delivery of services is in place, other services can be added as quickly as customers are ready to accept them. We have to believe that the EFTS innovators, which include some of our largest banks and savings institutions, are not investing hundreds of millions of dollars in an empty idea.

Nationwide Banking

The next step, nationwide banking, is very likely to develop. As most of you know, Citicorp has already opened approximately 150 person-to-person finance offices in 19 states through its consumer finance subsidiary, Nationwide Financial Service Corporation. These offices offer mortgages, small loans, and other financial services that are all connected by terminals to the central computer in St. Louis. In recent months, Citicorp has converted three of its four offices in the Salt Lake City area to industrial finance licenses which allows them to accept thrift deposits. This appears to be a pilot test, but it is an indication of things likely to occur with more frequency. Twenty-two states permit finance companies to accept thrift deposits which gives some advantages, as it provides a different relationship in the mind of the customer than just a lending office. They can insure their deposits up to \$40,000 through a private agency. These finance companies are not restricted by federal interest ceilings on deposits, and are bidding for the consumer's dollar by offering a 6% interest rate on day-to-day passbook accounts, and annual yields up to 8.32% on certificates of deposits with maturities up to five years.

Other bank holding companies are not far behind as both Bank America, which owns Finance America (formerly GAC Finance Company, Inc., and CIT Financial Corporation, which owns National Bank of North America, and CIT Financial Services have their consumer finance offices connected on line with their central computers. It would be easy enough to complete the package by putting a terminal that can make loans and take deposits into each office.

The giant retailers such as J. C. Penney and Sears each have thousands of electronic point of sale cash registers. Sears, for example, has 850 stores, and an active • credit card base of 14,000,000 — more than the active card base of either of the two national bank cards. At year end, it held \$5,000,000,000 in consumer loans. That equals about 75% of consumer instalment extensions of the three largest banks combined. While Sears is the biggest, the other chains have similar capacity, and at present, they are concentrating on using their electronic point of sale registers to computerize such merchandise functions as inventory control, credit authorizations, sales recording, and payment system covering their thousands of outlets. Business Week, quoted Ward's chairman, Edward S. Donnell: "We see financial services as a real opportunity for us. We clearly recognize what we have in our electronic cash register system."

The Future

There are literally hundreds of other examples that could be given regarding developments in the funds transfer field and the use of electronic terminals. But, I think

it is enough to show that bankers who are now isolated from outside competition have good reason to expect new, well financed competitors to enter their markets. As electronic banking moves forward, it will remove the isolation or geographic advantage held by local banks. Some have expressed concern about the survival of a large number of small banks. However, it does not seem that the spread of electronic banking terminals by itself will put the small banks out of business. They may not have the financial resources to build their own electronic networks, but there

"Convenience will remain the principal reason for selecting a bank, but convenience will become electronic access."

are economics, marketing and political forces working toward guaranteeing them access to any EFT network on a competitive basis. The concept of shared terminals or an interchange arrangement with a large group of banks on both in-bank terminals and terminals located in non-bank premises seems to be a way to spread the cost among a number of banks and increase the number of transactions. It would seem shared terminals may be the way to go in retail locations because merchants are not going to be interested in having a multitude of different terminals at their checkout counters.

The old question of whether a bank has branches or not, will become academic when individuals can go to a communications terminal anywhere and make a deposit or withdrawal. Banks with large branch networks are going to have to rethink their investment in brick and mortar.

How do we meet the challenge? Challenge means "full use of ones abilities, energy, and resources." There are no easy solutions.

It is clear that the movement of money will be greater. The consumer will have 24 hours access to control over his assets anywhere in the country. He will no longer need to carry large unearning balances in his demand account.

Slow Transition

In the long run, we will be paying more for consumer deposits and charging more for loans. This cannot be a rapid move, as it would have serious social and economic repercussions. This transition will take place over a considerable period of time. Price will become a more important factor in the consumers decision where to buy service and whether to use it at all. Our customers are becoming more sophisticated and demanding. We will have to find ways to satisfy legitimate needs and demands.

Customer acceptance of direct deposit of pay and use of pre-authorized payments, plus access to funds nation-wide through automatic teller machines and electronic devices in supermarkets, factory cafeterias, airports, department stores, means that relationships with the bank becomes less frequent and more impersonal. Customers will likely only contact the bank when something is wrong,

which is a difficult situation in which to do any meaningful selling. Customer loyalty will be hard to retain, especially with the intense competition for the consumer dollar and his credit needs. We have to find a way to offer an appropriate incentive for customers to do all their banking business through our bank. We will need to get our story across at the first opportunity because we may not get many chances to reinforce our story. The marketing of a package of bank services will include not only the usual deposit and loan services but telephone transfer and bill paying along with a debit card to access terminals on and off the bank premises.

It is now apparent that fees for services provided, rather than interest on credit extended, will become an important element of bank revenue and can provide the best profit margins.

The geographic location of a bank and its branches will become less significant for many functions. Convenience will remain the principal reason for selecting a bank, but convenience will become electronic access.

More and more institutions will be billing instalment purchases for major items on the bank card. Lines of credit will be established for qualified customers to actually make large ticket purchases on the card. Sometimes it will be handled on a person-to-person basis, but the billing will come out on the card account. As mentioned before, the cost of credit will go up, and we need to raise income on instalment loans not only by reducing costs, but billing instalment loans on a simple interest basis which can increase the return by collecting interest from date of loan to the date of payment.

Legal Barriers

So far I have said very little about regulatory and legal barriers which presently prevent us from competing on an equitable basis with other institutions. A recent Bank Marketing publication quoted Roger W. Shaver, senior vice president of First Trust and Deposit Company, Syracuse, as follows:

"Logic dictates that ultimately banking based companies can maintain their viability only if allowed the flexibilities to compete in the attractive financial services market on an equal basis with other market entrants. Customers ultimately will seek out those financial service suppliers which offer an optimum mix of product quality, price and convenience, and they will do so without respect to whether the firm is banking based or based in some other business sector."

He went on to say, "the solution to these inequities lies not in increasing the regulatory burden of non-banking based competitors which are already adequately supervised, but rather in expanding the flexibilities permitted banking based firms. Today's regulations must be based on today's realities of the commercial banking system, if it is to be permitted to service current competitive challenges."

We live in a world of change, some banking activities may not be available to us in the future, while others not yet thought of may become possible or permissible. We will find ways to better serve our community and our customers at a reasonable profit. Make no mistake about it; it will require full use of our abilities, energy, and resources. The benefits will be worth accepting the challenge. **End**

Continental Bank Seminars Attract 600 Correspondents

By BEN HALLER, JR. Editor

A SERIES of seven, one-day seminars were conducted in six midwestern states in recent weeks by Continental Bank, Chicago. This was the bank's second year to take these correspondent conferences out into the territory served by its midwestern divisions. The meetings this year were titled "Continental Congress 1976." They began again this year with the Iowa meeting in Des Moines, where 125 bankers attended. A total of more than 600 bankers attended the seven conferences. Two were held in Illinois; others were held in Wisconsin, Ohio, Indiana and Michigan.

The format at each meeting featured four subjects of current interest among bankers in these states: an economic outlook, pricing of services, an agricultural outlook and a discussion and demonstration of EFTS services and equipment.

Barry M. Johnson, second vice president, said his optimistic outlook for rates provides these averages for the following months this year:

	June	Sep.	Dec.
Fed Funds	53/8	53/4	61/8
90-day bills	53/8	53/4	6
3-month CDs	5.65	6.10	6.60
Prime	7	71/2	73/4
7-Yr. Govts.	7.65	7.80	8
AA 30-yr. Corp.	83/4	81/2	83/4
Bond Buyer	6.65	6.60	63/4





MODERATOR of the "Pricing Panel" was Ralph W. Abelt (standing), v.p. in charge of Continental's midwestern district. With him, from left, are the panelists: George P. Dekker, v.p.; Richard A. Mayer, 2nd v.p., and Katherine M. Lorenz, acctg. off.

Mr. Johnson added: "If we're in error, we think rates would be higher than what we have stated. There's a 50-50 chance they would be 50 points higher."

The panel on pricing of services, conducted by a moderator and four other officers of the host bank, stressed the necessity of knowing how to price each service properly to produce a fair profit. The presentation by Katherine M. Lorenz, accounting officer at Continental Bank, is presented on the following page.

In his agricultural outlook, Vice President Lindley Finch gave an optimistic review of the future, stating that better qualified young men are returning to the farms by choice; more capital is needed by private and family-owned farms to compete today; banks must continue their long-standing practice of being the lead lender to maintain the strong position as financier of agriculture they built up over past decades.

The bank officers participating in the EFT presentation reviewed the programs and hardware being used by Continental Bank in its service to customers through local food chain stores (presently only for check-cashing) and to s&ls and their customers (deposit and withdrawal functions under s&ls regulations). The equipment was displayed at each meeting and demonstrated on-line with the Chicago computer.—End



LEFT—Steve Rothenberger, comm. bkg. off.; Barry M. Johnson, 2nd v.p., who discussed "Economic Outlook and Portfolio Strategy"; Lindley Finch, v.p., who discussed the "Agricultural Outlook," and Bob Wahlgren, 2nd v.p. RIGHT—Presenting the EFT seminar were Thomas J. Walsh (demonstrating the terminal used in Chicago by Continental Bank), systems liaison; John C. Nowell, liaison repr.; V. Edward Kuhl, 2nd v.p.; John B. Tingleff, v.p., and Matthew G. Grubesic, comm. bkg. off.

IN OUR current economic environment the past year, 1975, could be characterized as a "spotty" year for bank earnings. All of us are familiar with the major factors which had a *negative* impact on earnings; namely, anemic loan demand, sharply lower interest rates, and increased operating expenses pressured by continuing inflation. Improvement in any one of these factors would be of great benefit to the bank manager who is striving to meet expanded profit goals.

To improve earnings in 1976, managers of banks *must* identify and concentrate on those activities that have the highest profit potential. Just look for a minute at all the different groups that have varying profit expectation levels regarding you and your bank: 1) customers; 2) shareholders; 3) regulatory authorities; 4) directors; and 5) employees. All of these groups expect a certain high level of performance from the bank, and if this expectation level is not met, all have a certain amount of pressure they can exert upon the institution. The key ingredient all of these various groups are looking for is consistent, long-run profitability, and it is through the establishment, implementation and monitoring of an effective pricing policy that this profit expectation can be achieved.

Factors to Consider

When attempting to develop a pricing policy for a bank (on the assumption that you do not already have one) there are a number of interrelated factors — both external and internal — that must be considered. The external factors range from analyzing the legal or regulatory constraints affecting banking in your state to examining the internal factors whereby you consider the strengths and weaknesses of the bank which you manage.

First, consider the *external* factors. Perhaps, the first thing you should ask yourself is "What kind of financial activities may I engage in, if I choose to do so?" Stating the question another way — "What are the legal or regulatory constraints that affect my bank?" Once the permissible types of services have been evaluated, the next area to be analyzed is the potential market demand for the various types of services your bank can offer, both locally and regionally. The third major external area to evaluate is the competition. This includes other banks as well as other financial institutions such as savings and loan associations, the local P.C.A. office, and local credit unions.

Internal Factors

With the above as background, it is then appropriate to examine the *internal* factors that will have an impact on your pricing policy. The primary question to be answered is what is important to your bank's management? Earnings growth? Increased footings? Overall service to the community? Increasing your market share?

With these objectives in mind, it is necessary to consider the impact of a pricing policy on your financial statements. This requires a thorough analysis of your financial statements to consider questions such as: What is the nature and stability of your bank's deposits? What is the composition, yield, and flexibility of your earning assets? What are the major expense categories? Are there non-credit services which are currently being provided for free?

Having come thus far in your analysis, you come to one final critical factor which is probably the hardest to evaluate. As a manager you must still objectively evaluate the internal strengths and weaknesses of your own bank

The management of pricing

By KATHERINE M. LORENZ

Accounting Officer
Continental Bank
Chicago, III.



THE AUTHOR—Kitty Lorenz, 30, is accounting officer in corporate financial services, controller's-administration division at Continental Bank. A native of Elgin, Ill., she was graduated cum laude from Trinity College, Washington, D.C., in 1968, and received her MBA degree from Northwestern University, Evanston, Ill., in 1971. She joined Continental Bank in August, 1968. This article is based on her comments given as a member of Continental's "Pricing Panel" presented last month as a part of the bank's series of correspondent conferences.

and your outside suppliers, if you must rely on them. Each bank will have different answers for these questions. The real purpose of this exercise is to place your bank in a much better position to proceed to apply your individual pricing policy to specific circumstances.

Customers Getting More Service

All of us are no doubt cognizant that our entire customer base, whether made up of individuals or large corporations, is now demanding, and in many cases receiving, a greater volume of services on a smaller deposit base. At the same time, the banking industry as a whole has experienced a narrowing spread between the cost and usage of funds, being forced to deal with intensified competition from retail credit plans, credit cards, thrifts and savings and loans, as well as seeing a universal improvement in customer sophistication. In this environment it is very worthwhile for all banks to periodically examine their pricing policies to see if these policies are rational to the customer, yet flexible enough to meet the intensively competitive times in which we are living.

One of the most interesting phenomena which may be discovered during the evaluation of *your* pricing policy is the frequency of so-called "unique" situations which come up from time-to-time. These "special situations" may put direct pressure on your established pricing policy, which suggests that your policy should be under continuous review. If you have not set up a regular system of monitoring the application of your pricing policy, it would be extremely beneficial for you, the senior managers of your banks, to regularly examine your present pricing practices.

As a starting point, it might be worthwhile to recognize some of the more or less universally *accepted* pricing concepts and how these might relate to your current system. Initially, it is important to recognize that the procedures are very basic, but the implementation of one's pricing policy in one's own marketplace makes the overall procedure a very complex and demanding one.

Analyze Cost of Each Service

First, a bank needs to fully analyze the present areas of service that it offers to its customers and to realistically arrive at some method for determining the cost of *each* service. The precise methodology used to determine costs will depend on the technical expertise and information systems available to each bank. Ideally, services can be put into some basic categories, those being credit-related and those of a non-credit nature, such as processing checks, dispensing coin and currency, etc.

In the first category, one of the important things to consider is that there are a number of banks which *do not* recognize availability of credit as a customer service. While they commit to lend a certain amount to a customer (which correctly involves some cost to the bank), they do not pass this cost on in any manner to their customers. Realistically, the customer may not see this as a service at all. A good question — Is credit availability a service? It is very definitely a service — probably one of the most important services a bank can offer its individual customers, small businesses, larger corporate firms, and correspondent banks.

But what about credit usage? Most banks do recognize this to be a service, and in most cases, banks are compensated for it. However, the banking industry has not done a particularly good job in pricing both *credit availability* and *credit usage*. Many banks learned that this can cause

difficulties in the credit allocation process in periods of tight money. It is essential that a bank take into consideration its costs of doing business and begin to price all of its services in a manner which will enable it to cover all its costs and, at the same time, provide an acceptable profit. It is imperative that a bank be paid for *each* service it provides. Some banks continue to be inconsistent in the application of their pricing policy in that some services are paid for by the customers, while others are given away free.

How Are We Paid?

This leads us to a second important area — although it is frequently misunderstood. As bankers we should answer two important questions. First — How are we paid for the services we provide? Second — How flexible are we as to the form of payment we will accept for our services?

I think most of us are familiar with the term "compensating balances." However, are we all in agreement as to the purpose of compensating balances? Some bankers consider compensating balances as yield enhancers. Others see balances as an important source of funds. Still others view them in the broad sense as a basic means of payment. Many bankers have a different feeling about balances and the importance of receiving them as a form of payment. Basically, balances provided by customers are simply one of the acceptable means of payment for services the customer uses, the others being fees and rates.

Each bank must decide how to determine an appropriate level of payment by its customers with respect to balances and/or fees and/or rates for each product or service that will be acceptable to its customers. As a general statement, we should be *indifferent* as to how we are paid. By that, I mean we can convert the price for any service into a balance, fee, or rate alternative to the customer or some combination of the three. However, let's reflect on that statement for a moment. Are we really "indifferent" as to whether our payment comes in the form of balances, fees, or rates?

Let's take credit availability and/or usage as an example. In this particular instance, we may prefer to receive payment in the form of balances. This stems from the fact that over a period of time, balances might provide enduring value to the organization beyond that which we would derive from fees. It is important to recognize, however, that we can offer the customer the *flexibility* to *choose* the method of payment that best suits *his* situation. And, in the long run, our revenue alternatives will be fully incorporated into our pricing structure.

Other Important Features

Up to this point, we have covered two very important areas. First, analyzing the services offered to the customer and second, payment alternatives for any service. However, there are several other very important features. A bank, must recognize it should receive a mark-up on every service it provides. This has a two-fold advantage: (1) It allows the bank to maintain its income stream; and (2) It provides the necessary flexibility to the bank's selling force to promote every service enthusiastically at a standard price.

Many banks have historically instructed their employees to actively sell "this" group of services but employ "discretion" in the selling of a different service. Use of the approach suggested eliminates the problem that was created when the sales person was told *not* to offer a product enthusiastically because the mark-up was insufficient or non-existent. Look at it from a different perspective. When a salesman is totally familiar with each price per service, and he realizes that each service yields a profit, he is *infinitely* better equipped to sell the products.

At this point, it is essential that a price conversion be developed so that your bank will bave a flexible means of converting any form of payment — balances, rates, or fees to the stated price. Most, if not all, of us at some point have seen a monthly analysis transcript sent to us by our major correspondent bank. Many transcripts reflect an "earnings allowance." There are many factors to consider in establishing this earnings allowance. These would include the following: Should it be floating or stable? Should it bear some general relationship to prime or another money market rate? Should it be administered or float freely according to some formula? Should it be applied to the full value of a customer's collected balances or some adjusted value? The important point is that if balances are used as the means of payment, a bank has to establish its current worth in the marketplace in a reasonable and fair manner for the customer.

Double Counting

Earlier, I mentioned the extreme importance of pricing each service at a sufficient mark-up to cover its cost. It is important to be cognizant of this at all times to insure the overall profitability of one's pricing approach. It is in this vein that many banks have had to wrestle with another very difficult and timely topic, that of double counting. This is a term that is known by different names, but the meaning is about the same. Basically, double counting allows a customer to use the sum of balances to satisfy requirements for credit availability and credit usage costs, but also allows the customer to use these same balances for coverage of other non-credit services, e. g. debit and credit activity, transfers of funds, international collections, etc. Many banks have concluded that one dollar in earnings from balances can be used only once to support one dollar of service price, whether that be credit services, non-credit services, or a combination of both. This may be a very difficult decision because the competition may be allowing its customers to carry a balance level far less than what is required for full compensation. This can also be a difficult decision because it can represent, in many instances, a price increase for customers who have been allowed to double count their balances in years past. However, banks would be substantially better off to move away from the double counting of balances.

Alternative Pricing Philosophies

Although the purpose of this article is not to develop a specific pricing philosophy, it might be worthwhile to consider some alternative pricing philosophies. One interesting area for debate is on what basis does one establish service prices and rationalize the price to the marketplace? Do we have a basic target range for a service? Or should we ask account officers to do the best they can at negotiating the price? If you choose not to have a fixed price schedule, you have placed the burden of what you will be paid on your customer contact personnel and have assumed that they will negotiate the best possible price for the bank. In fact, this approach creates a greater number of problems than having an established price schedule

which is easily convertible into the type of payment that is best suited for your customer. Let's be realistic! There are very few sales personnel (if any) who do not feel their ability to sell could be greatly improved if their company would reduce its prices.

Let's examine the topic of price determination from another viewpoint. If, for example, you allow your selling force to sell a product at the best *negotiated* price, have you really been ethical to your customer base? Basically, you are offering similar services, but because of the situation in which the calling officer has been placed, a different group of customers will undoubtedly pay a different price for exactly the same service. Through the use of a fixed price schedule, each customer is aware of the price and is also aware that the price he pays is exactly the same that any other customer would pay.

Are "Loss Leaders" Worthwhile?

Another approach often considered is that certain bank services offer excellent income opportunities, while others do not, yet the latter must be made available to attract the former. In years past, the rationale had been that a bank would make such services available in order to tie the customer into other services that afford the bank maximum income opportunities. This philosophy needs to be evaluated critically to see if it will do the job in a time of rapid technological changes and intensified competition. It is important that we all be more realistic in this area, too.

Many people will and do conduct their business strictly on the basis of price without regard to quality of service. In addition, there will always be those customers attracted by numerous services offered at reasonably low prices or on a free basis. As they become aware of those services, they will obviously begin to use them to a far greater extent, which will very likely increase your costs in providing the service.

For this reason, it is essential that each and every service, no matter how large or small, be priced profitably. Lastly, some banks express the philosophy that they need not be concerned about individual services and their pricing, so long as the total relationship appears to be profitable. When a bank adopts such a position, it loses control over its costs and ultimately over its organization.

Conclusion

In conclusion, we have discussed some of the steps to follow when first deciding to review your pricing policy — from defining services, to considering various methods of payment, to deciding whether or not every service should be priced to stand on its own. We have touched on the difficult issues of setting earnings allowances and eliminating double counting, and we have briefly reviewed some theories which do not seem reasonable and the reasons for their rejection.

As bankers, we should each review our pricing policy, even if only on an informal basis and make whatever changes are felt appropriate in today's environment. However, in the end a policy should be developed that has five characteristics. It must be:

EQUITABLE — to your customers, **RATIONAL** — in the marketplace,

FAIR — in terms of reward to the shareholders,

LOGICAL — in its development,

ENFORCEABLE — by the staff of your bank. — End

Our Nation's Economic



A S SPECIAL recognition of our Bicentennial year, the Nebraska Bankers Association presented at its annual convention in Lincoln last month a panel of five highly qualified men to explore the topic, "Our Nation's Economic Status and Outlook." All five are associated with the University of Nebraska College of Business Administration in Lincoln. All five have doctoral degrees and have solid backgrounds that bring a unique variety of business and educational experience to this important topic.

Moderating the panel was Dr. Gary Schwendiman, associate dean of the College of Business Administration and associate professor of management. He is chairman of



Campbell R. McConnell is the Carl A. Happold Professor of Economics. He received his B.A. from Cornell College, his M.A. from the University of Illinois and his Ph.D. from the University of Iowa. His book, Economics: Principles, Problems and Policies, now in its 6th edition, is the leading text in its field and has brought national recognition to the department, college and University. He was a recipient in 1961 of one of the Uni-

versity's Distinguished Teaching Awards. He has authored more than 17 research articles and is an active participant in many professional organizations, especially the Midwest Economics Association. He is a Phi Beta Kappa, and received an Honorary Doctor of Law degree from Cornell College in 1973. He has been with the University as a Professor since 1953.

TRADITIONALLY, we have looked at inflation as a "demand" phenomenon. We need to look now at the "supply" side, the cost factors. Inflation and its essential ingredients were present in the late 50s and early 60s. We had sluggish growth, but we also had a good handle on inflation and a control of costs of about $1\frac{1}{2}\%$ a year. When John Kennedy won the presidency, his economic advisors told him to cut taxes to deliver on his campaign promise. This brought full employment and stimulated the economy, but he also fooled around with cost controls.

In 1966 the Vietnam war accelerated. We needed an increase in taxes, but for political reasons there was no increase except a surcharge tax in 1968. This proved too little, too late, so there was too much money chasing too little goods. Enter President Nixon, who inherited President Johnson's problem, including 4% inflation, which was troublesome. So, his plan was to cool the economy; cut in-

McCONNELL ...

(Turn to page 38, please)



L. Wayne Dobson is the Abbott Professor of Banking and Professor of Economics and Finance. He received his B.A. and M.A. degrees from Western Kentucky University and his M.A. and Ph.D. (Economics) degrees from the University of Kentucky, with postdoctoral work at the University of Chicago. He is also a graduate of the Graduate School of Banking at the University of Wisconsin. He has written more than 30 arti-

cles and monographs for such publications as *Taxes, Banking Law Journal, Bankers Magazine* and *The National Tax Journal*. He is educational director of four banking schools sponsored by the states of Kansas, Missouri and Nebraska and has been a faculty member of numerous other banking schools, including the Graduate School of Banking, University of Wisconsin. He has been a Professor at the University of Nebraska since 1970. He authored the book, *Money and Capital Markets*, and in 1972 and 1973 gave invited lectures in Switzerland, Sweden and Denmark.

C ONSIDERING the economy on a sector-by-sector basis, I would like to evaluate what has been happening to each, and to suggest implications for short and long-term rates. The economy basically is sound and moving in the right direction. I think a slow and orderly recovery is best; a faster recovery could lead to greater inflation. During the past months, inflation has been very low, far too low to be sustained. The basic rate of inflation is at least 5%.

Our real increase in Gross National Product is running at 7.5%, which is higher than most of us forecast last year.

Unemployment declines substantially with each new figure released. It probably won't go much lower during **DOBSON...**

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Status and Outlook

the College Academic Planning Committee which is currently working with the faculty on a major revision of the undergraduate curriculum. There are 2,344 undergraduate majors in the college. He is also Director of the M.B.A. program and chairman of the Business Area Graduate Committee which has general charge of supervising the graduate programs.

Dr. Schwendiman earned his Bachelor of Science degree in psychology with honors from Washington State University in 1962, his Master of Science degree in experimental psychology from Brigham Young University in 1968, and his Ph.D. in social psychology and organizational behavior from Brigham Young University in 1971. His research in-

terests include how to most effectively apply theories of management and behavior in organizations to help them function more effectively and productively. He has special research interest in banking and has just completed a research project on management training involving the 300 largest banks in the nation.

He has served on the faculties of Brigham Young University, Marshall University in West Virginia, and General Motors Institute, the research and education arm of the General Motors Corporation. He is a member of the faculty for the Schools of Banking for the Nebraska, Iowa and Missouri area and has served as management consultant to several top executives in banking.



Robert A. Mittelstaedt is the Nathan Gold Professor of Marketing. He received his B.S. degree from the University of South Dakota, his M.A. degree from the University of Arizona, and his Ph.D. degree from the University of Minnesota. He was then instructor and assistant and Associate Professor at the University of South Dakota, later serving as Associate Professor at the University of Missouri. He has been Professor of Marsouri.

keting at the University of Nebraska since 1973. His publications include the book, *Consumer Behavior: Contemporary Research in Action*, published in 1971. He has done extensive research in the general area of consumer behavior.



William D. Torrence is the Carl A. Happold Professor of Management. He received his B.A., M.A. and Ph.D. degrees from the University of Nebraska and has taught at the University since 1957. He teaches Collective Bargaining, Labor Relations, and Manpower Policy and Planning. He was a recipient of the Distinguished Teaching Award in the area of Humanities and Social Sciences at the University in 1969. He is former

editor-in-chief of *Industrial Gerontology*, published by the National Council on Aging. He conceived and implemented this journal. Professor Torrence served as advisor to public utilities, state agencies, the Organization for Economic Cooperation and Development in Paris and has given invited papers to the North Atlantic Treaty Organization Development in SHAPE, Belgium. He has also authored a number of research articles in public sector labor relations.

N CONSUMER markets, spending has increased but not to full recovery levels. While incomes and consumer confidence have increased, the outlook for prosperity-level spending on automobiles and housing appears clouded. Prices, especially fuel prices, will continue to act as dampening factors. However, desire for automobiles and single-family housing will grow during the next decade as the children of the post-World War II baby boom enter the 25-45 age group. Also, for the first time, our nation is experiencing a net *inward* migration to rural areas and smaller cities — areas where mass transit and multiple-family dwellings are less feasible alternatives.

Our dilemma is that we need increased production to provide jobs for a growing labor force but the goods that people most want to buy — automobiles and housing — consume large amounts of fossil fuels. Oil prices, controlled by the OPEC countries, and environmental "costs" will probably inhibit expansion.

MITTELSTAEDT . . .

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O NE of the most significant developments in United States labor relations the past decade is public employe unionism. It is the fastest growing segment in the union movement.

In the mid 1930s private employes were given organizing rights and by 1960 one-third of non-agricultural workers were organized. However, there were practically no public unions. There were several reasons for this:

1. The concept of government sovereignty, which said it was illegal to delegate a sovereign power to anyone.

2. Private sector unions were almost totally occupied in the private sector and did not have the time or the money to turn to organizing public employes.

3. Public employes generally were not unhappy. Although they lagged slightly behind private employes they had offsetting benefits.

By 1960, however, these factors had washed away. Also, new factors developed to make public employes more

TORRENCE . . .

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Northwestern Banker, June 1976

Our nation's economic status and outlook ...

(Continued from page 36)

McCONNELL . . .

flation to $2\frac{1}{2}\%$ to 2%, even if it increased unemployment. Unfortunately, it was a failure, for unemployment shot up and inflation shot up. By hindsight we see two things:

1. Pres. Nixon explicitly repudiated wage/price controls, so this was an invitation to labor and high concentration industries to take advantage of the situation.

2. We had had a decade of inflation and it was accelerating. The general public and business had come to build inflation into their costs—an inflationary psychosis. Labor and business built it into wage demands and prices; thus, it became a self-fulfilling prophecy.

The result was that in August, 1971, we had a new eco-

nomic game policy:

1. Cut back on taxes to induce demand and increase employment. The difficulty was how to induce the resulting demand to be translated into stable prices instead of the opposite result.

2. Wage/price controls.

3. It undermined or gave up on a system of fixed ex-

change rates by moving into fluctuating rates.

In 1974 the roof fell in and all the factors combined at the same time for this telling blow. There were several, distinct random shocks:

- Devaluation of the dollar. This was intended to correct our balance of payment problems but our goods became cheaper to foreigners, their goods cost us more, and the stepped-up demand for domestic goods resulted; consequently, both elements were chosing our domestic goods. The upshot was that foreign holders dumped their American dollars for our goods and our total demand shot up and caused two-digit inflation.
- The OPEC cartel. We all know the effects of the price actions taken by the middle east oil producing countries.
- The sharp increase in U. S. agricultural products. This was one of the sharply rising components. Income was rising fast in foreign countries and since we had been touting the virtues of American food they bought it, forcing up prices. Also, Russia had another drought. So, all in all, a major share of our ag products went abroad.

These three factors caused one-half of our inflation of 1974, but what about the rest? We had a serious dose of administered controls. During the period of controls, many manufacturers thought their profits were unjustly held down. Cars, for example, went up \$700 to \$800 each in 1973, with unions in the background jacking up wages in advance. Also, environmental programs were instituted and government was telling business it must bear the cost, so business added it to prices.

So, the five factors at work since 1973 have been:

- 1. Dollar devaluation.
- 2. OPEC.
- 3. Agricultural demand.
- 4. Cost/push inflation.
- 5. Environmental costs.

DOBSON . . .

this quarter, but at least it's moving in the right direction.

The index of consumer sentiment is 50 points above its low of 1974, so people are expressing a greater willingness to spend. For example, witness the rate of buying cars, a durable product.

We can say that the consumer sector has brought us out of the recession.

In the investment sector, business loans have been falling because businesses have not been required to borrow to carry inventories; however, inventories now are starting to rise and during the next few weeks we are likely to see short-term rates rise.

In the residential construction sector, housing registered 1.44 million per year starts last month, and 1.5 million the preceding month. During the same period in 1975, starts were below 1 million per year, so an increase of 50% in one year is a massive improvement. In addition, there has been a continued rise in housing starts. Savings and loans are flush with funds at this time, indicating a drop in rates, so I would say the housing market is viable.

In the capital goods sector, expenditures have shown no improvement over the past year and little is expected because industry is operating at around 75% of capacity, and can go somewhat higher before bottlenecks appear.

Now, let's look at the international sector. In 1975, we had over \$11 billion in favorable balance of trade but now it looks like we'll have a \$6-\$7 billion deficit in 1976. This is partly because we are recovering faster than foreign countries and the relative position of the dollar, making our goods cost more. As the dollar strengthens, as I think it will continue to do, the effect will be to reduce demand on our goods by foreign countries.

In the interest rate sector, I'm interested in the money supply, free reserves and Fed funds rates. In February, everybody tried to anticipate a change in Fed policy and they drove short-term rates up a few points, but the money supply showed little change, and we misread the market. But looking back, there was *no reason* for a policy change; there was declining unemployment, declining price level, etc.

Last week, the Fed funds rates went up 23 basis points. Does it mean the Fed is tightening up? Yes! Does it mean higher short-term rates? Yes! How high? Probably not too much higher, say 25-30 basis points, until the third quarter.

The money supply is up. The MI rate is rising too fast if the Fed hits its target of the 4 to 7½% range thus one can expect some rise in short-term rates. On top of all this, the Treasury needs to go in the market for several billion of financing, but this will have no effect until the third quarter and possibly the fourth quarter.

Why did Citibank's prime drop (to 6½%)? I think it's more a political rate than an economic rate. There should be a close relationship between the commercial rate and prime. The change by Citibank is a prelude to rapid increases in the prime. Their prime *should* have dropped several weeks ago but this sets the stage for them to move it back up, and it will ratchet upward fast; it won't stay at 6½% long.

One other point. We will have a prime rate of about 8% by the end of the year.

MITTELSTAEDT ...

However, two factors will probably help us out of our dilemma. First, technology and high fossil fuel prices will combine to make some new energy source available. This will allow consumers to buy energy-consuming goods. Second, the consumer market is changing and new markets are slowly being created for a different array of goods and services. In the past five years alone, markets in the billions of dollars have been created for tennis, back-packing, house plants and gourmet cooking supplies. These markets are not reactions to the energy crisis but are examples of responses to changes in the age composition, educational levels and changing values of our population.

The signs of recovery are encouraging but not as good as they might be. More importantly, while the economy is recovering, the consumer market is changing so that we can't return to the market and habits of 1970.

TORRENCE ...

receptive to unions.

1. A disadvantageous shift between public and private employes. The latter got sizable gains in wages and benefits, which were publicized in the press; hence, public employes felt collective bargaining was their answer.

2. Removal of restrictive legislation at the federal and state level, although generally restricting strikes, allows public employes to have variations of collective bargaining. The first was President Kennedy's bill in 1962, then President Nixon's order October 29, 1969, effective January 1, 1970, followed by more than 40 states allowing collective bargaining at some political sub-division level, but prohibiting strikes in most cases.

3. Effectiveness of confrontation tactics. The big public demonstrations of civil rights groups and the campus demonstrations all gained support for what public employes called "the cause." Confrontation tactics, such as the peace marches by Martin Luther King, were intended to gain support.

4. Attitudinal acceptance of trade unionism within our society. Such acceptance within the private sector has accelerated since 1935 and this acceptance now extends in the public attitude toward public employes.

5. A breakdown in respect for and loss of authority in our society. This has effected a dramatic change of attitude on the part of public employes. Policemen and teachers, for example, believe they have been subjected to abuse and feel their only alternative is to organize to protect their rights.

6. Indifference of public sector managers. For many years public employes have felt their complaints have been ignored and they have come to believe the public sector managers don't have enough interest in them. So, they believe if they organize they will have a more forceful voice and effective action to remedy their complaints.

What is the magnitude of public sector union growth? In 1956 there were 18,100,000 plus workers in unions, about 5% of which, or 915,000, were government workers. In 1966, of the 19,100,000 union members, 1,117,000, or about 9%, were public employes. In 1974 there were

TORRENCE . . .

(Turn to page 40, please)

Northwestern Banker, June 1976

New Commercial Finance Company Formed by ITT

Formation of ITT Commercial Finance Corporation to provide accounts



L. H. JOHNSON

receivable and inventory financing services was announced recently by ITT Financial Corporation, consumer and industrial lending subsidiary of International Telephone and Telegraph Corporation.

Leonard H. Johnson, who has been named executive vice president and general manager of ITT Commercial Finance Corporation, stated the firm will make secured revolving loans collateralized by accounts receivables and inventories to industrial, commercial and large retail businesses throughout the country. Size of loans will range upward from approximately \$100,000.

The company is headquartered in Chicago at Hartford Plaza, 100 South Wacker Drive. Branch offices will be established in major business centers from coast to coast. They will be tied together by an electronic communications network.

Mr. Johnson brings to ITT Commercial Finance Corporation a broad background of 30 years in financial services management. He formerly was president and chief executive officer of Equimark Finance Corporation.

John B. Olin Heads CSBS

John B. Olin, superintendent of banks for Oregon, was chosen president and chairman of the board of directors of the Conference of State Bank Supervisors during the 75th annual convention held last month at The Broadmoor in Colorado Springs, Colo.

Other officials elected were: Harvel C. Adams, bank commissioner of Arkansas, first vice president; Richard F. Schaub, commissioner of banking of New Jersey, second vice president, and Harry Bloom, state bank commissioner of Colorado, secretary-treasurer.

James E. Faris, director of financial institutions of Indiana, becomes immediate past president of CSBS.

Other elected members of the board of directors are: Carol Greenwald, commissioner of banks, Massachusetts, chairman, District One; Robert A. Mampel, commissioner of banks, Minnesota, chairman, District Two; Joseph H. Hemphill, commissioner of banking, Tennessee, chairman, District Three; William H. Riley, director of banking, Nebraska, chairman, District Four; Harold Pitts, director, department of business regulation, Montana, chairman, District Five.

E. D. "Jack" Dunn, commissioner of banking and finance, Georgia, and Erich L. Mildenberg, commissioner of banking, Wisconsin, were appointed by President Olin as at-large members of the board.

William H. Miller

William H. Miller, retired commercial banker at Continental Illinois National Bank and Trust Company of Chicago, died last month at the age of 80.

Mr. Miller, a senior vice president and director of Continental when he retired in 1965, called upon Continental's correspondent banks in Iowa, Indiana, Illinois, and the Midwest. He was highly respected by hundreds of

community bank > executives.



W. H. MILLER

He began his banking career in 1912 with National City Bank of Chicago, and became assistant cashier and assistant vice president of National Bank of Republic after

its merger with National City Bank in 1926. When National Bank of Republic merged into the Central Trust Company, Mr. Miller was named vice president, and was appointed a vice president of City National Bank and Trust Company of Chicago after its formation in 1932. He was named senior vice president and a director of City National in 1951, a position he held until City National merged into Continental Illinois National Bank and Trust Company of Chicago.

He was a director of Brown Lynch Scott Co., Monmouth, Ill.; Capitol Tobacco Corp., Charles City, Ia., and Commercial National Bank of Berwyn, Ill. He was a director and treasurer of Reserve City Bankers Association, and a director of the Chicago Chapter of the American Institute of Banking.

Retires in Kansas City

John R. Pitnick, vice president in the business development department at United Missouri Bank, Kansas City, has retired. He had 43 years of service.

TORRENCE . . .

(Continued from page 39)

24,163,000 union members and 5,333,000, or 22%, were public employes.

In the federal sector, the U. S. Postal Service has been approximately 87% unionized for many years. Of the three largest growing public sector unions, their membership has risen in one case from 234,800 in 1964 to 648,000 in 1974, an increase of 176%; another has risen in the same 10-year span from 138,000 to 300,000 for a 116% increase, and a third in the same period has risen from 100,000 to 444,000, a jump of 344%!

Some implications can be drawn from all this:

1. There is a need for a much more sophisticated knowledge of labor/management relations by public sector managers, with a need for greater knowledge of constructing alternative cost packages to cope with union demands.

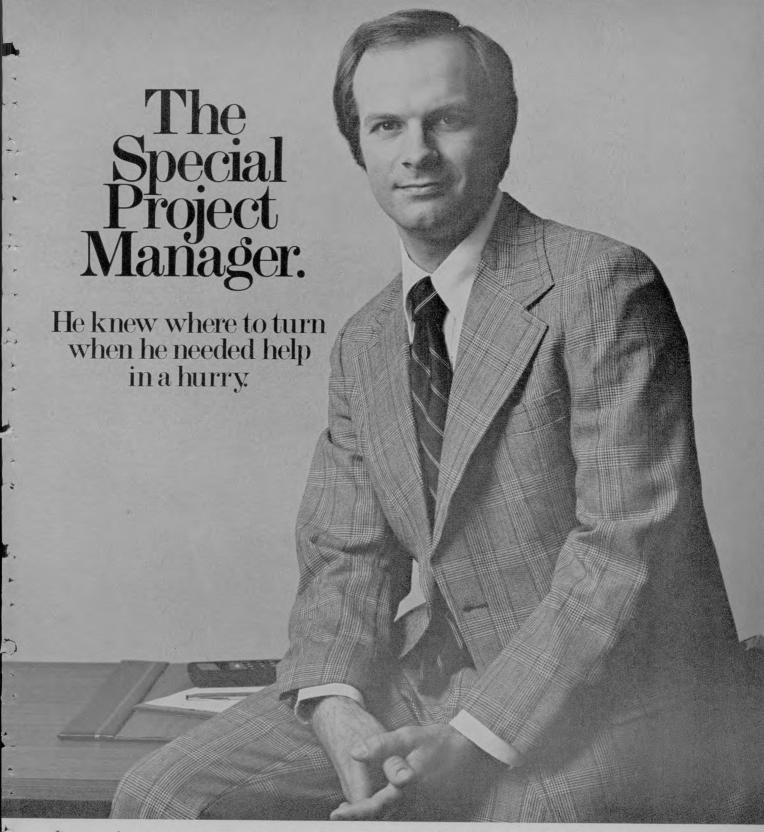
2. There is a need for public managements to join with

unions and legislatures to develop alternatives to strikes. I believe them to be outdated and wrong for the public.

3. There is a need for productivity bargaining. Public managers are looking for ways to improve productivity. Unions are looking for ways to define productivity. Productivity bargaining is a way to effectuate management decisions, and offers an opportunity to develop new approaches to management/employe relations. However, it is only a partial answer.

4. Public employe unionism appears to have contributed to the centralization of decision-making by shoving decisions more to the central manager; for example, creating a shift in the way taxes are applied.

5. It is at least possible that as government employes join unions this may change the image of blue collar workers and enhance the union appeal to more white collar workers. The public employe union membership climb has *halted* the absolute decline in union growth and may act with a suction effect to draw more people into unions.



It was an important assignment, not only in his bank's long-range plans, but also for Jack's career. That's why he wanted some expert advice. And he knew who could provide it: his Northern Trust calling officer.

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"Entree Card" for Mountain States

R OCKY Mountain consumers will now be able to directly access their checking accounts for purchases or cash withdrawals by using a plastic card instead of a check.

The new system, called Entree Card, is being made available by the Entree Service Bureau, a division of Rocky Mountain BankAmericard. Principal initial participants in the Entree program are two Colorado bank holding companies, Colorado National Bankshares, Inc., whose lead bank is the Colorado National Bank, and D. H. Baldwin Company, whose lead bank is the Central Bank of Denver. Member banks of the two bank holding companies made available Entree Card to existing and new customers on May 1, 1976. Applications are available at any participating bank throughout Colorado.

Entree Card is a national system developed by National BankAmericard Inc. Rocky Mountain BankAmericard, with 530,000 accounts, is the largest member system in the nation to offer the Entree Card program to date. The program will be offered to over 400 banks of all sizes in the Rocky Moun-



tain region. Other banks throughout the Rocky Mountain region joining the system will be ready to offer the new services to their customers in the summer or the latter part of 1976.

Pricing

Each card issuing bank of the Entree Card program will set its own pricing for this service and design its own package of services to be offered in connection with the Entree Card. Some banks will offer an "overdraft protection" feature which allows the customer to overdraw his or her checking account up to a pre-arranged amount. Use of credit will result only when consumers elect to activate the overdraft protection feature on their Entree Card account. Interest charged on the overdraft amount will be set by the customer's own bank. Some banks will offer a check guarantee system with Entree Card to facilitate check cashing.

Here is how the service works. The holder of an Entree Card may present his or her card to any participating BankAmericard merchant in the world to make a purchase without the necessity of writing a check. The merchant fills out a sales slip for the amount of the purchase, imprints the sales slip in the same manner as a BankAmericard transaction, and presents the sales slip to the customer for signature. If an authorization for the purchase is necessary, it can be obtained through existing national and international computer networks in a matter of seconds, 24 hours a day. The customer receives a receipt for the purchase transaction. The customer purchase transaction is delivered by electronic transfer to the bank which issued the Entree Card and where the customer maintains his or her checking account. The bank then charges the customer's account with the amount of the purchase.

An Entree Card holder wishing to

obtain cash from his or her checking account can go to any of 6,752 banking outlets throughout the world which are members of the BankAmericard program and receive cash in a manner similar to the purchase transaction. The customer can enter these transactions in his or her checkbook register, just as would be done if writing a check. Every month the bank will report to the customer by statement all *Entree Card* transactions as well as regular checking account transactions.

Public Confidence In Banks Remains Strong

Public confidence in the safety of money deposited in bank accounts has grown in the past year, and at the same time concern over bank failures is low, a Gallup survey indicates.

The Gallup survey of 1,525 adult Americans, taken in late February and early March, was designed to measure the trend in public confidence in the nation's banks.

That survey, commissioned by the American Bankers Association (ABA), revealed that 93% of those interviewed believe that their money deposited in bank accounts is either

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very safe, or fairly safe, up slightly from the 90% reported a year ago.

Sixty-six per cent of those interviewed feel that the problem of bank failures is not too serious, or not at all serious. Only 8% believe it is very serious.

Reorganize Fed Regulatory Divisions

The Board of Governors of the Federal Reserve System announced a reorganization of its Division of Banking Supervision and Regulation.

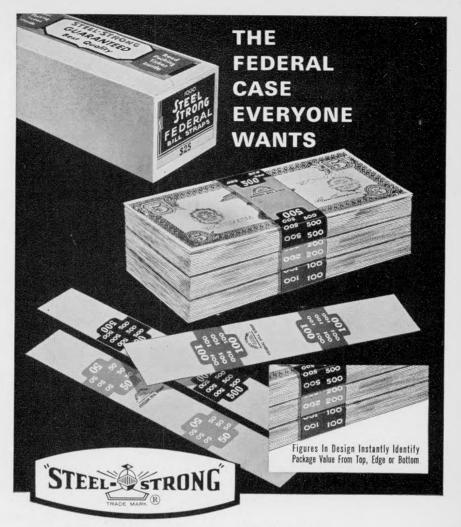
The board's action will realign senior management in the three critical areas of responsibility in the division—the processing of banking applications, the implementation of supervisory and regulatory policy, and longrange special projects and financial analysis.

Brenton C. Leavitt will continue to serve as division director and will be assisted by three associate directors.

John E. Ryan has been promoted from assistant director to associate director with overall responsibility for the supervisory and regulatory policy functions. Mr. Ryan has been a member of the board's staff since 1969 and was named adviser in January, 1975, and assistant director in October, 1975.

William W. Wiles has been promoted from assistant director to associate director with overall responsibility for processing of banking applications. Mr. Wiles joined the board's staff in 1964 as an economist in the Division of Research and Statistics. He was named deputy program director for banking structure in 1972 and promoted to assistant director in the Division of Banking Supervision and Regulation in 1973.

A third new associate director position has been established in the division to be responsible primarily for long-range studies for improving supervisory functions, financial analysis of bank holding companies, and examiner training. The designee for the third associate director position will be announced at a later date. As part of this organization change, the Board's Bank Holding Company Analysis Program will be transferred from the Office of Staff Director for Management to the Division of Banking Supervision and Regulation and function under the purview of the new associate director designee. This program will continue to be directed by Peter E. Barna.



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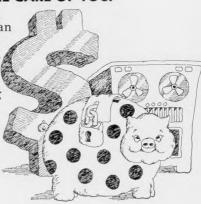
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Northwestern Banker, June 1976

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Federal Reserve Bank of St. Louis

Illinois News

ARTHUR F. BUSBOOM President Rantoul

ROBERT C. SCHRIMPLE Exec. V. P. Chicago

Bank of North Aurora Promotes James Cannon

James T. Cannon has been named vice president and cashier of the Bank



J. T. CANNON

of North Aurora s u c c e e d i n g P. William Marlowe who is chief executive officer of the First Security Bank of Aurora.

Mr. Cannon formerly was loan officer of the Naperville National

Bank which he joined in early 1972. Previously he had been a member of the retail banking management program at Harris Trust and Savings Bank in Chicago for four years.

To Head New Aurora Bank

P. William Marlowe, vice president and cashier of the Bank of North Au-



P. W. MARLOWE

rora, has become chief executive officer of the new First Security Bank of Aurora, according to a joint announcement by directors of the two banks. Succeeding him at the Bank of North Aurora is James

T. Cannon, formerly loan officer of the Naperville National Bank.

Mr. Marlowe, who will have the official title of executive vice president and cashier, has over 10 years of banking experience. He also was associated with the Gary National Bank in Indiana.

Elected at Willowbrook

Robert E. Davies and Pat Filippi have been elected to the board of the First Security Bank, Willowbrook. Mr. Davies is president and treasurer of Davies Publishing Company, Inc., in Burr Ridge. Mr. Filippi is a general





construction contractor and developer. He designed and constructed the First Security Bank.

Buys Oak Park Bank

A small group of investors, headed by Patrick C. O'Malley, have purchased controlling interest in the OPAR Corporation, a one-bank holding company whose primary asset is the First Bank of Oak Park. Other investors are Ronald R. Curcio, Ronald J. Farmer, Robert S. Kosin, Ronald Melina, Melvin S. Newman and Andreas Tegtmeier.

All investors were elected directors and Patrick C. O'Malley was named chairman and chief executive officer. Also elected to the board were James R. Frankel and Raymond O'Laughlin. Directors remaining on the board are Vincent L. Demoya, bank president; Frank W. Considine; Daniel C. McKay; Raymond T. O'Keefe; and John V. Parker.

First Ogden Corporation Announces Promotion

First Ogden Corporation, bank service firm headquartered in Naperville, has announced the promotion of Bonnie L. Benande to administrative assistant in the banking services division. She has been with the corporation for almost four years serving as secretary to Donald H. Fischer, president.

Top Executive Changes At Hanover Park Bank

The First State Bank of Hanover Park has announced the election of John J. Hayes, Jr., as president and chief executive officer and Norman Pelhank as cashier and controller.

Mr. Hayes came from the Heritage Group where he had been a vice president of Heritage Bancorporation, responsible for its commercial lending and loan administration areas and for the past three years had been executive vice president of Heritage/Standard Bank. He is a graduate of St. Mary's College in Winona, Minn.

Mr. Pelhank succeeds Edward Mrkvicka, who resigned to accept the presidency of a new bank in Marengo, Ill. Mr. Pelhank's background includes positions as a state examiner and as cashier.

Commercial Nat'l, Peoria, Opens New Department

Commercial National Bank of Peoria has created a new executive and professional banking department. Heading the department is R. Jeffery Smith, commercial banking officer. A certified public accountant, Mr. Smith earned a BS degree from Purdue University and holds a MBA in finance from Northwestern University.

Tylutki Named President of Countryside Bank

Robert M. Tylutki has been named president of the State Bank of Country-

side.



R. M. TYLUTKI

Mr. Tylutki, 38, formerly was vice president of the La Grange State Bank. Educated at Wright Junior College and the University of Omaha, he had been with the La Grange bank for

11 years, during which time he headed the consumer loan and credit departments before being advanced to commercial lending and investments. He also was with the National Boulevard Bank of Chicago.

Tri-State Bank, E. Dubuque, Nears Completion

The new Tri-State Bank of East Dubuque building is expected to be completed by mid-summer.

The new bank, located at 350 Wall Street, will have eight teller stations, two drive-in lanes with room for two more and a night depository. Five private offices and a spacious lobby also will occupy the 7,000 square feet of the single-story brick building, which was started in November.

The traditional architecture will be complemented by exposed aggregate columns and bronze-colored window frames and glass.

The general contractor is Maryville Construction of Kieler, Wisc., and the architect is Mayes and Williams of Glen Ellyn, Ill.

Top Executives Named At Wood Dale Bank

Anthony DeMaria has been promoted to president of the First Security

Bank of Wood Dale. Ron W. Teiwes has been advanced to vice president and Gary M. Newman to cashier.

Formerly executive vice president, Mr. De-Maria joined the bank in July of



A. DeMARIA





R. W. TEIWES

G. M. NEWMAN

1972, after serving as cashier of the Dempster Plaza State Bank in Niles for a year. From 1965 to 1971 he was with the First Bank of Oak Park as assistant cashier.

Mr. Teiwes joined the bank as assistant vice president in late 1974 after 10 years of financial experience. Prior to that he served as assistant vice president of the Bank of Bellwood.

Mr. Newman has previously served as assistant cashier, having joined the bank in mid-1973.

Evanston Bank Sponsors Bike Safety Clinic

The Evanston Bank, in cooperation with the Evanston Police Department, recently sponsored a bicycle safety clinic in the bank's parking lot. All youngsters under age 16 were invited to participate, according to John J. Vax, bank president.

Each unregistered bike was registered with the bank picking up the 50¢ fee. Following a 12-point safety inspection check, each cyclist rode his bike through an obstacle course in the bank's drive-in lanes. Each also received a certificate for an ice cream cone and a three-speed bicycle was awarded.

2 Promoted at Peoria

Robert J. Cochran has been named vice president and David H. Welch

trust officer of Commercial National Bank of Peoria.

Mr. Cochran is a 1963 graduate of Iowa State University, Ames. He earned his Juris Doctorate Degree in 1969 from the University of Missouri. He joined the bank's trust division in 1969 and was named trust administrator in 1970.—Mr. Welch earned a BS degree in business administration at Illinois Wesleyan University in 1961. He joined the bank in 1966 as a trainee and was named trust administrator in 1970.

IBA Marketing Division Elects President

The Bartonville Bank's Executive Vice President, Robert Verheyen, was elected president of the Illinois Bankers Association (IBA) marketing and public relations division at the division's 24th annual meeting, Action '76 at the Sheraton O'Hare, Rosemont.

Others elected include: first vice president, Ernest A. Malone, assistant vice president, Millikin National Bank of Decatur; second vice president, G. Thomas Andes, vice president and cashier, First National Bank of Belleville; and secretary, Karen Reeves De-Lee, Illinois Bankers Association, Chicago.

Elected to three-year terms on the executive committee were: Donald Poppen, president, Town & Country Bank, Quincy; and Gerald K. Feezor, president, Peoples Bank of Marion.

Chicago News

William D. Sanders recently was elected to the board of Michigan Avenue Financial Group, Inc., holding company for Michigan Avenue National Bank. Mr. Sanders is founder, chairman and president of IDC, Inc., the parent of IDC Real Estate, Inc., and Equity Associates Incorporated.

The bank has announced the following promotions and elections: Linda M. Murphy, assistant vice president and director of personnel; Daniel K. Spears, from assistant cashier to assistant vice president, commercial loans; Linda Kleszynski, from assistant investment officer to assistant vice president, investments; Ruth McNamara, assistant cashier, 72 East Randolph walk-in; drive-in facility, and Patricia J. Mainetti, assistant cashier, customer service center.

Martin J. Noll has been named executive vice president of the Capitol

Bank of Chicago, according to Gil Mazzolin, chairman.

Mr. Noll formerly was a second vice president with American National Bank & Trust Company of Chicago. A graduate of Cath-



M. NOLI

olic University, Washington, D. C., Mr. Noll received his masters degree in economics from Indiana University. He began his career at American in the credit department in 1968 and was elected a loan officer in 1969, and second vice president in 1971 when he joined the correspondent banking division.

Ronald Byas has been named manager of customer accounts at Seaway National Bank. Prior to joining the bank Mr. Byas was internal bank auditor with the Heritage Bancorporation.

Howard H. Greengard has been appointed assistant vice president and assistant trust officer in the trust department of O'Hare International Bank.

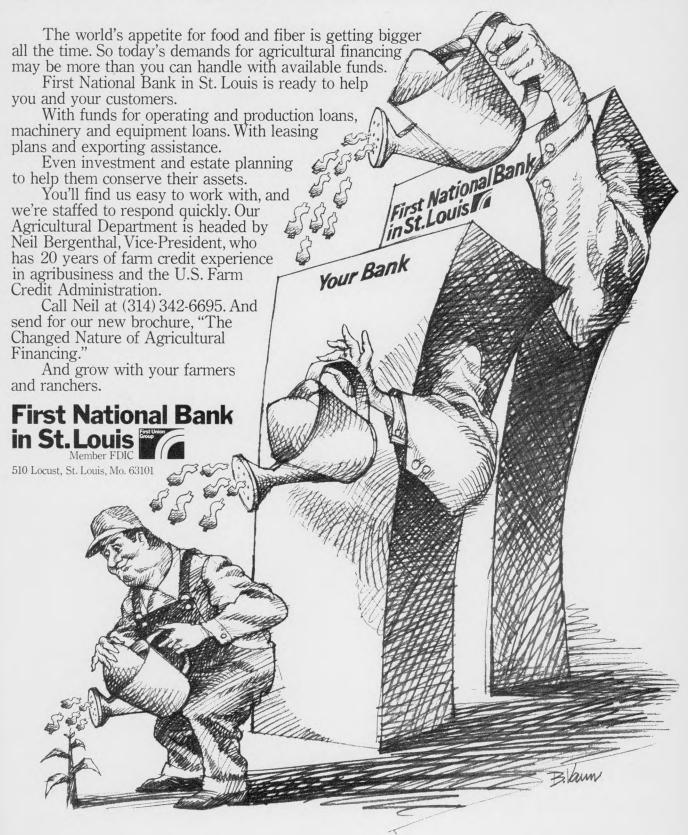
Prior to joining the bank Mr. Greengard was a senior estate administrator with Continental Bank. He received his J.D. degree from the University of Chicago Law School in 1974 and is now attending the University of Chicago Graduate School of Business.

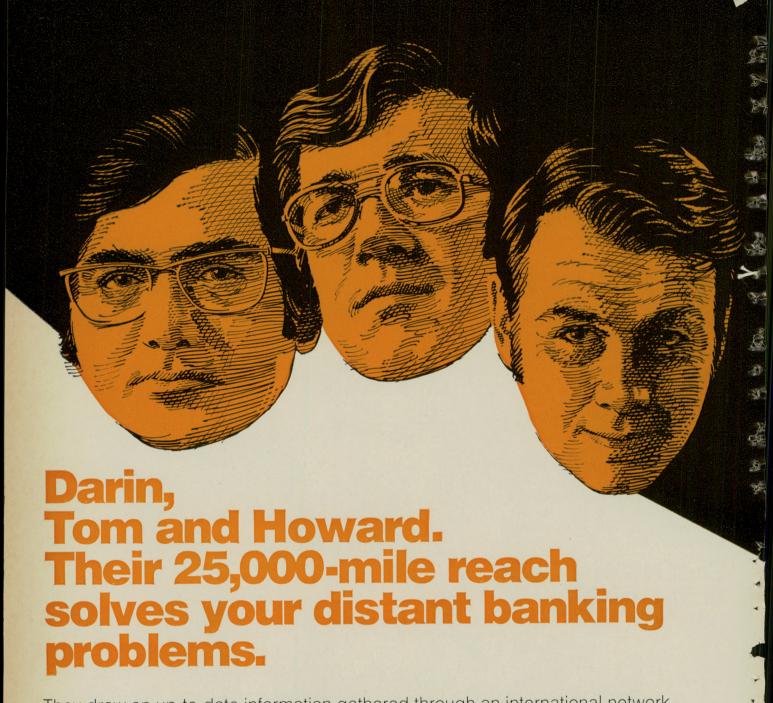
To Head IBA Trust Division

Robert J. Hildebrand, vice president and trust officer, Granite City Trust & Savings Bank, recently was elected president of the trust division of the Illinois Bankers Association (IBA).

Mr. Hildebrand's term begins July
1. Others elected include: first vice
president—Charles G. Dalton, vice
president, Chicago Title & Trust Co.;
second vice president—Everett Kassing, assistant vice president, First National Bank, Belleville; and secretary
—Donald X. Murray, IBA, Chicago.
Executive committee member elected
to a three-year term is John Finnegan,
senior vice president, Mid-City National Bank of Chicago. Elected to a twoyear term is Charles H. Flanders, IAA
Trust Co., Bloomington.

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C. P. LINDHOLM Nominee for President



E. THRONDRUD Treasurer



T. L. JEFFERS Exec. Vice Pres.



W. G. KIRCHNER ABA State V.P.



J. R. DUWE Speaker

Minnesota Bankers Association 86th Convention

June 14-16

THE 86th annual convention of the Minnesota Bankers Association will be held at the Radisson South Hotel in Bloomington June 14-16. Details of the convenion were announced late last month by MBA President John D. Chisholm, president, Marquette Bank and Trust Company, Rochester, and Truman Jeffers, MBA executive vice president, Minneapolis.

The nominating committee previously announced the following names to be submitted at the convention for ratification as officers for 1976-77: President—C. Paul Lindholm, senior vice president, Northwestern National Bank, Minneapolis; Vice President—Gene A. Beito, president, Northern State Bank, Thief River Falls, and Treasurer—Richard Carlander, president, State Bank of Faribault.

An exhibit area, available for the first time in some years, will be open during non-business session hours.

The convention schedule follows:

Monday, June 14

A.M.

7:30 Men's Golf Tournament—Hazeltine Country Club, Chaska.

8:00 Tennis Mixed Doubles Tournament.

9:00 Ladies' Golf Tournament—Wayzata Country Club.

9:00 Ladies' shopping tour and luncheon (concludes 3 p.m.).

P.M.

1:00 Ladies' hospitality center opens.

3:00 Registration—Radisson South Hotel foyer, Bloomington.

6:30 First Night Party—Great Hall. Entertainment—stage show by Sadler & Young.

Tuesday, June 15

A.M.

7:00 Registration—Radisson South Hotel fover.

7:30 Prayer Breakfast. Chairman—Chester N. Eggen, President, Richfield Bank & Trust Co. SpeakerDick Enroth, Twin Cities news personality.

9:00 Ladies' hospitality center opens.

9:00 First Session—Great Hall.

Presiding—MBA President John D. Chisholm.

Bicentennial opening. Colornial Color Guard.

Greeting—Bloomington Chamber of Commerce President.

MBA 1975-76. Presiding—MBA Executive Vice President Truman Jeffers.

"Telling Banking's Story—The MBA Communications Program"—Robert Koenke.

"MBA Insurance Program"—George Celusta.

"Banking Education"—Wayne Berthiaume.

"Legislative Report"—John Jackson.

Report of nominating committee. Chairman—Robert T. Wallner, president, First Security State Bank, St. Paul.

Election of MBA officers.

ABA meeting and election. William G. Kirchner, ABA state vice president for Minnesota; chairman, Richfield Bank & Trust Co.

State of Minnesota Citation and presentation to Seth Huntington, designer of the nation's Bicentennial 50-cent coin.

Report of MBA Treasurer Elwood Throndrud, president, Northwestern State Bank, Ortonville.

Address—J. Rex Duwe, president, American Bankers Association.

Drawing for color TV and recess.

9:00 Ladies' Bicentennial tour of historic Minneapolis. Luncheon at Swedish Institute. Concludes at 2 p.m.

12:00 Receptions and Luncheon.
Pioneer and Past Presidents Club.
Banking Schools and general luncheon.

P.M.

4:00 Hospitality rooms open until 6 p.m.

6:30 Annual Banquet—Great Hall.
Introduction and installation of officers.
Entertainment—"The Brothers and Sisters."
Dinner music and dancing—Jules Herman Orchestra.

Northwestern Banker, June 1976

Minnesota Bankers Convention Program

(Continued from page 49)

Wednesday, June 16

A.M. 9:00

Second Business Session-MBA President Chis-

Speaker-Dr. Ronald E. Barnes, private consultant. Formerly with Menninger Foundation, Minnesota Experimental City project and several midwest state universities.

Report of resolutions committee. Chairman—H. Robert Hertzenberg, president, First National Bank, Breckenridge.

Adoption of convention resolutions.

Amendment to MBA constitution and by-laws.

Address-George LeMaistre, director, FDIC, Washington, D.C.

Report of President Chisholm.

Drawing for color TV set.

10:00 Ladies' program.

General luncheon and speaker. Adjournment.

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https://fraser.stlouisfed.org Federal Reserve Bank of St

To Head Eveleth Bank

Robert P. Hatten, a Duluth banker for the past 18 years, has been elected

president of First National Bank of Eveleth.

Mr. Hatten most recently was assistant vice president in the commercial loan department of First National Bank of Duluth. He joined the



R. P. HATTEN

First American National Bank in 1957. Mr. Hatten was appointed assistant cashier in 1966, accounting operations officer in 1970, commercial loan officer in 1971 and assistant vice president in 1973.

Gilbert R. Tuttle

Gilbert R. Tuttle, 68, retired president of the First National Bank of Brainerd, died April 29.

Mr. Tuttle began his banking career in June of 1925 at the National Farmers Bank in Owatonna. The following year he transferred to the First National Bank of Owatonna where he remained until he accepted the position of auditor of the First National Bank of Brainerd in 1939. In 1941 he was elected assistant cashier, in 1942 cashier, in 1946 vice president, in 1960 executive vice president and in 1961 president, which position he held until his retirement on June 30, 1971. He continued as a director until January 19, 1975.

Elected at Mankato

Thomas B. Johnson has been elected assistant vice president of the First Na-

tional Bank of Mankato, according to D. W. Thompson, president.

Mr. Johnson joined the First Bank System training program in 1969. He began his career at the Mankato bank



as an instalment loan lending officer. In 1970 he was promoted to assistant cashier in the instalment loan department. His new responsibility will be credit review officer in commercial lending.

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MIDLAND NATIONAL BANK

Of Minneapolis

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The senior management team of the First National Bank of Minneapolis has been expanded through creation of two corporate banking groups and the naming of a new retail banking head.

First Minneapolis President DeWalt H. Ankeny, Jr., announced action by the board of directors creating a new Corporate Banking I Group headed by Executive Vice President Joseph R. Kingman, III, and a Corporate Banking II Group under Robert J. Anderson, who becomes a senior vice president.

Newton R. Fuller was named senior vice president in charge of the Retail and Branch Banking Group, which was headed by Mr. Ankeny prior to his election as president in February, 1976.

The new Corporate Banking I Group will consist of international banking, national accounts, corporate cash management and four commercial banking divisions. It also will include credit administration, headed by Fenwick C. Atwill, who becomes a senior vice president with responsibility for the senior credit committee and for the credit division.

Corporate Banking II will include



J. R. KINGMAN

R. J. ANDERSON



F. C. ATWILL

the following units: real estate banking, bond, correspondent banking, financial computer services, leasing and a newly created instalment and metropolitan corporate banking department. The new department will be headed by Vice President John E. McCauley.

As new head of the Retail and

Branch Banking Group, Mr. Fuller is in charge of the three branch offices, personal banking department, professional services division and customer services administration division.

The board also approved the following promotions:

Ross E. Bartz, head of the human resources department, to senior vice president; Dennis E. Evans to senior vice president in the trust investment department; James L. Hetland to senior vice president of the urban development and legal departments, and Charles F. Glaman to vice president and senior corporate trust officer in the corporate trust services department.

The bank also announced the addition of Lois C. Martin to its staff as

assistant vice president heading the automated systems research and planning division. Since 1967 she has been with First Computer Corporation, Paul, most recently as manager of advanced systems



L. C. MARTIN

research and planning.

R. A. ERICKSON

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Richard A. Erickson, assistant vice president, Midland National Bank,

Minneapolis, has been named membership chairman for District 2 of the Bank Marketing Association.

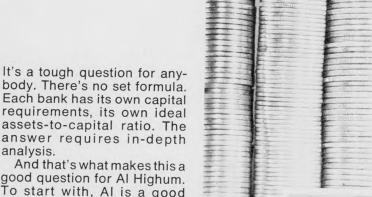
Mr. Erickson will be making appointments for state membership chairman for Iowa, Minnesota,

Kansas, Missouri, North Dakota, South Dakota, and Nebraska.

Federal Reserve Bank of St

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Minneapolis Business Leaders Hear McCracken



DR. PAUL W. McCracken, former chairman of the Council of Economic Advisers under President Eisenhower, is shown (at right) as a panelist at a dinner of Minneapolis business leaders sponsored by First National Bank of Minneapolis. Pictured with him are DeWalt H. Ankeny, Jr. (center), president of First Minneapolis, and Harvey N. Daniels, the bank's vice president, economist and senior investment officer. Dr. McCracken also served as an economic adviser in President Nixon's administration and currently he is on the University of Michigan business faculty.

The election of Edwin C. (Skip) Gage and Robert E. Canton to the board of the Marquette National Bank was announced recently by Carl R. Pohlad, president.



R. E. CANTON

E. C. GAGE

Mr. Gage is the executive vice president of Premium Corporation of America, Inc., part of Carlson Companies, Inc., and is responsible for seven other Carlson operating divisions or subsidiaries. A native of Evanston, Ill., he received his BA and MS degrees from Northwestern University. Mr. Canton is a Minneapolis native and attended the University of Minnesota. He is president of both Canton Redwood Yard, Inc., and Canton Redwood Sales Company. The Canton companies are distributors of redwood products.

Northwestern/Saint Paul recently announced the completion of a renovation project at its convenience facility in the Skyway, located on Wabasha between 5th and 6th Streets.

Besides the television tellers located there, the bank has added a personal banker during the week from 10 a.m. until 2 p.m.

The bank gave coupons for free coffee to users of the facility—redeemable at several area coffee shops. A drawing was held for merchandise certificates, digital watches and financial accounts.

St. Anthony Park Bank, St. Paul, is hosting two student interns.

Connie Lange, a University of Minnesota senior majoring in Japanese and international relations, is a participant in the Metro Executive Internship Program. She is researching the bank's contribution to the community to determine how it can participate more effectively in the St. Anthony Park and metropolitan areas.

John Ruud is in his final year of the Banking and Finance Program at Brainerd Vocational-Technical Institute. His internship involves on-the-job training in overall bank operations in-

cluding bookkeeping and loan collections.

John C. Ashton and Carl A. Kuhrmeyer have been elected to the board of directors of the Northwestern National Bank of St. Paul, according to G. Richard Slade, president.



J. C. ASHTON

C. A. KUHRMEYER

Mr. Ashton is vice president and secretary of Burlington Northern, Inc. He began his career in 1949 with the St. Louis-San Francisco Railway. In 1966 he became vice president and general counsel for Railway Express Agency, Inc., until his appointment as vice president of the Northern Pacific Railway in Washington, D. C. In 1970 he was appointed vice president of Burlington Northern Inc., until his appointment in 1972 as vice president—community relations in St. Paul. In 1974 he also was elected secretary of the corporation.

Mr. Kuhrmeyer began his career with 3M Company in 1951. In 1966 he was promoted to vice president, duplicating products division and in 1970 was appointed to his present position of vice president, graphics systems group. In 1975 he also was elected a director of the company.

Mr. Kuhrmeyer has been a member of the bank's trust committee since 1972 and will continue in that position.

Robert F. Lange, president of the Fifth Northwestern National Bank,

Minneapolis, has announced his retirement a fter 41½ years of banking service. Replacing Mr. Lange as president is John R. Cochran, currently a s s i s t a n t vice president in the human resources



J. R. COCHRAN

division of Northwest Bancorporation. Mr. Lange joined Northwestern Na-

Northwestern Banker, June 1976 Digitized for FRASER https://fraser.stlouisfed.org Federal Reserve Bank of St. Louis tional Bank of Minneapolis in June, 1936, and moved to Fifth Northwestern National Bank shortly thereafter. He was elected vice president in 1955 and has served as the president of the bank since August, 1965. He will continue as a member of the bank's board.

Mr. Cochran also began his banking career at Fifth Northwestern National Bank. He joined the bank as a trainee in June of 1967, was promoted to cashier in 1968 and was elected vice president in 1971.

The board of directors of the Northwestern National Bank of Saint Paul

announced the promotion of Thomas G. Haugen, Jr. to assistant vice president and the election of John W. Hall to personal banking officer, according to G. Richard Slade, president.



T. G. HAUGEN, JR.

Mr. Haugen will manage the staff support division of the operations department. He joined Northwestern in 1974 as the manager of personal loan operations, from Munsingwear, Inc., where he had been the cooperative advertising manager.

Mr. Hall, a native of Saint Paul, has been with Northwestern since 1974 and has been a personal banker since 1975.

Gunnar Kronholm, president of Drovers State Bank, South St. Paul,

h as announced the election of James R. McFarland as vice president to head the bank's commercial loan department.

J. R. McFARLAND

Before joining Drovers, Mr. Mc-Farland was a commercial loan

officer at First National Bank and Trust Co., Fargo, N.D. He began his banking career in 1960 at the First National Bank, Grafton, N.D. In 1967 he became manager of the instalment loan department at First Northwestern National Bank in Mandan, N.D.

TWIN CITY NEWS . . .

(Turn to page 68, please)

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You Will See Them at the Annual Minnesota Bankers Convention

T HE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the annual convention of the Minnesota Bankers Association in Bloomington June 13-16.

Chicago

The American National Bank and Trust Company: Ronald J. Grayheck, executive vice president; James A. Carlson, vice president; and Richard E. Akin, correspondent banking officer.

Continental Illinois National Bank & Trust Company: John R. Rucker and William M. Goodyear, second vice presidents; Slug: Minnesota News

and G. Jackson Tankersley, commercial banking assistant.

First National Bank: Thomas King, vice president; Clarence Cross, loan officer; and Dennis Duffy, correspondent bank officer.

Harris Trust & Savings Bank: Jay B. Walters, assistant vice president.

Northern Trust Company: John N. Fix, vice president; and R. Gary Gribben, second vice president.

Minneapolis

First National Bank: DeWalt H. Ankeny, president; Robert J. Anderson, vice president and senior commercial banking officer; Ken Wales, Bill Johnson, Ray Johnson, Dick Parnell and S. R. Omlie, vice presidents; Al Highum, Chuck Shewey and Herb Olson, assistant vice presidents; Barb Johnson and Janice Belbeck, bond representatives; Dorothy Young; Frank Brosseau and Bill Hamilton, correspondent bank officers; and June Swanson, administrative assistant.

Marquette National Bank: Gary Wollan, senior vice president; Avery Fick, vice president; and Bill Addington, Bill Rosacker and Dick Holmes, assistant vice presidents.

Midland National Bank: John P. Knutson, chairman; Harry C. Benson, president; Ernest C. Pierson, executive vice president; Stanley J. Peterson, vice president; and Richard A. Erickson, assistant vice presi-

National City Bank of Minneapolis: C. Bernard Jacobs, chairman; Edward C. Brown, Jr., president; Walter E. Meadley, Jr., senior vice president; and Jeffrey R. Arnold, assistant vice president.

Northwestern National Bank: Paul Lindholm, senior vice president; Harry Wahlquist and Howard Luick, vice presidents; Edge Jackson and Tom Hayden, assistant vice presidents; Jim Dempster and Bob Faegre.

New York

Chase Manhattan Bank: J. Wade Bell, second vice president.

Chemical Bank: Francis W. McMillan, vice president, and John C. Hover, II, assistant vice president.

Citibank, N. A.: John Early, vice president; Thoedore Payne and C. Norman Gustafson, account officers.

Manufacturers Hanover Trust Co.: David Tackett, vice president; and Earl Lundin, assistant vice president.

Northwestern Banker, June 1976

St. Paul

American National Bank and Trust Company: Bob Sipple, senior vice president; Art Haessig, Don Johnson and Art Nelson, vice presidents; Bob Knopke, assistant vice president; John MacLeod, correspondent bank officer; and Mike McNeil.

First National Bank: A. G. Sall, executive vice president; James F. Mullen, senior vice president; James T. Gowan, Donald W. Buckman, Laurence R. Kennedy, Richard C. Swanberg and Ronald O. Olson, vice presidents; Donald R. Lindeman, Henry N. Snyder, Robert J. Peroutka, Jerome J. Borovansky and Clayton L. Johnson, assistant vice presidents; Kenneth A. Heiser, Craig B. Jones and James A. Russell, correspondent bank officers; Kit B. Svee, investment officer; and Sandra Harley, bond consultant.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: John Ladner, consultant services manager.

Bankers Personnel, Inc., Minneapolis: Ray C. Anderson.

CMI Investment Corporation, Madison, Wisc.: Quent Japs, Dennis Nelson, Ralph Jose and Dennis Oliver.

Dawson Hail Insurance, Fargo, N.D.:

Lyle Askerooth and Tom Dawson.

Mosler, Hamilton, Ohio: Harvey Larson, Ray Barsness and Chuck Browning, Minnesota sales representatives; and Chuck Myers, Minnesota Teller-Matic specialist.

North Central Companies, St. Paul: Bill Stohr, senior vice president; Roger Pulkrabek, assistant vice president; and Bruce

NYTCO Services, Inc., St. Paul: Leo H. Hermes, Jr., vice president, regional sales; and Edward Ames, vice president, regional

USLIFE Credit Life Insurance Company, Schaumburg, Ill.: Robert L. Spehr, field vice president.

Watkins Banker Retires

Gerald Z. Lev has retired from his position as assistant cashier of the Farmers State Bank of Watkins.

Mr. Ley began his banking career in 1926. He was elected assistant cashier in 1937 and cashier in 1949. Mr. Ley was elected a director in 1938 and served until 1964 when the Ley family sold their bank stock. In 1964 he resigned as cashier and shortly after was reelected assistant cashier.

Stillwater Banker Retires

Paul A. (Bud) Noack recently retired from the Cosmopolitan State Bank of Stillwater.

Mr. Noack joined the staff as a teller

in 1957. He was promoted to assistant cashier, his most recent position, in

Named at Benson

Donald C. Minchow has been named a vice president of the Swift County Bank of Benson, according to Paul W. Gandrud, president. Mr. Minchow spent four years in the U.S. Air Force before beginning his banking career with First State Bank of Benson in 1954. He is a graduate of the University of Wisconsin School of Bank-

Worthington Bank Elects Chairman, President

First National Bank in Worthington has elected Harry N. Dirks chairman



F. M. SCHREDER

of the board and Francis M. Schreder president and chief executive officer. Mr. Schreder most recently was president and managing officer of The First Bank of Rolla, N.D.

Mr. Dirks began his career

with First Bank System in 1934. He has been with the Worthington bank since 1957 when he was elected vice president and commercial and real estate lending officer. He was elected president and managing officer in 1964.

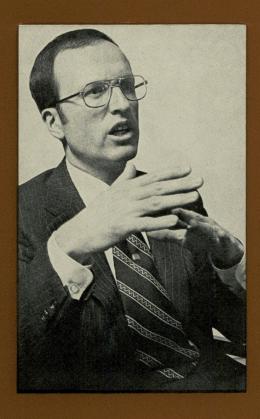
Mr. Schreder had been with the Rolla bank since 1957 when he joined it as loan officer and manager of the timepay department. He was elected assistant cashier in 1958, assistant vice president in 1963, vice president in 1966 and president and managing officer in 1968.

Joins Lakefield Bank

J. A. Dunagan has joined the First National Bank of Lakefield as executive vice president, according to H. G. Thornburg, bank president.

Mr. Dunagan formerly was senior officer and manager of the personal banking department of the First National Bank in Grand Forks, N. D., and has a background of over 18 years in banking. He began his banking career in 1957 at Olmsted County Bank & Trust Co. in Rochester and was assistant manager of the instalment loan department when he moved to Grand Forks in 1964.

INSIGHT



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Laurence Kennedy
 Vice President

Correspondent Bank Division

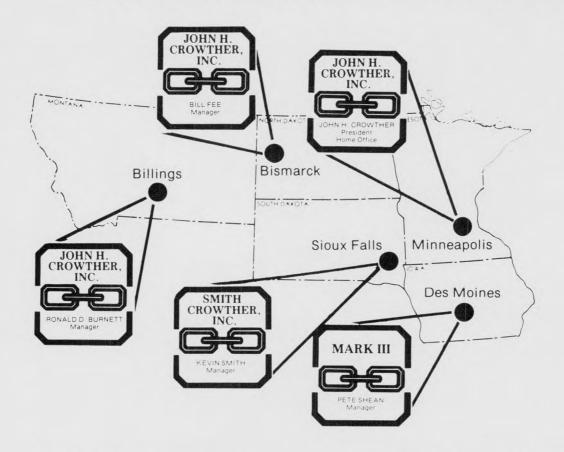


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Northwestern Banker, June 1976

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OFFICERS of the North Dakota Bankers Association for 1976-77 are, from left: **Gerry C. Anderson**, pres., Bank of Tioga, immed. past pres.; **Carlyle P. Austinson**, exec. v.p., Northwood State, pres.; **Henry N. Ness**, sr. v.p. & ag rep., Fargo Natl. B&T, Fargo, 1st v.p.; **Wayne A. Stroup**, pres., Garrison State, 2nd v.p.; **Robert Westbee**, pres., 1st Natl. B&T, Bismarck, treas., and **William Daner**, secy., Bismarck.

Carlyle Austinson Is NDBA President

By **BEN HALLER**, **JR**. Editor

C ARLYLE P. Austinson was elected president of the North Dakota Bankers Association at the 91st annual convention in Bismarck last week. He succeeds Gerry C. Anderson, president of The Bank of Tioga.

Other officers for the coming year are: 1st Vice President—Henry N. Ness, senior vice president and agricultural representative, Fargo National Bank and Trust Company, Fargo; 2nd Vice President—Wayne A. Stroup, president, Garrison State Bank, Garrison, and Treasurer—Robert E. Westbee, president, First National Bank and Trust Company, Bismarck. William J. Daner continues as secretary and general counsel.

Elected to a two-year term on the ABA Governing Council, effective after the 1976 ABA convention this fall, is Al K. Simpson, president, Merchants National Bank & Trust Co., Fargo.

In his president's address, Mr. Anderson noted that Mr. Daner is chairman-elect of the state association section of the ABA and will move up to the chairmanship at that

convention later this year. Mr. Anderson also made several recommendations:

1. Adoption of a proposed dues schedule which would meet the inroads of inflation, raise the NDBA reserves to a proper level, and make possible the employment of a full-time assistant secretary.

2. Establishment of a film library for the NDBA and expand the present library with more equipment and space.

3. Greater activity by the NDBA insurance committee in areas of insurance most important to bankers at this time, such as D&O insurance.

4. More frequent meetings of the legislative committee, even in non-legislative years, to consider federal and state legislation.

5. Schedule half-day workshops in each group, but **not** to replace group meetings.

6. Give support to the North Dakota School of Banking, Midwest School of Banking and Graduate School of Banking at the University of Wisconsin.

7. Initiate a statewide advertising program, since members have indicated they will support it. The dues structure as proposed, would include funds for the ad program and for Bankers Areawide Advertising Program (BAAP).

Robert H. Long of the Bank Administration Institute staff in Park Ridge, Ill., warned that EFTS is developing outside the banking system by various industries, with NOW accounts coming on top of this. Most notable of the outside developers of EFTS are national retailers such as Sears, Roebuck, which already do a great amount of financing for customers. With the deposit system of banks already being eroded, he said, banks are no longer the financial system. He said the National Retail Merchants Association is going to license POS suppliers and to get this NRMA license, manufacturers would have to supply the whole range of services for handling general ledger, inventory, analyses, etc.

Mr. Long said one lesson of EFT development is that it's not important to be first, for whoever is first must bear the brunt of educating the public and that makes it easier for those who follow.

A look at legislation, including the controversial financial reform bills before Congress, was given by two men. John W. Holton of the ABA's federal legislative staff, reviewed bills aimed specifically at the financial field, while North Dakota's U. S. Senator Quentin N. Burdick discussed the broader Washington scene.

Mr. Holton pointed out that the new holder in due course doctrine makes banks responsible for products sold by a store but financed through the bank, thus making banks guarantors of the product, unless the borrower is told ahead of time he uses the funds for such a purpose subject to specifications in the contract. Mr. Holton pointed out that banks don't always know what the borrower will be using the funds for, thus subjecting the bank to unknown hazards.

Dr. Lee S. Dreyfus, president of the University of Wisconsin at Stevens Point, was the luncheon speaker. In discussing the young people of today, the need for giving them worthwhile goals to pursue with the education given them, he

Northwestern Banker, June 1976





LEFT—Herb Thorndal, pres., Bank of North Dakota, Bismarck; Helen Berg and Nancy Thorndal, and Carl A. Berg, chmn., 1st State, Cavalier. RIGHT—William E. Summers, pres., Stutsman County State, Jamestown; Roger Berglund, 1st v.p., Bank of Rhame; John Swanberg, v.p., Moore, Juran & Co., Minneapolis, and Mary and Gary Nordquist, Moore, Juran & Co., Minneapolis.



LEFT—**John W. Holton**, ABA, Washington, D.C.; **Ken Wales**, v.p., 1st Natl., Minneapolis, and **Gordon Weber**, pres., Farmers State, Lisbon. CENTER—**Ken Conrad**, Marquette Computer Services, Minneapolis, visits with **Norm Gustafson**, acct. off., Citibank, New York. RIGHT—**Art Mahowald**, v.p., Garrison State, visits at Brandt display with **Pete Castner** (rear), Detroit Lakes, Minn., and **Ron Doll**, dist. mgr., Wayzata, Minn.



LEFT—Betty and **Al Haas**, exec. v.p., State Bank of Burleigh County Trust Co., Bismarck, with the **Rev. Marvin Klemmer**, Christ the King Catholic Church, Mandan. Mr. Haas was convention general chairman. Fr. Klemmer gave the invocation at the banquet. CENTER—Howard Luick, v.p., Northwestern Natl., Minneapolis; **Ed Olson**, exec. v.p., 1st Natl., Grand Forks, and **John F. Cook**, pres., Valley B&T, Grand Forks. RIGHT—**Dick Grenz**, pres., Strasburg State; **Emil Kautzmann**, pres. of proposed Center State Bank, Center, and **Bob Gaukler**, dir., Strasburg State.



LEFT—Don Buckman, v.p., 1st Natl., St. Paul; John Fay, v.p., Bank of North Dakota, Bismarck; Bob Hendrickson, chmn., 1st Natl. B&T, Bismarck, and Jim Gowan, v.p., 1st Natl., St. Paul. RIGHT—Jack Campion, inv. dept., Marquette Natl., Minneapolis; Bert Gerhart, pres., Mandan Security Bank; Wm. C. Rosacker, a.v.p., Marquette Natl., Minneapolis, and Wilbur McGinnis, pres., First State, Wilton.



LEFT—**Francis Forster**, pres., Farmers State, Richardton, and his wife, **Lavina; Monnie** and **Art Haessig**, v.p., American Natl., St. Paul, and **Joanna** and **Don Johnson**, v.p., American Natl., St. Paul. RIGHT—**Tom A. Dawley**, cash., 1st State, Munich; **Helen** and **Gary Hanisch**, v.p., Farmers State, Crosby, and **Stan Peterson**, v.p., Midland Natl.



LEFT—Dr. Lee S. Dreyfus, pres., University of Wisconsin, Stevens Point, who was the luncheon speaker, with James H. Kelly, pres., Bank of Kirkwood Plaza, and emcee of the luncheon. CENTER—Glenn Pfeifer (left), pres. & cash., First State, Buffalo, won the Northwestern Banker bowling trophy with a score of 779, and received his trophy from **Bernard Meier**, chmn. of the bowling tourney and loan off., Mandan Security Bank. Winner of the Northwestern Banker trophy for ladies, with a 790 score, was **Jo Strehlow**. RIGHT—**Donald Bodenstedt**, reg. sales mgr., Farmers Grain & Livestock Hedging Corp., Des Moines, and **Doran L. Rhodes**, FGLH state mgr. for North and South Dakota.

said, "Let us raise a nation of eagles, not dragons, for it is only the eagles who soar to great heights."

Robert D. McIntosh, vice president-economist with Piper, Jaffray & Hopwood, Inc., Minneapolis, discussed "Bankers and the Market." He said the economy is recovering under a full head of steam "and it will carry into 1977. In fact, I like the looks of it into 1978." Mr. McIntosh also pointed out that economists today always must qualify any forecast with an inability to forecast government policy.

Mr. McIntosh sees no restraints occurring prior to election, but expects a tightening up further down the road, pulling growth back from its current 7% growth pace to a more sustainable 4% growth rate. Corporate liquidity is high, he said, and he expects corporate profits and retained earnings to continue high. Capital spending may possibly increase with increased equity building up in corporations. He expects non-residential construction to move up 10%, starting in early summer.

In assessing the presidential race, Mr. McIntosh said if President Ford wins he will probably opt for monetary restraints and leave this to the Fed. If a regular Democrat should win, we will see an incomes policy. If Carter gets in, "who knows," he said. If Reagan wins, and tries to balance the budget immediately, we would see the worst deflation in years.

"If Congress gets control of the Fed and monetary policy, along with dictating fiscal policy in legislation, it would be tragic," he warned.

Registrants attending the convention were guests at the traditional president's reception and smorgasbord dinner the opening night, followed by dancing to the excellent "Bon Bon Brass" orchestra. Following the annual banquet the second evening, registrants adjourned to the Bismarck Civic Center for an outstanding presentation of "Festival '76," a musical story of America's first 200 years, staged entirely by people from the community and surrounding area of Williston.

During the intermission, the Governor of North Dakota presented plaques to the three men who had served 40 years and two who had served 50 years with North Dakota banks.—End

Elects 1976-77 Officers

Alma Hale has been elected president of the North Dakota Group of the National Association of Bank Women. She is cashier of the Citizens State Bank of Rugby.

Other officers elected include: vice president, June Fite, investment loan officer, First National Bank & Trust Co., Bismarck and secretary-treasurer, Gloria Hultberg, administrative loan officer, Union National Bank, Minot.

First Bank of Rolla Elects Loken President

Earl L. Loken has been elected president and managing officer of The First

Bank of Rolla. He formerly was vice president and cashier at The First State Bank of Cando.

Mr. Loken joined the Cando bank in 1965 as agricultural representative. He was elected assistant



E. L. LOKEN

cashier in 1967, vice president in 1970 and vice president and cashier in 1972.

First National, Milnor, Elects New Officers

Harold L. Johnson has been elected president of the First National Bank of Milnor. He has been with the bank for 24 years and has served as cashier for the past 15 years.

George D. Marquette, a 15-year employee, has been named cashier.

Kenneth W. Mund has been named chairman. He has served as a director of the bank for 15 years and is engaged in farming and construction work. He succeeds his father, the late F. A. Mund, who served as a bank officer for 46 years until his death in November of 1975.

Change of Control For Bismarck Bank

R. R. Uttke, chairman of the State Bank of Burleigh County Trust Co., Bismarck, and Kenneth Reno, bank president, have acquired the majority interest in the bank.

The controlling block of stock was purchased from Theo W. and Marie Sette and Bessie Windfang, all of Bismarck, Ramon Wildfang, Steele, and other members of the Sette and Wildfang families.

Mr. Uttke has been chairman and

Red River Banker Receives Plaque



WILLIAM L. Connelly, pres., Red River Natl. Bank & Trust Co., Grand Forks, was presented with an appreciation plaque by Clair Rowe, dean, University of N. D. College of Business & Public Administration, for donating the first films to the newly formed management film library at the University. The purpose of the library is to acquire business method films to be available to the school and business community in a joint effort to enhance the introduction and development of various management processes.

chief executive officer of the bank since January, 1974, and presently lives in Baker, Mont., where he has been involved in banking, real estate and insurance. He will move to Bismarck later this year.

Mr. Reno recently moved to Bismarck from Powell, Wyo., where he had been a director of the American National Bank and vice president of the Northwest Real Estate and Insurance Co. He was named to the Bismarck bank's board to fill a vacancy created by the resignation of Jim Sette. Ramon and Mrs. Besse Wildfang will retain their positions on the board.

Alvin Haas, who has been with the bank for five years, was named executive vice president and a director.

Elected at Bismarck

First National Bank and Trust Company of Bismarck has announced the

election of Stewart B. Thomson to agricultural loan officer.

He began his banking career as agricultural loan officer at the First West Side National Bank in Great Falls, Mont., in 1974.



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NEW OFFICERS—ABA Pres.-Elect W. Liddon McPeters congratulates Charles L. Seaman, new SDBA pres. Shown between them is Ted Schanzenbach, retiring SDBA pres. To Mr. Seaman's right are 1st V.P. Charles T. Undlin and 2nd V.P. Ray Plowman.

Charles L. Seaman Elected President of South Dakota Bankers

By MALCOLM FREELAND
Publisher

CHARLES L. Seaman, president, First State Bank, Warner, was elected president of the South Dakota Bankers Association at the 84th annual convention held in Rapid City last month. He succeeds Ted Schanzenbach, president, First National Bank, Selby.

A former director of banking and finance for South Dakota, Mr. Seaman believes that bankers should speak out on the positive aspects of the free enterprise system, and a portion of his presidential term will be directed to this goal. Assisting Mr. Seaman will be First Vice President Charles T. Undlin, president, First National Bank of the Black Hills, Rapid City; Second Vice President Ray Plowman, president, First State Bank, Armour, and Executive Manager J. Milton Schwartz, Huron.

With 575 men and women registering for the convention, President Schanzenbach reviewed the highlights of his term in office. During the past year, he made 28 trips covering 26,000 miles. He emphasized the fact that commercial bankers must maintain a united effort on the legislative front. He suggested that this united effort helped kill the financial reform legislation sponsored by Rep. Henry Reuss, chairman of the House Banking, Currency and Housing Committee.

ABA President-Elect

W. Liddon McPeters, president-elect of the ABA and president, The Security Bank, Corinth, Miss., warned delegates the idea of financial reform will continue. In

Mr. McPeters' opinion, Congress seldom loses interest on any bill. It is merely repackaged for presentation in the next session. He listed the "forces of change," including consumerism, inflation, technology, and the passage of time, which has brought us better communications and a more mobile population.

Future interest rates were discussed by George W. McKinney, Jr., senior vice president, Irving Trust Company, New York. He sees the prime rate by year-end as being over 8%, short-term rates to move up 1/4 and long-term rates ending up at about the level recorded at the start of 1976.

Looking ahead at possible action in the 1977 session of the legislature, Executive Manager Schwartz expressed concern over the Homestead Commission Act, killed in the 1976 session. It would permit issuance of bonds to buy agricultural land for lease back to worthy farmers. Known as the Saskatchewan Plan, SDBA continues to oppose it. Other concerns, according to Mr. Schwartz, are bills that would allow local governments to send idle funds to the state investment council and the Financial Institution Franchise Tax. SDBA opposes both bills.

Once again, the Northwestern Banker presented the bowling trophies. 1976 champions were Jim Jares, Farmers State Bank, Winner, and Adeline Kalmbach, First National Bank of the Black Hills, Rapid City.

The 85th annual convention in May, 1977, will be held at the Downtown Holiday Inn, Sioux Falls.



BEVERLY Zigler, small loan supervisor for Dept. of Banking and Finance, received special recognition for 25 years service. Shown from left: Chuck Undlin, pres., First Nat'l. Bk. of the Black Hills; Chuck Seaman, pres., First St. Bk., Warner, Miss Zigler and Ray Plowman, pres., First St. Bk., Warner.



AWARD to South Dakota was received from Mrs. Francine Neff, treas. of U. S. and nat'l. dir., U. S. Savings Bonds, by Ted Schanzenbach, SDBA pres.



AWARD to North Dakota was received from Mrs. Neff by G. C. Anderson, NDBA pres., during the South Dakota Convention.



SAVINGS BOND AWARD made by Wm. H. Zick, state dir., and Mrs. Francine Neff, treas. of U. S. and nat'l. dir., U. S. Savings Bonds, to Curt Lovre, chmn., N. W. Nat'l. Bk., Sioux Falls.



NEW PRESIDENT Charles L. Seaman reminds delegates that unless they speak out on the positive aspects of the free enterprise system we will lose by default.



SPEAKERS TABLE—Gov. Richard F. Kniep; Dr. Lawrence E. Kreider, exec. v.p., Conf. of St. Bk. Suprv., Washington, and Dr. Lee Sherman Dreyfus, chancellor, Univ. of Wisc., Stevens Point.



MISS SOUTH DAKOTA—Gina Campbell from Canton appealed to bankers to support the Miss America Beauty Pageant. Showing a 10-minute film on the Pageant, Miss Campbell told of the benefits received by winners on the local level.

Photos Taken at South Dakota Convention



ABA OFFICIALS—Robert Walrath, pres., First Nat'l., Watertown, member, ABA governing council; ABA Pres.-Elect W. Liddon McPeters, and John O'Donnell, pres., First Nat'l., Lemmon, and ABA v.p. for South Dakota. RIGHT—New assoc. presidents: North Dakota—C. P. Austinson, pres., Northwood St. Bk.; South Dakota—Charles Seaman, pres., First St. Bk., Warner (standing), and Minnesota—C. Paul Lindholm, sr. v.p., Northwestern Nat'l. Bk., Minneapolis. Mr. Lindholm is scheduled to be elected June 14.



LEFT—Walt Wintrode, dir., banking and finance, Pierre; **Orville Bonnacker**, v.p. & cash., First Nat'l., Sioux Falls; **Curtis Mateer**, Pierre Nat'l. Bk., and **Leland Steele**, pres., Farmers & Merchants Bk., Huron. Messrs. Bonnacker, Mateer, and Steele are past presidents. RIGHT—**George W. McKinney**, **Jr.**, sr. v.p., Irving Tr., New York and **Curt Lovre**, chmn., N.W. Nat'l., Sioux Falls, greet Congressman **Jim Abnor** as he arrives with **Herman Lerdahl**, pres., Mitchell Nat'l. Bk.



LEFT—Bill Harrington, cash., Dakota St. Bk., Colman, and Tom Long, v.p., First Nat'l. Bk., Sioux Falls. RIGHT—Mike Swanton, mktg. off., First Nat'l., Aberdeen, shows Pres. Chuck Seaman, historical records from the Aberdeen bank, dating back to 1883.

Northwestern Banker, June 1976

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State NABW Group Elects Officers

Peggy Wood recently was elected chairman of the South Dakota Group of the National Association of Bank Women (NABW) at its annual meeting in Rapid City. Ms. Wood is assistant cashier of the Bank of Centerville.

Other officers elected are: vice chairman—Avanelle Erickson, vice president and director, Dewey County Bank, Timber Lake, and secretary-treasurer—Doris Henneous, operations officer, National Bank of South Dakota, Sioux Falls.

Neltha Norby, assistant cashier, National Bank of South Dakota, formerly was chairman.

Groundbreaking at Dell Rapids

Groundbreaking ceremonies for a new Northwestern National Bank building in Dell Rapids were held recently with all bank officers and employees participating. The bank will be located on Main Street.

The new building will be 72 by 80 foot with over 5,700 square feet on the main banking floor. A two-lane drive-up window will be located on the west side of the bank. The exterior will be of dark brick and the roof will feature a clerestory over the entire lobby area.

National Bank of S.D. Announces Promotions

The National Bank of South Dakota, Sioux Falls, has advanced one officer

and elected two new officers. Elden W. Rance was advanced to executive vice president, Sioux Falls. New officers elected are Dwight Bordewyk, agricultural loan officer, Corand Tom sica.



E. W. RANCE

Norman, loan officer, Sturgis.

Mr. Rance joined the bank at its Huron branch in 1960. He transferred to Madison in 1970 as vice president and manager. In 1974 he was named senior vice president and manager of the main office.

Volga Banker Retires

Edward Lee has retired from the board of the First National Bank of Volga. He began his work with the bank in 1919 and was elected assistant

cashier in 1923. In 1938 he became a director and in 1946 was elected cashier. He held that position until the death of his brother, Charles, in 1953, when he moved to president. In January, 1969, he retired as president but remained as chairman of the board.

The bank elected Donald Gruseth, cashier, to serve as chairman; according to Howard B. Lee, president.

5 Named to Advisory Board at Redfield

Five Redfield residents have been elected to the advisory board of the Spink County branch of Aberdeen National Bank, according to William F. Pich, vice president and manager.

They are: Galen G. Gillette, partner in the law firm of Gillette and Mc-Lure; Kenneth Goodwin, farmer from Ashton; R. D. Haynes, vice president, Spink County Branch; LeRoy Stacey, owner-operator of Stacey Drug, and Richard Thelen, president of Thelen's Inc.

Officer Promotions at Sioux Falls Bank

Several officer promotions at the Northwestern National Bank of Sioux Falls have been announced by C. A. Lovre, chairman and chief executive officer. They are: Leroy W. Kaarup from loan officer to assistant manager, personal banking, main office; L. Donald Andrews, to assistant trust officer, main office; Clifford A. Payson, personal loan officer, Colonial branch and Evelyn Meyers, operations officer, Gregory.

Mr. Kaarup joined the bank's instal-

ment loan department in 1967, was elected personal loan officer in 1968 and loan officer in 1975. Mr. Andrews



L. W. KAARUP

D. ANDREWS

joined the bank's trust department in May, 1975, following graduation from the University of South Dakota School of Law.

Joins 1st Mid America

First Mid America, a Lincoln-based investment securities firm, has an-



M. GRACE

nounced that Michael Grace has joined its Sioux City, Ia., office as institutional a ccount executive. Mr. Grace will be responsible for serving accounts throughout South Dakota.

Previously Mr. Grace served as a national bank examiner for the Comptroller of the Currency. He is a graduate of the University of Nebraska-Lincoln and George Washington University, Washington, D. C., where he earned his MBA.

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TWIN CITY NEWS . . .

(Continued from page 55)

A remodeling project that took six months to complete has given the First State Bank of North St. Paul about 4,700 additional square feet.

A split-level entry and downstairs remodeling were the major portions of the project. In addition, a 620 square foot vault was put in for safe deposit boxes. Total cost was \$200,000.

The lower level now services the safe deposit and instalment loan departments.

First Bank System, Inc., has elected P. James Sicora, vice president, offpremise banking, and Robert M. Ferris, Jr., marketing officer for off-premise banking. The newly established department reports to John E. Raymond. senior vice president-special adminis-

Mr. Sicora previously was vice president of the operations planning and research division of the First National Bank of Minneapolis. Prior to joining First Minneapolis in 1966 he was with First Computer Corporation. Mr. Ferris joined First Bank System in 1973 as a marketing research analyst at First Computer Corporation. He had previously been professor of business administration at Winona State College and most recently was marketing officer of the First National Bank of Minneapolis.

Michael J. Murray has been elected senior vice president of Mid America







K. R. RICHAR

State Bank of Highland Park, St. Paul, John D. Turner, president, announced.

He replaces Lawrence L. Haubrich, who has been elected vice president of Mid America National Bank of Roseville. Both banks are affiliates of Mid America Bancorporation, Twin Cities based bank holding company.

Mr. Murray had been president of the former Mid America State Bank of Mendota

Heights from the time of its inception in 1972 until it was sold in June of 1975 to a private group of investors. Since that time, he has served as loan examination officer for Mid America Bancorporation. Earlier, he had served for 18 years with the predecessor of Mid America State Bank of Highland Park and two years with Mid America National Bank of Roseville.

A St. Paul banker, John T. Phillips, has joined First National Bank of Min-



neapolis as a vice president in the personal trusts division. He has been with the American National Bank of St. Paul since 1970, where he was head of the trust department.

From 1952 to 1970 Mr. Phillips was with the First Trust Company in St. Paul. He received a BA degree from Yale University and BSL and LLB degrees from the St. Paul College of Law.

IT'S CONVENTION TIME!

We look forward to seeing all of our friends.





Stan Peterson MINNESOTA - JUNE 14-16

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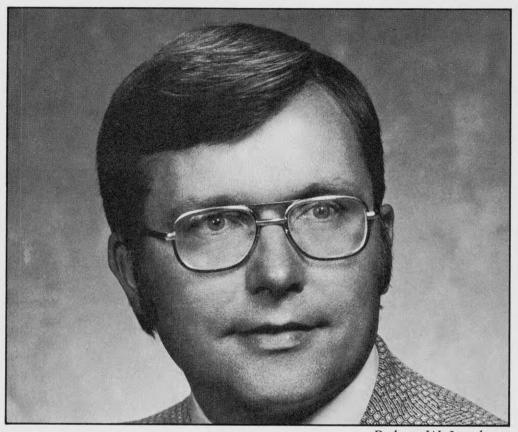
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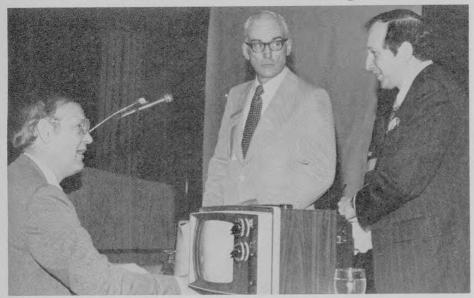
rural banks from within the ninth Federal Reserve District. We feel that these correspondents want to do business with a bank that understands them and one that can help them with their needs and problems. Why do we have an Ag specialist? We do it for our customers.

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14th Annual MBA Lending Conference Draws 1,000



CHANGES in lending laws drew 1,000 bankers to the 14th annual MBA Lending Conference. Shown here are MBA Pres.-Elect Paul Lindholm, sr. v.p., N.W. Nat'l. Bk., Minneapolis; Jim Gowan, v.p., First Nat'l. Bk., St. Paul, chmn., and Nicholas DeLeonardis, v.p., First Nat'l. Bk., Chicago, speaker.



Wayne Berthiaume, MBA, welcome U.S. Congressman Bob Bergland as guest speaker. RIGHT — Bill Addington, a.v.p., Marquette Nat'l. Bk., Minneapolis, and Bill Sutherland, sr. v.p., Security St. Bk., Cannon Falls.



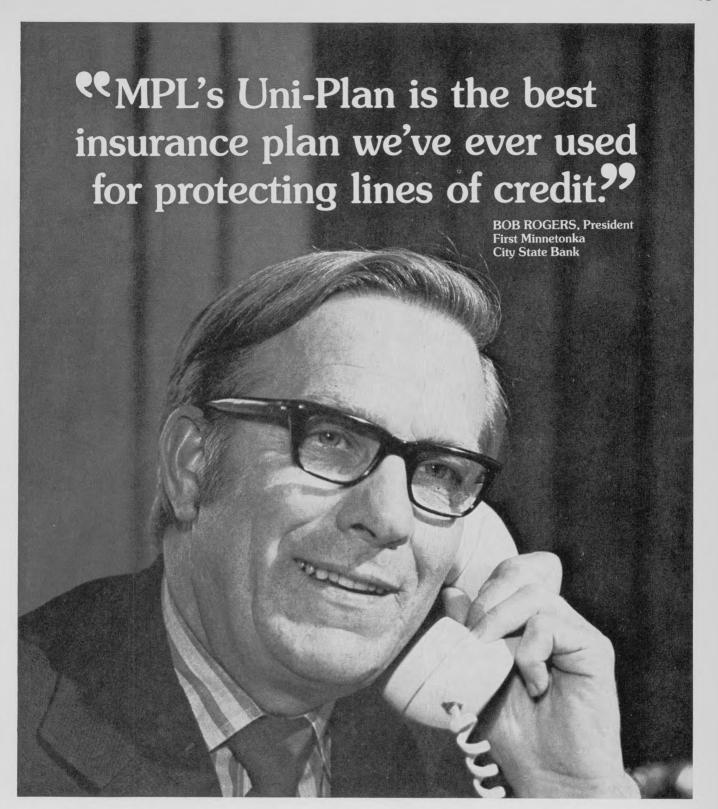


LAST MINUTE conference between Wayne Berthiaume of MBA and Ernest C. Pierson, chmn., MBA lending committee, and v.p., Midland Nat'l. Bk., Minneapolis. RIGHT — MBA counsel John Jackson and Paul Birkeland, attorney, discuss 1976 lending legislative issues.



Northwestern Banker, June 1976

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Northwestern Banker, June 1976



H. H. WATT President



K. C. NARAMORE 1st V.P.



O. G. GEESEY



M. C. MUNDELL Secretary

Wyoming Bankers Association 68th Annual Convention

Jackson Lake Lodge June 11-13

W YOMING bankers will gather at Jackson Lake Lodge in Moran June 9-11 for the annual Wyoming Bankers Association (WBA) Convention, according to Harmon H. Watt, WBA president and president, First National Bank, Riverton.

The outstanding program will include an address by Carter H. Golembe of Carter H. Golembe Associates, Inc., Washington, D.C., who will discuss current national matters of special importance to all bankers. C. C. Hope, Jr., executive vice president of the First Union National Bank of North Carolina, Charlotte, follows President Watt's remarks on Thursday morning. He is a member of the administrative committee of the American Bankers Association (ABA) government relations council and will provide the group with the latest developments on Federal legislative activity. Other speakers include former governor Stanley A. Hathaway, Bruce McMillan, chairman of the subcommittee of the Legislative Interim committee, and Daniel Sullivan, executive director of the Wyoming Community Development Authority.

The mens' golf tournament and the fishing derby will again be held on Wednesday. The ladies' golf tournament is on Thursday followed by lunch at the club.

The Arbors will entertain Thursday evening. Dancing on Wednesday and Thursday evenings will be to the music of Milt Clark and his colleagues from Casper.

Serving with Mr. Watt this year as officers of the WBA are: Kenneth C. Naramore, president, Stockmen's Bank, Gillette, WBA first vice president, and Orin Geesey, president, First National Bank of Kemmerer, WBA second vice president. M. Clare Mundell of Laramie is executive director.

Wednesday, June 9

A.M.
 9-3 Men's annual golf tournament. Co-chairmen:

 Lloyd Fordyce, First National Bank, Casper,
 and John Edmiston, Security National Bank,
 Denver, Colo.

8-4 Annual fishing derby. Co-chairmen: Howard Baker, State Bank of Green River, and Roger Weidner, Stockgrowers Bank of Evanston.

P.M.

5:45 Social hour on the terrace.

7:15 Indoor picnic in the Explorer's Room. Dancing follows with Milt Clark's group from Casper.

Thursday, June 10

A.M.

9:30 Ladies' golf tournament.

9:30 General session in the Explorer's Room.

Call to order. Presiding: Harmon H. Watt, WBA president and president, First National Bank of Riverton.

Pledge of allegiance.

Invocation: Reverend Peter Snow, Saint John's Episcopal Church, Jackson.

Address: Carter H. Golembe, Carter Golembe Associates, Washington, D.C.

President's Report: Harmon H. Watt.

Address: C. C. Hope, Jr., executive vice president, First Union National Bank of North Carolina, Charlotte.

Report of the nominating committee: Robert W. Miracle, chairman, nominating committee and president, Wyoming National Bank, Casper.

Election and introduction of state association officers.

12 Announcements and adjournment for luncheon.

Mens and ladies luncheon.

P.M.

1:30 Free time to enjoy the Jackson Hole Country. Try golf, fishing or tennis.

5:45 Social hour on the terrace.

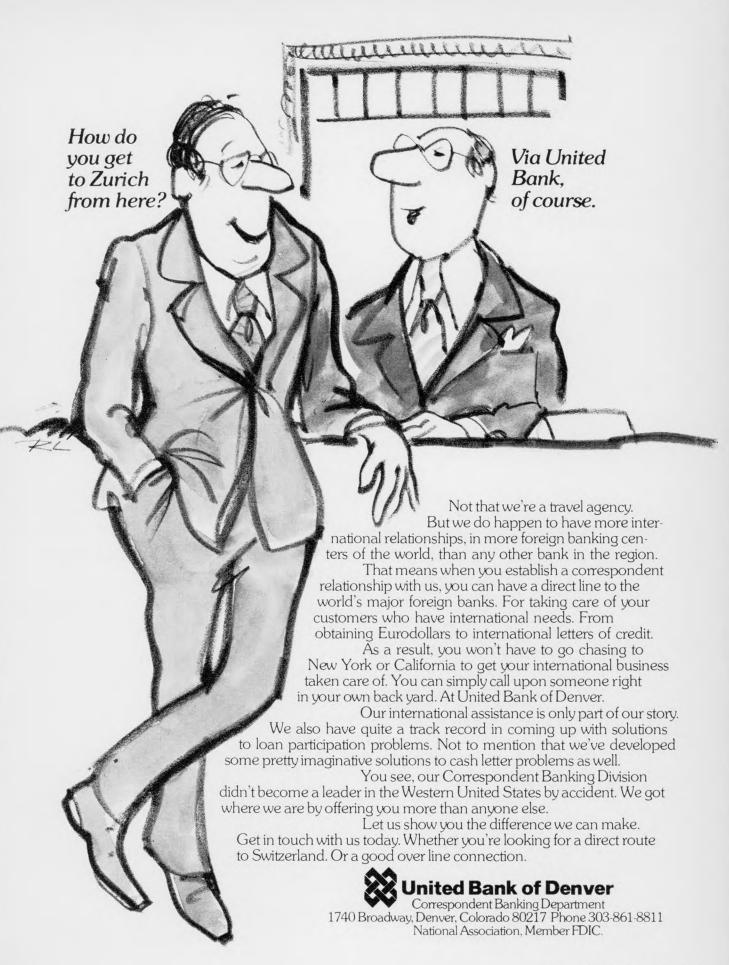
7:15 Banquet in the Explorer's Room. Golf and fishing prizes will be awarded during the banquet with entertainment and dancing following.

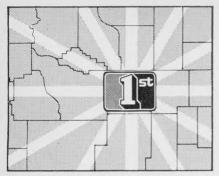
Friday, June 11

A.M.

PEEPS (Past Presidents) Breakfast in Conference Room 2 or 3.

9:30 General Session in the Explorer's Room. Call to order. Presiding: Kenneth C. Naramore,





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Wyoming Convention Program...

WBA first vice president, and president, Stock-men's Bank, Gillette.

Address: Stanley Hathaway, former governor of Wyoming and Secretary of the Interior, Cheyenne.

Address: Bruce McMillan, lawyer and legislator, Riverton.

Address: Daniel Sullivan, executive director, Wyoming Community Development Authority, Casper.

Business Meeting—Committee Reports.

State Council for Economic Education: N. P. Van Maren, Jr., president, Hilltop National Bank of Casper.

Report of the government relations council of the American Bankers Association: John W. Hay, Jr., president, Rock Springs National Bank and member of the government relations council.

Report of the governing council of the American Bankers Association: R. S. Allen, president, Shoshone-First National Bank, Cody, and member of the governing council of ABA.

Washington, D.C., Legislative Visit: E. J. Haines, president, First National Bank, Laramie.

Adjournment.

12 Luncheon for new executive committee and committee chairmen hosted by the new WBA president

Welcome to the Wyoming Bankers Convention at Jackson Lake Lodge, from

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You Will See Them at the Annual Wyoming Bankers Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the 1976 Wyoming Bankers Association Convention in Moran June 9-11.

Chicago

First National Bank: Stan Lathem.

Denver

Central Bank & Trust Co.: Don Echtermeyer, vice president; and Bill Tumelty, assistant vice president.

Colorado National Bank: William J. Fleming and Charles W. Kirk, vice presidents.

First National Bank: Ronald A. Loose, senior vice president; and Charles H. Krebs, assistant vice president.

Security National Bank: John A. Edmiston, vice president; and Steve Sheridan, assistant vice president.

United Bank of Denver, N.A.: Bob Dressel, vice president; and Don Sall, correspondent bank officer.

Lincoln

First National Lincoln: Charles R. Leffler, vice president and manager, correspondent department; and Gary L. Bieck, correspondent loan officer, correspondent department.

New York

Chase Manhattan Bank: Ronald A. Sher-

wood, vice president

Chemical Bank: Malvern Hill, Jr., vice president.

Citibank, N.A.: Robert R. Gainer, account officer.

Manufacturers Hanover Trust Co.: Albert Brown, assistant secretary.

Omaha

First National Bank: Don Ostrand, vice president.

The Omaha National Bank: Jack Babcock and Robert Suddick, vice presidents.

United States National Bank: Don Murphy, president; Jay Bordewick, vice president and manager of the correspondent banking division; and Howard Nielsen, vice president, correspondent banking officer.

San Francisco

Bank of America: B. D. Harwell, vice president.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: Douglas Carr, consultant services manager.

CMI Investment Corporation, Madison, Wisc.: Ken May and Dennis Oliver.

Kirchner, Moore & Company, Denver: Robert L. Anderson and J. Michael Fleming.

United States Check Book Company, Omaha: Richard Dick, vice president; and Loren Anderson, representative. Sheridan Bank To Expand

A \$1.1 million expansion project of the First National Bank, Sheridan, has been announced by Robert G. Miller, president.

The bank will construct a new building north of its present structure and will include another building now occupied. Bank Building Equipment Corporation is the builder of the two-story structure. An elevator will be installed.

Expanded first floor area will include space for instalment loans, a book vault, commercial loans, two conference rooms, president's office and loan processing area. The present building will be for the operating and trust functions. Second floor will have a computer center area, boardroom, chairman's room and staff room. Rental space will be included on both floors.

Cheyenne National Bank Names New Director

Carlin Smith, chairman of the Cheyenne National Bank, has announced the appointment of G. John Veta as a bank director. Mr. Veta is president of Western Ranchman Outfitters in Cheyenne.



See you at the Wyoming Bankers Convention



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Wyoming National, Casper, Receives Certificate

An outstanding service award from the School District No. 1 Career Education Department was presented to Wyoming National Bank of Casper recently. For the past three years the bank has been offering an economic education program to all schools in Districts I and II. More than 150 school presentations have been made

by Margaret Deveraux and Judi Van Rensselaer of Wyoming National.

Visual aids, speakers and materials (including sample checks, statements, credit applications) are offered to the classes free by the bank. Mrs. Deveraux also has written a booklet, "How To Write a Check," which is given to all students and is available free at the bank. Some teachers use the material to supplement their classroom unit,

others build an entire unit around the talk and quiz material provided. A few classes have set up an actual school store, using the bank's resources to teach fundamental bookkeeping and profit and loss. Many of the classes culminate their unit with a tour of the bank.

BMA Announces Four New Headquarters Appointments

New responsibilities for four senior staff members of the Bank Marketing Association (BMA) have been announced by Raymond M. Cheseldine, executive vice president.

Anna J. Pachl was appointed comptroller of the association. She also was elected secretary of the BMA by the board in May.

Michael P. Sullivan, formerly director, communications department, was appointed vice president, and director, marketing services division.

Robert F. Schlax, vice president, was named director, membership service division.

Caren L. Leibold, associate director, operations department, was appointed director.

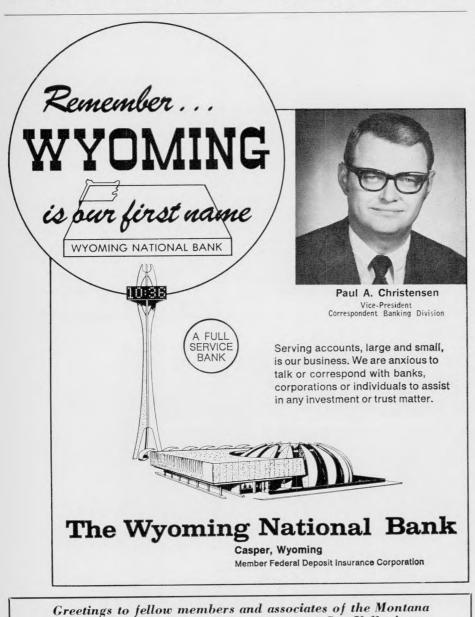
Dalhouse Elected Chairman Of ABA Marketing Division

Warner N. Dalhouse recently was elected 1976-77 chairman of the marketing division of the American Bankers Association (ABA).

Mr. Dalhouse also is executive vice president of the First National Exchange Bank, Roanoke, Va., and senior vice president and head of the marketing and public affairs group of Dominion Bankshares Corp. He served as a member of the executive committee of the marketing division from 1972-75 and was chairman of the division's 1976 conference.

J. D. Schiermeyer, president and chief executive officer of the National Bank of Commerce in Lincoln, Nebr., was elected 1976-77 vice chairman of the ABA marketing division.

Also named as new members of the executive committee are: Buell G. Duncan, Jr., president and chief executive officer, Sun First National Bank of Orlando, Fla.; Frank E. McKinney, Jr., chairman, American Fletcher National Bank, Indianapolis; Walter Richard Miller, Jr., vice president and marketing director, Mellon Bank, Pittsburgh, and Emily H. Womach, vice president, Farmers State Bank, Wilmington, Delaware.



Bankers Association; be seeing you at Sun Valley!

Our congratulations to the "Official Family" for planning

an excellent program.

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We've been committed to the West for a long time. Since 1961, we've played an important role as a leading underwriter of municipal securities in the western United States.

We can show you a variety of western credits. We know the territory and each community we assist with its capital requirements.

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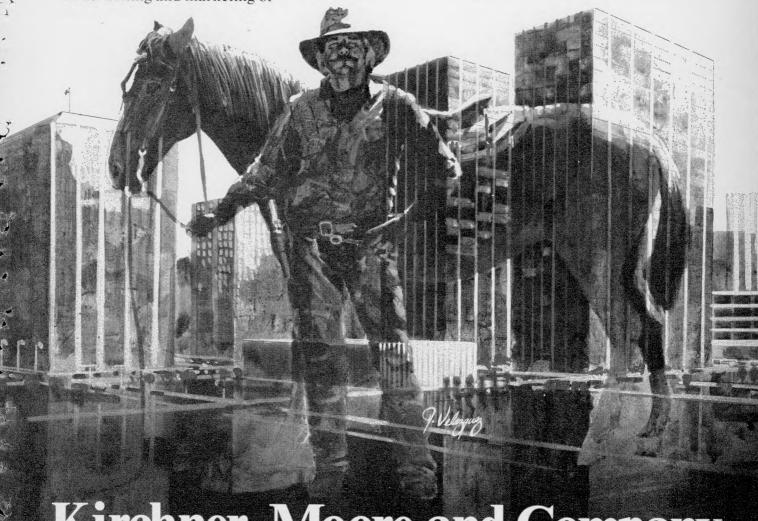
municipal bonds. Tax exempt bonds are our only business.

Our public finance department has assisted hundreds of issuers in developing appropriate methods of financing their capital needs. Our consultants are experienced in offering constructive ideas during the planning stages of municipal financing. We approach all projects with equal enthusiasm.

Kirchner, Moore's sales representatives have earned a reputation for knowing their municipal credits; each being committed to providing personal service, no matter how large or small the bond portfolio.

Our traders maintain constant communication with various money centers located throughout the country. They have instant access to information affecting the overall interest rate market.

Kirchner, Moore and Company's successful reputation is based upon our ability to assist municipalities in bringing their financial needs together with the resources of the capital market.



Kirchner, Moore and Company.

DENVER—Suite 2500—Colorado State Bank Building—1600 Broadway—Denver, Colorado 80202—(303) 292-1600 OMAHA—Suite 454—Plaza of the Americas—7171 Mercy Road—Omaha, Nebraska 68106—(402) 397-8520

Colorado News

W. M. WATROUS

Pres.

Bush

G. L. SCARBORO

Exec. Mgr.

Denver

Denver Banker Retires

George E. McClelland, vice president of corporate development for The



G. E. McCLELLAND

First National Bank of Denver, has announced his retirement a fter nearly 47 years with the bank.

A Colorado native, Mr. McClelland joined International Trust Company in 1929 (International

Trust was consolidated with First National in 1958). He was named assistant vice president of business development in 1958 and vice president in 1964.

Colorado National Elects Two New Directors

William F. Distler and Leo N. Bradley have been elected to the board of Colorado National Bank, Denver, according to Bruce M. Rockwell, chairman.

Mr. Distler is a vice president of AMAX Inc., and senior vice president, western operations, of the AMAX Molybdenum division of AMAX's Molydenum and Speciality Metals Group. Mr. Bradley is a partner of Bradley, Campbell & Carney in Golden.

Fuller Joins Boulder Bank As Vice President

Bruce D. Alexander, chairman of National State Bank of Boulder, has announced the election of J. Steward Fuller as vice president and senior trust officer. Mr. Fuller, formerly with

Convention Coverage

On-the-spot coverage, with pictures, of the Colorado Bankers Association convention will be published in the next issue of the Northwestern Banker. The convention was held June 3-5 at The Broadmoor in Colorado Springs.



The First National Bank of Denver where he served for three years in the trust business development section, replaces Richard G. Freeman, who recently resigned.

Named 1975 Colorado Businessman of the Year

Eugene H. Adams, chairman of The First National Bank of Denver and The First National Bancorporation, Inc., has been named 1975 Colorado Businessman of the Year of the Beta chapter of Alpha Kappa Psi professional business fraternity.

To Head Southglenn Bank

Raoul K. (Mac) McCoy has been named president and director of The

First National Bank of Southglenn. He replaces Frank S. Peterson who resigned as president and director after serving since 1972.

Mr. McCoy, a native of Vinton, Ia., earned his



R. K. MCCOY

BSBA in 1960 and his MBA in 1965 from the University of Denver. He was with Continental Oil Company from 1960-1969 when he resigned to join The First National Bank of Denver. Since 1974, he had been a senior vice president at The First National Bank of Northglenn.

The bank also named Darlys Brown a mortgage banking officer. She joined the bank in 1972.

First National Bancorp. Elects Four Directors

Eugene H. Adams, chairman of the First National Bancorporation, Inc., Denver, has announced the election of four new directors.

They are Robert E. O'Donnell, president of Harman, O'Donnell &

Henninger Associates, Inc.; Herbert H. Vandemoer, farm executive and president of George A. Henderson Co., Sterling, Colo.; Jack A. Vickers, chairman, Vickers Energy Corporation, Wichita, Ks., and W. Robert Alexander, executive vice president-trust, First of Denver.

One vacancy was created by the retirement of Lee C. Ashley, who also retired as executive vice president-general at First of Denver. Also, Richard P. Brown, formerly executive vice president-trust, at First of Denver, chose not to stand for reelection. The board was expanded to a total of 19.

Mr. Alexander joined the bank in 1953, was elected vice president and trust officer in 1960, senior vice president and trust officer in 1964 and to his present position last January.

Names Top Executives

Kirchner, Moore and Company, a Denver investment banking firm spe-



W. J. WHITE

cializing in municipal bonds, has announced that a three-man executive committee has been appointed to manage the company.

William J. White has been appointed chairman of the com-



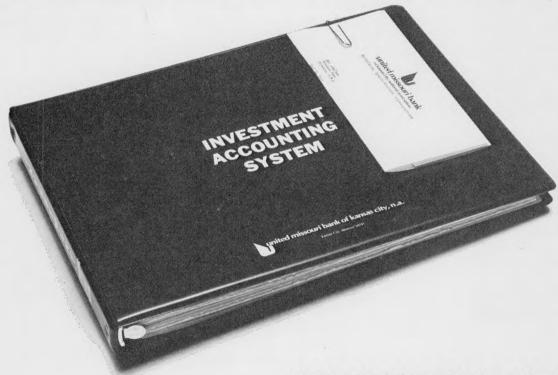
J. D. KREIDLE

R. L. ANDERSON

mittee and will serve as chief executive officer of the firm. Other members of the committee will be James D. Kreidle, manager of the public finance department, and Robert L. (Tobe) Anderson, manager of the sales department

Mr. White is responsible for the overall trading function at Kirchner, Moore and Company and has been with the company since 1968. Mr. Kreidle is a founder of the firm and has been a director since 1961. Mr. Anderson has been with the company since 1964 and has been a principal and board member since 1968.

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A. F. WINEGARDNER President



P. A. YATES President-Elect



W. R. TAIT Treasurer



J. T. CADBY Executive Manager



J. E. SMITH

Montana Bankers Association 73rd Annual Convention

Sun Valley, Idaho June 23-25

THE Montana Bankers Association will hold its 73rd annual convention June 23-25 at Sun Valley, Idaho, according to Al F. Winegardner, president of the MBA and president of First National Bank and Trust Company, Billings. Advance registrations indicate an attendance of approximately 700 persons.

Serving with Mr. Winegardner as MBA officers the past year are Phil Yates, president-elect, who is president of Citizens Bank of Montana, Havre; William R. Tait, treasurer, who is president, First National Bank, Butte, and John T. Cadby, executive manager, Helena.

Wednesday, June 23

A. M.

9:00 MBA board of directors meeting.

P. M.

1:00 Bankshare Tax Taskforce meeting.

5:15 Board buses for Trail Creek Barbeque Ground for western-style cocktail reception and family barbeque dinner. Entertainment by the Boulder Brothers, a Sun Valley country and western band.

Thursday, June 24

A. M.

7:30 25-Year Club Breakfast. Speaker: George Henry, State Bank & Trust Co., Dillon.

8:00 Ladies Golf Tournament (shotgun start) on Sun Valley Golf Course.

9:00 Business Session call to order by Al F. Winegardner, president, Montana Bankers Association; president, First National Bank and Trust Co., Billings.

Keynote Speaker: George F. Will, nationally noted conservative columnist.

Second Speaker: James E. Smith, Comptroller of the Currency, Washington, D.C.

11:30 Golfers Picnic Luncheon for men and women golfers at Sun Valley Golf Course.

P. M.

12:30 Men's Golf Tournament (shotgun start).

Friday, June 25

A. M.

8:00 Continental Breakfast in Sun Valley Inn Promenade.

9:30 Ladies' Brunch. Speaker will be Judith Keith, president and owner of Tandem Press, presenting her humorous and informative one-woman show, "I Haven't a Thing to Wear."

9:00 Business meeting—MBA President Winegardner presiding.

First Speaker: Dr. Ronald E. Barnes, pesident of Transitions, Inc., private consultant.

Second Speaker: Dr. Bruce Morgan with report covering conclusions of MBAs Bankshare Tax Study.

11:15 Election of new MBA officers and official business.

P. M.

2:00 Men's and Ladies' Tennis Tournaments and Trap Shoot Tournament.

6:30 Cocktail Reception-Opera House Lawn.

7:30 President's Dinner Dance—Multi-course gourmet dinner, with dance music provided by "The Many Sounds of Nine" big band music from Moses Lake, Wash.—End



Creative Banking is being able to see the trees through the forest.

You can't judge the potential of a customer's business or ideas only on the prevailing state of the economy.

Some people have the knack for making things work, regardless of circumstances.

We realize that. It's just one difference between First of Denver and those who think less creatively.

This philosophy, this confidence and this trust enable us to help you help your customers.

First of Denver has more than 250 correspondent banking relationships and now you know one of the reasons why.

Whatever your need, we'll find the solution. That's creative banking. It's our business.

First of Denver

We create solutions.

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Member First National Bancorporation

You Will See Them at the Annual Montana Bankers Convention

T HE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the Montana Bankers Association Convention in Sun Valley June 23-26.

Chicago

Continental Illinois National Bank and Trust Company: Leonard W. Busse, vice president.

First National Bank: Garth Dunn, vice president; and Stan Latham.

Northern Trust Company: R. Gary Gribben, second vice president.

Denver

Central Bank & Trust Co.: Bill Tumelty, assistant vice president.

Colorado National Bank: William J. Fleming, vice president; and Richard I. Weigand, assistant vice president.

First National Bank: Charles H. Krebs, assistant vice president.

United Bank of Denver, N.A.: Donald Robotham, senior vice president; Bob Dressel, vice president; and Don Sall, correspondent bank officer.

Minneapolis

First National Bank: Robert J. Anderson, vice president and senior commercial banking officer; Ken Wales and Donald Bergum,

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Helena, Montana

vice presidents; and William Johnson, correspondent banking officer.

Marquette National Bank: Gary Wollan, senior vice president; Avery Fick, vice president; and Jim Perkins, assistant vice president.

Midland National Bank: Stanley J. Peterson, vice president.

Northwestern National Bank: Paul Lindholm, senior vice president; and Jim Laird, correspondent bank officer.

New York

Citibank, N.A.: Robert R. Gainer, account officer.

Manufacturers Hanover Trust Co.: Michael Zarrilli, assistant secretary.

Portland

First National Bank of Oregon: W. R. Antonacci, vice president.

St. Paul

American National Bank and Trust Company: Bob Sipple, senior vice president, and Art Nelson, vice president.

First National Bank: Andrew G. Sall, executive vice president; and Donald W. Buckman and James T. Gowan, vice presidents.

San Francisco

Bank of America: J. Fair, assistant vice president.

Wells Fargo Bank: J. Christopher Felchlin, assistant vice president.

Seattle

Rainier National Bank: Frank A. Abersfeller, vice president.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: Warren (Hank) Hanson, consultant services manager.

CMI Investment Corporation: Ken May and Dennis Oliver.

North Central Companies: Bob Gordon. USLIFE Credit Life Insurance Company, Schaumburg, Ill.: Bruce Chandler, field vice president; and Frederick D. Brown, district manager.

Joins Billings Bank

Warren F. Vaughan has joined the First National Bank of Billings as vice

president and director to serve as an active staff and management member of the bank, according to A. F. Winegardner, Jr., bank chairman.

Mr. Vaughan has served as a director of the



W. F. VAUGHAN

Federal Reserve Bank of Minneapolis, as a member of the ABA accreditation board for the certification program, on the executive committee, commercial lending division of ABA and the advisory committee, 13th national bank district, Portland, Ore.

Missoula Bank Elects Assistant Vice President

Arthur E. Finck has been elected assistant vice president and commercial

lending officer of the Southside National Bank of Missoula, according to Earl W. Johnson, president. He has been associated with the First National Bank and Trust Company of Bismarck, N.D., an



A. E. FINCK

affiliate of First Bank System.

Mr. Johnson also announced the resignation of Larry Dunham, who has joined the staff of the First National Bank in Stanwood, Wash.

Security Bank Names 2 Assistant Vice Presidents

Richard A. Kjoss, president of Security Bank, N.A., Billings, has announced the appointment of two assistant vice presidents.

David W. Jorgenson and James A. Smith have been promoted from agricultural loan officers to assistant vice presidents. Mr. Jorgenson, a graduate of Montana State University, joined the bank in October, 1972.

ABA President To Keynote Operations Meeting

J. Rex Duwe, president of the American Bankers Association (ABA), will be the keynote speaker at the ABA's National Operations and Automation Conference.

The annual meeting will be held this year at the Washington Hilton Hotel in Washington, D.C., on June 13-16.

Mr. Duwe, who also is president and chairman of the Farmers State Bank in Lucas, Kan., will open the first general session on Monday morning. Featured luncheon speakers will be George H. Dixon, Deputy Secretary of the Treasury; Irving R. Levine, NBC economic affairs commentator and Archbishop Fulton J. Sheen. Conference topics include data processing, bank operations, community banking and check processing.



R. K. HEMINGWAY President



M. D. BORTHICK President-Elect



G. A. LE MAISTRE



W. W. ALEXANDER

Utah Bankers Meet at Sun Valley

SUN VALLEY, Idaho, will be the site of the annual Utah Bankers Association Convention Sunday, June 20, through Wednesday, June 23. Registration will be held from 2-7 p.m. Sunday in the Inn Promenade. Following is the program.

Monday, June 21

A.M.

7-12 Registration in the Inn Promenade.

7:30 Speakers breakfast in the Board Room.

Business session in the Opera House. Call to order: Richard K. Hemingway, UBA president, and chairman, Commercial Security Bank, Salt Lake City.

Film presentation: "Utah the Beautiful."

President's welcome and report: Mr. Hemingway. Executive Manager's report: Fred G. Eberhard, executive manager.

Report of the nominating committee.

10:30 Refreshment break on the opera house lawn.

U.S. Savings Bond award presentation: Kathleen Meikle, state director, U.S. Savings Bond Division, U.S. Treasury Department.

Address: Willis W. Alexander, executive vice president, American Bankers Association.

11:45 Men's no host bar.

11:45 Ladies Wine Tasting Party.

12:15 Ladies Luncheon in the Lodge Dining Room.

Men's Luncheon in the Limelight Room.

Social hour on the lodge terrace lawn followed by the buffet at 7 and the Ice Show at the Ice Rink at 8:30.

Tuesday, June 22

A.M.

9:30 Mens Golf Tournament at the Elkhorn Golf

Course, shotgun start.

9:30 Ladies Golf Tournament at the Sun Valley Golf Course (9 holes).

9:30 Trap Shoot — Gun Club.

9-4 Option activities—ceramics and pottery making (a.m.), cooking demonstration (a.m.), antique show (a.m.), and photography show (p.m.)

P.M.

1-4 Tennis Tournament at the Elkhorn Courts and Gardener Ranch.

4-5 Tennis exhibition.

6-7 Social hour on the opera house lawn.

7-9 Banquet and entertainment.

9-12 Dance and no host bar.

Wednesday, June 23

A.M.

Past president's breakfast in the Sage Room.

9 Business session in the Opera House.

Meeting: Utah section of the ABA to elect member of the nominating committee and alternate to serve at 1976 convention.

Address: George A. LeMaistre, director, Federal Deposit Insurance Corporation, Washington D.C.

10:15 Refreshment break.

Address: George F. Will, nationally syndicated columnist for the Washington Post Writers Group.

Committee Reports.

Installation of new officers.

Presentation to past president.

Door prize drawing

Adjournment.

You Will See Them at the Utah Bankers Convention

The following metropolitan bankers and service and equipment firms have indicated that they will attend the annual Utah Bankers Association Convention in Sun Valley June 20-23.

Chicago

First National Bank: Garth Dunn, vice

Los Angeles

Security Pacific National Bank: Charles M. Cover, assistant vice president.

New York

Chase Manhattan Bank: Richard Pinney, vice president

Chemical Bank: Malvern Hill, Jr., vice president.

Portland

First National Bank of Oregon: W. R. Antonacci, vice president.

San Francisco

Bank of America: J. (Jerry) Fair, assistant vice president.

Wells Fargo Bank: J. Christopher Felchlin, assistant vice president.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: Warren (Hank) Hanson, consultant service manager.

Tracy Collins Promotion

Priscilla D. Hiatt has been named manager of the Midvale branch of Tracy-Collins Bank and Trust, Salt Lake City. Most recently she was assistant vice president and trust officer for First Bank and Trust, Palatine, Ill.

Northwestern Banker, June 1976



C. R. BOYLE, JR. President



G. G. GRATKE Pres.-Elect



H. H. BRADLEY, JR. Conv. Chmn.

Oregon Bankers to Meet June 16-18 At Valley River Inn in Eugene

THE Oregon Bankers Association will hold its 71st or an experience. at the Valley River Inn in Eugene June 16, 17, 18.

The theme of the convention is "The Spirit of . . . Oregon Bankers." Convention chairman is Herman C. Bradley, Jr., executive vice president, Citizens Bank of Oregon, Eugene. Sub-Committee chairmen for the Convention are as follows:

Ladies Activities - Mrs. Sharon Bradley, (Citizens Bank of Oregon),

Golf Committee — Jim York, president, Pacific Continental Bank, Eugene.

Hospitality Committee — Harold Carey, chief executive officer, Peoples Bank, Springfield.

Special Events — Gene Moore, The Oregon Bank, Eugene Branch, Eugene.

Transportation — Al Nunez, manager, Oregon Mutual Savings Bank,

Eugene branch, Eugene.

The convention begins on Wednesday afternoon at 2:00 p.m. with concurrent meetings of the OBA operating committees. The OBA's committees will then conduct shirt sleeve sessions on (1) Agriculture/Forestry, (2) Consumer Credit, (3) Bank Operations & EFTS, (4) Investments, (5) Marketing, (6) Personnel/Labor, (7) Real Estate Lending, (8) Trust, and (9) Commercial Loans. These sessions will be followed with a reception honoring the OBA chairmen and committee members and their service to the association.

Thursday, June 17th, is a full day of business beginning with a keynote breakfast address by John Hagopian, administrator and director, Northwest Intermediate Banking School and director, North Pacific Bank, Tacoma, Wash., entitled "Do Something Different, Monday!" A legislative panel composed of the leadership of the Oregon

legislature and a "Meet the Political Press" session featuring Oregon political reporters representing radio, newspapers, and television round out the morning.

Oregon superintendent of banks and current president of the Conference of State Bank Supervisors John B. Olin; Loran L. Stewart, president, Bohemia Lumber Company, Eugene; Roger A. Lyon, president, Valley National Bank, Phoenix, Ariz., and treasurer of the American Bankers Association; a presentation of Oregon "Causes for Concern-Nuclear Power, Clear Cutting & Corporate Framing," plus a Treasure Hunt at the nearby Valley River Shopping Center for the ladies, complete the day's activities.

The Presidents' Reception and dinner/dance follows with a special salute to outgoing OBA President Charles R. Boyle, senior vice president, The Bank of California, N.A., Portland.

The annual OBA Golf Tournament will begin Friday morning with a shotgun start at the Shadow Hills Country Club in Eugene, while the ladies Golf Tournament will be held at Emerald Valley Golf Course in nearby Creswell. Non-golfers have available tennis, bridge, and an optional 35-mile scenic train trip up the historic Row River.

The annual OBA business meeting will begin at 3:30 p.m. on Friday, June 18th at the Shadow Hills Country Club. Chairman of the nominating committee, Howard Hickam, president, Citizens Valley Bank, Albany, will place in nomination the following Oregon bankers:

- George G. Gratke, president (president, Douglas National Bank, Roseburg).
- E. George Ottum, president-elect, (president, The Commercial Bank, Salem).
- John R. Segerstrom, vice president, (president, The Pendleton

Banking Company, Pendleton).

- · C. Tresidder, treasurer, (president, Western Bank, Coos Bay).
- Charles R. Boyle, Jr., council member-immediate past president, (senior vice president/manager, The Bank of California, N.A., Portland).
- · Lou Lorenz, council member, (executive vice president, Pacific Security Bank, Reedsport).
- · V. E. Solso, council member, (president, The Oregon Bank, Portland).
- Jack Goetze, council member, (president, Oregon Mutual Savings Bank, Portland).
- Craig Robinson, council member, (president, Citizens Bank of Oregon, Eugene).
- Alden Toevs, (council member,-OBA elected ABA governing council member (president, Citizens Bank of Corvallis, Corvallis).

The convention concludes with a Hawaiian Lua and a concert provided by "The Sounds of Young Hawaii," a 35 member group of Madrigal Singers from Kailua High School in Hawaii, who are on their fourth trip around the world sharing their music, dance, and youthful enthusiasm.

You Will See Them at the Oregon Bankers Convention

The following metropolitan bankers and service and equipment dealers have indicated that they will be attending the 68th annual convention of the Oregon Bankers Association in Eugene June 17-18.

Los Angeles

Security Pacific National Bank: Robert S. McNeill, assistant vice president.

New York

Chemical Bank: H. Joseph Sweeney, assistant secretary

Citibank, N.A.: Robert R. Gainer, account officer.

San Francisco

Wells Fargo Bank: Hans J. Lund, vice president; and John L. Quirk, assistant vice president.

Seattle

Pacific National Bank of Washington: John R. Lashley, vice president; and Harold C. Olson, assistant vice president.

Rainier National Bank: John C. Horning, vice president.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: James Floyd, consultant services manager.

USLIFE Credit Life Insurance Company, Schaumburg, Ill.: Bruce Chandler, field vice president; and Robert W. Byrd and Charles W. Endicott, district managers.



James M. Brown Douglas H. Cromwell Paul

Frown Ronald R. Ellis
Pauline G. Fraser R. Gera

Ronald R. Ellis R. Bruce Ow Fraser R. Gerald Staudenmeir Dean E. Rogers James M. Rudolph

en Daniel M. Steben John J. Stine

There's security in numbers.

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We represent Security Pacific Bank; one of the 10 largest banks in the country. A bank with over 100 years of experience and assets that now total over 15 billion dollars.

And our Correspondent Bankers view each referral as a double opportunity—to provide the caliber of professional service that will meet the standards of both the customer and the bank that put him in touch with us.

So whenever you need help, just contact us at either of the addresses listed. We think you'll agree there's security in numbers at Security Pacific Bank.

Head Office: 333 So. Hope Street, Los Angeles, California 90071 Phone (213) 613-6211

Northern California Headquarters: One Embarcadero Center, San Francisco, California 94111 Phone (415) 445-4000 Correspondent Banking Division



SECURITY PACIFIC BANK There's Security in Numbers

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Northwestern Banker, June 1976

Idaho Bankers To Meet June 13-16

JUNE 13-16 are the dates for this year's Idaho Bankers Convention

in Sun Valley. Registration begins at noon Sunday, June 13, for the convention, golf, tennis and skeet tournaments, according to Howard Gentles, IBA president and vice president and



H. GENTLES

manager, First Security Bank of Idaho,

Speakers and special guests at the convention include: Dr. W. Liddon McPeters, president-elect of the American Bankers Association and president of The Security Bank, Corinth, Miss.; Alice Hennessey, vice president and corporate secretary, Boise Cascade Corporation; William A. Glassford, executive director, BANKPAC, ABA, Washington, D. C.; and R. E. De-Laney, DeLaney Associates, Seattle, Wash.

The convention begins with an out-door barbeque Sunday night. The Monday general business session is followed by a lawn buffet lunch and the shotgun start on the golf course or tennis courts. Monday night is the annual costume party and dinner and Tuesday night is the social get-together and final banquet. Following the final session of speakers is the election of officers.

Joining Mr. Gentles as officers of the



C. T. EATON

T. H. ALLEN



J. L. NIELSON

G. LUNGREN

IBA this year are Curtis T. Eaton, first vice president and chairman and president of Twin Falls Bank & Trust Co.; Thomas H. Allen, second vice president and senior vice president, The Idaho First National Bank, Boise, and Jay L. Nielsen, treasurer and executive vice president, D. L. Evans and Company Bankers, Albion.

Glenn Lungren, vice president, First Security Bank of Idaho, Boise, is the general convention chairman.

You Will See Them at the Idaho Bankers Convention

The following metropolitan bankers and service and equipment dealers have indicated that they will be attending the annual convention of the Idaho Bankers Association in Sun Valley June 13-16.

Chicago

First National Bank: Bob Taubenheim, assistant vice president.

New York

Chase Manhattan Bank: Richard Pinney, vice president.

Chemical Bank: Malvern Hill, Jr., vice president.

Omaha

The Omaha National Bank: John Martin and Robert Suddick, vice presidents.

Portland

First National Bank of Oregon: G. M. Henderson, executive vice president.

San Francisco

Bank of America: B. D. Harwell, vice president.

Wells Fargo Bank: Hans J. Lund, vice president.

Seattle

Pacific National Bank of Washington: John R. Lashley, vice president.

Rainier National Bank: Gerald D. Kinnaman, assistant vice president.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: Warren (Hank) Hanson, consultant ser vices manager.

USLIFE Credit Life Insurance Company: Bruce Chandler, field vice president; and Frederick D. Brown, district manager.

Opens Office

Bank of Idaho, N. A., Boise, has opened an office at 10393 Fairview Avenue in Boise.

Bank of Idaho Opens Branch in Store

Bank of Idaho, Boise, has opened a branch in Albertson's new store at 17th and Holmes in Idaho Falls, according to Joseph A. Moore, chairman and chief executive officer. The new mini-branch is located opposite the stores checkout stands. Rosella Keller is manager.

The 96-square foot branch bank is complete with teller window, compact automated teller machine and offers complete banking services from 10 a.m., — 6 p.m., Monday-Friday. The automated teller machine is open 24 hours a day, every day. All Albertson's stores are open 24 hours a day.

Hawaii Banker Named ABA Division Chairman

H. Howard Stephenson, executive vice president of the Bank of Hawaii, has been elected chairman of the housing and real estate finance division of the American Bankers Association (ABA).

Perry Russell, senior vice president, Houston Citizens Bank, was elected vice chairman. Balloting took place at the division's recent national conference in Dallas.

Bank of Idaho Operates 4 State Interchange

Bank of Idaho, N. A., Boise, is operating an automated teller machine interchange with banks in three other states—the First National Bank of Oregon, Portland; the Pacific National Bank of Washington, Seattle, and the Walker Bank & Trust Co., Salt Lake City, Utah.

Under the interchange program, customers of out-of-state banks may withdraw cash from any of Bank of Idaho's 10 automated teller machines: four in Boise, three in Idaho Falls, two in Coeur d'Alene and one in Poca-

tello.

Bank of Idaho customers are offered withdrawals from checking and savings accounts, transfers between accounts and cash advances on their credit cards. In addition, they have the capability of obtaining cash advances from any of the other interchange facilities' 45 machines in Oregon, 23 in Washington and 12 in Utah.

The host bank emphasizes that outof-state banks in the network are interchanges only with the Bank of Idaho, but not with each other.

Northwestern Banker, June 1976 Digitized for FRASER

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Over 450 To Attend WBA Convention

O VER 450 delegates and spouses are expected to attend the Wash-

ington Bankers Association Convention in Spokane June 20-22. Headquarters will be the Sheraton-Spokane Hotel.

Heading the Spokane committee is Matt J. Ennis, general convention chairman



R. E. POLACHEK

and vice president and trust officer manager, Seattle-First National Bank in Spokane. WBA President Robert E. Polachek, president of the Bank of Everett, will conduct the general business sessions on Monday and Tuesday.

Guest speakers will include: Congressman Tom Foley from Spokane who is chairman of the House Agricul-• tural Committee; W. Liddon McPeters, president-elect of the American Bankers Association and president of The Security Bank, Corinth, Miss.; T. B. Morris, president, Simsbury Bank & Trust Co., Simsbury, Conn.; Dr. Charles Haywood, professor of economic University of Kentucky and member of the consulting firm of Carter H. Golembe & Associates; George Will, syndicated columnist of the Washington Post Writers Group; John Olin, Oregon supervisor of banking and president of the national Conference of State Bank Supervisors, and Dr. Glenn Terrell, president of Washington State University.

Some of the speakers also will participate in a panel discussion of "Current Issues in Banking" at the Tuesday business session. Moderator will be G. Robert Truex, Jr., president, Rainier National Bank, Seattle.

Registration begins at 10 a.m., Sunday, June 20. Sunday's First Nighter Reception will be in the Convention Fover followed by dinner in the Ballroom and entertainment by The Sounds of Young Hawaii. On Monday morning at 8, the Spokane Percussionauts will perform in tribute to the American Revolutionary Bicentennial. Other Monday events include: men's annual golf tournament at the Spokane Golf & Country Club; annual tennis tournament at North Park Racquet Club; women's golf at Hayden Lake Golf and Country Club and the ladies' boat cruise and luncheon. On Monday evening, entertainment by the Richard Luna Combo will be furnished as delegates gather for the President's Reception honoring newly-elected officers. This will be followed by the annual banquet.

You Will See Them at the WBA Convention

The following metropolitan bankers and service and equipment dealers have indicated that they will attend the annual Washington Bankers Association Convention in Spokane June 20-22.

Chicago

First National Bank: Bob Taubenheim, assistant vice president.

Los Angeles

Security Pacific National Bank: John S. Sakellaris, vice president.

New York

Chase Manhattan Bank: J. Wade Bell, second vice president.

Chemical Bank: H. Joseph Sweeney, assistant secretary.

First National City Bank: Robert R. Gainer, account officer.

Portland

First National Bank of Oregon: G. M. Henderson, executive vice president; and J. K. Sherwood, assistant vice president.

San Francisco

Bank of America: J. Fair, assistant vice president.

Wells Fargo Bank: Hans J. Lund, vice president; and John L. Quirk, assistant vice president.

Seattle

Pacific National Bank of Washington: R. E. Bangert, president; F. H. Burrow, executive vice president; W. J. Clancy, senior vice president; G. K. Chapman, Don Petre and John R. Lashley, vice presidents; and Harold C. Olson, assistant vice president.

Rainier National Bank: Orville E. Melby, executive vice president; John G. Horning and Frank A. Abersfeller, vice presidents; and Gerald D. Kinnaman, assistant vice president.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: Fred Rothfuss, consultant services manager. USLIFE Credit Life Insurance Company, Shaumburg, Ill.: Bruce Chandler, field vice president; Frederick D. Brown and Robert W. Byrd, district managers.

Joins Rainier Bank

David J. Carey has joined the corporate banking division of Rainier National Bank, Seattle, as vice president and head of west coast activities. He formerly was an officer with First National Bank of Chicago's loan production office in Los Angeles.

Withdraws Application

Suburban State Bank of Silverdale has withdrawn its application for permission to establish a branch at Wheaton Way and Riddell Road in Bremerton.

Opens Office

The First National Bank of Stanwood has opened an office at 17215 Smokey Point Drive.

Acquires Burien Bank

The U.S. Comptroller has authorized the Puget Sound National Bank of Tacoma to acquire the Continental Bank, Burien.

The seven-year-old Burien bank had deposits of \$18 million. Puget Sound National Bank has deposits of \$346 million.

Comptroller James Smith said an examination of Continental Bank in late January showed it "had been the victim of certain forged notes." Mr. Smith said the forged notes had created a "substantial and debilitating effect" on the bank's capital accounts. Recent losses totaling about \$1,470,000 had reduced the capital accounts of the bank to about \$70,000, the Comptroller said. Mr. Smith's office overseas federally chartered banks.

Opens Branch

Seattle-First National Bank has opened a branch at 2555 Beacon Avenue South in Seattle.

BMA Publishes Analysis
Of Marketing Expenditures

Bank marketing expenditures increased 9.3% from 1974 to 1975, according to the "Analysis of 1975 Bank Marketing Expenditures" just issued by the Bank Marketing Association (BMA).

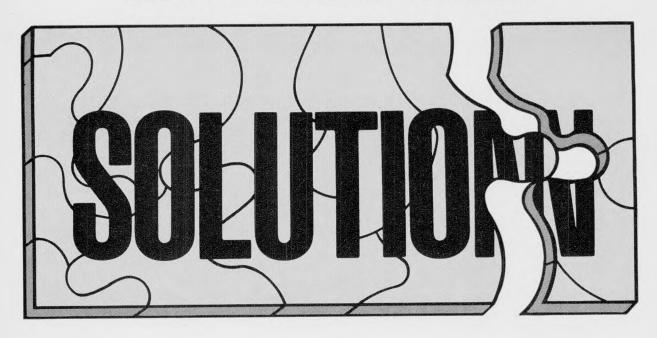
In announcing the report, BMA Vice President Robert F. Schlax noted: "Banks are holding the line on marketing expenditures as this report definitely confirms. However, the trend to EFTS—shown in the increased usage of cash dispensers, automated tellers and point-of-sale terminals suggests a commitment to the customer which may mean significant increases in marketing budgets in future years."

Richard Fowler, head of Market Focus, the Chicago-based research firm that helped BMA conduct and write the report, noted the increase of 9.3% from 1974-75 in relation to the 9.7% increase from 1973-74.

Copies of the publication are available at \$14 each to BMA members.

Northwestern Banker, June 1976

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Officers of the Nebraska Bankers Association for 1976-77 are pictured with their wives. From left: Bob Burkley, chmn. & pres., 1st Natl., Fairbury, immed. past pres.; James I. Black, pres., Cones State, Pierce, new pres.; Harold E. Larmon, pres., 1st Natl. of McCook, pres.-elect, and Robert E. Harris, exec. mgr. & treas., Lincoln. Seated, from left, are: Wauneta Burkley, Betty Black, Marion Larmon and Betty Jo Harris.

Nebraskans Elect Jim Black President; Approve Start Up of Statewide NETS

By BEN HALLER, JR. Editor

N EBRASKA'S entry into a statewide electronic funds transfer system (NETS, Inc.) got underway last month at the 79th annual convention of the Nebraska Bankers Association in Lincoln. NETS has been under organization for a number of months, with the original planning dating back to the spring of

Nebraska bankers were asked at

the convention to formally commit their banks to financial support of NETS, with the goal of having the central switch operative by February, 1977.

At the annual business meeting. bankers advanced James I. Black, president of the Cones State Bank at Pierce, to the NBA presidency, succeeding Bob Burkley, chairman and president of the First National Henderson State Bank.

Bank of Fairbury. The new president-elect is Harold E. Larmon, president of the First National Bank of McCook, who is slated to move up to president at the 1977 convention. Robert E. Harris continues as executive manager and treasurer of the association, with headquarters in Lincoln.

Mr. Black's late father, Everett M. Black, who was president of the First National Bank of Fullerton, served as NBA president in 1960-61. This is believed to be the first father-son combination as presidents of the association.

Seven men were elected to three-year terms on the NBA executive council as follows:

Group 1: Victor Michel, president,





Greeting George Blanda (second from left), the Oakland Raiders all-time pro football great, were NBA Pres. Bob Burkley (left); Bob Harris, NBA exec. mgr., and Harry Argue, NBA dir. of commun. RIGHT-The panel of regulatory officials was made up of, left to right: John R. Burt, regional administrator of national banks, Kansas City, Mo.; Burton L. Blasingame (standing), regional director, FDIC, Omaha; William H. Riley, dir., Nebraska department of banking, Lincoln, and Robert D. Hamilton, v.p., Omaha branch, Federal Reserve Bank of Kansas City.



Bob Suddick, v.p., **John Martin**, 2nd v.p., and **John Woods**, pres., all with The Omaha Natl., and **Molly** and **Dick Adkins**, pres., Osmond State.



Gary Rohlfsen (left), corr. bkg. off., and Stan Fredericks (right), v.p., both with Toy Natl., Sioux City, are pictured with Marjorie and Melvin Johnson, v.p. & cash., 1st State, Oakdale, and Vicki Ofe, a.c., 1st State, Oakdale.



Robert McIllece (center), pres., Lawrence State, is pictured with Roger W. Fosbender (left), v.p., and Wes Bowen, sr. v.p., both with Packers Natl., Omaha.



Janie Dinsdale, sophomore, U of Nebr., Lincoln, & her father, Roy Dinsdale, (center), chmn., Farmers Natl., Central City, are flanked by Fred Pullman (left), v.p., Phil Carlson, v.p., & Orrin Wilson, 2nd v.p., all with Northern Trust, Chicago.



NBA staff members are Kathy Powers, Peggy Stauffer, Jackie Berkheim and Joyce Benedict.



Dean Niedan, chmn., American Security Bank, North Platte; Don Murphy, pres., U. S. Natl., Omaha; Clark Wenke, pres., Pender State; Bob Krane, vice chmn., and Jay Bordewick, v.p., both with U. S. Natl., Omaha.



Bill Bentz, pres., Spencer State; Phil Giltner, pres., 1st Natl., Omaha; John Watson, pres., 1st Natl., O'Neill, and Don Ostrand, v.p., 1st Natl., Omaha.



Pete Heintzelman, pres., Bank of Valley, and Mrs. Heintzelman, with Steve Sutton, Lincoln Benefit Life Ins. Co., Lincoln.



Wilbur Baack, v.p., Natl. Bank of Commerce, Lincoln; Ed Burke, v.p., Farmers & Merchants Bank, Imperial; Carolyn and Russ Morgan, pres., 1st Natl., Elwood, and Jim Norris, a.v.p., Natl. Bank of Commerce.



O. W. Julian, v.p., Plattsmouth State; Dwight Clements, pres., American Exchange Bank, Elmwood; Merv Aegerter, v.p., 1st Natl., Omaha; Jane and Dennis Brewster, pres., Butte State, and Larry Carlson, v.p., 1st Natl., Omaha.



Howard Nielsen, v.p., U.S. Natl., Omaha; Jerry Roe, pres., Bank of Bennington; Larry Hansen, corr. bkg. off., U. S. Natl.; Lee Shirk, pres., American Natl., Kimball, and John L. Lewis, corr. bkg. off., U. S. Natl.



Jeanne Nelson, Lincoln; Bob Fricke, pres., Farmers & Merchants Natl., Ashland, and his wife, Martha; Glenn Yaussi, vice chmn., and Duane Nelson, a.v.p., both with Natl. Bank of Commerce.



Judy and Gary Hall (left), pres., Western Natl., Scottsbluff, with Hermine and Chuck Leffler, v.p., 1st Natl. Lincoln.



Jerry Just, v.p., Northwestern Natl., Sioux City, and Win Buckley, chmn., Nebraska State, South Sioux City.



Jack Babcock, v.p., The Omaha Natl.; Don Forney, dir., Stockmen's Natl., Rushville; Gary Timm, v.p. & cash., Arlington State; John Clements, 2nd v.p., Omaha Natl., and Bennett Johnson, exec. v.p., Stockmen's Natl., Rushville.



Bill March, pres., Robert E. Schweser Company, Inc., Omaha; O. J. McDougal, Jr., exec. v.p., City Natl., Hastings; Frank Williams, exec. v.p., Schweser Co.; Dennis L. Johnson (rear), cash., and K. L. Stewart, pres., both with Citizens State, Polk, and Bob Roh, v.p., Schweser Co., Omaha.



Mrs. Mary Jennings, dir., Jennings State, Davenport; Linda Smith, whose husband is pres., First Natl. Lincoln, and Betty Cook, whose husband is pres., Beatrice Natl.. B&T, with John Green, comm. lending off., and Steven L. Anderson, corr. bk. repr., both with First Natl. Lincoln.



Chuck Peterson, sales rep., U. S. Check Book Co., Sioux City; Joey McKernan, Lincoln; Don Dworak (rear), exec. v.p., Farmers State, Plymouth; Rick Clabaugh, sales rep., U. S. Check Book Co., Omaha, and Charles Backer, exec. v.p., Burt County State, Tekamah. Joey and Rick plan to be married in August.

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LEFT — Thomas N. Kleppe, U. S. Secy. of the Interior, gave his excellent address during the final business session, and was followed on the program by Gunnar Kronholm (left), pres., Drovers State Bank, South St. Paul, Minn. Harold Larmon, the NBA's new pres. elect is pictured in the center. CENTER — Sen. John Tower (R., Tex.) addresses noon luncheon, with NBA President Bob Burkley at his left. RIGHT — 50-Year plaques were presented to Tom Aron (left), pres., Crete State; Jake Kats, (second from right), pres., 1st Natl., Lewellen, and Roy Wiggins, v.p., Wakefield Natl., by NBA Pres. Bob Burkley (second from left).

NEBRASKA CONVENTION . . .

(Continued from page 89)

Group 3: John E. Glandt, president, National Bank of Neligh.

Group 4: Richard Armstrong, president, Minden Exchange Bank.

Group 5: James McBride, president, First National Bank, Aurora.

Group 6: Ted King, president, Sioux National Bank, Harrison.

Omaha (over \$200 million): Bruce Lauritzen, vice president, First National Bank.

Lincoln (over \$200 million):

William Smith, president, First National Bank.

Retiring NBA President Bob Burkley was elected to a two-year term representing Nebraska on the ABA governing council.

A new convention format, which was well received by the 1,000 in attendance, featured a reception and dinner at Pershing Memorial Auditorium Sunday night, followed by a scintillating stage performance by singer Anita Bryant, supported by comedian Don Rice and a fine orchestra.

President's Report

In his report to the convention, outgoing President Burkley said NBA's continuing deficits of the past two years require that a dues increase, the first in 13 years, be put into effect commencing June 1. Deficits have been covered by withdrawals from the reserve fund, he said. Mr. Burkley said the dues increase probably will not totally cover this year's projected deficit of \$8,000. All 449 banks in Nebraska belong to the NBA.

Incoming President Black called for consolidation of the association's six groups into four and changing the group meeting format in existence for many years. Mr. Black is suggesting to the executive council that each of the four groups then hold a weekend meeting with a dinner and entertainment on Friday night and a Saturday business session ending at noon. He noted the deterioration of some group meetings in recent years to attendance.

Mr. Burkley also noted that banking can be better served if Nebraska bankers would agree on one strong, viable association. He said in the past session of the legislature the Nebraska banking industry was represented at one time by 13 lobbyists. "It's time to solidify," he said.

The single most important and discussed subject of the convention was the NETS proposal, described below in greater detail.

Regulatory Panel

Two outstanding panels of speakers and ABA Treasurer Roger Lyon made up the first morning program. The first panel represented the four regulatory bodies governing Ne-

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braska banks. Each man was asked to comment on the greatest challenges and problems facing Nebraska bankers. A summary of their remarks follows:

William H. Riley, director, Nebraska department of banking, Lincoln: Congressional proposals to bring all state chartered banks under Federal Reserve control, to centralize bank chartering and regulation under one agency, and to impose credit and capital allocation all dilute state-federal checks and balances and show insensitivity to the need of the market place.

John R. Burt, regional administrator of national banks, Kansas City: Commercial bankers will experience more intense social and economic pressures and further increases in competition for deposit funds by commercial banks and nonbank depository institutions. The need for long range corporate planning, for rural as well as city banks, will require detailed planning for profits, growth and management continuity, with a greater degree of management expertise than ever before. Regulation of national banks will change with a shift from on-site loan review and analysis to review by the examiner of the bank's longrange planning, current policies and procedures, management capabilities, internal controls and management systems.

Burton L. Blasingame, regional director, FDIC, Omaha: If I were to

select one challenge or problem that ranks above all others it would be the ever increasing and rapid changes being experienced in the industry. Consumer legislation in banking continues to expand. The climate in Congress is that those responsible for overseeing compliance (by banks) have not enforced the provisions forcefully enough. Other changes are far from clear yet. For example: electronic banking and its structure depend on policies awaiting attention of Congress; issues of competition among financial institutions and bank supervision also are undergoing Congressional appraisal. Aside from these, the battle against inflation and conflicting reports regarding the economic recovery are also troublesome matters bankers must face.

Robert D. Hamilton, vice president and manager, Omaha branch, Federal Reserve Bank of Kansas City: The electronic direct deposit clearing program has grown steadily during the past year and holds great promise for all participants in the payments mechanism. The second item is a challenging legislative problem. Member banks are required to keep all their reserves in the form of nonearning assets. Nonmember banks in most cases may keep a portion of their reserves in earnings assets. If the final Congressional legislation (now being considered) does not provide for uniform reserve requirements, as I suspect it will not, then I would suggest at some point the Fed must of necessity implement a pricing system for its check collection services and electronic payment services. A simplified approach to an access and pricing system that would be fair and feasible might be:

1. Access to Fed clearing services open to all financial institutions offering demand deposit and third

party payment accounts.

2. Fees charged to both member and nonmember institutions alike which deposit items for clearance through the Fed.

3. Fed member banks might receive some form of credit to offset nonearning reserve requirement.

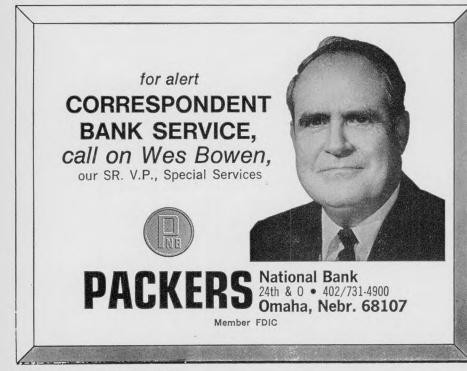
Other Speakers

ABA Treasurer Lyon, who is president of Valley National Bank, Phoenix, gave a quick review of Senate and House financial reform bills, relating why ABA has been forced to oppose both bills. Later in the morning, Mr. Lyon made a followup report that the House Financial Institutions Act had been rejected by the banking committee as a whole and returned to the subcommittee, with onlookers feeling this kills the legislation for this session.

The last part of the morning was devoted to a panel of leading professors from the University of Nebraska College of Business Administration in Lincoln, who discussed "Our Nation's Economic Status and Outlook." Their outstanding remarks are presented in full as a special article in the feature section of this issue.

Sen. John Tower (R., Tex.) was the noon luncheon speaker, who confirmed earlier statements in the program that banking reform legislation probably is dead for this session of Congress. Sen. Tower gave his reasons why he feels the Senate version, which he voted for last fall when that bill was approved, should be adopted.

Other guest speakers included Nebraska's Governor James J. Exon, who addressed the convention banquet Monday night. The following morning, the "kickoff" speaker was George Blanda, placekicker and quarterback on the Oakland Raiders pro football team, who at the age of 48 is the oldest player ever to play in pro football. His interesting talk, with question





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and answer period, was well received.

Roswell "Bob" Garst, chairman of the Iowa Savings Bank and president of Garst and Thomas, Coon Rapids, Ia., captured the audience with his recounting of the story of how his firm initiated the feeding of corncobs instead of shelled ** corn only, and brought a new era to livestock feeding in the midwest. Mr. Garst was propelled to international ag fame after his visit to Russia, his invitation there to Premier Nikita Khrushchev to visit the Garst farms, and the late Russian leader's return visit to central Iowa.

Gunnar Kronholm, president of Drovers State Bank, South St. Paul, Minn., related the terrifying experience suffered by his wife and himself following her kidnapping and being held for \$200,000 ransom a year ago. He related details of the FBI's work and Mrs. Kronholm's escape as the law officers moved in.

An added speaker to the previously announced program was the new Secretary of the Interior, Thomas Kleppe, who gave a rapid-fire, factual talk on energy, the environment, what is being done and yet needs to be done to solve both problems.

NETS Report

Each banker registering at the convention was given a printed special report on NETS, Inc. This report, and latest action taken by the NETS board of directors just prior to the convention, was discussed by NETS President Kermit Hansen, chairman of the United States National Bank of Omaha. Elected vice president of the corporation was Karl Dickinson, Gateway Bank & Trust Co., Lincoln. Paul Amen, chairman of National Bank of Commerce, Lincoln, is treasurer. Bob Harris, executive manager of the NBA, is secretary.

A show of hands approval, with only one dissenting vote from the floor, gave the go-ahead to NETS officials to proceed with implementation of the statewide electronics network.

Mr. Hansen said Micor, Inc., a subsidiary of Ramada Inns, has been agreed upon as the firm to build, operate and manage the central switch at a cost of \$1,287,180 over a three-year period. This will be financed with a one-time assessment

at the rate of \$60 per million of deposits if at least 75% of all banks participate, and this would take care of 20% of the funding. The other 80% would be covered by an annual charge over the three-year period of 35 cents per personal demand deposit account and personal savings account (not CDs), based on 75% participation of all banks.

Part or all of the advanced money could be refunded if the system is sold to other groups or repayment made on a prorata basis of transaction charges paid by the banks using the switch. A bank with \$5 million deposits would pay \$300 once. If it has 1,000 personal demand accounts and 1,000 personal savings accounts, it would pay \$700 (35 cents x 2,000) for each of the three years of 1976-77-78, Mr. Hansen said.

A deadline for signup has been set at July 16, 1976, at the above rates, he noted, payable by August 2, 1976. After that date, the participation will be based on \$120 per million of deposits, plus 70 cents per personal demand account and savings accounts with no credit or return.

The five major computer process-

ing banks-1st of Omaha, Omaha National, U. S. National of Omaha, 1st National Lincoln and National Bank of Commerce, Lincoln-have all agreed on the concepts and operation of the NETS switch and have committed to be of service to their correspondent banks or any others who request their help in preparation for any use of NETS. Each bank will develop its own charges for services provided to cover such items as communication or line costs, per transaction charges, terminal costs, card costs, purging of files costs, etc.

A basic point of agreement by incorporators of NETS is to place the switch behind the major computer processing banks. In this way, transactions flow from terminals to the banks owning those terminals where "on us" items for the individual bank or correspondent banks for which they do data processing are handled directly. For an item belonging to another bank, the transaction is relayed via electronic impulse from that receiving bank directly to the switch, which will then transmit it to the correct processing bank for handling. The approval or rejection of the transaction returns by the same route to the terminal, all in a matter of seconds. Thus, a transaction will have a two-point travel or a six-point travel.

The NETS board, in a Sunday meeting just prior to the convention, heard a proposal from Iowa bankers heading the recently formed Iowa Transfer System for Nebraska to join ITS, which plans to go statewide on an operation basis in a couple of months. ITS operates on an opposite philosophy, with the switch in front of the banks. This transmits all transactions from any terminal to the switch, then to individual processing banks for handling-all transactions being a four-point transaction. However, the NETS directors decided to proceed with their earlier decision and organize the NETS program based on their own switch, based in Omaha.

Mr. Hansen said the tentatively planned start of NETS in November, 1976, has been shifted to early 1977, so as not to commence NETS operation during a peak holiday period.—End

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Jerry G. Powers Regional Representative Nebraska



Residential Insurance Company

Overland National Bank Names Vice President

Laurence L. Jepson has been named vice president and senior loan officer

of the Overland National Bank, Grand Island, according to Phillip J. Zeller, Jr., president.

Mr. Jepson has more than 14 years of banking experience, of which 10 years have been with



L. L. JEPSON

the former Peoples National Bank and Trust of South Carolina, Greenville, S. C. His most recent assignment with Bankers Trust was vice president and senior loan officer in the main office of the Piedmont region. He is a graduate of Furman University.

Walthill Bank Holds Promotional Drawing

The First National Bank of Walthill recently held a promotional drawing in its surrounding area, according to Harold E. Matney, bank president. The bank asked area farmers to come into the bank and register for a drawing where the men from the bank were the prize for one day's hard work on a farm. Mr. Matney; Dick Ryan, vice president; Roger Sailors, cashier and Jim Stessman, insurance agent, participated.

Tenth Fed District Releases 1975 Report

The Tenth Federal Reserve District, which includes Nebraska, Colorado, Kansas, Missouri, New Mexico, Oklahoma and Wyoming, has released its year-end 1975 figures. Total assets of the district's banks were \$32,490,-

428,000 up 6.1% from 1974. Total deposits were \$27,094,919,000, up 7.1% and loans were \$15,856,388,000 up

Nebraska figures were: assets – \$4,530,701,000 up 4.4%, deposits – \$3,825,191,000 up 7%, and loans – \$2,305,082,000 up 4.6%.

Colorado figures were: assets — \$6,909,646,000 up 3.9%, deposits — \$5,763,831,000 up 4.5%, loans — \$3,874,523,000 up 5.4%.

Wyoming figures were: assets — \$1,574,515,000 up 14.7%, deposits — \$1,372,884,000 up 15.1%, and loans — \$808,499,000 up 13.7%.

Ralston Bank Elects Chief Operating Officer

Art Denker, president of Ralston Bank, has announced the election of



LEAHY

J. G. Leahy as vice president of the Board and chief operating officer of the bank. Mr. Leahy was president of the Pella National Bank in Iowa from 1968-74 and also served with the Nebras-

ka Department of Banking for four years as an examiner.

Elected at Cozad

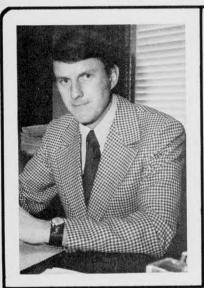
Charles Hartman, loan and trust officer of First Bank & Trust Co. of Cozad, has been elected to the bank's board. He joined the bank in March of 1975.

BAI Chapter Elects Officers

Steve Anderson, cashier, auditor and assistant trust officer of Lexington State Bank and Trust Co., has been elected president of the Central Nebraska Bank Administration Institute (BAI). He previously served as the group's secretary, treasurer and vice president.

Bob Gibson Joins Omaha Bank

Bob Gibson, former St. Louis Cardinal pitcher, has joined the Community Bank of Nebraska as a vice president. Mr. Gibson retired last year after 17 years with the St. Louis organization. He is a 1957 graduate of Creighton University where he achieved national recognition both in basketball and baseball.



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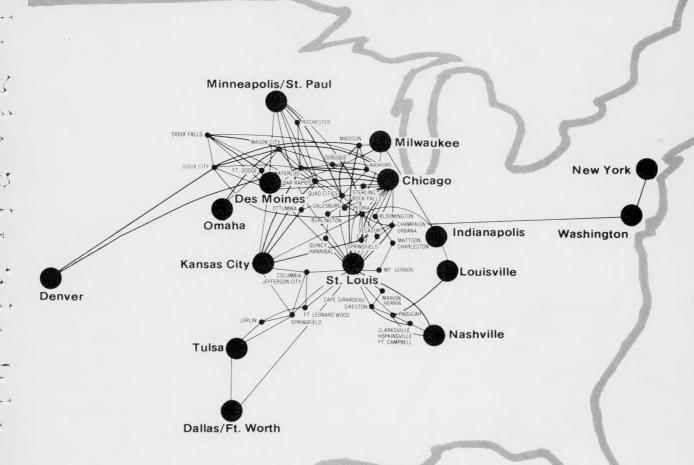
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Northwestern Banker, June 1976 Digitized for FRASER

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against yours.

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William C. Smith, president of First National Lincoln Corp., and its wholly-owned subsidiary, First National Bank & Trust Company of Lincoln, has been elected to the added post of chief executive officer. He succeeds Burnham Yates who retired.



B. YATES

W. C. SMITH

Mr. Smith began his banking career with Continental National Bank and Trust Company of Lincoln after graduation from the University of Nebraska in 1955. He was named investment officer of First National Bank in 1960 when the two banks merged. He was elected vice president in 1966, a director in 1967 and president in 1969.

Mr. Yates, who reached the corporation's mandatory retirement age, began his career with First National in 1945 after nine years in the investment banking field. He was elected president in 1950 and had served as chief executive officer since 1952. Elected to the board in 1948, he has been chairman since 1969. Mr. Yates will continue to serve as a director and will maintain a private office in the bank building.

The National Bank of Commerce and NBC Co. recently dedicated the new NBC Center at 13th and O Streets. The ceremonies began with a ribbon-cutting by **Glenn Yaussi**, chairman, NBC Co., followed by the placement of the Time Capsule under the Ficus Nitida Fig Tree in the Garden Court. Numerous civic, government and business leaders, including Governor **J. J. Exon** and Mayor **Helen Boosalis**, placed mementos in the capsule. After the capsule was sealed and lowered into place, guests were invited to tour the new NBC Center.

The program continued with a luncheon on the NBC Center 11th floor. Featured participants included I. M. Pei and James Ingo Freed, architects with I. M. Pei Partners, New York; Pat Darling, representing the

Lincoln architectural firm of Davis, Fenton, Stange and Darling; Mr. Yaussi; J. D. Schiermeyer, NBC and NBC Co., president and chief executive officer; Paul Amen, NBC chairman and Tom Brokaw, National Broadcasting Corporation.

Mr. Brokaw was the luncheon speaker. His presentation was entitled "The Bicentennial-A Fresh Start?", an examination of political attitudes and prospects for the United States in 1976.

Hardy Bank Announces Extensive Remodeling Plans

The Hardy State Bank's board of directors has announced an extensive renovation of the bank's facilities.

A mansard-style roof with shake shingles will be added. The exterior walls will be covered and stained to give a reverse board and batten appearance. New windows will be installed and the main entrance will be moved from the northwest to the southwest side.

The remodeling is expected to take from three to four months.

Named at Carroll

Farmers State Bank has announced the appointment of Beverly Ann Hitchcock as assistant cashier. Mrs. Hitchcock began her banking career three years ago.

Elba Bank Is Sold To American Savings

The American Savings Co. of Omaha has purchased The Elba State Bank.

Darrell D. Anderson, president of American Savings, also will serve as president of the Elba bank. He replaces Allan Jacobson, who, along with other members of his family, formerly owned the bank. Terms of the purchase, subject to approval by the Federal Reserve Board, were not disclosed.

Chuck Musland, first vice president and operations officer for American Savings, also will be a vice president of the bank.

Geneva Bank Elects Assistant Vice President

Timothy A. Rowan of Blue Hill has been elected assistant vice president of Fillmore County Bank in Geneva, according to Dennis Devine, bank president. Mr. Rowan will be working in all phases of lending.

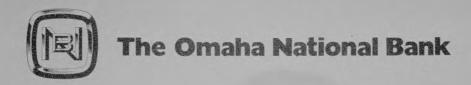
First Nat'l of York Opens in New Facility



SHOWN is the First National Bank of York which recently opened in its new facility at 1730 Lincoln Avenue. A week-long grand opening program was held to commemorate the occasion, according to **M. C. Bonham**, president.

Northwestern Banker, June 1976 Digitized for FRASER

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JOHN D. WOODS President

May 19, 1976

Dear Correspondents:

As president of Nebraska's largest bank and a firm believer in the correspondent banking system, I consider it important to look back from time to time on the long history of our role as a major correspondent link in the region.

Reflecting on that role today, I feel there are a number of areas which need to be strengthened in order to maintain excellent relationships. In fact, I came to Omaha because I could see that opportunities for growth at our bank would result primarily through a strong correspondent system. We are, therefore, placing top priority on serving our correspondent banks.

The lag time between new technology and product availability is vanishing. We intend to keep abreast in this changing and increasingly competitive market, and to share resources and product innovations with our correspondent customers. By working together, each of us will continue to be forerunners in the exciting era ahead of us.

Our top management is committed to make these ventures profitable for you, the community bank, as well as the city correspondent. We have some very specific ideas about how to achieve this, and during the next several months we intend to share with you detailed outlines for these programs.

I have been traveling the region to get to know each of you and to find out about your specific concerns and plans. While I intend to make these calls a regular part of my schedule, please accept an invitation to visit with me when you're in Omaha. Through this mutual exchange of information, I am confident that we can insure a vigorous and lasting association.

Sincerely,



I'm Don Rainer your roving correspondent "Working closely with from Bankers Trust and part transfers

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As Bankers Trust's agricultural specialist in the field of correspondent banking, Don Rainer has the desire and expertise to establish a solid correspondent relationship with you.

Don will be there when you need him, supported by Bankers Trust specialized correspondent services. He recognizes that every bank is a unique institution with its own individual needs. So Don offers an individualized approach to trust services, loan overlines

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Contact Bankers Trust and ask for Don Rainer or one of our other roving correspondents. Bankers Trust wants to correspond with you . . . bank to bank . . . person to person.

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Senate Approves Bill Allowing EFT

HE Iowa Senate approved a bill authorizing financial institutions to operate electronic facilities in remote docations last month.

The bill, as passed earlier in the House, would allow banks to shift from a year of experimentation to broad use of electronic outlets providing credit to card-carrying customers. The measure was approved 41-2 and now returns to the House for action on three Senate changes.

The changes are: to make banks. savings and loans and credit unions responsible for correcting errors and explaining mixups to customers, to require receipts for all transactions and quarterly reports showing what customers spend or borrow in using the machines, and to require financial institutions to disclose in advance their terms and fees for the services to customers under the system.

The Senate rejected 20-11 a pro-, posal that would have permitted banks to expand their electronic outlets beyond the metropolitan areas where they are now located.

First National of Dubuque **Opens Temporary Facility**

William G. Kruse, president of The First National Bank of Dubuque, has



K. SANDHOLM

Kevin Sand-

property

holm has been appointed branch manager. He received a BS degree in agricultural business from Iowa State University, Ames, and joined First National in June of 1971.

Promoted at Bettendorf

George C. Heninger, president of

the Bettendorf Bank and Trust Company, has announced the promotion of Linda Kramer from secretary to head teller. She joined the bank in May of 1975 from the Marine Trust Company of Carthage, Ill.

Top Executive Changes At Nat'l Bank of Waterloo

R. L. Kilgore, president of The National Bank of Waterloo, has announced his retirement. R. Scott Fetner has been appointed president of the bank.



R. L. KILGORE

R. S. FETNER

Mr. Fetner has been in the financial field since 1950, most recently serving as executive vice president of the Springfield Marine Bank in Illinois. Previously he was president of Associates of South Bend in Indiana for six years. Associates, a subsidiary of Gulf and Western, is a multi-financial services company. He also has served as vice president of American Fletcher National Bank, Indianapolis, Ind., and as vice president of Old Kent Bank and Trust of Grand Rapids, Mich.

Mr. Kilgore joined the bank as a teller when it first opened on June 9, 1933. He was elected president in January of 1963. Over the course of his career he served on the first Federal Reserve advisory committee, was a member of the initial board of Mid-America Bank Card System, which introduced the Master Charge card to Iowa and is currently treasurer of the Iowa Transfer System.

Mr. Kilgore will remain as chairman of the executive committee.

Nominate Christy Armstrong For IBA Vice Presidency

Christy F. Armstrong, president of the American Trust and Savings Bank,



C. F. ARMSTRONG

Dubuque, has been nominated to the office of vice president of the Iowa Bankers Association. The election will take place by ballot and will be announced at the association's annual convention in Oc-

tober.

C. Robert Brenton, president of Brenton Banks, Inc., Des Moines, holds the office now and will succeed to the presidency.

Mr. Armstrong began his banking career in 1935 with the Iowa-Des Moines National Bank. He then left to attend the University of Iowa and was graduated in 1941. Following World War II, Mr. Armstrong worked in a Manchester bank until 1947 when he moved back to the Iowa-Des Moines. After eight years as credit manager he joined the correspondent department and was elected vice president in 1957. He joined American Trust & Savings as a vice president in 1961, was elected senior vice president in 1967, executive vice president in 1968 and president in 1973.

Citizens State of Webb Holds Open House

The Citizens State Bank of Webb recently held an open house for the public to inspect its new building and other facilities.

W. O. Hopkins is president of the bank.

Elects 1976-77 Officers

Hester Whitlatch has been elected chairman of the South Central Iowa Group of the National Association of Bank Women. She is controller of the Mahaska State Bank in Oskaloosa.

Other officers elected include: vice chairman, Virginia Hayes, cashier, Iowa Trust and Savings Bank, Centerville; secretary, Barbara Speed, auditor, Union Bank & Trust Co., Ottumwa, and treasurer, Rita Swainey, assistant cashier, First National Bank of Ottumwa. Le Loie T. Frost, assistant cashier of Union Bank and Trust Company, Ottumwa, is serving as publicity chairman for the group.

Northwestern Banker, June 1976

First National in Le Mars Announces Elections

Al Maser, president of the First National Bank in Le Mars, has announced the following officer elections: E. C. Lee, senior vice president and trust officer; Norman Kehrberg, vice president and cashier; Marvin Nemmers, assistant vice president and head of the instalment loan department; and Evelyn Small and Gladys Kock, assistant cashiers.

Mr. Lee previously served as vice president and cashier and has been in charge of the bank's operations. He has been in banking since 1950 and joined First National 15 years ago.

Mr. Kehrberg began his banking career in 1968 and previously was in charge of the personal loan department. Mr. Nemmers joined First National in 1973. Mrs. Small has been with the bank since 1963. Her new duties will be in the personal loan department. Mrs. Kock has been with the bank for 12 years and is in charge of the bookkeeping department which has expanded into data processing and operations.

Named at Sheldon

Wilbur Vander Tuig has been ap-

pointed to the board of Security State Bank, Sheldon, according to Richard A. Schneider, bank president.

Mr. Vander Tuig joined the bank in 1948. He was elected assistant cashier in 1951, cashier in 1956 and vice president in 1966. He completed the Graduate School of Banking at the University of Wisconsin in 1958 and various insurance training courses and has served as agent for the affiliate Security Agency since 1964.

Elected to Hawkeye Bancorporation Board

Robert K. Beck has been elected to the board of Hawkeye Bancorporation, Des Moines. Mr. Beck is editor and publisher of the Centerville daily *Iowegian*. He has served in the Iowa State Legislature, on the Iowa Highway Commission and is presently on the Iowa Development Commission. He formerly was chairman of Centerville National Bank.

Honored for Service To New Albin Bank

Albert Fruechte recently was honored at a dinner marking the completion of his fiftieth year at the New Albin Savings Bank. Mr. Fruechte began as a bookkeeper in 1926 and rose through the positions of teller and assistant cashier to become executive vice president.

NW Iowa NABW Group Elects New Officers

The Northwest Iowa Group of the National Association of Bank Women has announced the election and installation of its officers for 1976-77. They are: chairperson—Eda Kroon, vice president and cashier, First National Bank, Sioux Center; vice chairperson—Arlene Swendson, administrative officer, Commercial State Bank, Pocahontas; treasurer—Marilyn Damman, cashier, Melvin Savings Bank; and secretary—Linda Milbrath.

The following chairpersons for the company's coming year were appointed: membership — Gladys Nelson, assistant cashier, Iowa Trust and Savings Bank, Estherville; education — Bonnie Britton, Sioux City; program — Arlene Swendsen, Pocahontas; bylaws — Edith Slife, vice president and cashier, and Mick Rummel, assistant vice president, Farmers State Bank, Hawarden; and publicity — Frances Schmeling, cashier, First State Bank, Mapleton.



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Cedar Rapids Bank Names Director, Promotes 7

Merchants National Bank of Cedar Rapids has announced the following

seven promotions:
James H. Struve
from assistant
vice president to
vice president;
Carrol D. Griggs
from assistant
trust officer to
trust officer; Nadine Wax, Mark
Christen and
Madge Olson



M. CHRISTEN

from assistant cashiers to assistant vice presidents; Patricia A. Jennings and Thomas J. Watson to assistant cashiers.

Mark Christen is in the correspondent department and is well-known throughout the state.

The bank also announced the election of David A. Cohn to its board of directors. Mr. Cohn is a 1962 graduate of Washington University of St. Louis. He is presently chief executive officer of Dearborn Brass Company and subsidiaries, a member of the executive committee of the plumbing and accessory group of Beatric Foods, vice chairman of the American Cancer Society, Linn County chapter, and a member of the board of St. Luke's

Joins Algona Bank

Hospital.

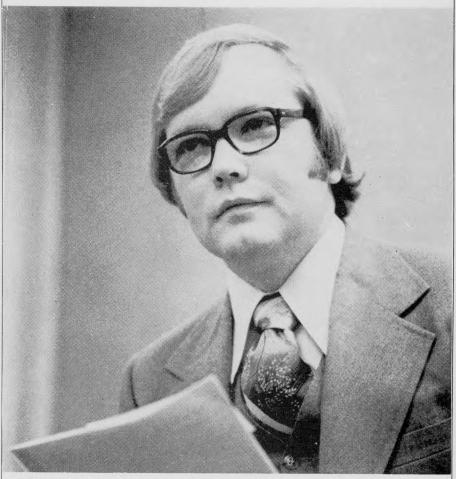
The Iowa State Bank of Algona has announced the addition of Joseph W. Ringsdorf to its staff as agricultural representative and assistant vice president. Mr. Ringsdorf recently resigned a similar position at The Security State Bank of Algona.

Mr. Ringsdorf, a native of the area, was graduated from Southern Illinois University at Carbondale in 1970 with a BA in economics. He was a bank examiner for the Federal Reserve Bank of Chicago and served two years as a loan officer at the Security Savings Bank of Eagle Grove before moving to Algona.

Le Mars Banker Retires

A dinner party was held recently honoring Alta A. Werth, vice president and trust officer of the First National Bank of Le Mars. She has retired after 32 years in the banking profession. Miss Werth joined the bank's staff in 1944 and held every office. In recent years she was in charge of the trust department.

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"People are our strength. We rely on an experienced team at Security to answer our customers questions about EFTS, Agri-Finance, IRA-Keogh, Trust, and data processing services. We have the expertise behind us. The best people and

the best facilities mean the best service."

WAYNE JOHNSON

CORRESPONDENT BANK OFFICER

Security National Bank

6th & Pierce Street, Sioux City, Iowa Phone: 712-277-6517



150 Attend State Banking Conference

G O INTO the schools. Teach others about banking, Carl E. Bahmeier, Jr., banking consultant, told about 150 bankers attending the recent State Banking Conference in Des Moines. "Forget the words — how will it affect the bank?", he advised. "And substitute with — how will it affect our customers and the community?"

The one-day meeting at the Hyatt House was sponsored by the Federation of County Bankers Association and the Iowa Junior Bankers Association, divisions of the Iowa Bankers Association (IBA).

"Perhaps most of our problems have been self-created," Mr. Bahmeier commented. "We have savings and loans because banks refused to offer mortgages. We have allowed savings and loans to come and grow. All the consumers want is service at a competitive price."

Mr. Bahmeier talked about the advantage credit unions have of paying high rates of interest and charging low



SHOWN at the State Banking Conference are (I. to r.): speakers—Carl E. Bahmeier, Jr., banking consultant; Dr. Charles F. Haywood, dean, school of business & economics, University of Kentucky, Lexington, Ky. & member, FINE Study Committee, and Dave McNichols, educational director, lowa Bankers Association.

rates for loans. Credit unions can do this because they have very few delinquency problems, he said, and the "common bond" method of lending also gives them the privilege of non-taxation because it makes them cooperatives. "Let's get back to the same principles," Mr. Bahmeier suggested. "Accept them as competition as they are or let them pay taxes if they want to give more services."

Another speaker at the meeting was Thomas Huston, superintendent of banking, Iowa State Department of Banking. "What you do as bankers will reflect in your ratios . . . which will determine what we do with your bank," Mr. Huston said. "The Iowa Department of Banking will stay tough on having adequate capital."

Richard Thornton, IBA legislative counsel, moderated a panel on current legislation. Representatives Arthur Small and Scott D. Newhard both gave short talks and answered questions.

Representative Newhard spoke on the bankers relationship with his legislator. "I have been pleased with the receptiveness to my view," Mr. Newhard commented. He urged bankers to take the time to get to know their legislator. Bankers are not always unified and this can be very confusing to legislators, he commented.

EFT

Representative Small addressed the subject of electronic funds transfer. "Very significant changes are going to be made in how banking is conducted," he said. "We should work into this gradually so we don't disrupt too

BANKING CONFERENCE . . .

(Turn to page 112, please)



OFFICERS of The Federation of County Bankers Association elected at the annual State Banking Conference are (l. to r.): immediate past pres.—John O'Byrne, v.p., Cresco Union Savings Bank; pres.—John Koenig, e.v.p. & cash., Montgomery County Nat'l Bank, Red Oak; v.p.—Gary Todd, v.p., Peoples Nat'l Bank, Columbus Junction; and secretary-treasurer—Donald Sommerlot, v.p., Atlantic State Bank.



NEWLY elected officers of the Iowa Junior Bankers Association are (I. to r.): v.p.—Bruce McCullough, operations officer, The State Bank, Fort Dodge; pres.—Larry G. Clausen, v.p. & cash. Farmers State Bank, Schleswig; secretary—Mike Cord, a.v.p. & mgr., instalment Ioan dept., Tipton State Bank; and immediate past pres.—Mickey E. Lewis, e.v.p., First State Bank, Fredericksburg.

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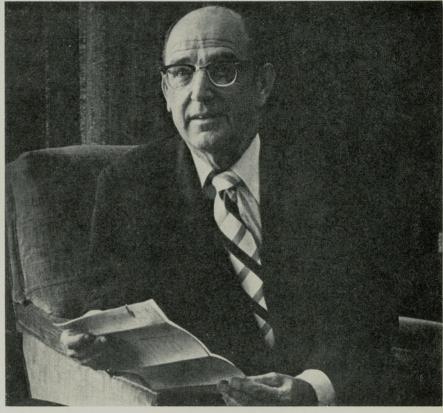
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The Carleton D. Beh Co., investment banking firm headquartered in Des Moines, announced last month the acquisition of E. J. Prescott & Co., an investment banking firm located in Minneapolis, Minn.

E. J. Prescott & Co., established in 1932, will continue to operate as E. J. Prescott, a division of Carleton D. Beh Co.

E. W. Prescott, vice president, will continue to serve as the resident manager and Christopher J. Koegel, assistant vice president, has been appointed resident sales manager.

The Carleton D. Beh firm is a primary underwriter and distributor of municipal bonds of the upper midwest.

Two prominent South Des Moines businessmen have been elected to the board of directors of the South Des Moines National Bank, according to **Thomas O. Cooper,** bank president. They are **John Carter,** bank vice president and trust officer, and Joseph Tursi, co-owner of Park Avenue Shoe and Clothing. Mr. Carter is a graduate of Iowa State University, Ames, and the Graduate School of Banking in Madison, Wis., and is presently serving on the career education advisory committee for the Des Moines Public Schools.

John Carter and Joe Tursi have been elected to the board of directors at South Des Moines National Bank.

Mr. Carter joined the bank in 1968 as assistant cashier, was advanced to cashier in 1972, and elected vice president and trust officer in 1974. He is a graduate of Iowa State University and the Graduate School of Banking at the University of Wisconsin, Madison.

Mr. Tursi and his brother, Paul, operate the Park Avenue Shoe & Clothing store founded in 1935 by their father.

Jerry R. Thornton has been elected assistant vice president-director of mar-



keting for the 17 Brenton banks and affiliate companies.

Mr. Thornton is chairman of the marketing committee of the Iowa Bankers Association and is a director of Bank Marketing Association

J. THORNTON Marketing Association's research, planning and EFT committee.

A graduate of the University of Iowa in Iowa City, Mr. Thornton also attended the Graduate School of International Marketing at American University in Washington, D. C. He joined Brenton Banks, Inc., in January of 1974 after spending six years with Central National Bank and Trust Company of Des Moines.

Brenton Banks, Inc., has announced the following three new directors:

James H. Crane, president of the Palo Alto County State Bank, Emmetsburg; George Mechem, president of Brenton Bank and Trust Company of Clarion; and Betty L. Steele, vice president and corpo-



J. H. CRANE

rate secretary, Brenton Banks, Inc.



B. L. STEELE

Directors elected to the new position, of honorary director are Mrs. W. Harold Brenton, George C. Kelly and Robert S. Kinsey. Messrs. Kelly and Kinsey are retired, long-time associates of Brenton banks.

Calvin W. Aurand, Wayzata, Minn., retired president of the Iowa-Des Moines National Bank, and Edgar DES MOINES NEWS . . .

(Turn to page 120, please)

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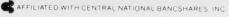
For more details, call our Correspondent Bank Department toll free.



11:00 P.M. **NEXT DAY** IOWA 4:00 A.M. SAME DAY FEDERAL RESERVE CITIES 8:00 A.M. SAME DAY DES MOINES AND SURROUNDING CITIES FEDERAL HOME LOAN BANK-STATE TREASURERS ITEMS 4:00 A.M. NEXT DAY COUNTRY ITEMS NATIONWIDE



WEST DES MOINES: WEST TOWERS OFFICE BUILDING, 35TH & 1-235



BANKING CONFERENCE . . .

(Continued from page 108)

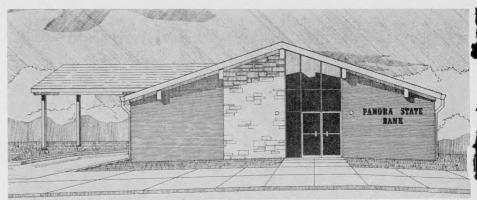
drastically the banking structure we have." Representative Small said that he was trying to go slow on the EFT bill of last year. "I bottled it up in committee, wanting to have it studied. I tried to draft an amendment to slow down the process until we could look at it. We didn't know much about it," he said.

"Stay Young, Stay New and Stay Excited," Grant Gard told his audience at the noon luncheon. He spoke about "those who make it happen, those who watch it happen and those who wake up in the morning and wonder what happened."

"People like to do business with winners," he commented. "We've got to assume an optimistic attitude. Look inside problems for solutions."

Other comments he made included: "People will trust a person who makes decisions. People like to feel it is their own idea. Don't get your mind so much on your problems that you can't solve your business problems or those of others. Variety is the spice of life."

Other speakers at the conference were Robert Pim, state director of the Farm Home Administration, Des Moines, who detailed what can be expected in the coming years, and Dr. Charles F. Haywood, dean of the School of Business and Economics at the University of Kentucky, Lexington, and a member of the Financial Institutions in National Economy Study Committee, who gave an analysis and spoke on the impact of the Financial Institutions Act.



ARCHITECT'S sketch of the new Panora State Bank to be completed in seven to nine months.

Panora State to Build New Facility

BRUCE Barks, president of the Panora State Bank, has announced a major construction program for the bank.

A new facility, modern and functional in design, will be built on Main Street. Included will be private offices, an enlarged tellers counter, vault with double the present safety deposit box capacity and private coupon booths. A drive-up facility, night deposit system and additional safety deposit boxes are featured.

Completion is expected in seven to nine months barring unusual weather. The Kirk Gross Company of Waterloo has the responsibility for the entire building program.

Named Vice President Of Ottumwa Bank

Rodney L. Day has been named vice president and manager of the instalment loan department of the Union Bank and Trust Company in Ottumwa.

Competitors

Leonard A. Davidson, senior vice president, will be working as a commercial loan officer. Mr. Davidson joined the bank in 1937 and had headed the instalment loan department since 1948.

Other promotions announced involved David L. Griffen and James E. Elsensohn, instalment loan officers, who were advanced to assistant vice presidents.

Mr. Day joined the bank in 1958 as a loan officer in the instalment loan department. Mr. Griffen began his association with the bank in 1966 as a data processing computer programmer and in 1971 transferred to the instalment loan department as a loan officer. Mr. Elsensohn has been with the bank since 1971 as an instalment loan officer.

Joins Waterloo Savings Bank

Dennis Egel has joined the trust department of the Waterloo Savings Bank, according to Dale DeKoster, bank president.

Mr. Egel previously was with the trust department of the Iowa State Bank, Iowa City, for a year and most recently was with a law firm in Oelwein. He is a graduate of Northwestern University and received his JD law degree in 1973 from the University of Iowa law school, Iowa City.

William H. Longman

Funeral services were held recently for W. H. Longman, vice president of The Security Trust and Savings Bank in Shenandoah.

Mr. Longman joined the bank in 1924 from the First National Bank, Northboro. He had been in banking for almost 60 years.

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Northwestern Banker, June 1976

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Federal Reserve Bank of St. Louis



CANDIDATE-Christy F. Armstrong, pres., Amer. Tr. & Sav. Bk., Dubuque, 2nd from left, is candidate for v.p. of IBA. Shown with Christy are F. Addison Jones, pres., Grinnell St. Bk. (left); Jim Hill, a.v.p., Harris Bk., Chicago, and Richard Buenneke, pres., Capital City State Bank, Des Moines.

lowa Bankers Told To Speak Out About Positive Achievements

→ speak out about their positive achievements in order to counteract the many distortions publicized in numerous national media.

This was the suggestion made by President Dale DeKoster

OMMERCIAL bankers should during the series of eight Iowa Bankers Association group meetings held last month. He recommended that community bankers spread the word to community groups, as well as to their own employees. At the same time, he said, bankers should



GROUP 12 officers are pictured with their wives. They are M. J. "Dick" Kuehl (left), secy. of the group and pres., Security State, Lake Park; Mrs. Kuehl; Max Kiernan, chmn. of the group and pres., Alton Savings Bank, and Mrs. Kiernan.



VISITING during Gp. 3 meeting in Clear Lake were, from left, Mark Arneson, chmn., Clear Lake B&T; Paul Giel, dir. of athletics, University of Minnesota, who addressed the meeting, and Jay Tomson, pres., Citizens Natl., Charles City.

continue to recognize their individual responsibilities on keeping their house in order.

Neil Milner, executive vice president and secretary of IBA, reviewed the progress being made with the Iowa Transfer System and action taken in the Iowa legislature. He paid tribute to Rose Dooley, who died recently after serving the association for 47 years.

Tom Huston, superintendent of banking, said the Iowa Banking Department will continue to maintain a tough posture on capital adequacy. He reported that the 557 Iowa state chartered banks were slightly above average in the nation in the area of capital to asset ratios. He told delegates that his staff of 100 people is responsible for supervision of 430 credit unions and 317 small loan firms in addition to the 557 state banks.

New Officers

Group 8, meeting in Davenport, elected John Figge as chairman, and Robert C. Wede as secretary. Mr. Figge is vice president, Davenport Bank and Trust Company. Mr. Wede is president of the Goose Lake Savings Bank.

Group 4, meeting in Cedar Rapids, elected Tom Kerndt, chairman, and Churchill Williams, secretary. Mr. Kerndt is president, Kerndt Bros. Savings Bank, Lansing. Mr. Williams is president, Oelwein State Bank.

Group 2, meeting in Fort Dodge, elected Tom Dunlap, chairman, and Earl Underbrink, secretary. Mr. Dunlap is president, South Story Bank and Trust, Slater. Mr. Underbrink is president, First National Bank, Fort Dodge.

Group 6, meeting in Des Moines, elected Bernard D. Duben as chairman, and Don Bolton as secretary. Mr. Duben is executive vice president, Iowa State Savings Bank, Creston. Mr. Bolton is executive vice president and trust officer, Union State Bank, Winter-

Group 12, meeting in Okoboji, elected Max Kiernan as chairman and M. J. Kuehl as secretary. Mr. Kiernan is president, Alton Savings Bank. Mr. Kuehl is president, Security State Bank, Lake Park.

More pictures from the Iowa Group Meetings will be published in the next issue of the Northwestern BANKER.-End

Iowa Group Meeting Photos



IBA PRES. Dale DeKoster, pres., Waterloo Sav. Bk., and new chmn. of Gr. 1, Tom Dunlap, pres., South Story Bk. & Tr., Slater. of CENTER—IBA Treas. John Dean, pres., Glenwood St. Bk., and Immed. Past Pres., IBAA Ken Benda, pres., Hartwick St. Bk. RIGHT—Mrs. Oliver Hansen, wife of pres., Liberty Tr. & Sav. Bk., Durant, and Mrs. Ed Lenaghan, wife of exec. v.p., Iowa Bkrs. Ins. and Services, Des Moines.



GROUP FOUR banquet finds, from left: George Decker, v.p., Continental Bk., Chicago; Barbara Armstrong and husband, Christy, pres., American Tr., Dubuque. RIGHT—Don Nebergall, pres., Brenton Bk. & Tr. Co., Cedar Rapids, and Dr. Sun Won Son.



GROUP EIGHT officers elected are Secy. Bob Wede, pres., Goose Lake Sav. Bk., and Chmn. John Figge, v.p., Davenport Bk. & Tr. Co. RIGHT—John Krieger, a.v.p., Iowa St. Bk. & Tr. Co., Iowa City, Bud Cross, Ioan officer, First Nat'l. Bk., Chicago, greet Mr. and Mrs. Eddie Wolf, v.p., Central Nat'l. Bk. & Tr. Co., Chicago.

More Group Meeting Photos



Marsha Bell, investment officer, Northern Trust Co., Chicago, receives an autograph from Dick Tool, pres., Farmers & Merchants Sav. Bk., Manchester, as Orrin Wilson, 2nd v.p., Northern, looks on. RIGHT—Gary Todd, v.p., Peoples Nat'l. Bank, Columbus Junction, Lorna Wissink, pres., Andrew Sav. Bk.; Maxine and Bob Buenneke, v.p., lowa-Des Moines Nat'l. Bk.



Bud Willer, v.p., Decorah St. Bk.; Pete DeRosier, v.p., Nat'l. Blvd. Bk., Chicago; Russ Plager, v.p., Central Nat'l. Bk. & Tr. Co., Des Moines, and Ray Dieball, Wayne Hummer & Co., Chicago. RIGHT—Bernard Miller, v.p., Drovers Nat'l. Bk., Chicago, Larry Makoben, v.p., Northwest Bk. & Tr. Co., Davenport; Cy Kirk, v.p., LaSalle Nat'l. Bk., Chicago, and Homer Jensen, exec. v.p., Capital City St. Bk., Des Moines.



SUPT. OF BANKING Tom Huston, IBA V.P. Bob Brenton, and IBA Exec. V.P. Neil Milner. CENTER—Paul Engle, poet laureate of University of Iowa; Dick Landis, Ioan officer, Guaranty Bank & Tr. Co., Cedar Rapids, and Mrs. Engle. RIGHT—IBA Immed. Past Pres. Jack Campbell, pres., Humboldt Tr. & Sav. Bk., IBA Exec. V.P. Neil Milner, and Dick Ferguson, chmn., Gr. 8, and v.p., Tipton St. Bk.

More Group Meeting Photos



Group 8-Tom Figge, v.p., and V. O. Figge, pres., Davenport Bk. & Tr. Co.; Homer Jensen, exec. v.p., Capital City St. Bk., Des Moines; Jim Brownson, v.p. & cash., Davenport Bk. & Tr. Co., and Bob Gibbs, Continental Bank, Chicago. RIGHT-Dale Luckow, pres., Dyersville Nat'l Bk., congratulates new DeLuxe Check Printers rep., Richard Dombeck, as Jack Campbell, pres., Humboldt Tr. & Sav. Bk., and C. A. Handfelt, pres., Security St. Bk., Independence, look on.



George Milligan, v.p., lowa-Des Moines Nat'l. Bk., and Jim Figge, v.p., Davenport Bk. & Tr. Co. RIGHT—Wayne Geadelmann, sr. v.p., First Nat'l. Bk., Davenport; Mrs. Bob [Babette] Brenton, Bob Brenton, pres., Brenton Banks, Inc., Des Moines, and Dick Elijah, dir., Clarence Sav. Bk.



John Mangold, sr. v.p., Merchants Nat'l. Bk., Cedar Rapids, Mrs. John [Mary] Mangold, who was in charge of ladies' activities at Gr. 4. CENTER—Ed Lewis, v.p., Commerce Bk., Kansas City, and John Welch, v.p., Valley Nat'l. Bk., Des Moines. RIGHT—Ben Eilders, sr. v.p., Bankers Tr., Des Moines, and Mrs. Cecil Dunn, pres., Security Sav. Bk., Eagle Grove.

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PICTURED are (from left to right): Arlene Swendsen, Northwest Group vice chmn. & admin. off., Commercial State Bank, Pocahontas; Mary Ann Trevathan, Northeastern Group chmn. & v.p. & cash., Maquoketa State Bank; Leona Sutton, Central Group chmn. & a.c., Bankers Trust Co., Des Moines; Hester Whitlatch, South Central Group chmn. & controller, Mahaska State Bank, Oskaloosa, & Betty Lepic, Southeastern Group chmn. & t.o., First Natl., Iowa City. Eda Kroon (not pictured), cash. & dir., First Natl., Sioux Center, is chmn. of the Northwestern Group.

Leadership, EFT, Economy, Bad Checks Discussed by Iowa NABW Group

By LINDA L. RHEIN Associate Editor

W HY do women seek positions of leadership?

They want to be of service, to influence others, to derive personal satisfaction and to secure independent financial futures, according to Sister Mary Lawrence Halligan, administrator of Mercy Hospital in Cedar Rapids. Sister Mary recently spoke before 191 women bank officers at the Iowa Group meeting of the National Association of Bank Women (NABW).

"Through the ages, women have done and continue to do great things," she commented. However, "even in 1976 women have not reached the level of tokenism that blacks have. Women predominate in the lower paying, lower esteem jobs."

"Our culture" is the main reason for this situation. It has been thought that men should be the executives and women their helpers, she said.

Sister Mary listed several leadership qualities that women should strive for if they want to become executives. These are: education, availability, persistence, creativity and imagination, ability to delegate authority and responsibility, accountability, objectivity, realism and ability to relate to others.

The Iowa Group disbanded at the meeting in favor of seven smaller

groups formed to replace it as of October, 1976. Each smaller group is required to have four meetings a year. All groups will gather together for the fourth meeting of the year with each group taking a turn at hosting the others.

Another speaker at the meeting, held at the Holiday Inn, Amana Interchange, Interstate 80, was James E. Coquillette, president of The Merchants National Bank, Cedar Rapids. Mr. Coquillette named the 21 regulatory agencies which have varying effects on banks and briefly described each.

Included in the meeting was an "Overview of Financial Markets" by Richard J. Piket, bond officer of Continental Illinois National Bank in Chicago.

"Current economic conditions are much better than anyone had hoped for or expected," he commented. "The consumer is contributing most to the economic recovery . . . Real income has been restored . . . The consumer seems to be ready, willing and able to spend money."

Mr. Piket's outlook was that inflation would continue as the number one issue, that the consumer will continue to spend and business will respond.

Unemployment will be lower. Credit conditions will tighten and short term interest rates will begin to rise.

Joseph Phernetton, president, and Brian C. Scott, marketing representative, Banks of Iowa Computer Services, Inc., Cedar Rapids, presented a seminar on "Electronic Banking for Iowa." They outlined 14 steps as an internal bank planning guide for EFT.

NABW President Speaks

Betty Steele, president of the National Association of Bank Women, attended the meeting to keep members informed about national matters and to review the association's educational program. Mrs. Steele is also vice president, secretary and director of Brenton Banks, Inc., Des Moines.

"We do not want to be a part of reverse discrimination," she stated. "We will continue to work within the industry to improve our position."

"Fraudulent Checkwriting" was the title of a panel consisting of John Bickel, attorney; Barbara Everly, chief clerk, bankruptcy division, U.S. District Court, Northern District of Iowa; William E. Kell, assistant special agent, FBI, Omaha office, and Dale Arnett, detective, check and forgery division, Cedar Rapids Police Department.

Detective Arnett said there is a need to crack down on people opening checking accounts. He suggested taking photographs or fingerprints of

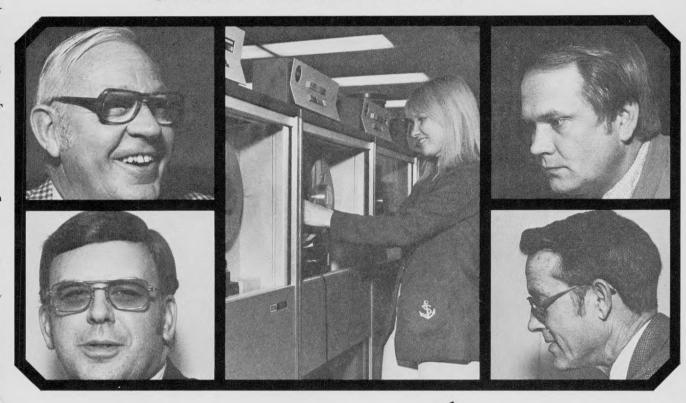


DOROTHY Engel (left) received the la. Group of NABW scholarship. She is a.c., Cedar Falls Tr. & Sav. Rosie Holthaus of Merchants Natl., Cedar Rapids, received the Helen Rhinehart Award.

those opening accounts. Be on the lookout for counterfeit checks, he warned, recommending that bank employees know their local businesses because the passers also will have counterfeit identification.

Cedar Rapids has a check warning system, Mr. Arnett said. The police call the Credit Bureau which begins

PEOPLE YOU CAN TALK TO--



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And more. As a major correspondent bank, we're prepared to help you in any way we can. So contact us. By phone or letter. We're people you can talk to.

National Bank of Waterloo







SHOWN from left to right are: Betty Steele, natl. pres. of NABW & v.p., secy. & dir., Brenton Banks, Inc., Des Moines, with James E. Coquillette, pres., Merchants Natl. Bank, Cedar Rapids; Kaye F. Fulrath, Ia. Group chmn. & a.v.p., Merchants Natl. Bank, Cedar Rapids with Sara Lee Yoder, Ia. Group vice chmn. & cash., Grundy Natl. Bank, Grundy Center; Pauline Deines, regional v.p. of NABW & v.p., First Natl. Bank, Ogallala, Nebr., and Barbara Speed, aud., Union B&T, Ottumwa.

a chain of calls to merchants and banks in the area.

Robberies Increase

Mr. Kell said that "bank robberies are continuing at a high rate," citing a 37% increase in 1975 over 1974. In 1975 Nebraska had 20 robberies, 19 of which were in Omaha. In 1975 Iowa had 19 robberies, one of which

was in Des Moines. Banks in the larger cities are installing bank barriers and off-duty deputies, he stated.

Kaye F. Fulrath, Iowa Group chairman and assistant vice president, The Merchants National Bank, Cedar Rapids, presided at the meeting. Other speakers included Pauline Deines, NABW regional vice president and vice president, The First National

Bank of Ogallala, Nebr.; Neil Milner, executive vice president and secretary of the Iowa Bankers Association; and Thomas Ecker, coordinator of athletics in the Cedar Rapids Community School District. James Whalen, special agent, FBI, Cedar Rapids, showed slides of two bank robberies and spoke on the subject, "You, Too, Could Be a Hostage." — End

DES MOINES NEWS . . .

(Continued from page 110)

Musgrave, partner in the Des Moines law firm of Whitfield, Musgrave, Slevy, Kelly & Eddy, have been elected life trustees of Drake University.

Others elected include the following bankers: J. Merrill Anderson, president and chief executive officer of Central National Bancshares, Inc., the United Home Bank and Trust Company, Mason City, the Security National Bank, Algona, and the Adair County State Bank, Greenfield; and John R. Fitzgibbon, chairman, chief executive officer and director, Iowa-Des Moines National Bank. John Ruan III, vice president of operations for the Ruan Transport Corporation, was chosen to fill a vacancy through 1978.

Continuing on the executive committee are William H. Brenton, chairman of Brenton Banks, Inc., and Mr. Fitzgibbon. Continuing as trustees through 1978 are Mr. Brenton and J. Locke Macomber, president and director of the Valley National Bank. Serving with Messrs. Aurand and Musgrave as life trustees are Edward Burchette, former chairman of the Valley National Bank, and George H. Olmsted, chief executive officer and chairman of International Bank, Washington, D.C.

Oscar B. Lundgren

Funeral services were held recently for Oscar B. Lundgren, 77, well-known Fort Dodge

banker.

Mr. Lundgren was born in Lundgren and was graduated from Tobin College, Fort Dodge, in 1918. He was the deputy county auditor at Fort Dodge from 1919



O. B. LUNDGREN

to 1924, and cashier of the Burnside Savings Bank from 1924-1949. He joined the Union Trust and Savings Bank, Fort Dodge, in 1949 as cashier and became executive vice president in 1951. He later became president and at the time of his death was serving as chairman.

Somers Savings Bank Celebrates 75th Year

The Somers Savings Bank recently held an open house celebrating its 75th anniversary. Refreshments and door prizes were given away and a picnic dinner was held.

The bank was opened in 1901 and was operated as a private bank until 1911 when it was organized under a state charter. In 1936 it acquired the Callender Savings Bank and began operation as an office of the Somers Sav-

ings Bank.

Present officers include Charles L. Brockett, chairman; Charles Petersen, president; Chester Sorenson, vice president; Joseph Ekeland, vice president and office manager; Thomas L. Little, cashier and Ruth Strutzenberg, assistant cashier.

Council Bluffs Bank Names Vice President

James C. Johnson has been elected a vice president of State Bank and

Trust of Council Bluffs, according to Jack R. Eakin, president.

Mr. Johnson is a graduate of Iowa State University, Ames, with a degree in animal science. He received scholarship assistance



J. C. JOHNSON

from Ak-Sar-Ben because of his accomplishment in 4-H and agriculture.

He still raises purebred Hereford cattle.

Celebrates 70th Year

Farmers Savings Bank of Holland recently held an open house on its seventieth birthday. The Holland office was the original headquarters of Farmers Savings Bank when it was organized in June of 1906.

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"You do the impossible ultimately, the difficult, immediately."

Joe Williams was a familiar figure in early Commerce days. Red-haired, nattily dressed, he was one banker who always seemed to remember your name.

Joe Williams headed the Commerce Correspondent Department during the turbulent time of the 30's. He later became president of the bank. Joe believed that Commerce bankers should do the impossible ultimately—the difficult immediately.

That included pioneering the nation's first 24-hour transit department in 1928. A transit department so complete that banks all over the country turned to Commerce for advice. It also included special attention to each and every bank we served.

There was no end to what Joe believed could and should be done for his customers.

Banking is more sophisticated today, but Fred N. Coulson, Jr. head of our Correspondent Department, still believes in complete service for our customers.

Fred's people become totally involved with the banks they serve. They continue to find new, innovative means to help correspondent banks.

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Building in 1976

In last month's issue of the Northwestern Banker, new and remodeled bank buildings were featured. Following are three additional new buildings selected for publication by a group of correspondent bankers in the area covered by the Northwestern Banker. The buildings pictured are intended to be representative of the construction being conducted by financial institutions at this time.



The new Jefferson State Bank in Iowa is the product of years of planning by the bank's directors, officers and staff, who projected present and future needs based on the growth position of both the bank and the Greene County area. Customer convenience was the first consideration, while another objective was to create spaciousness in some areas and privacy in others.

Entrances to the bank are identical from either north or south. A spacious central lobby is open to the ceiling 21 feet above. It is encircled by teller counters, recessed customer waiting area, safe deposit facility, reception area and officers' quarters. The six teller counters run in a diagonal line to the west of the lobby and are offset separately to provide customers with privacy. A series of varied color floor-to-ceiling rectangular pillars parallel the counters behind the tellers to serve

as sound buffers. Growing plants in the lobby area complement the seasons of the year. A board room for up to 15 persons is included.

Round columns support the second floor mezzanine which harbors the employee lounge, kitchen and public meeting room.

Earth tones are used throughout the bank. The walls are off-white and the carpeting is orange and plum tweed. All desks, tables and teller counters are of natural oak. The exterior brick is a soft beige.

Bulletin boards are cylinder-shaped and are movable to any area of the bank. Another display area is on a large wall along the northwest side of the lobby.

The office of Russell G. Holt, bank president, includes a private conversation area with circular glass table and several chairs.

Jefferson State Bank was first char-



tered in 1926 and in late March it held a Bank Warming-Birthday Party for about 3,148 area residents. An art display of sculpture by a local artist was one of the main attractions, along with guided tours, an orchestra playing songs of the past 50 years, refreshments and prizes. A live broadcast by a local radio station gave an on-thespot picture of the event.

Jefferson State Bank is one of 17 banks in Brenton Banks, Inc., holding company located in Des Moines.

Northwestern Banker, June 1976 Digitized for FRASER

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First National Bank of Metamora, Ill., recently held dedication ceremonies in its new main office, according to Bob Schertz, bank president.

Following a classic modern design, the new bank is made of sand-colored brick accented by a bronze-finished fascia. The natural colors are carried through the interior to include earth-colored quarry tile and coordinated browns in the wall covering and carpet. An attractive mural behind the tellers' line depicts a forest scene. Private offices for each of the bank's executives have wood and glass partitions facing

the lobby. The waiting area is focused around an unusual high-back, upholstered settee built into the check desk.

The bank's lower level includes a community room, directors' room, employees' room and the bookkeeping department. An expanded safety deposit vault and eight teller stations are on the first floor. The bank now offers a two-lane drive-up with capacity for future expansion.

The Bunce Corporation, St. Louis, was under contract for the planning, designing, construction management and interior furnishings.



The new Farmers and Merchants State Bank in Pierz, Minn., is of contemporary design with a Bavarian accent throughout. It has a high-beamed ceiling, rustic-look interior and uses a considerable amount of glass. Since the majority of the people in the village and surrounding area are of German descent, officials first decided on a building with a Bavarian architectural design. However, after studying sketches they decided on the contemporary styling with Bavarian accents.

Officials carefully planned the size,

style and design of the building over a three year period after the land was purchased in 1970. Construction was begun in May of 1973 and completed in July of 1974.

The structure is a one-story, frame-stucco building around a steel skeleton with a full basement. The basement is poured concrete as is the main vault. Each level contains 4,900 square feet for a total of 9,800 square feet. The old building had 2,300 square feet on the main level with a full basement, which was almost unusable due to

moisture problems. Cost was approximately \$350,000 for the building and \$100,000 for furniture, fixtures and equipment.

Features of the building are: all customer services on the main level, over 2,000 square feet of future expansion area on the lower level, three private loan offices and three open desk locations, private conference room, separate loan vault, large employee lounge, six teller windows and one sitdown window, and fireplace in customer waiting area. The building was designed for future additions if necessary.

Bank officials are planning to add a canopy above the bank's two driveup lanes and to build a small storage shed.

The old bank is now the Old Bank Restaurant, a thriving family-type restaurant. After two years of trying to sell the building, the bank razed the two vaults and opened the interior. When a local cafe owner indicated he would like to rent the space, the bank installed a walk-in freezer, walk-in cooler, kitchen, office and storage area, air conditioning, seating for 170, char grill, regular grill and two new lavatories. The man is now negotiating to purchase the building and equipment and to add on to both the dining area and the kitchen.

Joins Cedar Falls Bank

Dennis G. Bergeson has joined the First National Bank of Cedar Falls as an agricultural representative, according to H. C. Messerer, bank president.

Mr. Bergeson has been assistant vice president and agricultural representative for the Iowa State Bank in Algona since 1973 and prior to that was a farm management consultant with the Iowa Farm Business Association in Harlan for five years.

Delaware County Bankers Elect 1975-76 Officers

Larry Hillers, vice president, Citizens State Bank of Hopkinton, has been elected president of the Delaware County Bankers Association. He succeeds Robert Arthur, vice president and cashier, Community Savings Bank of Edgewood.

Other officers elected are Howard H. Hansel, cashier, Farmers Savings Bank of Colesburg, elected vice president, and Joe Wiewel, vice president, First State Bank, Manchester, elected secretary-treasurer.



In the DIRECTORS' ROOM





"That's NOT what the boss meant by learning what's going on in the outside world!"

A Good Supervisor

A good supervisor is a guy who can step on your toes without messing up your shine.

Identifying the Attorneys

"You're a cheat!" shouted the defense lawyer at his opponent.

"You're a liar!" charged the other lawyer.

The judge banged his gavel and said, "Let's proceed with the case now that the attorneys have been identified."

Suspicion

One teenager to another: "You know, I'm beginning to wonder what my parents were up to at my age that makes them so suspicious of me all the time.

10 Commandments Of Human Relations

- 1. Speak to people. There is nothing so nice as a cheerful word of greeting.
- 2. Smile at people. It takes 72 muscles to frown, and only 14 to smile.
- 3. Call people by name. The sweetest music to anyone's ears is the sound of his own name.
- 4. **Be friendly and helpful.** If you would have friends, be a friend.
- 5. **Be cordial.** Speak and act as if everything you do is a genuine pleasure.
- 6. Be genuinely interested in people. You can like almost everybody if you try.
- 7. Be generous with praise—cautious with criticism.
- 8. **Be considerate** with the feelings of others. There are usually three sides to a controversy. Yours, the other fellow's and the right side.
- 9. **Be alert** to give service. What counts most in life is what we do for others.
- 10. Add to this a good sense of humor, a big dose of patience and a dash of humility, and you will be rewarded many-fold.

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to have around these days. Think about it.

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