

NORTHWESTERN *Banker*

DECEMBER
1977



Dress-a-Doll — Heart Warming Christmas Story

- **How big banks aid agriculture—Part II**
- **Special report from ABA ag credit conference**
- **Feminine financial forums prove valuable**

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ON THE COVER

Helping children at Christmas is an annual custom for hundreds of public spirited financial institutions. Shown on the cover are some of the dolls featured by the Merchants National Bank, Cedar Rapids, in its "Dress-A-Doll" program, syndicated nationally by the Richard Stebbins Associates, Minneapolis.

FEATURES

23 How big banks aid agriculture

Part II—Survey shows long-term commitment by city banks

30 Low prices challenge ag bankers

BofA's Walt Minger is new ABA ag credit committee chairman

34 Express cautious optimism

First National of Chicago holds correspondents conference

36 Feminine financial forums

Banks help women gain financial information

38 Calls for Burns' reappointment

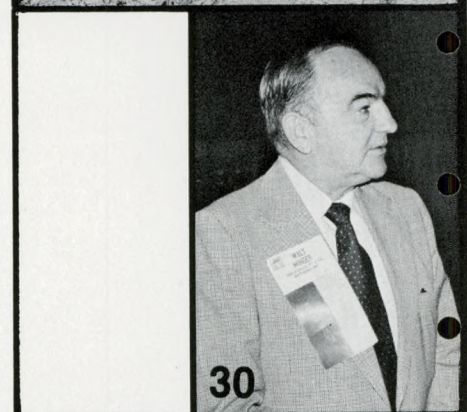
1st National, St. Louis, meeting supports Fed chairman

42 Urges banks to "get together"

Illinois commissioner sees liberalization needed



23



30



36

DEPARTMENTS

10 Calendar	56 Twin Cities	69 Idaho
12 Bank Promotions	62 South Dakota	71 Nebraska
16 Corporate News	64 North Dakota	76 Omaha
18 Women in Banking	65 Colorado	78 Lincoln
53 What's New	68 Montana	81 Iowa
49 Illinois	68 Utah	92 Des Moines
55 Minnesota	69 Wyoming	96 Jokes
	69 Oregon	96 Advertisers' Index

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3 Federal Regulatory Agencies To Ask New Information on Bank Loans

THE three Federal bank regulatory agencies announced recently that at the request of the Senate Committee on Banking, Housing and Urban Affairs they are jointly requiring all insured commercial banks to submit information on bank stock loans, loans to officials and major stockholders of other banks, insider loans and overdrafts.

The committee requested the information to assist it in considering the need for legislation

pertaining to commercial bank lending and overdraft practices. The information also will be made available to the House Committee on Banking, Finance and Urban Affairs.

Specifically, the Federal Deposit Insurance Corporation, the Comptroller of the Currency and the Board of Governors of the Federal Reserve System will require all insured commercial banks to report:

(1) selected information on each

loan with a current balance of \$25,000 or more that is secured primarily by domestic bank or bank holding company stock, when 10 percent or more of the currently outstanding shares of any class of voting stock of that bank or bank holding company serves as collateral for loans made by the reporting bank;

(2) aggregated information on loans, which exceeded specified minimum amounts, outstanding on September 30, 1977, to executive officers, major stockholders and directors of banks other than the lending bank;

(3) aggregated information on loans, which exceeded specified minimum amounts, outstanding on September 30, 1977, to executive officers, major stockholders and directors of the reporting bank, their business interests and their immediate families; and

(4) average number and amount of overdrafts outstanding during the last month of each quarter of 1977; and selected information on overdrafts accorded to any executive officer, major stockholder or director of the reporting bank (or stockholder immediate families); to any executive officer, major public officials and to bank supervisors.

In a letter to all insured commercial banks, the three Federal Agencies state that they regard the individual bank returns as confidential. The data to be supplied to the Senate and House banking committees will be in aggregated form.

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EFT Integrated into ABA Policy Forum

In recognition of the growing legislative and regulatory importance of electronic funds transfers, the American Bankers Association has consolidated its policy-making function for this area into one committee that will make recommendations directly to the ABA's government relations council.

The EFT panel, the payment systems policy coordinating group, will be chaired by Charles E. McMahan, executive vice president and chief operating officer at Southwest Bancshares, Inc., Houston. As chairman, Mr. McMahan is a member of the ABA government relations council.

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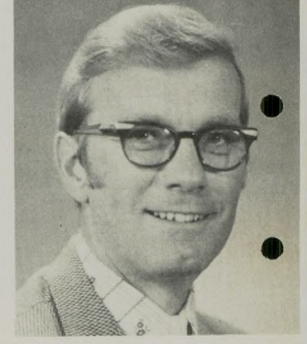
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Dick Simmons
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Regional Manager

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We take care of the paperwork so that you are free to take care of your customers.

And, importantly, "REDCOAT SERVICE" is the "Redcoat Desk", North Central's unique, toll-free, direct national HOT LINE system that links banks to our home office and makes available three vital benefits:

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Your "Redcoat" sets the whole thing up for you. And continually works to solve any problems that might arise as you go along. For more information on how you can protect your customers and your loans from the unexpected, call the North Central Life Marketing Department at one of the numbers shown below.

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Protection all ways

Valley National of Arizona Wins BMA Gold Coin "Best of Show" Trophy

THE COVETED "Best of Show" trophy in the 10th annual Golden Coin Awards Competition sponsored by Bank Marketing Association was captured by Valley National Bank of Arizona, Phoenix.

Valley National took top honors with its entry in the marketing category for banks with assets of \$1 billion or more. Titled "Pricing for Profits," the entry is a pricing system designed to contribute to increased earnings for the bank on an ongoing basis by increasing non-interest income. To date, as a result of the pricing process, 14 product price decisions have been made that are estimated to result in additional annualized revenue of \$3,809,000.

Other Golden Coin Trophy award winners included First National Bank of Nevada, Reno, which won a trophy in the Public Affairs category for banks of \$1 billion or more for "Nevada, Land of Discovery," an extensive photo documentary book commissioned by the bank to commemorate the Bicentennial and the bank's diamond anniversary.

In addition to the trophies, certificates of merit were awarded to these banks from the area served by the NORTHWESTERN BANKER.

Marketing

\$25 million to \$100 million category: First National Bank, Grand Island, Nebr., for the "Grand Island Kit—a Newcomer Program," and North Pacific Bank, Tacoma, Wash., for "Positioning the Business Bank and The Institute for Business Development."

Public Affairs

\$1 billion or more category: First National Bank, Minneapolis, for "It's a Dying Shame—First Minneapolis' War Against Dutch Elm Disease."

\$100 million to \$500 million category: Mount Prospect State Bank, Mount Prospect, Ill., for "Bicentennial Olympic Event."

\$25 million to \$100 million category: The Routt County National Bank, Steamboat Springs, Colo., for "Full Steam Ahead, Steamboat!"

BAI Wins Award

Bank Administration Institute (BAI) received the first place Gold

Circle Award for its total communications program from the American Society of Association Executives at the group's recent annual convention. The award was presented to BAI's senior vice president R. Gerald Fox, director of the communications division.

EFT Commission Report Summary Available

An eight-page summary of the final report of the National Commission on Electronic Fund Transfers has been prepared by the payments system planning division of the American Bankers Association.

The Commission's 389-page final report, titled *EFT in the United States, Policy Recommendations and the Public Interest*, represents 21 months of research, testimony and debate.

The ABA summary provides an overview of the four major areas covered in this document:

- Consumers & EFT: privacy, establishing and operating an account, theft, error and malfunctions.
- Providers' Issues: branch vs. terminal deployment, sharing, competitive impact, and credit implications.
- Technology: competition among suppliers, standards, and security.
- Government Role: monetary policy and government operation.

The ABA summary also covers the underlying principles of the Commission's conclusions and recommendations, plus dissenting statements published with the report.

Those interested in receiving a free copy of this document should contact Frank Curran, director, Payments System Planning Division, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036.

Convention Calendar

ABA—American Bankers Association
AIB—American Institute of Banking
BAI—Bank Administration Institute
BMA—Bank Marketing Association
IBAA—Independent Bankers Association of America.
NABW—National Association of Bank Women, Inc.
RMA—Robert Morris Associates

Jan. 8-11—RMA Credit Department Management Workshop, Hilton Inn, Dallas.
Jan. 17—BAI Data Processing Case Study Workshop, San Francisco.
Jan. 17-19—BAI Bank Planning Conference, University of Southern California, Los Angeles.
Jan. 30-31—BMA Basic Advertising Workshop, Los Angeles, Bonaventure.

Feb. 1-2—BMA Basic Advertising Workshop, Dallas Marriott.
Feb. 5-8—ABA National Trust Conference, Waldorf Astoria Hotel, New York.
Feb. 5-17—ABA National Instalment Credit School 1st Sessions, University of Oklahoma, Norman.
Feb. 8-9—BMA Basic Advertising Workshop, Hyatt Regency, Atlanta.
Feb. 8-10—ABA Bank Investments Conference, Fairmont Hotel, Dallas.
Feb. 8-10—American Management Association Human Resources Conference, Palmer House Hotel, Chicago.
Feb. 12-15—ABA Conference for Branch Administrators, Royal Sonesta Hotel, New Orleans.
Feb. 12-15—ABA Bank Telecommunica-

tions Workshop, Hyatt Regency, Houston, Tex.

Feb. 15-16—BMA How To Compete with Other Financial Institutions Seminar, Hyatt Regency, Chicago O'Hare.
Feb. 19-22—BMA Chief Executive Officers of Community Banks Seminar, Innisbrook Tarpon Springs, Fla.
Feb. 26-28—ABA Senior Bank Management Seminar, Brownsville, Tex.
Feb. 26-March 1—BMA EFT Marketing Conference, New Orleans, Marriott.
Feb. 16-March 1—RMA Financial Statement Analysis, Olympic Hotel, Seattle.
Feb. 26-Mar. 3—ABA Community Bank Chief Executive Officer Program, Sandpiper Bay, Port St. Lucie, Fla.
Feb. 26-March 3—ABA National Personnel School, Denver Marriott, Denver, Colo.

March. 5-7—ABA 30th Annual National Credit Conference, Hyatt Regency, New Orleans.
March 5-9—IBAA 48th Annual Convention, Diplomat Resort and Country Clubs, Hollywood, Fla.
Mar. 12-15—BMA Public Relations Conference, Atlanta Hilton.
March 14-18—BMA Essentials of Bank Marketing Midwest Extension, University of Chicago.
Mar. 19-22—BAI 9th Annual National Conference on Bank Security, Diplomat Hotel, Hollywood, Fla.
March 19-23—ABA Trust Operations and Automation Workshop, St. Francis Hotel, San Francisco.
March 19-24—Graduate School of Bank Marketing, Second Session, New Orleans.

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Small Business Administration:
Loan Counsel

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Personnel Assistance
Operations Planning
Organization Planning

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Record Retention and Reconstruction
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TV Production

TRUST BANKING

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Trust Investment Advisory Services
Monthly Investment Services
Stock Transfer and Shareholders Services
Dividend Reinvestment

PERSONAL BANKING ASSISTANCE

Bank Promotions
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Savings Programs
Automobile Leasing Program
Bank-At-Work /Direct Deposit Program

OPERATIONAL SERVICES

Cash Letter Clearings: End-Point & Float Analyses
Coin and Currency Collections
Money Transfer
Federal Reserve On-Line Settlement
Securities Custody
Security and Coupon Collection
Payroll Accounting
Student Loan Servicing

INVESTMENTS

Government Securities
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Federal Agency Securities
Federal Funds
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Certificates of Deposit
Treasury Tax and Loan Accounts
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Bank Promotions

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

American National Bank, Chicago, Ill.: The bank has announced the following elections: J. Patrick D. Miller, vice president and head of the international banking division; Eugene P. Tunney, vice president and head of the real estate division; Harold A. Steben, vice president; Thomas K. Calhoun, assistant manager, London branch, Michael J. Hennessy, correspondent banking,



J. P. MILLER

E. P. TUNNEY



H. A. STEBEN

M. J. HENNESSY

and Stephen E. Hoffmann, commercial banking, to second vice presidents; Michael B. Hagen, Marcus C. Hutchinson and John L. Losquadro, commercial banking officers; Peter H. Johansen, Chris D. Kostiuik and Ronald Szejner, trust officers; Denise M. Katek and Richard E. Poore, systems officers; J. Paul Groom, international banking officer, and Ronald D. Yenerich, personnel officer.

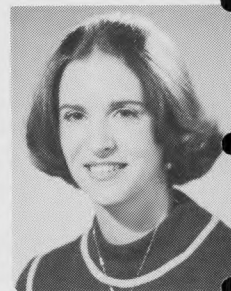
Mr. Miller joined the bank recently after 30 years of service with the National Westminster Bank of England, most recently as a senior officer in that bank's Chicago branch. Mr. Tunney joined the bank in September after 14 years in the real estate and banking business. Mr. Steben, who joined American as a management trainee eight years ago, formerly was a second vice president.

Bank of America NT&SA, San Francisco: C. M. van Vlierden, executive vice president, has retired after nearly 40 years in banking. A veteran of nearly 27 years with Bank of America, Mr. van Vlierden was chairman of the bank's money and loan policy committee since 1974 and was responsible for global planning and strategy for the world banking division.

Commerce Bank of Kansas City, N.A., Mo.: The bank has announced the following promotions: Gary L. Callaway, from vice president to senior vice president; A. Ray Speer, president of COMPAC Services, Inc., to senior vice president, and John F. Guettler, to assistant vice president and director of personnel. Mr. Callaway will continue to supervise the Bank Card Center. Mr. Speer will serve as the bank's senior operations officer. Mr. Guettler will retain his position as an assistant vice president of Commerce Bancshares.

First National Bank of Chicago, Ill.: Thomas M. King, vice president, has been named head of the public funds division in the bond department. He previously served as a territory head in the bank's correspondent banking division.

Harris Trust and Savings Bank, Chicago, Ill.: Leslie L. Langan has been named director of the bank's trust department in 1973 and has served as a financial analyst specializing in the banking industry. The following four vice presidents have been elected: Valerie K. Hanna and Stanley K. Peirce, Jr., investments, and George H. Bahe and Lawrence Hall, operations.



L. L. LANGAN

Morgan Guaranty Trust Company of New York: Boris S. Berkovitch has been elected senior vice president and general counsel of J. P. Morgan & Co., Incorporated and its

PRIDE



"To me, pride is the cornerstone of any effective correspondent bank program. We have to be proud of the bank for which we work. We have to take pride in the services we perform. And we have to have a great deal of respect for the banks we serve. In short, I'd say we have to care. At The First National Bank of St. Paul, we do just that."

— Donald R. Lindeman
Assistant Vice President
Southwestern Minnesota &
South Dakota

**Correspondent
Bank Division**



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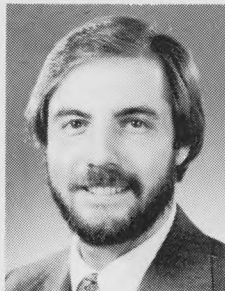


Northwestern Banker, December 1977

subsidiary, Morgan Guaranty. Ulrich Schweitzer was elected vice president and resident counsel of Morgan Guaranty. James D. Goodpasture was elected secretary of J. P. Morgan & Co., and of Morgan Guaranty.

National Boulevard Bank of Chicago:

George S. Dusenbery has joined the bank's bond department as an assistant vice president. Formerly Mr. Dusenbery was with Continental Bank of Chicago for four years where he was active in bond sales. He is a graduate of North Park College and is working toward an MBA at DePaul University.



G. S. DUSENBERY

Carter to reappoint Dr. Arthur F. Burns to another four-year term as chairman of the Federal Reserve Board. The letter was signed by four Democratic committee chairmen and six leading Republicans. They urged the president to reappoint Dr. Burns in the interest of reassuring the national and world economic interests.

Signing the letter as committee chairmen were these Democrats: John J. Sparkman, ALA., foreign relations; Jennings Randolph, W.Va., environment and public works; Russell B. Long, La., finance, and Abraham Ribicoff, Conn., governmental affairs.

Republicans signing were: Howard H. Baker, Jr., minority leader; Clifford P. Case, N.J., ranking minority member of the foreign relations committee; John G. Tower, Tex., ranking minority member on the armed services committee; Edward W. Brooke, Mass., ranking minority member of the banking, housing and urban affairs committee; Jacob K. Javits, N.Y., ranking minority member of the human resources committee, and Charles McC. Mathias, Jr., Md.

Certified Commercial Lender Examination Schedule Set

Dates and locations for the 1978 Certified Commercial Lender examinations have been set by the commercial lending division of the American Bankers Association (ABA).

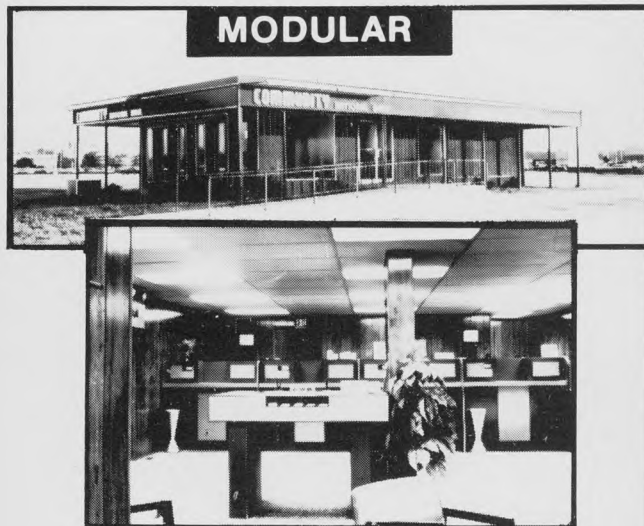
The exam will be administered on January 30, April 10, July 10, and October 30. Interested bankers may participate in any of five cities: Atlanta, Chicago, Los Angeles, New York, and Norman, Okla.

Successful candidates will be certified approximately 60 days following the exam. Officers of ABA member banks with five years of commercial lending experience are eligible for the program, which is administered by a 10-member accreditation board, composed of leading bankers.

For more information on the Certified Commercial Lender program, contact Joseph Caramanica, Commercial Lending Division, American Bankers Association, 1120 Connecticut Ave., N.W., Washington D.C., 20036, or call (202) 467-4073.

Senators Give Their Support to Dr. Burns

A letter from 10 United States Senators last month urged President



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Corporate News

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

Bank Building Corporation, St. Louis, Mo.: The following three corporate vice presidents have been appointed: Charles M. Biscan, also assistant secretary and corporate counsel; Allyn D. Raymond, also general manager, southwestern facilities division, Richardson, Tex., and William L. Richardson, also general manager, mid-Atlantic facilities division, Falls Church, Va.

The BankVertising Company, Champaign, Ill.: Mark W. Townsend, a 1977 graduate of Purdue University, has joined the company as assistant editor of publications. He has entered the graduate school at the University of Illinois as a part-time student in the agricultural economics options. As assistant editor, Mr. Townsend will compose and edit copy for the company's two major newsletters: "The Farm Picture" and "MoneyWise."

Carroll McEntee & McGinley: Ralph Bircher and Philip Lewis have joined this major dealer in government securities and money market instruments. Mr. Bircher will be based in the Los Angeles office and Mr. Lewis in the Seattle office. Mr.

Bircher formerly was with Blythe Eastman Dillon Capital Markets Inc. Mr. Lewis comes to CMM from United California Bank.

J. T. Miller Company, Minneapolis, Minn.: Eugene L. Hanson of Spicer, Minn., has been named regional manager in charge of Lender's Lifeline in an area including N.&S. Dakota and western Minnesota. Lifeline serves as a complementary product to the company's basic credit life coverages and offers ordinary term insurance products. Mr. Hanson joins the company with over 20 years of experience in the insurance industry. Most recently he served as regional vice president for North Central Life of St. Paul.



E. L. HANSON

MorAmerica Capital Corporation, Cedar Rapids, Ia.: Robert W. Allsop, executive vice president, recently was elected president-elect of the National Association of Small Business Investment Companies. He will be advanced to president in a year.

Mosler Safe Company, Hamilton, Ohio: R. William Ayres, Jr., has resigned as president to pursue other business interests. Roy Satchell, senior vice president and chief executive of the security and graphics group of American-Standard, Mosler's parent company, has assumed leadership of all of the company's activities until further notice.

North Central Life Insurance Company, St. Paul, Minn.: Daniel L. Walsh of Moorhead, Minn., has been named general agent responsible for sales and services of ordinary life, health and disability insurance products to financial agencies in the Fargo/Moorhead area. Mr. Walsh, a graduate of Moorhead State University, was a teacher before entering life insurance.

Also announced was the appointment of Dennis Zea of Sioux Falls, S.D., as regional manager. Besides South Dakota, Mr. Zea's region will include southern Minnesota, eastern Nebraska and parts of eastern Iowa, with three general agents in these territories reporting to him. Mr. Zea was field underwriter with Monarch Life for four years before joining North Central Life as a general agent in 1973. In 1976 he became regional supervisor in charge of field training.

Full Service Banks Post Christmas Club Gains

A recently completed survey of 1,000 Full Service Banks indicated a Christmas Club membership of 6.5 million, an 8% increase over 1976. Payouts of \$1.5 billion reflect an increase of 14% over the previous year with the average size club account moving up \$13 to a new high of \$231.

The banks' share of the total club market is 61.9% in 1977, up from 59.1% in 1976, with payouts representing 65% of the total market.

John H. Guinan, president of Christmas Club a Corporation, Easton, Pa., said these new high levels of membership and payouts clearly demonstrate "that the 68-year old Christmas Club concept is as dynamic as ever." He said "The multi-billion dollar infusion to the economy will no doubt continue to fuel the coming Christmas season for the nation's retailers."



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paper work, so you can go on taking care of your regular bank customers.

The deadline for tax-deductible savings is rapidly drawing near. Millions of Americans and many of your own customers will be paying more in income taxes next year than they need be. Do yourself and them a favor. Put a North Central Redcoat to work for you. You'll be amazed at the results.

HELP ME THROUGH THE MAZE!

My Name _____

Bank _____

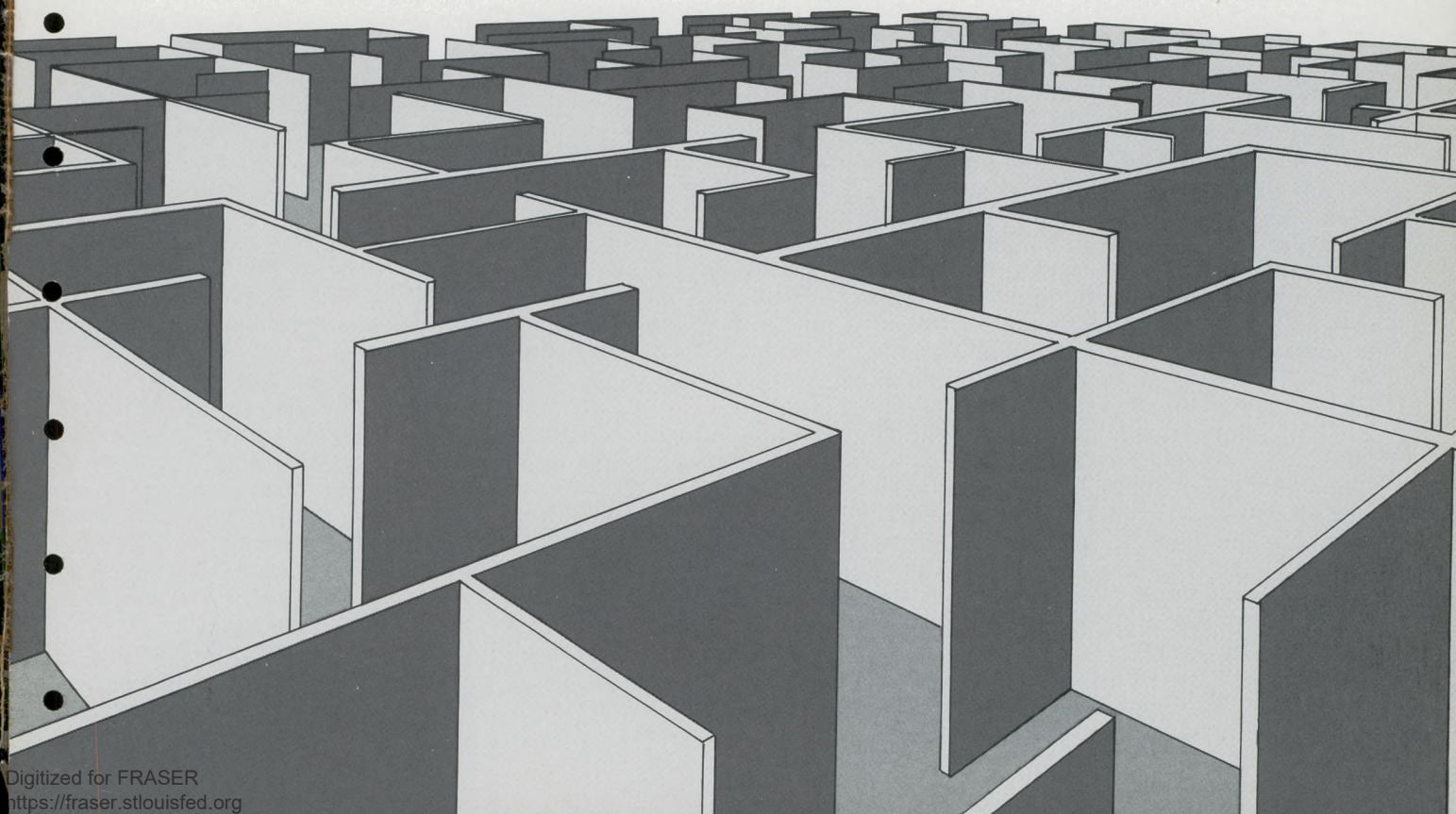
City _____

State _____ Zip _____ Phone _____

Clip and mail to Roland Allen, CLU, Vice President,

North Central Life Insurance Company

275 E. 4th St., St. Paul, MN 55101.



Operations, Marketing Aids Available from NACHA

Three new products, designed to aid bankers in operational marketing matters of automated clearing houses, have recently been made available for general distribution by the National Automated Clearing House Association.

- "Operating Rules of NACHA" (#665900) — The comprehensive set of rules, definitions, media and format specifications, insurance guidelines, and item description standards that relate to the interaction between banks and automated clearing houses.

- "ACH Systems Review" (#665-800) — a two-part independent review of the consumer protection features and the controls and security procedures of the ACH system conducted by the independent public accounting firm, Ernst & Ernst.

- "SurePay Marketing Manual" (#665700) — A key source for marketing ACH services and preparing a financial institution for ACH activity. Includes a marketing guide, a staff training plan, and a basic introduction to the ACH concept.

Each publication sells for \$15 and may be purchased by contacting the Order Processing Department, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036.

BAI Names 58 CBAs

Bank Administration Institute (BAI) has announced that 58 internal auditors have been designated Chartered Bank Auditors by the institute. The auditors have completed four examinations to establish their expertise in internal auditing, accounting, business law, economics, management and organization.

Those named to the area covered by the NORTHWESTERN BANKER are: Mark F. Polanis, senior audit specialist and Lawrence J. Schissel, vice president and director, auditor programs, BAI, Park Ridge, Ill.; Gary L. Govro, auditor, First National Bank, Iowa City, Ia.;

Larry L. Nelson, assistant vice president and auditor, National Bank of Commerce Trust & Savings Association, Lincoln, Nebr.; Keith J. Schmidt, regional audit officer,

and John S. Templeton, staff auditor Northwest Bancorporation, Omaha, Nebr.;

Richard M. Morris, III, assistant auditor, The Oregon Bank, Portland; Craig H. Johnson, supervisory auditor, Banco, Incorporated, Sioux Falls, S.D.; Burton E. Fadich, auditor, Rainier National Bank, Seattle, Wash., and James T. Hall, auditor, Stanley R. Henderson, auditor, and Richard S. Michalek, assistant EDP auditor, Seattle-First National Bank, Seattle, Wash.

Bankers Elected as Regional Directors

Six new members of the board of the American Bankers Association have been elected. They will represent their geographical areas as members of the 26-member board that administers association affairs and acts with the authority of the general convention between annual sessions.

The newly-elected directors from the area covered by the Northwest Banker are: Region II—Gavin Weir, chairman, president and chief executive officer, Chicago City Bank & Trust Company; Region V—T. A. (Tully) Vashus, president, The First National Bank of Glendive, Mont., and Region VI—Alden L. Toevs, president, Citizens Bank of Corvallis, Ore.

Kansas City Fed Elects Directors

Craig Bachman, president of the First National Bank, Centralia, Kan., and James G. Harlow, president of the Oklahoma Gas and Electric Co., Oklahoma City, have been elected directors of the Federal Reserve Bank of Kansas City, according to Harold Andersen, board chairman. They will serve three-year terms beginning January 1.

Both candidates were elected to the nine-member board by the small member banks in the Tenth District—about 450 banks with capital and surplus of less than \$700,000. Mr. Bachman, who was re-elected to a second term, won over Farrell D. McAtee, managing officer, Decatur County National Bank, Oberlin, Kan.; and H. Keith Newton, executive vice president, Albion National Bank, Albion,

Nebr. Mr. Harlow succeeds F. C. Love, Oklahoma City attorney and retired president of Kerr-McGee Corp.

The Tenth District includes Colorado, Kansas, Nebraska, Wyoming, most of Oklahoma and New Mexico, and 43 counties in Western Missouri. Federal Reserve member banks in this area nominate and elect one or more directors each year.

Directors meet monthly to confer on economic developments, monetary policy, and the Bank's operations. Among the directors' responsibilities is establishing the Bank's discount rate, subject to review and determination by the Federal Reserve Board of Governors in Washington, D.C. Six of the bank's nine directors are not bankers, by law. Three of these nonbankers are appointed by the Board of Governors; the other three, plus three bankers, are elected by member banks.

Piper, Jaffray Offers To Buy Its Own Stock

Piper, Jaffray & Hopwood Incorporated, Minneapolis-based securities subsidiary of Piper Jaffray Incorporated, announced last month it intends to make a cash tender offer to purchase 166,337 shares of common stock of Piper Jaffray Incorporated at \$12.50 per share, net to the seller.

Shares purchased pursuant to the tender offer will be contributed by Piper, Jaffray & Hopwood to its employee stock bonus trust.

The offer will be made by tender offer documents to be mailed to shareholders. It is expected that the tender documents will be mailed within five days and that the offer will remain open for approximately five weeks.

As previously announced November 8, 1977, Piper Jaffray Incorporated declared a regular semi-annual dividend of 22½ cents per share on its common stock payable on December 20, 1977, to shareholders of record on December 6, 1977 plus an extra dividend of \$.45 per share on January 3, 1978, to shareholders of record on December 20, 1977. A person who is a shareholder on the respective record dates will receive the dividends whether or not that person decides to tender his stock.

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WOMEN IN BANKING

By **HELEN LASS**

President
City State Bank
Ogden, Iowa

AS I look back on nearly 30 years of banking, I consider myself fortunate to have started my banking career at the City State Bank of Ogden, Iowa, a small, locally-owned independent bank which has enjoyed steady growth and is situated in a farming community. Having lived on a farm my entire life, I find it easy to relate to the needs, problems, goals and achievements of agribusiness. I have had the opportunity to learn from the bottom up and become exposed to many facets of banking.

My banking career started in the bookkeeping department. Within a year, I was very happy to assume the duties of a teller because I then had direct contact with the customer and the satisfaction of helping people. I was given the title of assistant cashier in 1951 and in 1958 was promoted to vice president. In 1960 I became the first woman officer to be elected to the board of directors. I was named president on August 9, 1977. Presently my duties are in bank operations, personnel and investments.

Of special interest to me is the investment portfolio which must be considered as having two distinct parts—liquidity and investment. In reality, each bank has its own investment policy which will best service its community and provide profits without sacrificing quality and marketability. Continually changing economic conditions and money markets create a real challenge to portfolio management and must be monitored constantly.

I have been privileged to work with senior management and a board of directors who are dedicated men and have always given me the assistance and incentive to succeed. As we all know, it is not really the individual who accomplishes many things in business but every one working together. We must each be willing to accept a share of the responsibility.

It is necessary for each of us to be aggressive and to better ourselves through education. I have taken a number of American Institute of Banking courses and found them to be an excellent way for me to broaden my knowledge in the banking field.

I have been a member of the National Association of Bank Women since 1958 and have served the Iowa Group as treasurer, publicity chairman and a member of the regional scholarship committee. This is an organization which sponsors a fantastic educational program, and I strongly urge any woman who is starting a career in banking to pursue it. The NABW meetings are a great opportunity to exchange ideas and the programs are well planned and stimulating.

The number of women in executive positions in banking has been increasing and I believe the trend will continue, but we definitely will need to work for it. There is no doubt that there is a difference between standing in line for a pay check by meeting the requirements to hold a job and standing in line for advancement by going that "extra mile" with all the efficiency we can assemble.

I am convinced that banking is an ever-changing, challenging, and rewarding career.



H. LASS

Gabriel Hauge Receives Honorary Knighthood

Dr. Gabriel Hauge, chairman of the Manufacturers Hanover Trust Company, New York, and director of a wide range of U.S. companies and cultural organizations, has been awarded an Honorary Knighthood by Her Majesty Queen Elizabeth II, it



G. HAUGE

was announced last month by the British Embassy, Washington.

The award — Knight Commander of the Order of the British Empire (KBE) — is in recognition of Dr. Hauge's strong support of Britain and particularly of Anglo-American business links throughout his distinguished career.

Presentation of the insignia of his award was to be made to Dr. Hauge at a private ceremony in New York on December 7 by the British Ambassador, Mr. Peter Jay.

Honorary awards are approved by H.M. The Queen for foreign citizens who have contributed to the strength of their country's relationship with the United Kingdom. They do not convey the title of "Sir" or "Lady."

Dr. Hauge, 63, was born in Minnesota and educated at Concordia College and Harvard University, where he received a PhD in economics. His career has spanned a wide range of activities in public life, including those of education, government, journalism and banking. Between 1953 and 1958 he served as administrative assistant and special assistant for economic affairs to the President of the United States. He was treasurer of the Council on Foreign Relations, director of the Julliard Musical Foundation and of the Business Committee for the Arts.

Second Telecommunications Workshop Scheduled

The banking industry's second Telecommunications Workshop, sponsored by the operations and automation division of the American Bankers Association (ABA), will be held February 12-15 at the Hyatt Regency Hotel in Houston.

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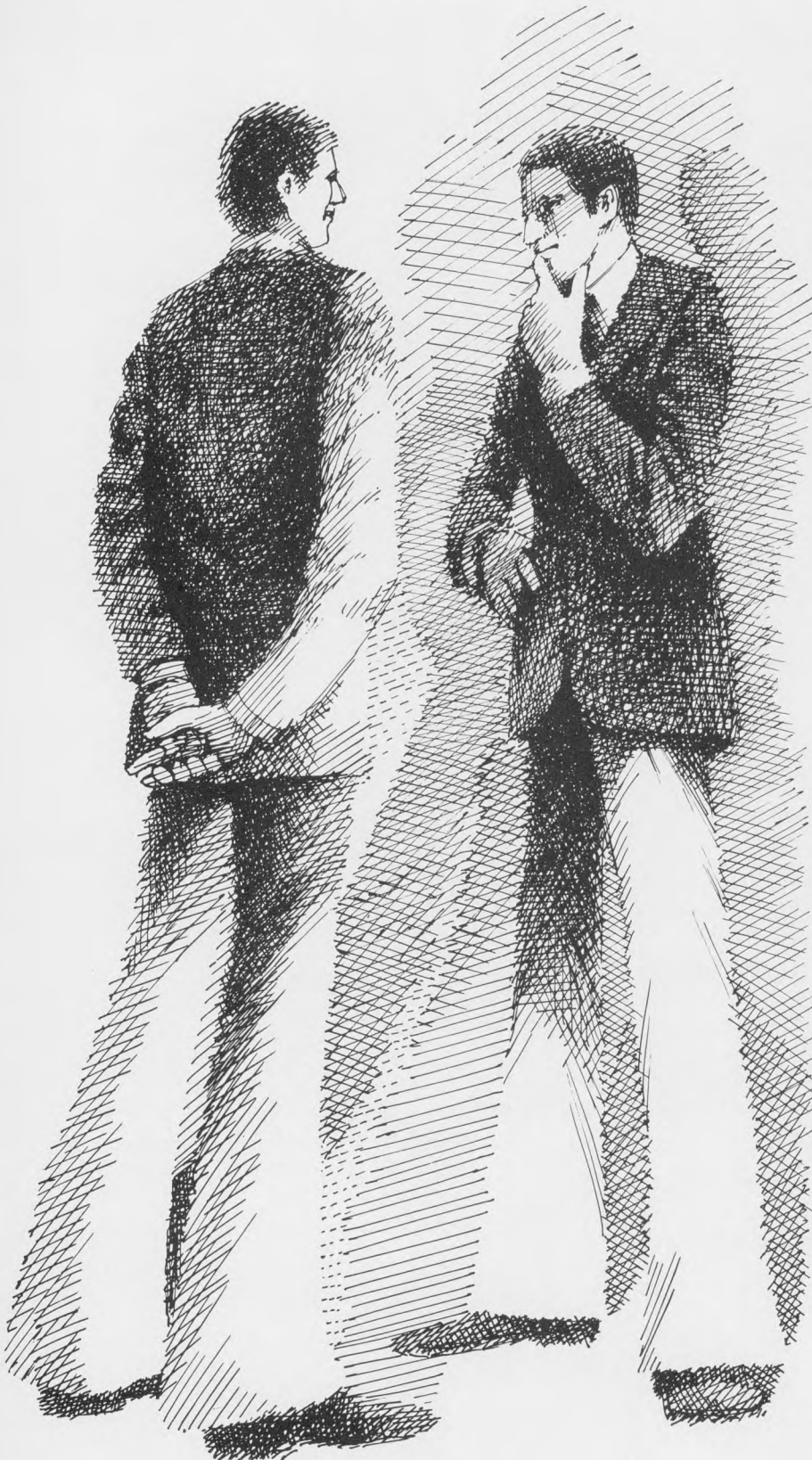
Bank Name _____

Address _____

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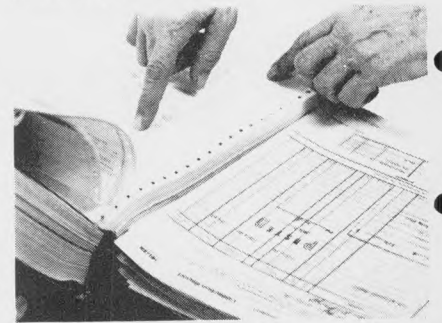
You've got one good reason to consider secured lending...



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In a manner of speaking, our staff will become your secured lending department. They are not only experts, they are the experts in secured lending... the most experienced, and very likely, the best in the business. With over a half-century in the secured financing business, Heller people pioneered many of the modern lending techniques.

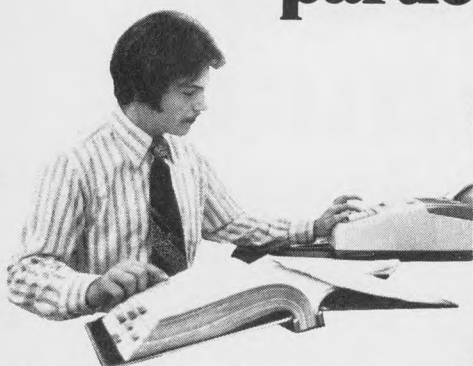
It's with this experience that Heller people today perform eight essential functions necessary in administering your secured loan. While your staff concentrates on your primary banking business, Heller is performing the following services to protect your bank's dollars.



Reconciliation of Agings.

Each month Heller determines which of a borrower's invoices represent eligible collateral. What differentiates our operation is that we evaluate the individual pieces of collateral in terms of their "real dollar" value, as opposed to computing their eligibility through some calendar-oriented, mathematical formula. Yet, our approach is positive, keeping a delicate balance between your collateral protection and accommodation to your customer's needs.

and at least eight good reasons to consider participating with Heller.



Field Examinations.

Field examiners conduct audits in the borrower's place of business at well-timed intervals. Each is Heller-trained to rationalize the figures, as well as balance them, and their reports often highlight correctable "conditions" before they become serious problems. Your bank receives copies of their reports.



Verification.

Frequent verification of collateralized receivables checks their authenticity, amount and terms. This way, exceptions can be personally and considerably resolved—something computers can never be taught to do.



Legal Work.

While mindful of their obligation to protect the legal positions of both Heller and the bank participant, our attorneys are also business-minded. They seek ways to make a safe loan, drawing upon their experience to avoid qualifications that may sour the dealings.

Supplemental Loans.

To maximize your customer's borrowing capacity, a secured loan may include inventory and/or chattels as well as accounts receivable.

But additional controls are needed. We revolve our inventory loans and

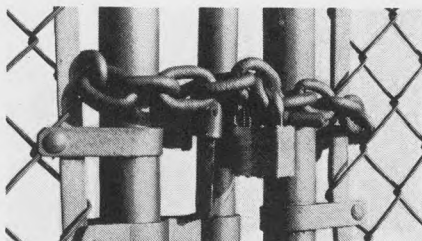


keep them under close, continuous control. Our inventory analysts understand "auction values," and physically check beyond a book-keeper's in-and-out fallies. Chattels are evaluated by specialists in machinery and equipment.



Credit Administration.

Our account executives keep a complete current picture of the borrower's financial position, carefully following trends affecting collateral and operations. Typically this continual review leads to a reduction in bad debt expense, as our record demonstrates.



Liquidations.

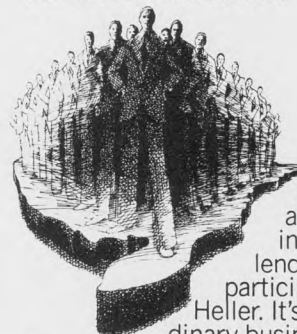
Yes, occasionally they happen. What follows is the complex and demanding period called a "workout," a time

when only the specialized experience of the lender and cool determination to "see it out" can prevent a loss. Heller's record in handling these situations, like our general expertise in secured lending, is probably the best in the business.



Processing.

In fairness to your customer, it is Heller's policy to process disbursements or pay-downs respecting the customer's loan on the day we receive the collateral or payments. Our years of experience permit instant attention without undue risk.



More and more banks are entering into secured lending through participations with Heller. It's an extraordinary business relationship. Your customer's financial needs are served. You keep your customer, continuing to provide his normal banking functions, while you generate interest income from your portion of the loan. And you have the comfort of knowing Heller is protecting your investment. Heller has lending partnerships with banks of all sizes—from those with under \$20 million in deposits to many of the nation's 25 largest banks. Find out what they've found out about this marketable, profitable lending concept. Call Heller today.

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The ins and outs of the agricultural lending market.



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A correspondent bank that's in the ag overline market one year and out the next is just the kind of correspondent bank you don't need. Your agribusiness customers need credit they can depend on.

Continental Bank is committed to the ag market. This year. Last year. Next year. Not because it's a good crop year, or because loan demand is down in other industries. We're in it for the same reason we're in the correspondent banking business. To build long-term banking relationships.

Continental Bank has always provided correspondents with seasonal loans and agricultural overlines. We've even developed a special cash flow

kit for our correspondents. With step-by-step, common-sense procedures their farmers can follow to sound financial management.

At Continental Bank, credit requests go directly to your account manager. The officer who can say "yes" or "no" on most loans. You get a decision fast. From the person who made it.

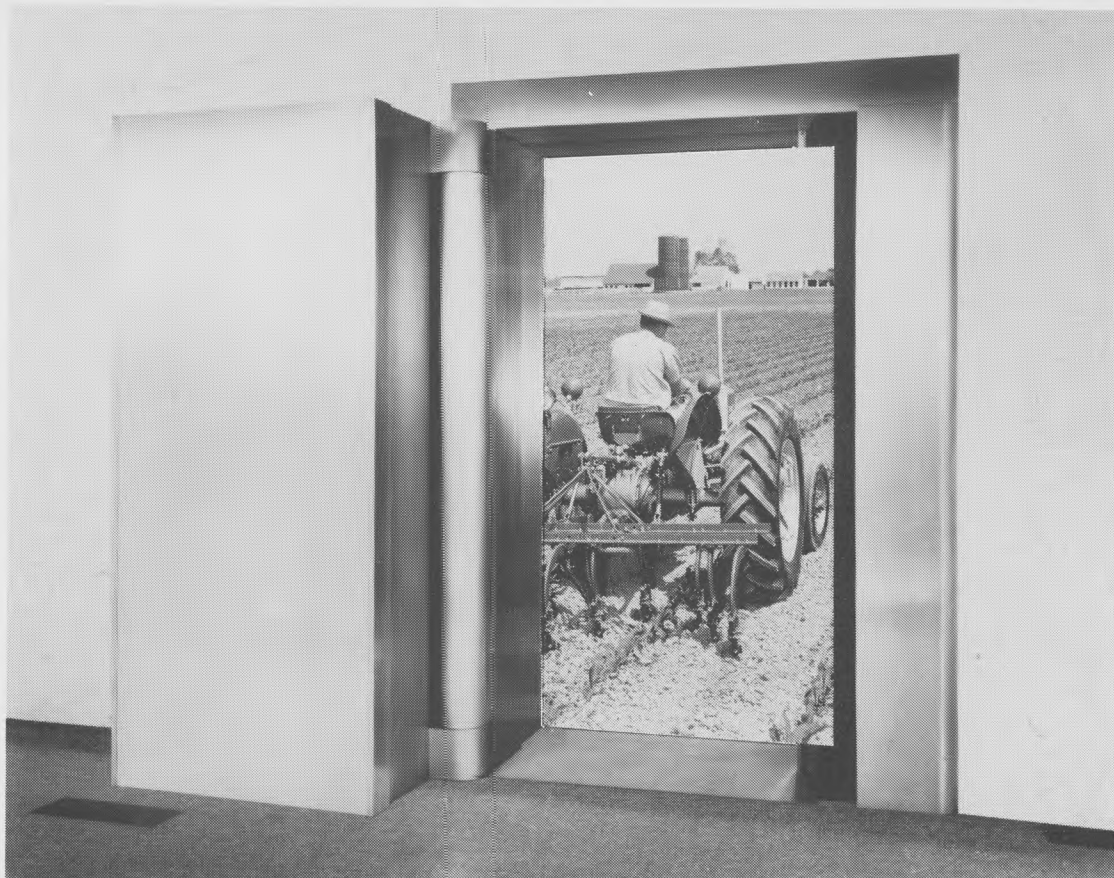
When you call John Tingleff at (312) 828-2191 and tell him you're in the market for a farm credit ... you can bet on one thing. We'll be in the market, too.

We'll find a way.



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Vault photo courtesy LeFebure Corp., Cedar Rapids, Ia.

How Big Banks Help Finance American Agriculture

A NORTHWESTERN BANKER Survey

Part II

IN THE first part of this special report published last month, it was noted that one of the mainstays of agricultural banking for years has been the support given by city correspondent banks with overlines and participation loans through community banks, as well as direct loans to larger ag businesses. Reports from 10 correspondent bankers serving midwest and mountain states related the role their banks have played and will continue to play in financing American agriculture. On the following pages appear 11 additional reports from correspondent bankers detailing how their banks participate in the gigantic task of financing agriculture.

George F. Milligan, senior vice president, Iowa-Des Moines National Bank, Des Moines: Our commitment to servicing Iowa's number one industry, agriculture, is total!

As a correspondent bank we work with Iowa's bankers in an individualized manner, tailoring our loan services to each bank's need.

At this time our total overlines and participations reflect large outstandings and we anticipate that this respondent bank need will not diminish in the near future. Our



G. F. MILLIGAN

internal balance sheet planning is in place to continue to help fund this need. It's a top priority.

I anticipate some challenging years for our agricultural industry. It is our responsibility, as bankers, to work through this period with our producers. We know that the costs of production are rising and that prices are falling; witness the market fluctuations in grain and soybeans alone. As world-wide production of food and fiber has increased our export market has begun to lose its strength. The scenario, then, could be continuing rising costs and shrinking demand and margins, in the short term. In the long term the trend will continue to be favorable.

Our challenge is to not be "fair weather" bankers.

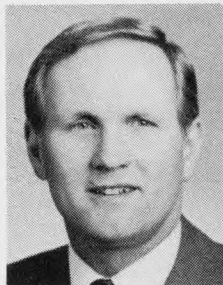
We owe it to our customers to help them plan for increasing needs and debt repayments tailored to a changing market environment. Cash flows and cost projections become even more important and necessary. Marketing plans and projections must be analyzed, discussed, and understood. Our respondent banks are doing an excellent job in this regard.

As a correspondent bank we ask for the necessary documentation including current financial statements and copies of notes, security agreements, financing statements, guarantees where applicable and related loan file information. We work as partners with our respondent banks and handle each respondent bank's loan requests with the clear understanding that there is a free flow of information and servicing help.

As bankers, we try to think of our commitment to agricultural financing in a larger sense, also. By financing agriculture we are helping build strong and growing banks — we are also helping communities grow. Since 1970 the rate of employment growth appears to have been greater in non metropolitan locations; rural and small town counties are showing population increases. This growth means more profitable banks and more valuable bank holdings.

By being of service to agriculture, in a partnership with respondent banks, we are not afraid to say that all of us are working for increased bank earnings and profits. That's the way we grow. It's also the best way to encourage a socially desirable goal of rural living and a traditional closeness to the land.

Gene Hagen, executive vice president, Security National Bank, Sioux City, Ia.: Agricultural financing accounts for over 25% of our loan portfolio. We now have \$26 million in loans to area farmers as compared to \$15 million in 1971. Security National Bank has always been committed to financing agriculture and we plan to continue this posture.



G. HAGEN

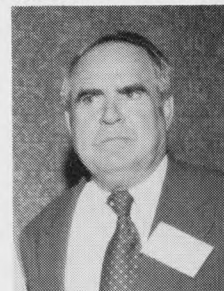
Although the players have remained the same in handling overlines, the game has changed. During the past five years, six figure lines of credit have increased substantially with more term-lending and operating debt. Because of heavy loan demand, our basic agricultural loan is for purchase price livestock on a last-in first-out basis. Most of the loans for farm land in our trade area are handled by the Federal Land Bank and various insurance companies.

What is going to happen during the next five years? If the inflationary trend continues as expected, agricultural related banks are going to have their hands full. In trying to anticipate agriculture loan demand, as a correspondent bank, it is concerning when the cost of a combine is approaching, or exceeds, the legal lending limit of some banks.

We don't foresee any significant change in the upward trend of agricultural credit needs. Because of this, we are continuing to put more emphasis on cash flow and the current position of a borrower, rather than strictly net worth. Five years ago when a farmer came in to a bank to ask for credit the banker need only ask

"how much do you need to borrow?" If we are to take care of the financial needs of the farmer in the future the banker will need to ask a second question, "how do you plan to repay the debt?"

W. D. Bowen, senior vice president, Packers National Bank, Omaha, Nebr.: The thrust of Packers National Bank always has been closely identified with agriculture, and with a dedication and commitment to financing agricultural needs throughout Nebraska and western Iowa. We work closely with the country bank system in their effort to service the financial needs of their customers.

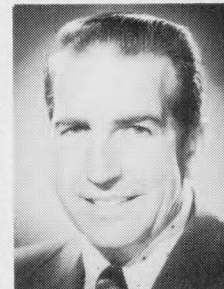


W. D. BOWEN

The guidelines that we follow in accepting overline loans are in accordance with our written loan policy. As an example, we feel that C/A to C/L ratios should be at least on a one to one basis. Also, net worth to total debt ratio should be one to one. In addition, copies of all loan documentation, i.e. financial statement, financing statement and security agreements, personal guarantees where needed, etc., are asked for prior to processing each loan.

Current overline loan demand has been extremely heavy the past several weeks. Individual total loan amounts are so much higher today than just a few years back. This has created an additional heavy burden on the entire banking system. We have received excellent cooperation from our correspondent banks. In return, we have done our best to assist in every way possible.

Arlan Tengwall, vice president, Northwestern National Bank of Minneapolis: Agriculture is obviously the "life blood" of our economy in the region served by Northwestern of Minneapolis. Just recently our bank reaffirmed this belief in the importance of agriculture with a renewed commitment to its financing. We see an important and growing lending market containing reasonable risks and good earnings returns for those banks willing to do a good job!



A. TENGWALL

Financing farmers, ranchers, and community agri-businesses initially requires a dedicated bank management with the willingness to develop and retain good agricultural customer relationships. Such management dedication will attract and retain a capable lending officer staff which can adequately handle the credit "quality control," and give the city correspondent banker the confidence in the local bank he needs to respond intelligently and rapidly to participation requests. This kind of mutual confidence between country banker and city banker is vital to the success of the correspondent system of channeling funds to where they are needed.

Typically we are called upon when the local bank has (1) reached its legal or policy limit, (2) received a

“Looking ahead, it is apparent more stress than ever will be needed on the capacity of the agricultural borrower to repay debt.”

request larger than it cares to originate, or (3) received a request that is unusual as to type of agriculture or complexity. This last reason may only require some sharing of expertise on our part. We do desire local bank involvement even if that bank takes a “downstream” participation in a referred credit we set up and approve.

Looking ahead, it is apparent more stress than ever will be needed on the capacity of the agricultural borrower to repay debt. Declines in commodity prices in the face of inflating production costs and land debt servicing will require close attention to the farmer or rancher's ability to handle debt. Agriculture must also pay the market price for its borrowed funds, and this needs to be evaluated honestly and fairly by the user, the local bank, and the city correspondent. I'm sure plenty of challenges are ahead, but for those who are dedicated, good opportunities exist for both bank asset and earnings growth.

William C. Rosacker, assistant vice president, Marquette National Bank, Minneapolis: Our bank has always maintained philosophies and policies dictating a strong involvement in agriculture and agri-business. We have nearly 500 correspondent accounts which represent approximately 27% of the gross demand deposits of the bank.

Although it has been over 30 years since we made a direct farm loan, many of our deposit dollars are employed helping the agri-business industry. The main use of these dollars is in assisting our correspondent banks by sharing via a participation-overline in their agricultural loans. This service is one of the mainstays of our correspondent services and it represents a substantial part of our division's loan portfolio.

In our correspondent banking division, we do not go out in the field to compete on a head-to-head basis with our correspondent banks. Therefore, we do not make direct farm loans.

We do, however, work with them by accepting their participations in overlines or by purchasing outright on a short-term basis, agricultural related loans. In handling the loan requests from our country correspondents, we try to keep procedures as simple and convenient as possible. Whenever a new loan request is received, the “Marquette Man” for the area makes the initial investigation of the credit. Upon completion, the request is presented to our loan committee for a decision. Once it has been approved, the mechanical functions of handling the loan are given to our correspondent credit officer. He then becomes the direct contact between the correspondent and our



W. C. ROSACKER

bank. However, the “Marquette Man” still has the primary responsibility for the loans in his area.

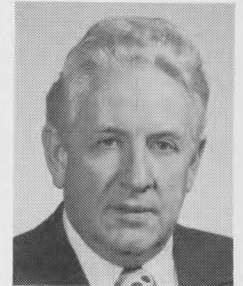
For the most part, we expect the correspondent bank to carry its working limit in any loan in which we are invested. There may be exceptions when we purchase outright loans (again short-term) from the bank, such as to help with temporary liquidity needs.

Since we are not the primary lender in the participation-overline loan, we expect to be the last-in and first-out. As I mentioned, we usually do not want to stand alone where another bank's customer is involved.

As a regional correspondent bank in an agricultural area, we make every effort to help our country-bank friends with their financial requests, agricultural or otherwise. This service is a strong factor in our account relationships.

Due to the great dependence on agriculture in the economics of the midwestern area, we feel that it is most important for a regional correspondent bank to be deeply involved in agricultural lending and agricultural related businesses.

C. P. Moore, president, Northwestern Bank, Sioux Falls, S. D.: Northwestern National Bank of Sioux Falls has a major commitment to finance agriculture. We have approximately \$322,000,000 in total resources with \$49,000,000 in total agricultural loans, which we expect will peak at about \$53,000,000 in 1977. In addition to our direct loans, we offer an overline service to our correspondent banks in our area and have a total of over \$2,000,000 in loans of this type. The general conditions under which we accept overlines are:



C. P. MOORE

1. Quality of credit
2. Confidence in our correspondent banker

Also we have the services of our affiliate, the Northwest Ag Credit Company. This is a Banco affiliate that provides service on agricultural overlines to affiliates and also will help our banks temporarily if they are in a liquidity squeeze. We can, therefore, also handle a rather large volume of loans for our correspondents.

There is a need for a good understanding on the part of correspondent banks of the problems community banks have in lending to agriculture.

On the other hand, some community banks are not prepared to properly handle modern agricultural credit as it becomes increasingly larger and sophisticated. Most farmers and ranchers are in the profit squeeze, all of which necessitates careful financial planning on the

part of the banker using good input from his farmer/rancher customer.

It is our policy to analyze each credit on the basis of:

1. Customer, his family, management ability, track record, and his future plans.
2. His financial capacity.
3. The purpose of the loan.
4. His repayment program.
5. Collateral.

We analyze his repayment or income as it relates to expenses and resulting cash flow and whether or not this cash flow is sufficient to service debt under normal conditions.

It is my opinion that there is adequate capacity to finance agriculture in years ahead through our banks, PCA, and FmHA. Banks will continue to provide the larger share of the short term operating credit provided they are willing to take the time to analyze their customer's financial plan, employ the necessary expertise, and arrange for overlines with a correspondent bank that understands agriculture at both management level and the loan desk.

Ed H. Spetman, Jr., president and chairman, Council Bluffs Savings Bank, Council Bluffs, Ia.: We service about 22 banks in south-west Iowa and carry considerable lines for them. Our policy is very open to the degree that we are willing to look at any of their overlines and help them out as long as they follow guidelines of good credit. We find that our fellow bankers have served these customers for a number of years and know them well, and that we have also serviced them as the years have gone on. Therefore, it is a mutual understanding that we will help them anytime they need help without any more than an application.



E. H. SPETMAN

If it is a new line that we have not seen before, we usually send one of our farm people out to check the line out and give them an answer at that time.

I think the main thing that you have to have is the confidence in the ability of your correspondents to make good credit decisions. If you do not have this, it becomes very difficult to service these lines.

Henry Hitch, president, The First National Bank, Casper Wyo.: The First National Bank of Casper has approximately 6% of its total loans in agriculture related loans. Approximately one third of these are overlines purchased from our correspondent banks.

The majority of the direct loans are on livestock, primarily cattle and a fair amount of sheep. The overlines purchased are a combination of livestock and crop loans, both irrigated and dry land.

Overlines are generally accepted on last-in first-out basis. On larger overlines, someone

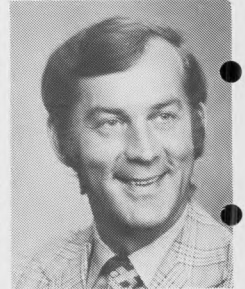


H. HITCH

from First National Bank makes a call with an officer from the originating bank to the ranch or farm before final approval. Agriculture loans have increased approximately 60% from 1972 to 1977.

In general, agriculture loans do not generate a large deposit base. But recognizing that agriculture is a vital part of the Wyoming economy, it has been a policy of First National Bank to work with agriculture and make good sound agriculture loans wherever possible.

Gary Stevenson, vice president, First National Bank, Sioux City, Ia.: We serve a tri-state area, which has all types of farm operations including livestock, grain and ranches. We, of course, have an intense interest in the financial health and well being of the agricultural community as it is a major contributor to our area economy. As these ag operations prosper so do the local business people, the community bank and, of course, ourselves.



G. STEVENSON

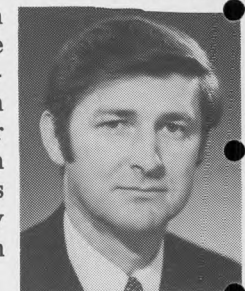
The community bank can provide loans in excess of its lending limit to a qualified loan customer by placing the excess portion of the loan with our bank. Our commitment to community banks and direct agricultural customers is reaffirmed daily by acceptance of their qualified loans. We feel credit request should come through community banks whenever possible. We only become involved with direct ag customers in our very immediate trade territory. Our bank shows a 45.6% increase in loans to agricultural customers of community banks since 1971.

Of course, adequate current financial information and other pertinent documents are required before credit can be approved. Purchase price cattle loans make up the majority of our loans to community bank customers. While these loans are the most common type presented to us, we have been involved in many different types of ag credit either with the community bank or on a direct basis. Usually the correspondent bank will present a loan to us on a last-in, first-out basis.

This is a very important relationship between the community banker and the correspondent officer. They should know each other well. This personal relationship will become even more important as agriculture's demands become larger and more complex in the years ahead. We will all have to work together to meet this challenge.

J. H. Pearson, vice president, Harris Trust and Savings Bank, Chicago: Our bank is anxious to work with country correspondents in helping to serve the legitimate credit needs of their farm customers. We believe this is an important, if not necessary, role for a city bank to play, particularly in an economic environment such as the current one, where the liquidity of many country banks has been impaired.

We feel it is important that we make an independent credit judg-



J. H. PEARSON

What's most important in a correspondent relationship?

Quality.

When you evaluate a correspondent bank, you look not only for specialized financial and operational expertise, but also for a high quality of service.

That's why throughout the country, bankers rely on The Northern Trust Bank. We offer a complete range of advanced banking programs, supported by a tradition of excellence that is unsurpassed.

How can we serve you?

At The Northern Trust, all correspondent services are designed with your needs in mind. And these services are constantly being improved to

keep pace with the latest technology and regulations.

Accelerated Deposit Collection. To help your bank have more cash on hand, The Northern Trust accepts unsorted cash letters, offers late deadlines, and provides immediate availability on major financial centers throughout the country.

Bond and Money Market Services. You have complete, accurate market information with just one phone call.

FOCUS™ Your bank's trust investment officers have daily access to the research that our own portfolio managers use, weekly reports that can reduce their paperwork, and periodic

seminars with top Northern Trust officers.

Special Project Assistance. When you need help with operations analysis, float reduction, marketing, or other important projects, your Northern Trust calling officer and staff are available to assist you. They will put you in contact with other banking specialists who provide information and perspective for your special assignments.

For a quality of correspondent service that's rare in banking today, contact the calling officer for your area at The Northern Trust Bank, 50 South La Salle Street, Chicago, Illinois 60675. Telephone (312) 630-6000.

The Northern Trust Bank

Bring your financial future to us.

ment and accordingly, view each overline opportunity individually. Each situation is analyzed by one of our experienced personnel, and we try to respond in a timely fashion. We feel that the value of sharing the results of our credit review is as important as the actual providing of dollars.

From a mechanical standpoint, we normally hold participation certificates and are involved on a last-in, first-out basis. Our credit file should be documented with financial statements of the borrower and copies of security documents and guarantees. We participate in both unsecured and secured arrangements. While we prefer seasonal lending situations, we will consider intermediate-term debt.

Our suggestions to a country banker seeking assistance from a city bank would include the following:

- (1) Be selective in what you take to your city banker. We expect you to show us only your best customers.
- (2) Outline your request in a letter accompanied by financial statement information. Do this ahead of time and allow sufficient time so the statements can be reviewed before a response is required.
- (3) Make use of the advice and suggestions your city correspondent offers. They are not going out of their way to be critical and are offering what they feel is sound advice.
- (4) Don't consider a city bank as a permanent source of capital for you to employ in your community. Most city banks consider their primary role as one of supporting your seasonal needs and not of providing permanent capital.

Jay F. Bordewick, vice president, U.S. National Bank, Omaha, Nebr.: Our bank has a very definite commitment toward financing of agriculture and agri-business in the area we cover. Our policy on accepting participation loans is flexible. We are not necessarily last-in, first-out in all cases, depending upon the needs of the local borrower. We have from time to time purchased loans which are not in excess for the local bank to give the banker some liquidity. We obviously apply the same credit criteria to overlines that we would to a direct borrowing customer of our own.

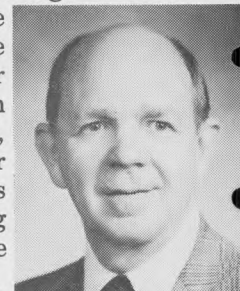


J. F. BORDEWICK

It has been obvious to us for some time that we would have difficulty in meeting the credit needs of all of our customers through the deposit base that we generate. Consequently, we have searched for other avenues to provide the necessary assistance to the borrower. We are fortunate in being affiliated with Northwest Bancorporation which has a number of affiliates, some of which provide these alternate avenues. One is Northwest Agricultural Credit Company which allows an affiliate to originate an agricultural loan and sell a predetermined portion to the Ag Credit Company.

Just lately, we have involved another affiliate, Banco Financial Corporation, as a secured lender to a firm which is primarily involved in agribusiness. We also have affiliates involved in leasing, international banking and others, all of which can assist us in offering a complete financial package to our customers. Certainly, there are other, more conventional methods such as downstreaming loans, actual selling of loans of our own to affiliates and other commercial banks. We also try to come up with other original ideas along with the local bank to assist the agricultural sector in accomplishing its goals.

Wilbur H. Baack, senior vice president, National Bank of Commerce Trust and Savings Association, Lincoln—For many years we have been committed and assisted in the financing of agriculture. Our agriculture demand has been extremely high for the past year, and we have managed to assist our respondent banks when the loans have exceeded their legal lending limit or if they needed some liquidity.



W. H. BAACK

Our bank has the policy that all our agriculture loans be on a participation basis as opposed to direct financing. In this way the respondent banks can assist our banks in monitoring the credit of their customer. We can provide the banks with proper documents in the financing of agriculture loans.

In order for any correspondent to assist the respondent banks in their credit needs, it is prudent for them to have sufficient balances in their accounts.

Our bank will continue to work with our respondents to meet the credit needs of agriculture.

Biozyme Advocates Higher Quality Beef

Americans do not eat enough red meat a day to meet required nutritional levels, according to Larry Ehlert, president of Biozyme Enterprises, St. Joseph, Mo. In fact, he pointed out, people eat only about half the amount of red meat they should.

The Biozyme firm advocates producing and merchandising more beef of a higher quality than in years

past, Mr. Ehlert related. And that merchandising would include not only the sale of beef, but the preparation and serving of it as well, he added.

Forecasts for 1977 indicate the per capita meat consumption will be just about the same as in 1976 (on a cooked weight basis—2.98 ounces a day)—with the daily cooked per capita consumption still below three ounces a day, Mr. Ehlert noted, and that amount is less than half the

amount recommended by nutritionists.

"If we would eat the meat we are supposed to eat, there would be a bright future for the cattle producer," Mr. Ehlert commented.

New Insurance Handbook

Scarborough and Company, Chicago-based insurance counselors to banks, has announced the availability of an updated "Insurance and Protection Handbook."

Today's Chase.

"Responding to a correspondent's loan participation proposal shouldn't take forever. We like to do it in 48 hours."

MEMBER FDIC © Chase Manhattan Bank, N.A. 1977

Wayne G. Hansen, Senior Vice President/Group Executive, Correspondent Banking

Must it always take a week or more to come to a prudent decision on your loan participation? Wayne Hansen doesn't think so. As the senior officer responsible for Chase's correspondent banking business, he knows that having the right people makes the difference. Your Chase Relationship Manager is a good example. He or she knows what it takes to quickly structure a credit that's right for your customer, right for your bank and right for Chase.

That's why Today's Chase doesn't keep you in the dark about our reaction to your participation proposal. In fact, after you give us all the details, we'll get back to you within 48 hours—guaranteed.

Chances are we'll have a "yes" or "no" for you. But if your participation happens to require a little more research, you'll know about it *right away*—not a week or two later.

Nobody responds faster.

If you're in need of a fast response on a loan participation, it would be wise to first talk to your Chase correspondent banking Relationship Manager. Especially if you have an important customer who needed his money yesterday.



CHASE



Les Peterson, pres., Farmers State Bank, Trimont, Minn., immediate past chmn. of agricultural bankers div., of ABA; **A. A. Milligan**, pres., Bank of Levy, Oxnard, Ca., pres., ABA; **Walter E. Hoadley**, e.v.p., Bank of America.



Walter W. Minger, sr.v.p., Bank of America, new chmn., agricultural bankers div., ABA; **Gerald M. Lowrie**, ex. dir., government relations, ABA.

Low Prices Challenge America's Ag Bankers

By **MIKE FREELAND**
Business Manager

A G BANKERS throughout the nation met in Kansas City for the American Bankers Associations' (ABA) Agricultural Bankers Conference. Over 1,800 registrants faced a magnitude of lending questions, many stemming from current livestock and commodity prices.

"We are facing one of the most difficult periods in farm lending," said conference chairman, C. N. Finson, president, National Bank of Monticello, Ill.

Over 75% of all ag bankers at the meeting reported that farm loan volume had increased in the last year, and expect that trend to continue through 1978. The largest increase in volume as found in the midwest and west where farmers have contended with drought conditions as well. Sixty percent of the bankers in the plains and western regions look for an increase in renewals and extensions, along with conversions and refinancings. In spite of this forecast, most bankers felt loan quality had not gotten to a critical level overall. With the exception of the far west bankers also felt that less than 20% of their borrowers would be loaned up.

Credit Outlook Seminar

Walter W. Minger, senior vice president, Bank of America, San Francisco, led a panel of banking experts as they discussed the credit outlook. Mr. Minger said farmers not only had a willingness but an ability to hold commodities off the market. Much of the banking system's lendable funds are tied up in commodities and this holding of inventory has added to the reduction in liquidity of country banks, he commented.

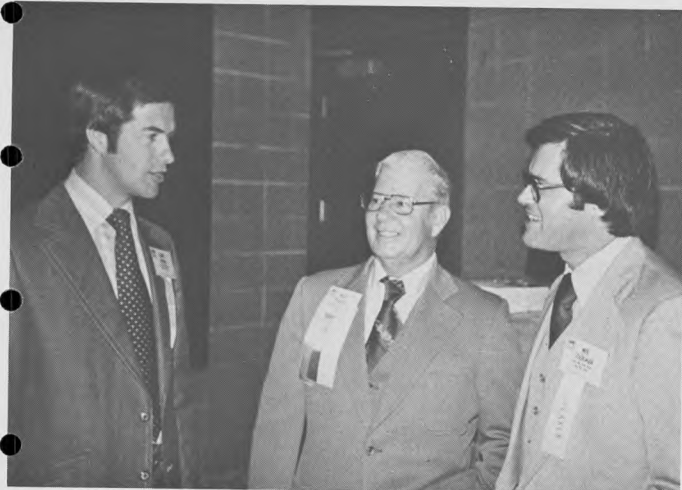
Eugene E. Coombs, vice president, Security Bank, N. A., Billings, Mont., stated, "Two words will describe the agricultural financing situation. They are equity and management."

Operators who have good equities in their operations are going to be able to hang on through this period of the cost-price squeeze and depressed prices, even though their equities have eroded. As far as the young farmer is concerned, I think we will probably have to use the word desperate. I believe we are going to see more actions next spring than we have for several years.

Ed Spetman, Jr., president, Council Bluffs Savings Bank in Iowa, explained the movement to cattle feeding in his area. When corn goes below \$2, we have an enormous group go into feeding. We have many that have not been feeding for four to five years, he said. "Land prices in the state of Iowa increased 35% last year with an average acre price of \$1,228. This is difficult to service, and also forces rent up to \$100 or \$120 per acre. This last year has made many of our people stop and take a long look at cost. It has become difficult to service debt. The day of the family farm is over and farming is big business. You have to be a manager to survive."

Max Dickerson, senior vice president, Commercial National Bank, Kansas City, Kan., made the following remarks about the farm customer. For the last three or four years, the individual farm customer of a country bank has not made the usual progress in net worth. Most importantly, his liquidity has continued down through most of this period, to the point that many real estate loans have had to be used to provide additional collateral and capital funds for future operations. Consequently, banks also are loaned higher as to the percentage of their deposits and may have less liquidity than they did three years ago. Starting 1978 operations will necessitate more careful management, better cash flows, more detailed monthly profit and loss statements by the bank customer, and necessary information for proper credit analysis because the margin of profit and the degree of safety may not be quite as high as it has been some other years.

The Agricultural Bankers Conference featured a large number of audience participating forums and workshops. Forums of key concern were estate and tax planning, commodity management, and land values.



Larry L. Reding, v.p., Sac City State Bank, Sac City, Ia.; W. J. Peacock, Jr., chmn., The First State Bank, Arcadia, Ia.; Neil Stadlman, a.v.p., Sac City State Bank, - customer counseling.



Clinton D. Kurtz, e.v.p., Citizens State, Norwood, Minn.; Duaine Espegard, v.p., First N.B., Crookston, Minn., acting out a cash flow lending scene.

Workshops offered cash flow lending, implementing FmHA and SBA loan programs, high performance banking, irrigation economics, cattle, grain, and weather outlooks, and pricing loans management.

Each of the forums and workshops was recorded and are available on cassettes for further study. The cassettes may be ordered through the ABA.

World Food

Walter E. Hoadley, executive vice president and chief economist, Bank of America, San Francisco, said, in a key address, that the world food problem has not been solved. Following are some remarks from his speech.

"Events of the past six years have served to focus more than usual attention on food. Significant events have included:

1. USSR crop failures in 1972 and 1975 and the resulting policy decision to purchase grain on world markets to compensate for domestic losses.

2. Devaluation of the U.S. dollar which has made U.S. agricultural products much more competitive in world markets.



Leslie F. Sheffield, ext. farm mgmt. spec., University of Nebraska; Marion C. Bonham, chmn., First N.B., Elm Creek, Nebr., discuss irrigation economics.

3. Drought and disease related crop reductions in several parts of the world.

4. Changing ocean currents during 1973-74 resulting in loss of Peruvian anchovy production — a major source of animal protein.

5. Freezing weather in Brazil during 1975 which killed or damaged 75% of Brazil's coffee trees and resulted in a quadrupling of prices.

6. Severe cold weather in the eastern U.S. during 1977 which destroyed a large part of Florida's winter vegetable crops and resulted in large price increases.

"A primary result of all these events was large price increases for food. Thus, one reason for the resurgence of interest in food has been purely economics — higher prices and a larger part of consumers' budgets required for food purchases.

"On a broader basis, questions are being raised intermittently as to how long the world's food producing capability can keep pace with an ever increasing population.

"It is frequently argued by many that events in the 1970s signal a fundamental shift in structure of the world's food economy toward persistent shortages. Others argue that recent crises arose from a series of crop losses and policy shifts which are not indicative of a long-run food shortage. As usual in such cases, there are elements of truth in both positions.

"Regardless of which view is taken, there is now a much greater awareness of agriculture's global importance and the interdependence of nations with regard to food. This increased awareness is probably most pronounced in the U.S. Prior to 1972, the importance of agricultural exports both to U.S. farmers and the national economy was largely disregarded. Today it is more widely accepted that agricultural exports play an important role in the prosperity of agriculture and the economy as a whole. U.S. agricultural exports have risen in value from \$7.7 billion in 1971 to an estimated \$24 billion in 1977. Further, agriculture's net positive contribution to the U.S. balance of payments has increased from \$1.9 billion in 1971 to \$12 billion in 1976, and will decline slightly to about \$10 billion in 1977.

"Some of the great structural changes of our times



Richard L. Smith, pres., The State Bank, Ft. Dodge, Ia., answers questions concerning pricing loans.



Marvin G. Rohn, v.p., Omaha Natl., discussing marketing management.



J. M. Holcomb, consultant, agribusiness, Urbans, Ill.; **W. D. Willer**, e.v.p., Decorah State Bank, Decorah, Ia.; **Michael D. Boehlje**, prof., dept. economics, Iowa State; **Alan R. Tubbs**, pres., First Central State, Dewitt, Ia., review the characteristics of a good estate plan.

are occurring in the world food economy. Conditions on both the demand and supply side of food markets are changing.

"Probably the most obvious structural change affecting market for food is population growth and rising incomes resulting in increases in demand for food. Total world population at present is estimated at about 4.3 billion persons. By the year 2000, population is projected to total 6.3 billion persons, roughly a 50% increase. In the long-term, the key to the food problem must be population control. Three-fourths of the world's population currently lives in the developing countries and this part of the population is projected to grow at nearly a 3% annual rate for the rest of this century. Food production for this part of the population will have to increase by at least this same rate if food

problems are not to become worse. Obviously, the sooner population growth is slowed, the easier the problem will become.

"On the supply side the extent to which new technology can be counted on to expand agricultural output at a rapid rate, at least in the developed countries, is open to serious questions.

Shortages in basic agricultural resources; land, water, energy, and fertilizer can be expected to become far more important in the future. Finally, in the developed countries and in the United States particularly, increased concerns for the environment seem certain to place limits on expanding food output. Despite all these problems, my view is that the world food situation can be improved and global famine is not imminent."

CSIBAE Elects Officers At 1977 Annual Meeting

Don J. Harr was elected chairman of the Conference of State Independent Bankers Association Executives (CSIBAE) at the group's recent annual meeting in Kansas City, Mo. He is executive manager of the Independent Bankers Association of Oklahoma, Oklahoma City, Okla.

Mr. Harr succeeds Richard W. Berglund, executive vice president and legal counsel of the Iowa Independent Bankers, Des Moines, Ia.

Other officers elected at the meeting are: vice chairman—Walter L. Law, executive director, Independent Bankers of Florida, Inc., Tallahassee, and secretary—Diane Gibbs, executive secretary, Iowa Independent Bankers, Des Moines.

Topics of discussion at the conference included credit unions, NOW accounts and EFT developments. Henry Czerwinski, first vice president, Federal Reserve Bank of Kansas City, Mo., gave a detailed report on the Kansas City Fed's

proposals for a solution to the Fed's membership problem, as reported in the August 8 issue of the Northwestern Banker Newsletter.

Sessions Resigns as ABA Communications Chief

Cliff Sessions has resigned as executive director of communications for the American Bankers Association. Richard P. Pratt, director of public relations, has been named acting executive director. Mr. Sessions said that he left the ABA to establish a new business, to be announced later.

Kissinger To Speak At ABA Meeting

Henry A. Kissinger will be the keynote speaker at the opening session January 19, of the International Banking Conference in New York at the Waldorf-Astoria sponsored by the American Bankers Association (ABA).

His discussion of "responsibilities

and opportunities for international bankers" will lead off a two-day consideration of international lending policies and practices. Mr. Kissinger, secretary of state from 1973-77, is university professor of diplomacy at Georgetown University's school of foreign service and serves as vice chairman of the international advisory committee of Chase Manhattan Bank, New York.

Senate Rejects Change Of Term for Fed Chairman

The United States Senate last month killed a House passed measure that would have permitted each President to select his own Federal Reserve Board chairman.

The house measure was turned down by voice vote. Leading the fight against the bill was Sen. William Proxmire (D., Wis.), chairman of the Senate banking, housing and urban affairs committee. He said the 1913 measure enacting the Fed was a creature of Congress and should remain that way, not be a creature of the executive branch.

The leader in planning, designing, and building banks has just acquired a leader in the valuation of real and personal property, tangible and intangible assets.

Here's the bottom line: You get a unique blend of business management services, consulting skills and professional disciplines from one source. With one responsibility. Because Bank Building Corporation has acquired Marshall and Stevens Incorporated.

We're leaders. Bank Building Corporation is the specialist in planning, designing, building, furnishing and equipping banks, savings and loans and credit unions. We provide similar services for health-care facilities, too, through our eight regional offices in the United States.

They're leaders. Marshall and Stevens is a profes-

sional evaluation and consulting company known for integrity and dependable quality work. They appraise both tangible and intangible assets such as patents and total business enterprises for any purpose through offices in 19 U.S. and 3 Canadian cities; and a European Division in Rotterdam.

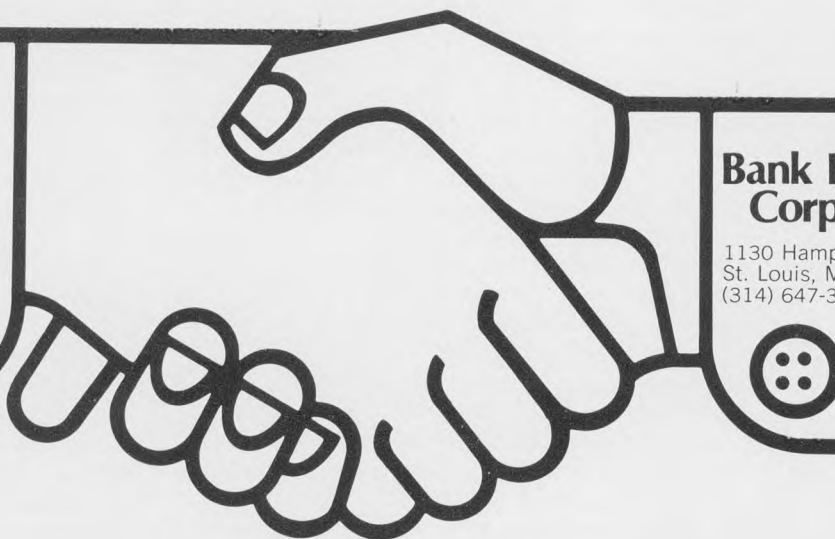
Both companies are experts in their specialities. Both Bank Building Corporation and Marshall and Stevens are financially strong. And this combination offers you an even wider range of services to help build your business. For more information, call us.

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We'll build you a business.



SPEAKERS TABLE finds William Dwyer, v.p., host bank, presiding at opening session.

Express Cautious Optimism at Bank Conference

By **MALCOM FREELAND**
Publisher

CAUTIOUS optimism was expressed by the top officials of the First National Bank of Chicago at its 31st annual Conference of Correspondent Banks, held in Chicago last month. Over 900 delegates attended.

A majority of the bank officers were optimistic in 1978 predictions for the industries they serve. Gains were predicted for retail sales, new car sales, bank profits, and the use of credit to finance both consumer and industrial purchases. Here are some highlights:

Real Estate — John Stavropoulos, senior vice president, said that an additional increase in short and intermediate term interest rates could produce a drop in housing starts, which so far have been a bulwark of the current economic expansion.

Durable Goods — Francis G. Foster, Jr., vice president, said there will be a "mixed bag" performance in the durable goods field. He stated that "until there is further clarification on major issues like taxes, energy, and environmental regulations, companies will refrain from making large commitments for capital expenditures. Sales of American-made cars will total 9.2 units, including imports, sales could be 11.6 million units.

Soft Goods — James S. Braman, senior vice president, said that soft goods should show greater gains than durable goods in 1978,

reversing this year's pattern. He predicted sales increases of about 10% for soft goods at the manufacturing levels. Price competition will continue and markups will be harder to come by.

Agriculture — Robert D. Judson, senior vice president, offered little hope for farmers on prices. He predicted that prices for beef cattle will hold steady or drop slightly early next year, with hog prices dropping in the second half of 1978. Soybean prices, according to Mr. Judson, will rise to \$5.70-\$5.85 next spring. Corn prices will advance to \$2 - \$2.10 on the farm later in the marketing year.

Bank Performance — James Y. Robertson, senior vice president, said that we can anticipate an excellent year for the banking industry. Interest spreads and margins should continue to show gains, and loan charge-offs should continue to decline. Problems that will have to be faced by banking executives, according to Mr. Robertson, include: (1) inflation will continue to push many non-interest expenses up at rates which are greater than desired, (2) a need for external capital will almost certainly face the banking industry in the next few years, (3) a further challenge relates to public and legislative concern over certain banking practices, linked with increasingly

onerous reporting and compliance requirements. This will continue to make the banking business more expensive to operate, and (4) competition from other financial institutions will continue to accelerate. Especially at stake is a growing base of younger retail customers who may choose to frequent the offices of local credit unions or savings and loans if those companies are more aggressive.

Earnings

Speaking on capital adequacy and earnings performance, Harry Keefe, president, Keefe, Bruyette & Woods, Inc., New York investment consultants, predicted that bank earnings by 1979 will be 60% higher than in 1976. He noted that loan losses will continue in a down trend. He reminded bankers that the common denominator for good earnings is a low loan charge-off ratio, irrespective of whether a bank is a part of a holding company or an independent unit.

Growth

Edwin H. Yeo III, executive vice president, predicted a "real" growth of about 5% in the gross national product, with a 6-6½% rise in prices. The economy is coming out of the summer slump and we are anticipating a good Christmas season which could set the stage for meaningful further growth early next year, he said.

Mr. Yeo warned of "significant

caveat." He said a larger federal budget deficit in 1978 could lead to an "economic contraction.

"It's sobering to think that this year's deficit could be the low point and next year's will be bigger," Mr. Yeo observed.

Interest Rates

Nicholas J. DeLeonardis, vice president in the bank's bond department money division, predicted short-term interest rates will climb by 1% to 1½% by the end of 1978. That would bring rates for federal funds to perhaps 7.5 to 8%; rates for 90-day Treasury bills to 7.25 to 7.75%, and rates for three-month commercial paper to 7.5 to 8%, he said.

Mr. DeLeonardis added that commercial bank's, prime rates should rise somewhat less to perhaps 8.25 to 8.75%, as banks make further progress in reducing the burden of poor performing assets on their earnings.

Chairman A. Robert Abboud; President Richard L. Thomas; Senior Vice President Edward M. Roob, and Vice President William Dwyer, head of the correspondent department, presided at the various sessions. Key speaker for the annual banquet was General George S. Brown.

Survey

The Carter Administration's economic performance won little praise from bankers surveyed during the Conference. Eighty-eight per cent gave the Administration a "fair" or "poor" rating in the economic area; only 12% thought its performance was "good" or "excellent."

Washington seems to be much on the bankers' minds these days. Ninety per cent of those surveyed said moves toward tighter federal regulation of banking laws and practices is not needed. In addition, by 70% to 28%, they feel consolidation of federal banking regulatory agencies is unnecessary.

The poll was conducted by the bank at the conference.

The poll also shows that 51% of the bankers think the inflation rate next year will be in the 6 to 8% range, 57% think the unemployment rate will be 6 to 7%, and 45% think the prime rate will be 8 to 9%. Most bankers predicted the Dow Jones Industrial Index would be in the 800 to 900 range at this time next year.



COFFEE BREAK — John Mangold, sr. v.p., Merchants Nat'l. Bk., Cedar Rapids; Al Small, v.p., Chase Manhattan Bank, N.A., New York, and Clarence "Bud" Cross, a.v.p., host bank.



MINNESOTA bankers attending the conference included, from left: Ed Kalafat, reg. v.p., First Bk. System, Minneapolis; Tom Bartholomay, pres., First Minnehaha Nat'l. Bk., Minneapolis; Bob Lichty, chmn., First Nat'l Bk., Austin, and Luther Magelssen, v.p., First Nat'l. Bak., Hopkins.



LUNCHEON GROUP included, from left, E. M. Passe, cash., First St. Bk., Wabasha; Bob Frei, a.v.p., Commercial St. Bk., Wagner, S.D., and R.E. Gene Hagan, e.v.p., Security Nat'l. Bk., Sioux City.

Feminine Financial Forum



How Center Bank in Omaha helps women gain financial information.

By LINDA RHEIN, Associate Editor

WELL done, informative and enjoyable. You have bent over backwards to make this special! Thanks!"

"Terrific cookies and coffee—great program, very educational."

"My husband would like a forum for men."

These comments all came from the 226 women attending the series of Feminine Financial Forums this fall cosponsored by Center Bank of Omaha, Nebr., Independent Insurance Agents of Omaha and the Mayor's Commission on the Status of Women. The forums were held for three hours on three consecutive Tuesday evenings in the auditorium of the College of St. Mary. An enrollment fee of \$5 was charged.

"Women have a lot to learn about finances, said Doris J. Capps, vice president of marketing for Center Bank in Omaha, Nebr., and the forums are held to help them. She stated that three out of four women who are married today will some day become widows



D. J. CAPPS

and that the average widow spends what her husband leaves her in 24 months because of poor handling and being under insured.

In addition, national labor statistics show that one in three marriages before 1975 ends in divorce. About half of the nation's women work, but many don't manage their own income, she said.

For these reasons, the Financial Forums came into being. Center Bank got into it in 1973 when it held an afternoon forum in the mall of the shopping center where it is located. So many people attended that the bank repeated the forum that evening.

The next fall Center Bank sponsored a multi-session seminar and since then, it has been an annual event. A spring forum is now being planned.

Speakers

The speakers are all volunteers and this year's topics included: Social Security, fringe benefits, investing, budgeting, IRAs and Keogh plans, wills, how to establish and maintain credit, and auto, health, life and disability insurance.

After a beginning kick-off speaker at 7 p.m., the registrants have their choice of attending two out of three concurrent classes. The sessions are about 45 minutes long. Cookies, punch and coffee are served between sessions.

At the end of each evening, the

women are asked to fill out an evaluation form on the sessions. Questions asked are: age group, occupation, income per year (their own and combined family income), status, how they learned about the forum and their evaluation of each session. Ms. Capps answers as many comments as possible at the beginning of the next session.

Seventeen of the 139 responding to the first evaluation were under 25 years old, 78 were between 26 and 45; 41 were between 46 and 60 and three were over 60. Two were single students, 23 were single and working, 11 were widowed, 16 divorced and 80 married. Twenty-five were homemakers, 74 were employed full-time, 30 were employed part-time and three were students. The majority came from families whose combined income was over \$15,000.

Advertising was done through Center Bank's statement stuffer, two press releases by the Mayor's Commission, and a front page story in the World Herald newspaper. Ms. Capps participated in a half hour television program.

Previous seminars had been cosponsored with the Douglas County Extension Service. It had a display and many free booklets on all sorts of financial matters at the last set of forums.

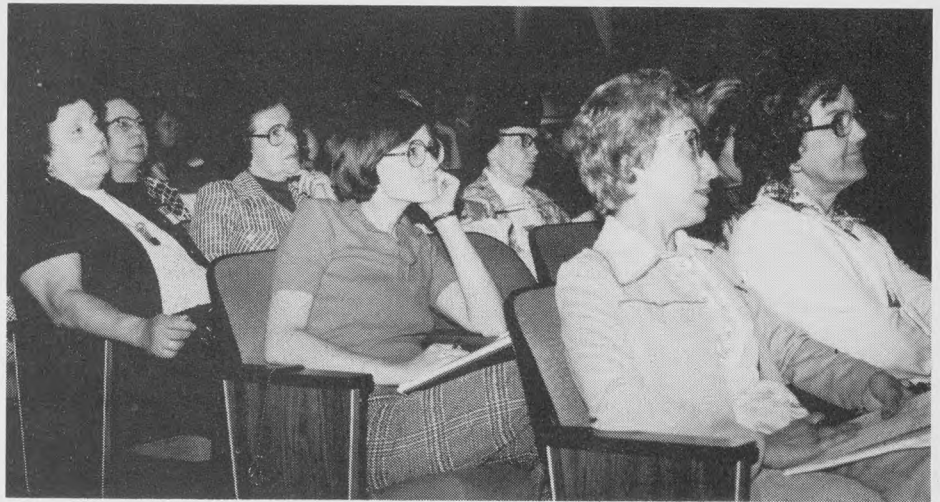
Problems? The basic complaint

was written this way in one evaluation: "There seems to be a real need to have two or three forums divided into levels of economic awareness—beginning, intermediate and advanced concepts. Some things were too elementary, others not enough so. Maybe by gearing the sessions to these levels, the participants would match the lecturer."

Also, many registrants wanted more in-depth sessions. The problems will be kept in mind when planning future forums, said Ms. Capps.

"Our objectives for this forum were:

1. To present some basic facts about insurance and financial planning to women of the community.
2. To provide materials that would be a source of reference and step-by-step help in planning money management.
3. To inform about some legislative proposals that could have a great impact on finances and the future, as Social Security and National Health Insurance.



TWO hundred and twenty-six women attended the series of forums.

4. To provide an awareness of where and who to go to for individual help.

5. To increase awareness of present laws and rights under those laws.

6. To provide the tools to plan a financial future and become an independent economic entity."

Did the forums influence the women? Here is the way they

answered the question—"How has this forum influenced you?"

"I will attempt to save more money."

"I feel I know credible place and people to turn to for guidance and honest information."

"I am making an inventory of our insurance and health coverage."

"I hope you will inform all of us when the next FFF is planned!" □

"the enlightened woman"

A seminar on bank services

THE Enlightened Woman," a seminar on bank services and financial planning is being presented periodically by Central National Bank and Trust Company of Des Moines, Ia.

Small groups are a key ingredient of this bank's approach to seminars for women. The forum is being presented to small groups (up to about 35 people) in the board of directors' room in the bank.

The officers decided to address small groups because, "we couldn't handle a large group in the bank," said Carol Stone, trust officer. "We thought it might be an advantage to get the customer into the bank rather than to an auditorium somewhere else." Many customers never actually come into the bank, she added.

The guests are invited by personal invitations from the bank's president, Raymond G. Johnston. The letter is followed by a telephone call.

Another unique feature of the seminars is the 37-page booklet handed to each guest. The book contains an outline, written by the speakers, of all the material covered

in the seminar for later reference. It is full of well-organized, helpful information about bank services and includes the phone numbers and names of which bank officer to call for particular services.

Topics of discussion during the session are: bank services, establishing credit and borrowing money, managing investments, estate planning and financial management.

Five officers speak for 20 minutes each. One coffee break is scheduled after the third speaker. Questions are limited to the end of the seminar because the speakers want to keep to their schedule (1-4 p.m.).

A customer services officer, a vice president, an assistant investment officer, a trust officer and a financial planning officer put on the meeting. All of the speeches are related to the bank's services and are very informative. The speakers even point out where each department is located in the bank.

Their goal? "To enhance the bank's image in the community and to bring in some additional business from existing customers and new customers," Ms. Stone commented.



LEFT—Two former Secretaries of Agriculture were guests at the First National Bank in St. Louis Correspondent Bank Conference luncheon. Left to right are: **Clifford Hardin**, vice chmn. of Ralston Purina Co., St. Louis, and former chancellor of the University of Nebraska and Secy. of Agriculture; **Ted Jones**, chmn. of exec. comm., and **Clarence C. Barksdale**, chmn. & CEO, both of the host bank, and **Dr. Earl L. Butz**, chmn. emeritus of Purdue University Ag School and former Secy. of Agriculture. **RIGHT**—**Gerald M. Lowrie**, exec. dir. of govt. rel. at ABA, and **Mr. Barksdale**.

At First of St. Louis Conference

Calls For Reappointment of Arthur Burns

By **BEN HALLER, JR.**
Editor

THE need for reappointment of Dr. Arthur F. Burns as chairman of the Federal Reserve, a critical look at farm problems and the new farm policy, and a review of anti-banking legislation received close attention last month at the 21st Annual Conference of Bank Correspondents conducted by the First National Bank in St. Louis.

Clarence C. Barksdale, chairman of the host bank, led off the federal regulatory and legislative panel with an emphatic call for the reappointment of Dr. Burns as Fed chairman. Referring to President Carter, Mr. Barksdale stated: "there is confusion in the Carter Administration about whether inflation or higher rates is better and whether Dr. Burns should be reappointed. I think he will be reappointed. It's needed. It would give new confidence to the business community, strengthen the stock market, help increase capital spending and give us an opportunity to get our economy rolling strongly with further investments in the future."

Mr. Barksdale also noted that if Dr. Burns is not reappointed, President Carter undoubtedly would discuss a successor with him and Dr. Burns also can remain on the board



GUESTS at the luncheon were introduced by **Dick Ford**, pres. of First Natl.

for the rest of his 14-year term (1984) and be a major critic.

Following Mr. Barksdale, Gerald Lowrie gave a detailed review of major banking legislation in Congress. Mr. Lowrie is executive director of the ABA's government relations division. He pointed out that in the past year there have been personnel changes in 48 key jobs in Washington, ranging from the President to Congressional committee chairmen. This number, the greatest ever at one time, he said, included the Senate majority leader and the House speaker. "It takes time for them to get their act together," Mr. Lowrie stated, "and we may not like the direction they go, but they will soon have to be moving."

Although individuals in the House or Senate may pursue anti-banking bills with personal interest in mind, Mr. Lowrie feels the majority of Congressmen and their staffs are reasonable people who will listen to banker views before acting.

Dr. Earl L. Butz, former Secretary of Agriculture and now dean emeritus of Purdue University Ag School, was the keynote speaker at the luncheon. He focused on the continuing financial problems involved in trying to pass along family farm ownership when confronted with confiscatory estate taxes. He also called attention to the high investment per worker on farms, comparing that figure of \$200,000 per farm worker with the \$25,000 to

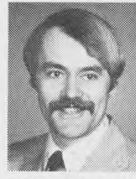


MONTANA



Jerry Dreier

NORTH DAKOTA



Russ Bennett

SOUTH DAKOTA



Russ Hendrix



Dirk Miller



Dennis Carlson



Paul Johnson



Dick Musolf

WISCONSIN



Jerry Miller



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1977



MODERATOR of the "What's New in Banking?" panel was **David M. Culver** (standing), sr. v.p. of First Natl. Panelists (l. to r.), all senior officers of the host bank, were: **Arthur E. S. Schmid**, v.p.;



William J. Chapman, exec. v.p.; **Warren B. Wlethaupt**, v.p.-dir. of mktg.; **Walter R. Klostermeier**, sr. v.p.; **T. Barton French**, sr. v.p., and **W. LeGrande Rives**, v.p.

\$30,000 capital per worker required in industry per job.

"This poses a challenge of how to maintain this structure—how to pass it along to a son as it goes by the tax collector," he said, "but we must maintain the family farm if we want to maintain American agriculture."

Dr. Butz struck hard at the proposals to control land production and grain prices, emphasizing that his administration had gotten the government out of the storage business and Secretary Robert Bergland now wants the government to "warehouse the world's reserve of grain at taxpayer's expense. We're the only nation in the world asking

our farmers to cut back production."

At the other morning and afternoon sessions, various panels made up primarily of First National Bank officers covered specific subject matter of interest to executive officers of the visiting banks.

An early bird session chaired by Neil Bergenthal, vice president-agriculture, featured Carl Heinisch, vice president of the DeKalb Bank, DeKalb, Ill., telling how he works with his farm customers in hedging, and Lyle P. Campbell of Continental Commodity Services, Inc., telling how his commodity firm works with farmers and bankers in completing the hedging transaction. Earl N.

Haldeman III, assistant vice president of the host bank, told how a correspondent bank can work in supporting the local bank with its hedging business.

An economics outlook panel featured Murray L. Weidenbaum, PhD, director of the Center for the Study of American Business, Washington University, St. Louis, and Denis S. Karnosky, PhD, vice president, Federal Reserve Bank, St. Louis.

The investments panel, made up of First National officers, was moderated by Frank K. Spinner, senior vice president. The program was concluded by a look at "What's New in Banking?" by six senior officers of First National. This panel was moderated by Dave Culver, senior vice president.

A feature of the First National Conference each year is a survey among those attending about events of the coming year. The nearly 800 registrants voted as follows on a variety of topics: 79% expect the Dow-Jones to be between 900 and 1000; 63% see unemployment at 7%; 59% see bank earnings up slightly; 54% look for a Fed Funds rate of 7% to 8%; 56% look for a prime rate of 8% to 9% while 35% see it between 7% and 8%; 37% look for farm land prices to remain stable and another 37% expect land prices to increase up to 10%; 42% look for a loan/deposit ration of 65-74% and 36% expect a L/D ratio of 50-64%; 56% feel the new federal ag policy is harmful; 69% think Arthur Burns should be reappointed Fed chairman, and 89% approved of Burt Lance's resignation. □



HELPING host the First National social hour following the conference were **Frank K. Spinner** (left), sr. v.p.; **Kathy Betz** and **Chuck Betz**, v.p. and head of the corr. bk. div.

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4. **Unlimited Marketing Opportunities.** Every home improvement loan provides the opportunity to effectively cross-sell all banking services. The home owner is a ready-made and growing audience for promotions that provide useful and innovative home modernization ideas. Since 1954, ICS has accumulated a wide variety of effective home improvement promotions that are offered exclusively to our more than 1100 client banks.
5. **Increased home modernization activity.** There couldn't be a better time to emphasize home improvement loans. Because of inflation, people are more involved in do-it-yourself projects and are constantly aware of needed improvements. Also high mortgage rates make HIL more feasible from an economic standpoint.
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HOSTS Henry K. Gardner, pres., and Dan Quigley, e.v.p.



VISITING at head table are George Dearborn, v.p., and head of correspondent dept., and C. D. McCormick, both from host bank.



CORRESPONDENT BANKING is explained to reporter by Llewellyn Jenkins, e.v.p., Manufacturers Hanover Tr. Co., New York, left, as H. Peter DeRosier, a.v.p., host bank, looks on.



HEAD TABLE finds Pres. Henry Gardner introducing Eliot Janeway, left, political economist and columnist.

Chicago Bank Hosts Perspective '78

By **MALCOLM FREELAND**
 Publisher

MY "gut feeling" is that some liberalization of banking laws in Illinois makes sense."

This was the comment made by William C. Harris, commissioner of banks for Illinois, at the annual Correspondent Conference, sponsored last month by National Boulevard Bank in Chicago.

He indicated that while the three bankers' associations were doing a good job in Illinois, it makes little economic sense to budget for three associations. He was referring to the Illinois Bankers Association, the Association for Modern Banking in Illinois and the Independent Community Banks in Illinois. He recommended that Illinois bankers "get their act together" so they can fight their real competition, brought on by credit unions and thrifts.

Turning to his own department, Mr. Harris said that his budget is only \$30,000 more than it was two years ago, even though it is now supervising \$56 billion of assets, which are up from \$38 billion two years ago. He expressed the hope that examiners would receive greater compensation when the 1978 legislature meets.

Dan Quigley, executive vice

president of the host bank and chairman of Electronic Funds Illinois, gave a current report on EFT in Illinois. He said that some 700 banks are now members of the Illinois EFT movement, representing some 50% of total deposits. He explained that a test program involving one or two cities in Illinois might be established as a part of the ongoing research conducted by EFI and the electronic funds commission.

Correspondent Banking

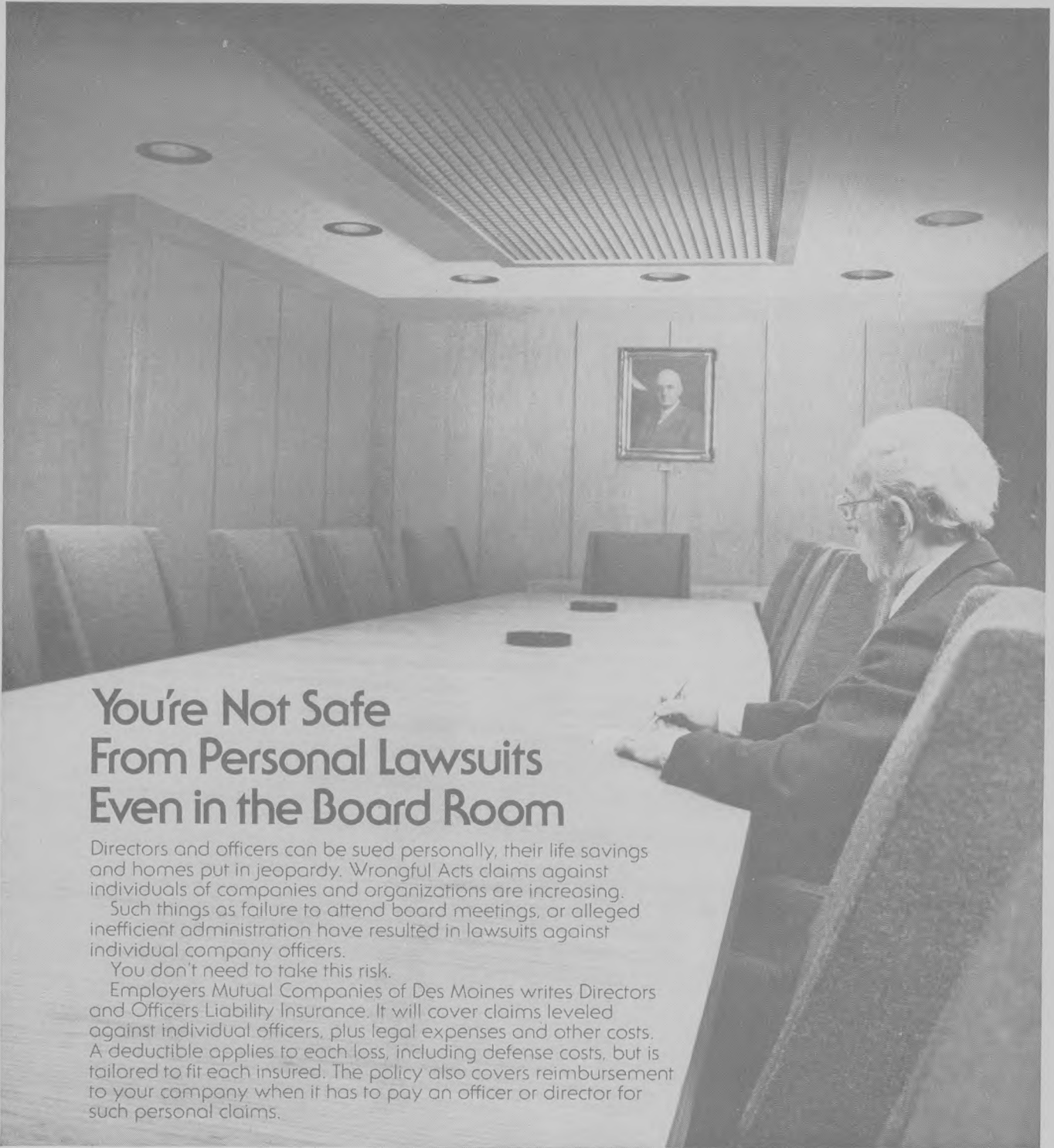
Llewellyn Jenkins, executive vice president, Manufacturers Hanover Trust Company, New York, told delegates that the correspondent banking system is the greatest system that exists in the world for getting things accomplished. He observed that some shifting is taking place where the regional banks are becoming more important — but this doesn't mean that the money center banks are losing business. Mr. Jenkins' bank is increasing services and training many new people so that it will have more than 100 people making calls around the nation by August, 1978, serving banks and corporate accounts.

Changing the subject to payment of interest on demand money, Mr. Jenkins said that interest might at some future time be paid on household accounts — but that interest payments on correspondent and corporate balances seemed doubtful.

Key Speaker

Eliot Janeway, political columnist and economist, served as the key luncheon speaker. Known as an ultra-conservative, Mr. Janeway

PERSPECTIVE
 [Turn to page 48, please]



You're Not Safe From Personal Lawsuits Even in the Board Room

Directors and officers can be sued personally, their life savings and homes put in jeopardy. Wrongful Acts claims against individuals of companies and organizations are increasing.

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Illinois News

JOHN R. MONTGOMERY Pres. Chicago
W. J. HOCTER Exec. V.P. Chicago



receiving his college degree from DePaul University. He recently served as assistant vice president and head of the instalment loan department of the Bank of Hickory Hills.

Mr. Weinstein, formerly head note teller, joined the bank in August of 1974. He previously was with the Central National Bank.

First National of Skokie Announces Promotions

Erman G. Kramer, president, chairman and chief executive officer of the First National Bank of Skokie, has announced the promotions of Bernard Traut, auditor, to loan review officer, and James Malecha, assistant auditor, to auditor.

Philip Clesen, who had been away from the bank for the past few months handling family business, has rejoined the bank as assistant vice president of the corporate banking division.

Continental of Chicago Offers Training Course

Continental Bank's new customer relations training course, entitled "Winning with Customers," is being made available to financial institutions. The course contains more than 400 slides, three audio cassettes, a course leader's teaching guide and a student workbook.

BMA Announces 1977

"Best of TV" Winners

Thirty commercials were selected from more than 200 entries submitted for the Bank Marketing Association's (BMA) 1977 film of the best bank television commercials of the year.

Winners from the area covered by the Northwestern Banker are Personal Banker: Harris Bank, Chicago; Convenience Banking: Central National Bank, Des Moines, Ia.; Savings: United States National Bank of Oregon, Portland; Institutional Awareness: Ames Bank, Omaha, Nebr., and The First National Bank of Chicago.

Winning commercials are featured in a 16mm sound/color film, now available for rental or purchase from BMA. Complete information may be obtained by contacting: Director,

Training and Professional Development Department, Association Services Division, Bank Marketing Association, 309 West Washington Street, Chicago, Ill. 60606.

River Forest State Bank Announces 2 Promotions

Robert J. Glickman, executive vice president of River Forest State Bank and Trust Company has



J. GLAB

S. M. WEINSTEIN

announced the promotions of Joseph G. Glab to assistant vice president and Sheldon M. Weinstein to auditor.

Mr. Glab began his banking career at the Mid-City National Bank after

Groundbreaking Held At Schaumburg

Groundbreaking ceremonies for the new Schaumburg facility of Roselle State Bank and Trust Company were held recently at 1060 S. Roselle Road in Schaumburg, according to Eugene C. Ernsting, president and chairman.

Upon completion, the facility will provide six drive-up lanes, a 24-hour automatic teller machine in the outer lobby, an inside lobby of four teller windows, a customer service department, and a full basement.

The interior is designed to allow for the addition of a balcony. The ceiling will be supported by exposed laminated wood beams and will feature a dome skylight to offer natural lighting of the lobby.

The exterior of the 48 by 48 foot building will be stucco. Located on a 48,000 square foot site, the total building area is 4,814 square feet. The drive-up lanes are designed to accommodate as many as 50 cars in a holding area. Parking also is provided for 30 cars.

York State Holds Groundbreaking



THE York State Bank and Trust Company of Elmhurst recently held groundbreaking ceremonies to begin construction of its main office addition and remodeling, according to William C. Gooch, Jr., pres. The new building pictured above is scheduled for completion next May. It will provide executive offices, an expanded loan department, new teller stations and an enlarged vault.



Investments and Profit Planning panel—**Frank Spinner**, sr. v.p., 1st Natl., St. Louis; **Stephen J. Kohn**, mgr., Ernst and Ernst, Cleveland, and **Willis Gouwens**, chmn. IBA comm. on bank mgmt. and pres., South Holland T&S.



Personnel Motivation panel—**Bernard Jacobs**, chmn., Natl. City Bank, Minneapolis; **Oliver D. Mann**, MANPLAN Consultants, Chicago, and **Harold Moe**, pres., Second Natl., Danville, Ill.

Bank Management Conference Examines Conditions Bank Managers Face in 1978

By **BEN HALLER, JR.**
Editor

A RECORD crowd of 400 bankers attended the 32nd Annual Bank Management Conference sponsored in Champaign last month by the Illinois Bankers Association, in cooperation with the University of Illinois, Urbana. Meeting at the Ramada Inn Convention Center, the registrants exhibited their interest with today's managerial problems and concerns by full house attendance at every session. In almost every instance, panel discussions were extended beyond the designated time limit because of the volume of questions and comment from registrants.

Willis S. Gouwens, chairman of the IBA committee on bank management and president of the South Holland Trust & Savings Bank, presided at the opening session.

Robert C. Schrimple, for many years executive vice president of the IBA and now its legislative consultant, urged Illinois bankers to support BankPac with \$10 from each officer and director of every bank in the state.

Carl T. Arlt, Bailey professor of money, banking and finance at the University of Illinois, sees a 4½% real growth in the economy for the

fourth quarter of 1977 and a moderate 4½% to 5% growth in 1978. The price of slower growth, which is better for the long pull economy, he stated, is continued unemployment, which appears to be locked in at 7%. He said signs point to capital expenditures of perhaps 13% higher than last year. He sees inflation of no lower than 6% and possibly 1 or 2 points higher in 1978.

Stephen J. Kohn, manager, Ernst & Ernst, Cleveland, O., discussed profit planning. Management decisions are made too often, he said, in



Bill Hocter, exec v.p., IBA, chats with **John Montgomery**, pres. of the IBA and pres., Lakeside Bank, Chicago.

a crisis environment, instead of planning with goals. A key, he said, is determining the institution's strengths and weaknesses, then planning ahead in the environment in which one will be working by making both short term and long term goals and decisions.

Frank Spinner, senior vice president, First National Bank, St. Louis, Mo., stressed the planning procedure before trying to implement the investment portfolio. "What the nations of the world do this year," he said, "will control the direction and effect of inflation in the next 5-10 years—and I'm pessimistic. I think we're looking now at the lowest rate of inflation we'll see." He looks for a prime rate in 1978 of 8½% to 9%, Fed Funds pushing 8% and all other bills and governments at about 8%. He anticipates good bank profits in 1978.

Arthur J. Hug, a member of the ABA governing council and president of the Long Island Trust Company, Garden City, N. Y., reviewed "NOWs in the Northeast." He said experience has shown a deterioration of bank profits with NOWs, particularly among banks of \$1 million to \$50 million deposits.

John R. Montgomery, president of

- the IBA and president of Lakeside Bank, Chicago, related a few details of the whirlwind public relations tour he embarked on in September when he flew all over the state and had 37
- interviews with editors, radio and TV personnel on behalf of IBA's new "Building a Better Illinois" p.r. campaign. He said if one-half of Illinois banks should take advantage
- of Illinois' new law permitting two detached facilities "we would have more available banking facilities here than in either New York or California. On the matter of
- over-regulation of the industry, Mr. Montgomery said the performance record of all banks in the United States taken together shows there is no need for further regulations;
- rather, the use of existing regulations could curb any infractions noted by regulators among the small minority of alleged violators.

● **Andrew J. Shepard**, vice chairman of ABA's government relations council and president of the Exchange Bank, Santa Rosa, Cal.,



Banquet speaker **Bob Murphey**, attorney and humorist, Nacogdoches, Tex., and **Wm. M. Frew**, vice chmn. IBA bank mgmt. comm. and pres., Des Plaines Natl.

discussed "Pending Federal Legislation." S. 2055 is now on the Senate floor, he said, and is awaiting action. This NOW account bill retains the differential. It is the product of Sen. McIntyre, who wants it because he is

running for reelection next year. S. 1668, the ABA bill to kill the differential, lost out to S. 2055. He doesn't see passage of the bill until 1980.

An interesting panel titled "It Was Good When I Made It" featured two bankers relating details, but not names of loans that had gone sour after they appeared to have been made on a sound basis.

Robert R. Farmer, executive vice president, Farmers State Bank of Lewistown, told of a \$25,000 loan he made to a good farm customer who was killed in a farm accident. Subsequently, he lost a good share of the loan repayments because the widow's lawyer advised her she had no obligation to repay the bank for the husband's loan.

Daniel E. Andrew, executive vice president, Des Plaines National Bank, reviewed details of a larger loan that went bad due to fraud on the part of those who had convinced co-signers, investors and the bank.

Three workshops drew excellent



● **William J. Hocter**, exec. v.p., IBA, Chicago; **Arthur J. Hug**, member ABA governing council and chmn.-pres., Long Island Trust Co., Garden City, N. Y., and **Willis S. Gouwens**, chmn. IBA comm. on bank mgmt. and pres., South Holland T&S.



Loan Panel—**Daniel E. Andrew**, exec. v.p., Des Plaines Natl.; **Wm. M. Frew**, vice chmn. IBA comm. on bank mgmt. and pres., Des Plaines Natl., and **Robert R. Farmer**, exec. v.p., Farmers State, Lewistown.



● **Bob Walcott**, pres., 1st Natl., Schiller Park; **Pete DeRosier**, a.v.p., Natl. Boulevard Bank, Chicago, and **Richard D. Hughes**, pres., Elgin Natl.



Jerry Fleischner, a.v.p., Mercantile Trust, St. Louis, and **Philip Burnett**, pres., C. P. Burnett & Sons, Bankers, Eldorado.

attendance and participation. The one on "Compliance Examinations" ran overtime both periods when it was presented. "Personnel Motivation" was another well received workshop. **Bernard Jacobs**, chairman of National City Bank, Minneapolis, discussed executive incentive pay compensation. **Oliver D. Mann** of MANPLAN Consultants, Chicago, went into detail about things to do and not do before, during and after possible unionizing efforts in the bank.

"So You Want to Build a Facility" gave bankers a look at financial details involved in remodeling and new building programs.

Karen DeLee of the IBA staff and editor of the Illinois Banker presented an audio/visual slide review of President Montgomery's flying public relations trip.

Topping off the annual banquet the first evening was the hilarious talk by **Bob Murphey**, attorney and humorist from Nacogdoches, Tex. His East Texas drawl made his humorous address even more enjoyable. □

Unions Lose Elections At 2 Illinois Banks

Employees of one Illinois bank voted against unionization last month and at another one employees ousted the union they had voted in just two years ago.

At the Metropolitan Bank and Trust Company, Alton, the vote was 8-4 against representation by Local 13 of the Office and Professional

Employees International Union, AFL-CIO. The bank has \$8.1 million deposits.

At the Valley National Bank in Aurora, which has \$17.8 million deposits, employees voted 10-5 to get rid of local 44 of the Distillery Rectifying Wine and Allied Workers Union, AFL-CIO, which they had approved for representation in November, 1975.

Groundbreaking Held At Elk Grove

Groundbreaking ceremonies for the new Bank of Elk Grove operations center at Randall and Higgins Streets were held recently. The ceremony marked the beginning of the excavation phase for the one-story structure across the street from the main bank.

The building will provide necessary office space for the expanding bank operations plus a customer inquiry area. Customer service areas in the present building will be increased as a result of space vacated by the operations function, according to **James R. Lancaster**, president.

The structure, of contemporary design, will feature buff-colored brick walls with bronze glass windows. The vertical lines of the windows will be contained by stone lintels and a slightly overhanging stone fascia of a matching buff color. The plans include parking for 71 cars.

The Bunce Corporation of St.

Louis has responsibility for the project.

PERSPECTIVE
[Continued from page 42]

predicted that we are now in the first stage of a major recession — which is still avoidable. He was highly critical of President Carter, Secretary of the Treasury **Blumenthal**, and the CIA's role in predicting Russia and China grain needs.

Henry Gardner, president of the host bank, presided. He said that his bank has a clear and unmistakable commitment to correspondent banking and that it is ahead of the game in automation.




The Chicago City Bank and Trust Company, in cooperation with the Lincoln Park Zoological Society, hosted in its lobby a special two-hour animal learning experience.

Trained zoo staff members brought into the lobby a number of live zoo animals. They lectured on animal behavior and care and answered questions about their unique zoo guests.

The "Live Animal Lecture" program was held in conjunction with the Lincoln Park Zoological Society's Color Photo Exhibit. "Our Friends the Animals" which was on display in the bank's lobby.

This unusual Animal Photograph Exhibit consisted of 101 award winning color photos selected by the Lincoln Park Zoo from two separately sponsored photo contests.



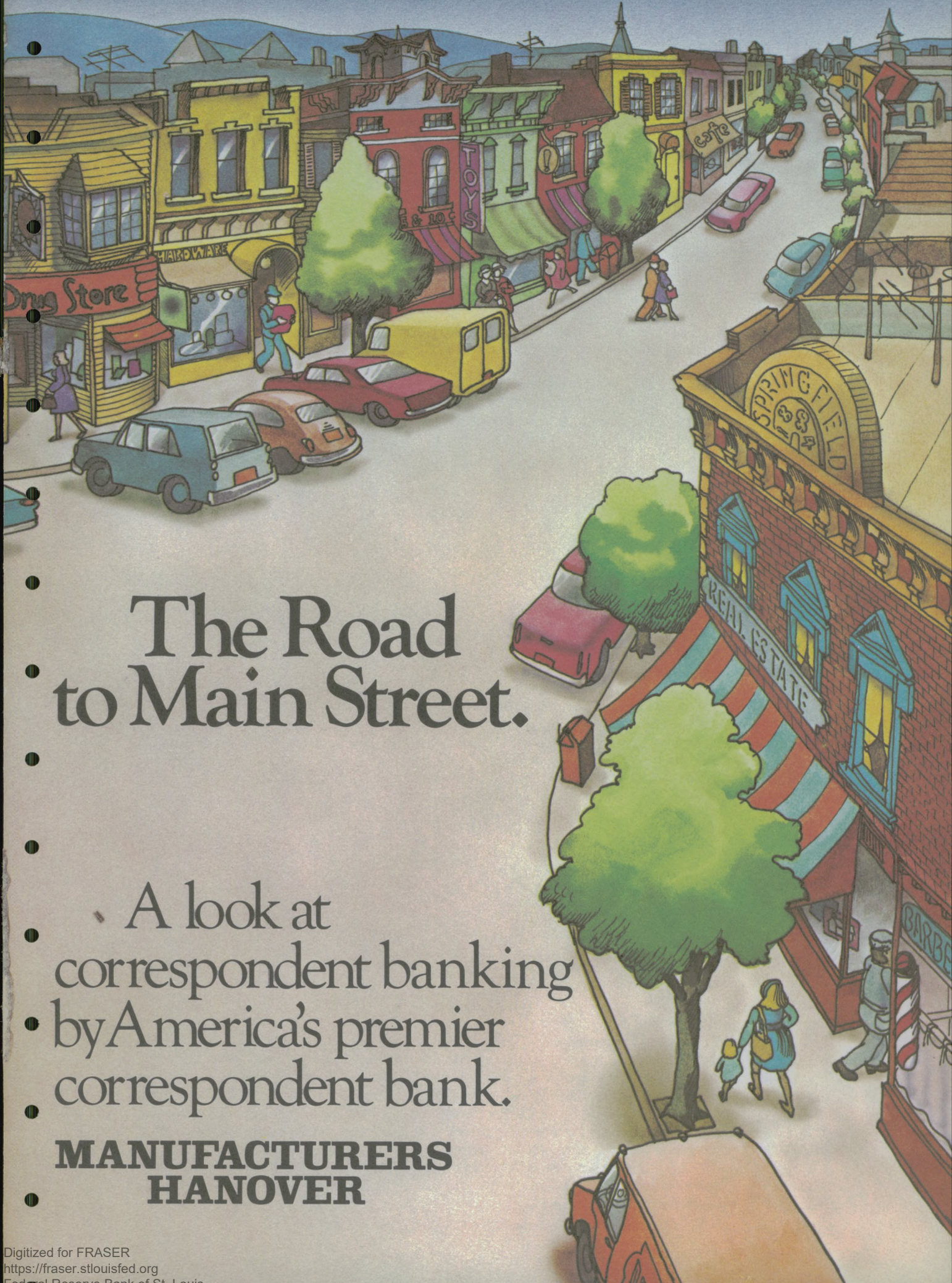
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The Road to Main Street.

A look at
correspondent banking
by America's premier
correspondent bank.

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"At Manufacturers Hanover, the National Division is a traveling unit... We stress not only the right road, but the right people to travel that road."

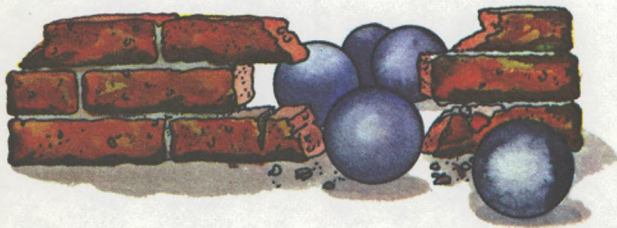
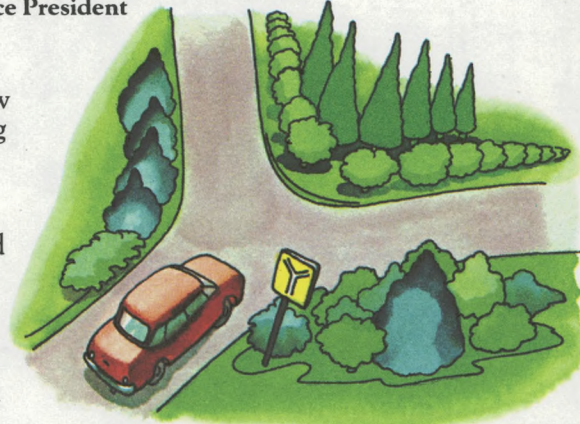
Llewellyn Jenkins, Executive Vice President

The right road.

When correspondent banking began, over a century ago, it grew with the railroads. We built our family of correspondents by following the railroads — bringing "interior" banks the money center services they needed to serve their customers.

Today, with more than 3,200 banks around the country calling us *their* banker, MHT is America's premier correspondent bank. And for good reasons.

We have kept pace with the more complex space-age needs of our customers — bringing innovative and specialized services, often computerized or automated, to banks of all sizes. And we put MHT specialists "on the jet road" to help serve you and your customers in a changing world.



The nitty-gritty of securities handling.

Manufacturers Hanover has always been important to its correspondents for safekeeping and handling of securities.

Vault safety was one of our earliest concerns. Back in the 1800s, some of our people came up with the unique idea of putting cannonballs in the walls around the vaults. Thus, if a thief tried to tunnel through to the money, he'd get zonked on the head with a cannonball!

Times have changed. Book-entry depository processing is here, and it's fully operational at Manufacturers Hanover. With MHT as your custodial bank, you automatically participate in the Depository Trust Company, the nation's largest holder of stocks and bonds — with substantial savings in costs and manpower.

Our modern TRANSEND service offers a speedy method of reporting both demand deposit and securities transactions. And MHT's famous "Coupay" service gives you the first completely automated system for coupon paying, reconciliation and destruction.

Making funds move — faster.

Maximizing cash flow is the name of the game today. And at Manufacturers Hanover, our Cash Letter Express Services are designed to give you the speed, accuracy and control you need to be competitive.

Our Early Bird helicopter relay service soars over traffic tie-ups, enabling you to meet the 10 a.m. Clearing House deadline. And because MHT computes our Earnings Credit Rate differently from many other New York City banks, we keep balance requirements down to give you superior service at unusually low net costs.



Serving your Aunt Jane.

Through our specialized corporate trust services, we can provide your corporate customers with modern and personalized programs.

Transifac, our fully automated securities transfer system, provides complete on-line shareholder and bondholder information.

MHT, as issuing agent of commercial paper and certificates of deposit, assures timely delivery to broker or purchaser. And we can act as paying agency, co-paying agency

or trustee for corporate and municipal debt issues, and offer complete escrow services.

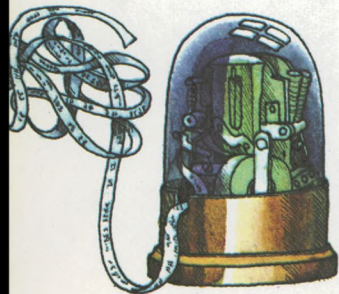


How now, Dow Jones?

Correspondents can tap MHT's trust specialists to serve their customers' investment needs. For instance, more than 20 analysts in our research department, plus our roster of economists, back up PIR/C — Professional Investment Research, Computer-Aided. In this program, we furnish subscribers with the same information supplied to our own portfolio managers. And we back it up with additional counsel whenever needed.

Manufacturers Hanover expertise is also available for assistance with a correspondent's own investments. We tailor your program to your bank's position.

And to assist your bank in management training, MHT conducts a three week Trust Development course for staff members of our correspondents to sharpen their technical knowledge and sales ability.





Geobanking® – a unique worldwide approach.

MHT is a leader in worldwide banking. But unlike most major international banks, Manufacturers Hanover does not enter a region or a country with a rigid operational philosophy. Instead, we adopt the way of banking that works best for a particular place at a particular time.

In some countries, we maintain full-service branches. In others, we set up specialized subsidiaries and affiliates.

And elsewhere, we have representative offices to work with indigenous banking systems – forming this country's largest network of international correspondents.

Thus, Geobanking is wholly responsive, since it fine-tunes banking to national and regional needs. It is flexible, quickly adjusting to changes in prevailing conditions.

And Geobanking enables Manufacturers Hanover to marshal for you and your customers the worldwide resources of a \$31-billion organization.

Geobanking® is a registered trademark of the Manufacturers Hanover Corporation for its international banking services.

The credit alternatives of the '70s.

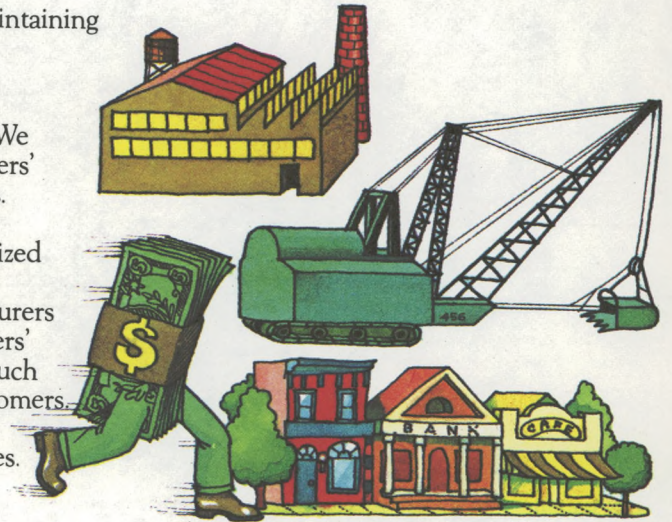
Your ability to meet customers' credit needs is crucial in maintaining your position in your market. MHT's capabilities help you to be competitive by making available a full range of credit programs.

As America's premier correspondent, MHT welcomes the opportunity to discuss participations in loans to your customers. We work in strict confidence with you, so that you serve your customers' credit needs while increasing your valued corporate relationships.

Through our affiliate, Manufacturers Hanover Leasing Corporation, you can meet the growing demand for these specialized leasing and equipment financing services anywhere in the world.

Our factoring and commercial financing affiliate, Manufacturers Hanover Commercial Corporation, helps you serve your customers' accounts receivable financing needs. MHCC may participate in such lending but you retain the direct loan relationship with your customers.

And you have MHT's expertise, including our advanced computer programming, to evaluate loans in a variety of industries.



Benefits for your employees.

Manufacturers Hanover is the leading supplier of correspondent benefit plans. The latest and fastest growing of these "fringes" is group dental insurance.

Unlike some other group dental plans, the MHT Dental Assistance Plan is tailored to each correspondent's specific needs. The rate structure reflects the geographic location of your bank, and coverage is based on prevailing dental charges in your region. All premiums paid into the Plan by your bank are tax deductible.

Economies of scale also permit you to participate at low cost in our group life insurance program, our major medical and long-term income protection plans, as well as pension programs.



The right people.

We've come a long way since the days when one of our traveling bankers crossed the Andes on a burro to call on a South American correspondent. But it's still a prime rule among our people to know the "territory."

The MHT traveling banker gets to know your needs. Behind each officer are service specialists who go into the field whenever needed. We group our people in multi-tiered teams to give you the kind of professional service to help you meet competition.

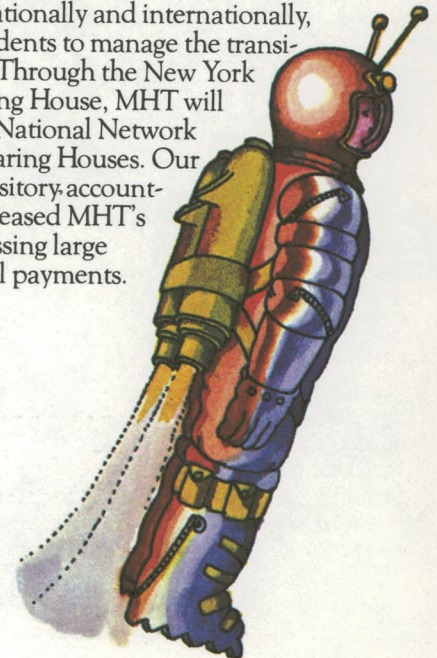
So if you want to get on the right road to correspondent banking services, give us a call. The number is (212) 350-6604.

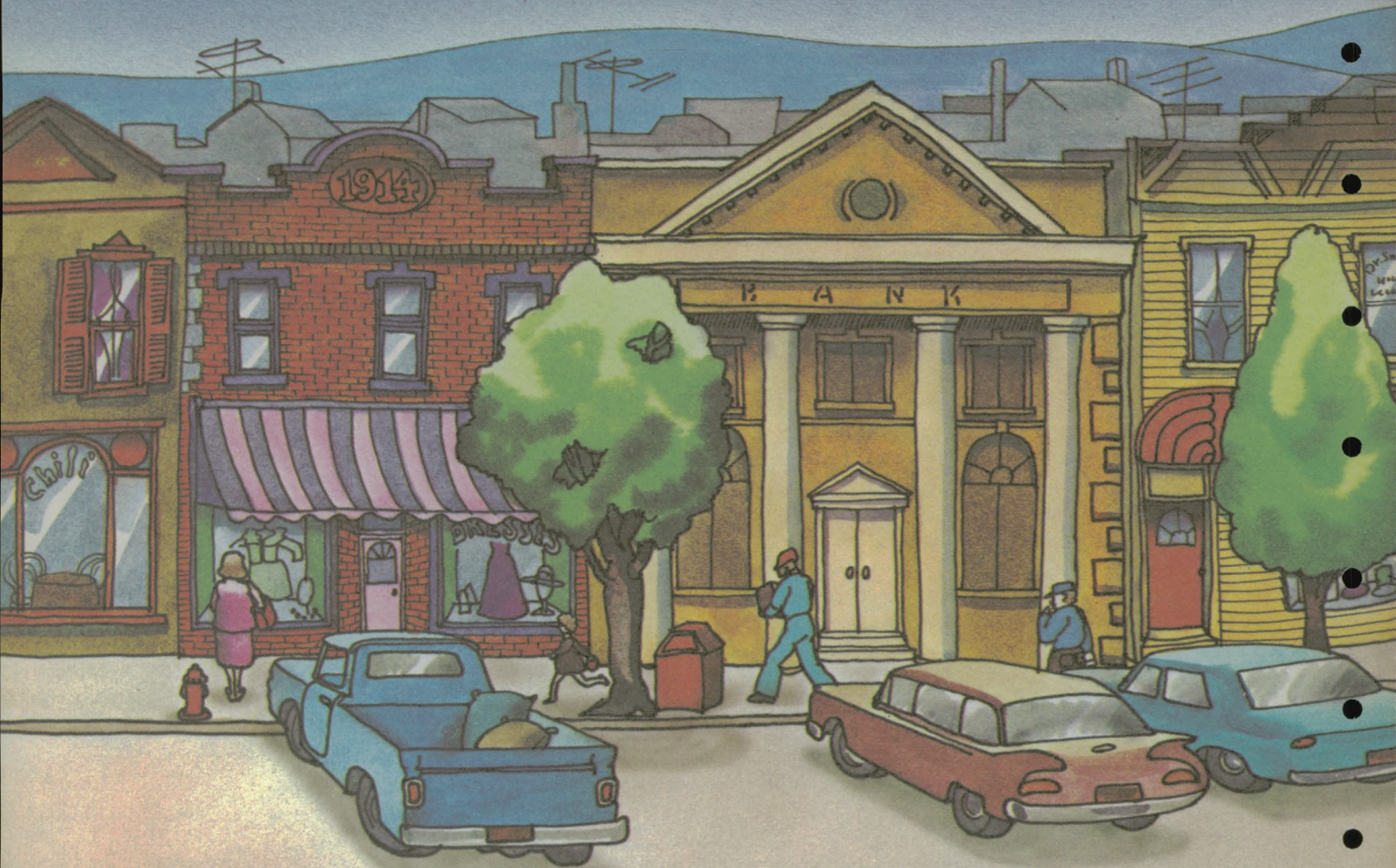
You'll find us easy to talk to.

The road to the future.

The banking marketplace is changing before our eyes, transformed by computer technology. Interbank funds transfer technology is in a revolution as well. As we look down the road, we see vital new services developing, while many traditional services disappear and transaction costs go down.

Manufacturers Hanover is in the forefront of EFT changes, nationally and internationally, helping correspondents to manage the transition to the future. Through the New York Automated Clearing House, MHT will have access to the National Network of Automated Clearing Houses. Our international depository accounting system has increased MHT's efficiency in processing large dollar international payments.





MANUFACTURERS HANOVER Correspondent Services.

General Banking

Bank Money Orders
Cash Letters
Demand Deposit Facilities
Domestic Collections
Early Bird
Gift Checks
Money Transfer and Wire
MOREC—Money Order Reconciliation
Register Checks
TRANSEND

Special Services

Economic and Business Publications
Marketing Consultant
Sales Training/Product Knowledge
Travel Service/Personal Service

Credit Services

Investigations
Participations
Manufacturers Hanover Commercial Corporation (commercial finance, factoring)
Manufacturers Hanover Leasing Corporation

Corporate Trust

Certificate of Deposit Issuance
Co-Paying Agent
Co-Registrar
Reconciliation and Destruction of Debt Issues
Transfer Agent/Co-Transfer Agent (Transifac)
Meeting Room and Auditorium

Employee Benefits

Dental Assistance Plan
Group Life Insurance Plan
Long Term Income Protection Plan
Major Medical Plan
Retirement Program

International

Acceptance Financing
Commercial Letters of Credit
Export Financing
Foreign Credit Information
Foreign Collections
Foreign Exchange
IMO—International Money Order
MIDAS—MH International Payments System

Overseas Branches, Representative Offices, Affiliates
Remittance of Funds Abroad
Tip Packs

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PIR/C—Professional Investment Research/Computer-Aided Trust Development Course

Portfolio and Investment Banking

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MHC Commercial Paper—Other Commercial Paper
MHT C/Ds
US Governments, Federal Agencies, Municipal Bonds, Bankers Acceptances
Investment Counseling

Securities

Coupon Collection
Depository Processing
Federal Book Entry
Safekeeping
Security Drafts

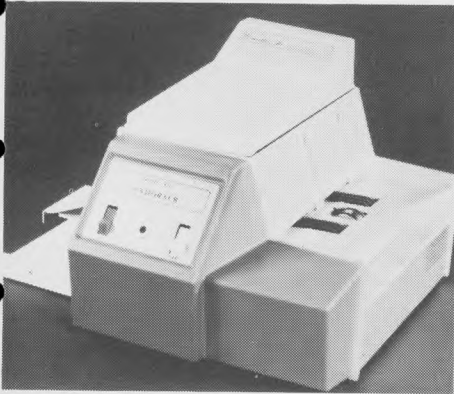
If you'd like to learn more about our Correspondent Services, call (212) 350-6604, or write National Division, 350 Park Avenue, New York, N.Y. 10022.

Member FDIC

What's New

A NEW model has been added to the Countess line of equipment manufactured by Brandt-PRA, a division of Brandt, Inc., Watertown, Wisc.

Designated the Model 813, it counts at a rate of up to 720 documents per minute and imprints a clearly legible message with a heavy duty die and utilizes the Countess(R) dry ink endorsing method which gives a consistent, readable, message on the documents being processed.



With one button control, the documents can be processed quickly and quietly — and the Model 813 Countess Jr., also will shut itself off after 30 seconds if no documents are passing through the unit. This extends the useful life of the machine by eliminating unnecessary wear on parts.

The Countess Jr., will process virtually any document from 2" by 4" up to 4" by 8". It is also easily adjustable over a wide thickness range.

Compatible dies and drums also have been designed to be utilized within the Countess Jr., Model 813.

One drum, designated the Model 847 Standard Drum, allows the customer to choose five lines of text.

A second type of drum, designated the Model 848, allows a customer to choose three lines of text but also includes a double rank six digit imprinting feature that allows the customer to date or code his documents.

The Model 813 has a housing which is made of high impact cycloc plastic and is finished in colors compatible to any office type environment. The entire machine

weighs only 18 pounds and is therefore easily moved from one area to another.

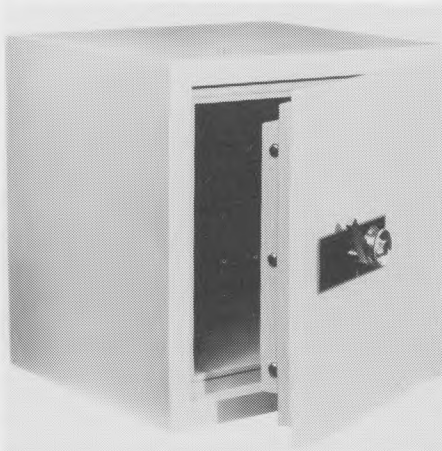
DIEBOLD, Incorporated has introduced a broad new line of Cashgard(R) TL-15, TL-30 and TRTL-30 money safes that includes models rated by Underwriters' Laboratories for both burglary protection and fire protection.

The Diebold Cashgard money safe line consists of 16 different unencased models and 23 encased models, plus three cash locker models. Storage capacity of the smallest is two cubic feet while the largest model offers 35 cubic feet. It is the encased TL-15 and TL-30 models that offer class 350 two-hour Underwriters' Laboratories fire protection in addition to burglary protection.

Standard with Diebold Cashgard safes is an Underwriters' Laboratories listed Group 2 three tumbler combination lock capable of 1,000,000 different combinations. These locks are key-changing, making it convenient for the owner to change the combination as desired or needed.

Optional locking systems include a key-locking bolt throw handle, key-locking combination locks, silent signal anti-ambush locks, delayed control locks and two or three movement time locks.

All Cashgard safes are designed to accommodate most standard alarm sensing devices without sacrificing interior storage space. The safes can also be completely lined or wrapped for alarm purposes without compro-



minging their Underwriters' Laboratories burglary and/or fire rating.

The versatility of Diebold Cashgard safes is extended by a provision for securing individual Cashgard units carrying different ratings on top of one another. The line also includes units in which a depository hopper releases deposits made in the upper unit into the one below.

For additional information, please contact the Public Relations Department, Diebold, Incorporated, Canton, OH 44711.

CHRISTMAS Club a Corporation, Easton, Pa., has introduced a complete new promotional campaign based on Santa Claus.

John Guinan, president, said, "As we developed our campaign, we realized that a vital element was finding the best Santa Claus ever for our model and spokesman."

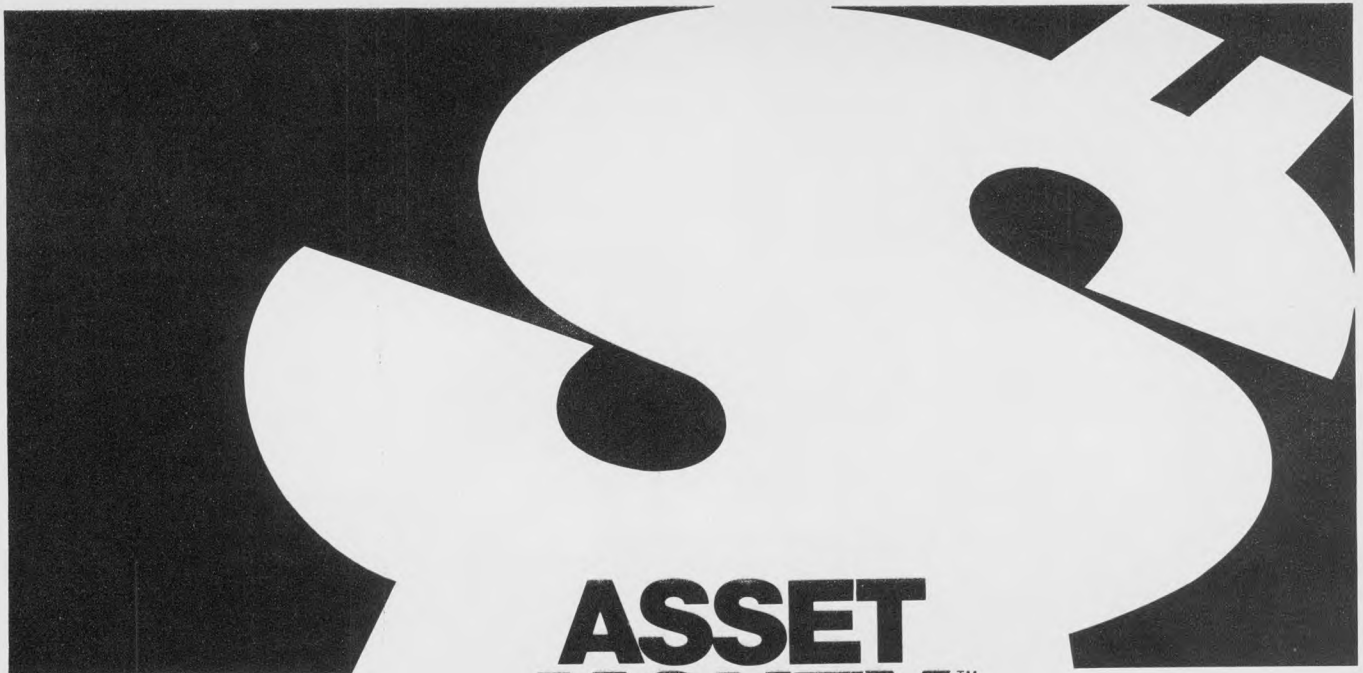


The right Santa lives in North Pole, N.Y., where he greets children of all ages during most of the year. He looks the part, he acts the part, he dresses the part, he believes the part for 24 hours a day. He is Santa. Furthermore, he is equally at home on radio, television and at conventions as he is with little children.

"The Spirit of Christmas" promotional campaign was conceived by Keyes, Martin & Company, the corporation's advertising and public relations agency in Springfield, N.J.

Nearly 30 separate items were designed as coordinated elements for the program, including coupon books and jackets, checks, envelopes, advertising decals, teller badges, display units, ads, radio and television spots and Santa coloring books.

Complete information on the program is available from the company at P.O. Box 20, Easton, Pa., 18042. Tel.: (800) 523-9440.



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Banco Financial Corporation provides tailor made revolving credit lending programs secured by these assets. Funds to satisfy working capital needs for growing companies.

That means money to grow, pay suppliers, take discounts, control cash management, plan for sales expansion, or to expand production facilities. Or it can be money for buy-outs, merger and acquisitions, term loans, capital loans, and chattel financing.

There are no compensating balances. You can take money down as needed, daily if necessary, and you pay only for actual days used.

Any bank or insurance company can participate. Intensive loan management and administration by an experienced staff provides protection for the lender's money.

Banco Financial Corporation can provide the credit lines to do the job. We're a leading resource for the company that's short on capital, or one with an eye toward expansion, or well managed firms that are growing and sales hungry. And we're a specialist in providing funds to captive finance companies. And we'll be glad to show you how asset money can prevent dilution of present ownership.

Banco Financial Company. People with years of secured financial experience, ability, imagination, advice and service.

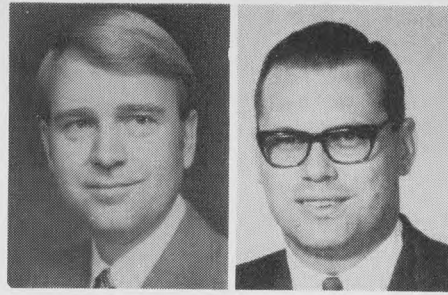
Visit our new offices at 830 Northwestern Bank Building, Minneapolis, MN 55402. Or call Clarence Adams, Lee Mork, Robert Olson, Paul Weingart, Michael Campion, Ronald Weis or Walter Tomaszek, at 612-372-7988.

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Minnesota News

G. BEITO Pres. Thief River Falls
T. L. JEFFERS Exec. V.P. Minneapolis



Community Banks Select Vice President, Comptroller

Gary P. Fechtmeyer has been named vice president and comptroller for Northeast State Bank in Minneapolis and Guaranty State Bank of Robbinsdale, according to Walter Rasmussen, president of the two community banks.

Mr. Fechtmeyer, a CPA, will assume all responsibility for financial reporting and overall financial management of the two banks. He formerly was a commercial audit manager with major international accounts for Arthur Andersen and Company, public accounting firm.

He will office in the Robbinsdale bank.

Stillwater Bank Breaks

Ground for New Building

Groundbreaking ceremonies for the Northwestern State Bank of Stillwater building were held recently, according to J. C. Graham, president.

Completion of the construction is expected by September of 1978. The new building will contain over 10,000 square feet plus drive-in facilities for three lanes of cars and parking for more than 50 cars. Constructed of native stone, the story and a half building will have a wood beamed ceiling giving a full two story effect in the lobby and officer area.

The existing building will be maintained, and application has been made to operate it as a detached facility.

Architect for the building is Eugene E. Hickey & Associates of Minneapolis.

Anoka Bank Remodels

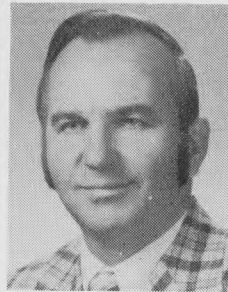
An extensive remodeling program is underway at the State Bank of Anoka, according to Steve Schmidt, senior vice president. Among the many changes, the bank will feature

private instalment loan offices, additional walk-up window, and expanded customer service area which will include sit down tables, and conference room for safe deposit customers. The decor of the bank will be refurbished to include new carpeting, lights, and redecorating.

Fergus Falls Bank Names Senior Vice President

Charles D. Angus has been appointed to the newly-created position of senior vice president in charge of loan administration and business development at the Northwestern National Bank of Fergus Falls.

Mr. Angus formerly was vice president and agricultural credit officer in the correspondent banking department of the United States National Bank of Omaha. Prior to that he was with Northwestern of Fergus Falls as vice president and agricultural loan officer from December, 1976, to July of 1977.



C. ANGUS

Dana W. Du Toit

Funeral services were held recently for Dana W. Du Toit, 87, prominent Chaska banker. Mr. Du Toit had been the chief executive officer of the Carver County Bank, Chaska, since 1922. The bank was founded by his father in 1870.

Mendota Heights Bank Names Operations Officer

Wayne Erdman has been promoted to operations officer at Dakota County State Bank, Mendota Heights. Mr. Erdman has been

with the bank for two years and most recently served as manager of the bookkeeping department.

Start Construction of Skywalk Bridge at Duluth

A wallbreaking at First National Bank of Duluth recently began construction of the first skywalk span over Superior Street which will link the bank with the new Lyric Block. The project is the next phase in the city's \$4.5 million skywalk system which will eventually link up to 10 contiguous blocks with a climate-controlled pedestrian concourse system.

Thomas and Vecchi, Inc., AIA Architects, Duluth, is the architect for the concourse project as well as for the \$1 million remodeling project now in progress at the bank.

The project also will require a major change in the facade of the bank, which is part of the remodeling program.

Maplewood State Bank To Have New Home

Groundbreaking ceremonies recently signaled beginning of construction of new permanent facilities for the Maplewood State Bank. The modern brick structure just south of the bank's temporary facility at the corner of White Bear and Beam Avenues will have 16,800 square feet and will offer services on two floors.

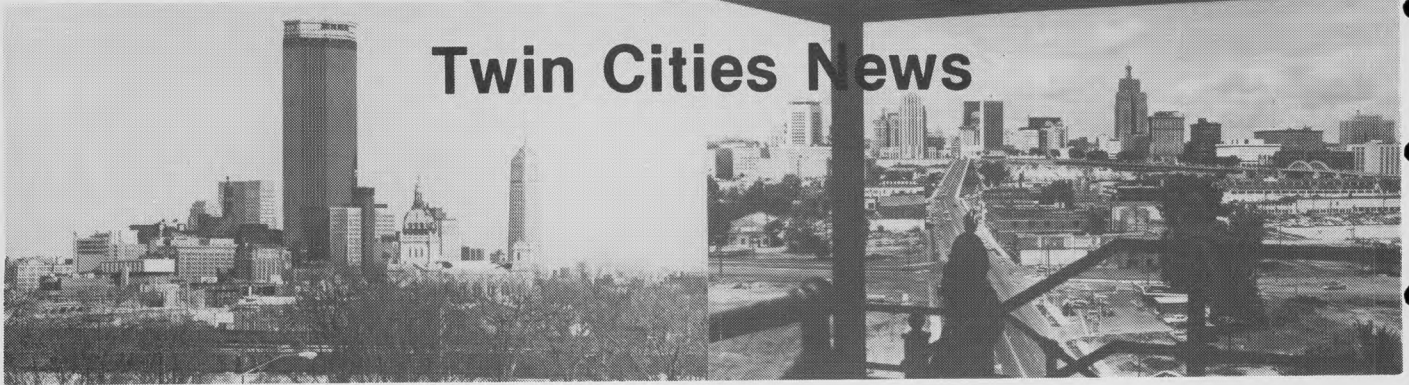
According to G. Jack Hillstrom, president, "The new facility will enhance our present operations. It will also enable us to add safe deposit boxes, to improve drive-in banking and to increase customer parking."

Bennet W. Johnson

Funeral services were held recently for Bennet W. Johnson, assistant vice president of The State Bank of Redwood Falls, who died of a storm-related accident last month.

Mr. Johnson had been with the bank since June of 1977. After attending the University of Minnesota, Morris campus, on a scholarship and work study program, he worked for ITT Thorp Financial Services from December, 1972-September, 1974. He was assistant cashier at Peoples State Bank of Mazeppa, Minn., from 1974-March, 1977.

Twin Cities News



KENNETH P. Nelson, president and chief executive officer of Drovers State Bank in South St. Paul, has announced the following officer promotions: **James R. McFarland**, senior vice president; **John P. Kostka**, vice president; **Bruce G. Ruecker**, manager, instalment loan department, and **Steven D. Kane**, commercial loan officer.

Mr. McFarland has been a vice president since April of 1976 when he joined the bank from the First National Bank & Trust Company of Fargo, N.D. Mr. Kostka, assistant vice president since January of 1975, serves in the commercial loan department. He joined the bank in 1969 and now will head his department.

Barbara Klass has joined Northwestern Bancorporation (Banco) as marketing analyst and will help plan and implement the detached facility programs of Banco's Minnesota banking affiliates.

Ms. Klass, a graduate of Smith College, Northampton, Mass., formerly was a senior marketing analyst at the Shawmut Bank of Boston, N.A., a bank holding company with 120 branches.

Clarence Thompson, has been elected to the board of the Fifth Northwestern National Bank of Minneapolis. He is chairman and chief executive officer of the Richfield-based Colle and McVoy Advertising Agency.

Northwestern National Bank of Minneapolis has named **Dr. Sung Won Son** and **Paul M. Eisen** senior vice presidents. Dr. Son is Northwestern's chief economist. Mr. Eisen heads the bank's marketing division.

Dr. Son, a former senior economist



DR. SON

P. M. EISEN

with the President's Council of Economic Advisors, joined the bank in 1974 as vice president and chief economist. Each month, Dr. Son reviews international, national and regional economic conditions in two bank publications: "Outlook" and "Northwest Economic Indicators." A native of Seoul, Korea, he received his master's degree from Wayne State University, and his Phd degree from the University of Pittsburgh.

Mr. Eisen joined the bank last January as vice president and head of the bank's marketing division. Before that he was vice president of marketing and planning for Western States Bankcard Association, San Francisco, where he developed a

check guaranty system for consumer and merchant needs.

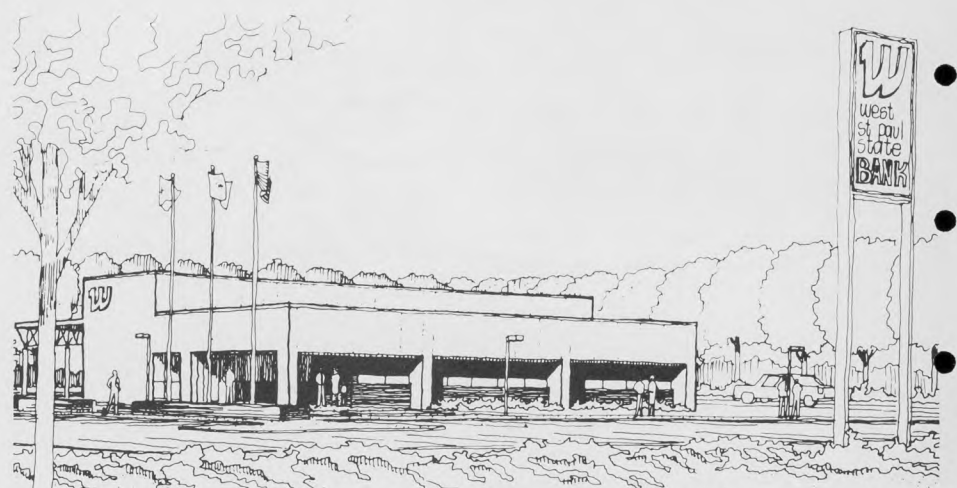
Other promotions announced include **Kathleen J. Bussard** to commercial banking officer, and **William G. Jurgensen** to national accounts officer.

Groundbreaking for the \$600,000 West St. Paul State Bank building at Thompson and Livingston was held last month, according to **J. Robert Stassen**, president. Expected date of completion is May of 1978.

The structure will include about 6,000 square feet of space, at least three drive-in lanes, two walk-up windows and more parking. As planned by Setter, Leach and Lindstrom, Inc., Minneapolis, the building will be constructed with an eye to possible expansion into a bank-office complex in the future.

The bank has applied to keep the original building as a detached facility.

Harold Martin, general manager of the Rochester IBM, has been elected to the board of Marquette



ARCHITECT'S sketch of the new building under construction for the West St. Paul State Bank.



Reflections

At this end-of-year holiday season, we like to look back at the many good personal associations that have evolved from providing our banking services. We extend warm greetings to our correspondent associates everywhere: bank to bank, and person to person. May you and your associates enjoy a prosperous 1978!

Stan Peterson

Mike Higgins

Jackie Dunn

**What we offer is
right on the money.**



Member F.D.I.C.

MIDLAND NATIONAL BANK of Minneapolis

An Affiliate of Northwest Bancorporation

The Downtown Bank with Two Locations

Second Avenue South at Fourth Street
Third Avenue South at Sixth Street



Bank & Trust Co. He replaces **Frank Silkman**, former IBM plant manager at Rochester, who was transferred recently to the IBM corporate headquarters in White Plains, N.Y.

Stephen P. Gianoli has joined the Midway National Bank of St. Paul as vice president of investments, according to **John A. Ritt**, president.

Mr. Gianoli previously was assistant vice president and portfolio manager of investments of a \$130 million trust department. In his new capacity, he will manage the investments of Midway National and its trust department. A graduate of Loras College in Dubuque, he is a certified financial analyst.

John P. Knutson, chairman of the Midland National Bank of Minneapolis, has announced the elections of two assistant vice presidents.



D. JOHNSON

M. KENNEDY

They are **Duane Johnson**, retail banking, and **Myles Kennedy**, commercial banking.

Mr. Johnson began his financial career at the Community Credit Company as assistant loan manager. He later joined the Community State Bank of Bloomington where he worked in instalment loans as an assistant vice president. He will be responsible for consumer lending in the Action Banking Center.

Mr. Kennedy began his banking

career at the Chase Manhattan Bank of New York City. In 1969 he joined the First National Bank of the Black Hills, Rapid City, where he served as an assistant vice president in commercial lending and in the controller's department.

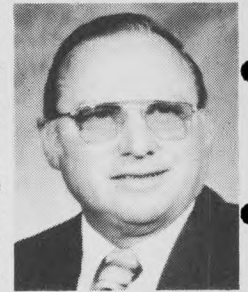
Dennis W. Johnson has been named vice president and **Rebecca F. Johnson** assistant cashier of Northeast State Bank in Minneapolis.

Mr. Johnson is in charge of commercial loans and will have responsibility for development of new business. He formerly was a vice president at Camden Northwestern State Bank.

Ms. Johnson formerly was a loan officer with Crystal State Bank.

Mendota Heights Bank To Open Facility

Dakota County State Bank, Mendota Heights, has received approval to build a detached facility in Inver Grove Heights, according to **Ray E. Wheeler**, chairman. The facility is scheduled to open by January 2, 1978. Located at 70th Street and Cahill Avenue, it will be designated Dakota County State Bank, Inver Grove Heights Office.



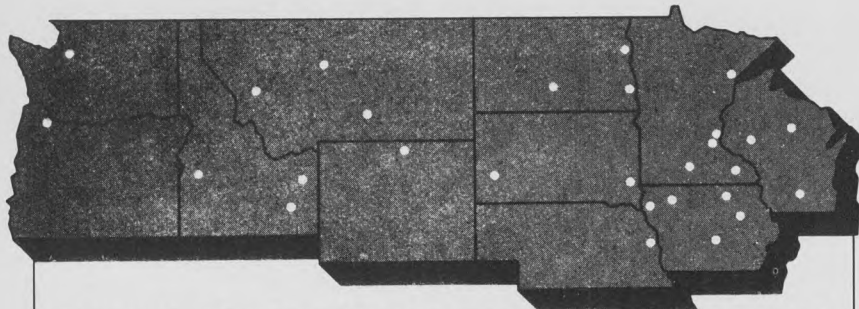
J. B. EXLEY

John B. Exley has joined the bank heading the new operation as managing officer. Mr. Exley, who has 27 years of banking experience, has served with several banks in the Twin Cities, most recently with Summit State Bank of South St. Paul.

Sauk Rapids Bank Breaks Ground for Sartell Facility

Northwestern State Bank of Sauk Rapids officially broke ground for its new banking facility in Sartell recently.

The structure will be located at 111 South 2nd Street and will have about 3,000 square feet in its first phase of construction, not including the 24-hour banking unit. The main floor will include three teller windows and a lobby area.



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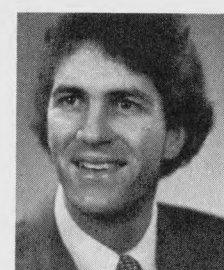
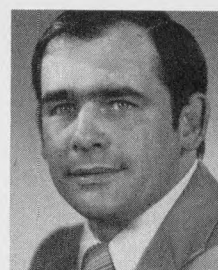
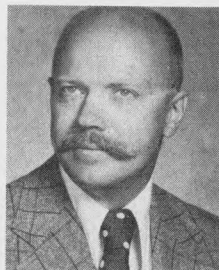
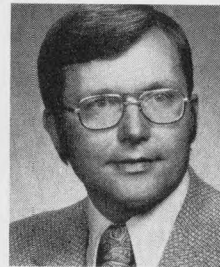
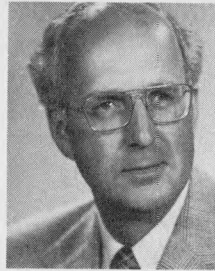
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PICTURED above is a view of the northwest corner of the Northwestern State Bank of Dawson, now under construction. Besides the main level and second story mezzanine, there will be a one-third basement for storage and mechanical equipment.

Construction Begins on Dawson Bank

CONSTRUCTION has begun on a new building for the Northwestern State Bank of Dawson.

The exterior will be brick, with natural rough Cedar accents, and bronze tinted windows and doors. The structure will include 10,000 square feet, over four times the size of the bank's present facility. Dykins and Associates of Minneapolis is the

architect.

The building will feature three drive-in units, 24 customer parking stalls, night depository, after-hours walk-up teller windows, and private offices for lending conferences, according to Charles L. Kretchman, president.

Completion is expected in the fall of 1978.

vian American National Bank and was located where the Sheraton Ritz Hotel now stands on the Nicollet Mall.

The commercial banking and retail banking departments will occupy opposite ends of the main banking floor, separated by an enlarged and more accessible teller line. A



MISS Downtown, Susan Muscari, & John P. Knutson, bank chmn., review the plans and progress of the bank's first week into a major renovation.

Midland Launches Renovation Program

Midland National Bank of Minneapolis has launched a major renovation program at its headquarters building, 401 Second Avenue South, according to John P. Knutson, chairman and chief executive officer.

The main banking floor will be entirely refurbished utilizing the present classic marble columns and high ceilings as focus points for the project. The second floor of the bank

will also be renovated. New lighting, offices, furniture, carpeting and drapes will be utilized.

"We want to preserve and accent the natural, classic beauty of the building's original interior decor," Mr. Knutson said. "It is a classic example of the use of marble, brass and other materials in vogue at the time it was built."

Midland National Bank was chartered in 1909 as the Scandina-

spacious display area will be provided on the main floor, which the bank chairman described as a "central focal point for community service exhibits and customer promotional activities."

The renovation is expected to be completed by March of 1978. Architects for the project are Thorsen & Thorshov Associates, Inc., Minneapolis.

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Bloomington Bank Promotes 4 Officers

Clifford R. Jerpbak, chairman of the Community State Bank of Bloomington, has announced the following four promotions: Tim Doherty and Elaine Carlson, from assistant cashiers to assistant vice presidents; and James C. Friend and Rosemary K. Behrendt to assistant cashiers.

Mr. Doherty joined the bank in 1968 as a teller and was promoted to assistant cashier in 1973. He is in the instalment loan department. Ms. Carlson began her banking career in Faribault in 1950. She joined Community State Bank in 1962 and was elected assistant cashier in 1973.



Merry Christmas from the people at our bank to the people at your bank.

Standing left to right: Dick Parnell, Mike Boncher, Dan Simkins, Bud Omlie, John Franklin, Frank Brosseau, Ken Wales, Roger Raina, Al Highum, Ray Johnson, Bill Hamilton, Daryl Moritko. **Kneeling left to right:** June Swanson, Jan Lombard, Linda Schuster, Marilyn Thomas, Delores Ellis.

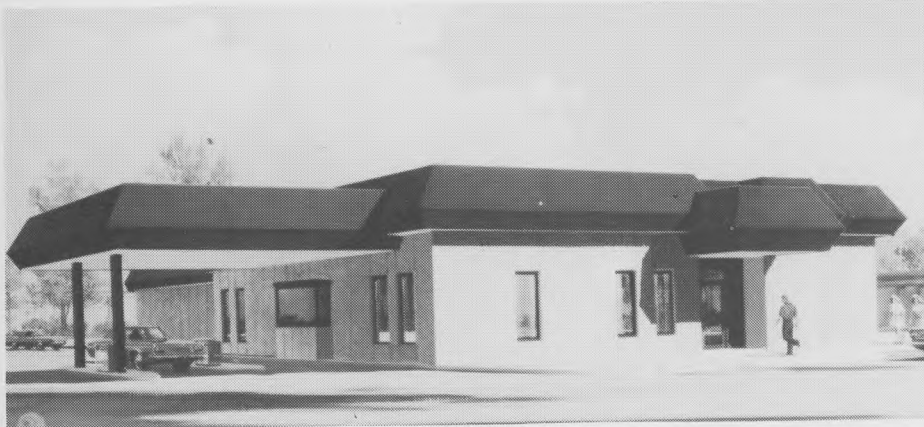
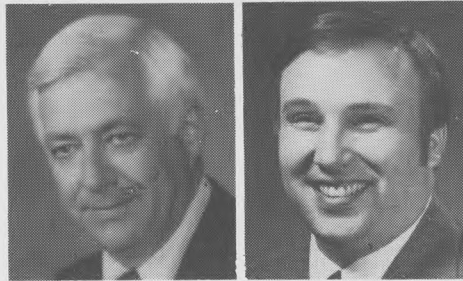


The Committed Correspondent

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South Dakota News

CHARLES T. UNDLIN President Rapid City
J. I. MILTON SCHWARTZ Secretary Pierre



PICTURED above is an architect's sketch of the Belle Fourche Branch of the First National Bank of the Black Hills now being remodeled and expanded.

Belle Fourche Bank To Expand, Remodel

AN ADDITION and remodeling project for the Belle Fourche Branch of the First National Bank of the Black Hills has been announced by President Charles T. Unlin. The bank recently moved to the south half of the Belle Fourche Implement Company building so the project could begin.

Estimated cost is more than \$600,000 including equipment, furniture and fixtures. Willard Pummel, vice president and branch manager, said completion date is estimated at August 1, 1978.

The addition will be built on the northeast side of the present building and will be 42 feet by 54 feet. When completed, the building will have 12,000 square feet of working and storage area, including the unfinished basement under the new building.

Attached to the addition will be an auto bank drive-in facility for two cars with space for a third when needed.

The exterior of the present building will be refaced with a stucco-type surfacing and a washed gravel aggregate face. The matrix will be cream-colored and the stones buff and brown.

Eight customer parking spaces

will be provided. Other features will include a new teller line, three coupon booths, a conference room and a kitchennette in the employee lounge.

Architect is Aukerman and Mazourek of Rapid City. Tri-State Construction of Belle Fourche will do the building.

SDBA Names Assistant Executive Manager

Deborah Gates, newly-appointed assistant executive manager of the South Dakota Bankers Association, has recently served the association as administrative assistant.



D. GATES

A native of Pierre, Mrs. Gates attended the University of South Dakota in Springfield. She has held positions as office manager and assistant as well as various officer positions in several civic and community organizations.

First National of Aberdeen Announces 3 Promotions

The First National Bank of Aberdeen has announced the following promotions: Marvin Rasmussen to vice president and manager of the Hecla Branch, Deanna F. Healy to real estate loan officer, main office, and Lois A. Pay to an officer in the real estate department.

Mr. Rasmussen joined the bank eight years ago, advancing to assistant vice president and manager of the Hecla Branch one year ago. Ms. Healy joined the bank in 1975 as personal banking clerk.

Delmont Bank Moves to New Building

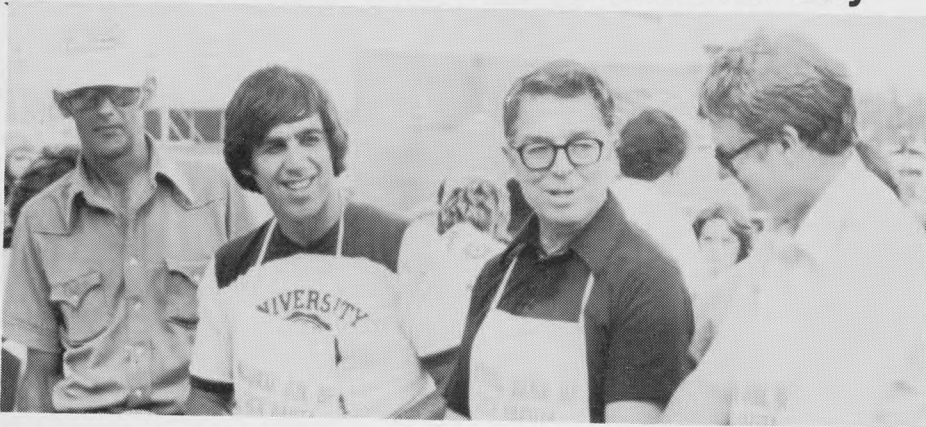


First State Bank at Delmont, office of the First State Bank of Armour, recently moved into its new building. The structure is of the colonial style and provides drive-up and walk-up service and a 24-hour depository.

Grand opening was followed by a bankers guest night. Door prizes and key chain cast of bank building were given away at the open house.

N. C. Wenzel is vice president and manager.

National Bank of S.D. Hosts Fair Day



NATIONAL Bank of S.D., Rapid City, again acted as host for the Central State Fair Youth Day. All 4-H exhibitors and their families were invited. The event, hosted annually, is held in cooperation with the ag committee of the Rapid City Chamber of Commerce. This year over 1500 people were served. In the photo are: **LaVern Ernest**, v.p.; **Jim Beaton**, a.v.p.; **Rey Klay**, e.v.p., western div., and **Robert Haugen**, v.p.

Joins Wilmot Bank Staff

George L. Thielsen has joined the Wilmot State Bank as agricultural representative and assistant cashier. He formerly worked for the Farm Credit System for over 11 years and the Federal Intermediate Credit Bank of Omaha as a credit examiner. Most recently, Mr. Thielsen was

vice president and loan officer with the Mitchell-Huron PCA at Mitchell.

American State, Pierre, Announces New Officers

James H. Kelly, president of the newly-opened American State Bank

in Pierre, has announced the appointment of two officers. Larry T. Wilson has joined the staff as vice president and Anne M. Gormley as cashier.

Mr. Wilson has five years of banking experience in Webster. Ms. Gormley previously was a loan officer at the South Branch of the National Bank of South Dakota in Sioux Falls. She has four years of banking experience with First Bank System affiliates in Missoula, Mont., and Sioux Falls.

Named Vice President At Artesian Bank

James R. Myers recently was appointed vice president in the Mitchell Office of Live Stock State Bank, Artesian, according to Boyd B. Hopkins, president.

Mr. Myers was graduated from Dakota Wesleyan University in 1967 with a BS degree in economics. Since 1969 he has been with SIC Credit Co. of Mitchell.

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North Dakota News

HENRY N. NESS President Fargo
W. J. DANER Secretary Bismarck



New Trust Company To Open In Fargo on January 1

The formation of First Northwestern Trust Co. of North Dakota has been announced by Merton A. Bobo, president and chief executive officer. The company will officially begin operation on January 1, 1978.

The full-service trust company consolidates the trust business of three Northwest Bancorporation banks: The First National Bank of Fargo, Dakota Northwestern Bank N.A., Bismarck, and The First National Bank in Minot. The company will headquarter in Fargo, but will maintain trust offices in the three cities. Administration of accounts and business development will continue to be handled at each bank.

First Northwestern Trust Co. will have fiduciary responsibility for about \$175 million of trust assets, according to Mr. Bobo.

Senior officers of the new company besides Mr. Bobo are: Philip D. Stafne, vice president and secretary, and Marvin T. Nordbo, John F. (Jack) Tierney and Luther S. Kjos, vice presidents.

Minot Bank Employees Turn Down Union, 79-7

In an election held last month at First National Bank of Minot, employees voted overwhelmingly 79-7 against having representation by Teamsters Local 74. If the union had been approved it would have been the first North Dakota bank to be unionized.

First National is affiliated with First Bank System, Minneapolis.

Grand Forks Bank Vice President Retires

Donovan W. Johnson has elected to take early retirement from the First Bank of North Dakota—Grand

Forks, after serving more than 38 years in the banking and trust business. He began his banking career at the First National Bank in Alexandria, Minn., in 1939 as a bookkeeper. He became vice president of that bank in 1953 and transferred to the First National Bank of East Grand Forks in 1957 to become president and managing officer. He had served as vice president in business development in the trust department of the Grand Forks bank since early 1976.

Mr. Johnson will retain a consulting relationship with First Bank System, Inc.

Bank of North Dakota, Bismarck, To Remodel

Bank of North Dakota, Bismarck, will remodel its third and fourth floors over the next two years, according to bank officials.

The loan and correspondent banking and personnel departments, and the President's office will be relocated to the fourth floor. The student loan department, employees' coffee room, lounge and restrooms will be relocated to the third floor. Anderson, Wade, Barsness & Walter are the architects for the project.

"Marketing Business"

The American Bankers Association (ABA) has scheduled its first Corporate Marketing Seminar for January 29-31 at the Hyatt Regency O'Hare in Chicago.

The two-day seminar will be devoted solely to a discussion of selling bank services to business. Sessions will include such topics as corporate marketing planning, organizing a corporate marketing function, segmenting corporate markets, officer calls, and corporate marketing in the community bank.

The seminar will consist of four general sessions covering the corpo-

rate marketing planning process, six special interest workshops, and special luncheon speakers. A unique aspect of the seminar will be the "Success Story" sessions, informal discussions led by bankers who have already developed successful corporate marketing programs.

Registration fee for ABA member banks is \$200, and for non-members \$250. For registration materials and/or more information, contact Bert Auer, Assistant Director, Marketing Division, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036.

Fed Modifies Rules On Time Deposits

The Board of Governors of the Federal Reserve System has modified its rules to provide consumers with more flexibility in handling their time deposit accounts. A change in the rules concerning early withdrawal of time deposits will:

1. Permit member banks, at the request or upon permission of their depositors, to extend the maturity of a time deposit without penalty when there is no increase in the rate of interest.

2. Permit member banks to pay a time deposit before maturity without penalty upon the death of any owner of the deposit, whether or not that owner's name appears on the deposit. This will ease the administrative burden in the settlement of estates.

Current rules under Regulation Q—interest on time and savings deposits—require that an extension of maturity be treated as a payment of a time deposit before maturity subject to the penalty for early withdrawal. Also, a member bank may pay a time deposit before maturity without penalty following the death of a person whose name appears on the deposit.

The new rules became effective December 1, 1977. The Board's rules in this respect are now the same as those of the Federal Deposit Insurance Corporation and of the Federal Home Loan Bank Board.

Reductions in the maturity as well as increases in the rate of interest paid on the deposit will continue to be treated as an early withdrawal subject to penalty.

Colorado News

LEO HILL President Boulder
G. L. SCARBORO Exec. Mgr. Denver

Joins Central of Denver

Kay Landen has joined Central Bank of Denver as vice president, human resources division. She will head the new division which encompasses the personnel, training and development, and employee relations department.



K. LANDEN

Formerly personnel supervisor of management compensation for American Telephone and Telegraph Co. in New York City, Ms. Landen also served as training supervisor for Chesapeake and Potomac Telephone Companies in Washington, D.C.

Named to Board at Boulder

Thurston E. Manning and John C. McFetridge have been elected to the board of directors of the National State Bank of Boulder. Mr. Manning is director of the commission on institutions of higher education of the North Central Association of Colleges and Schools. Mr. McFetridge is the executive director of the Boulder Community Hospital.

Named To Bankshares Post

Richard K. Schumann, chief executive officer and president of the Greeley National Bank, has been named vice president of Affiliated Bankshares of Colorado, Inc., based in Boulder. The appointment follows the recent retirement of Dale R. Hinman, formerly chief executive officer and chairman of the Greeley bank.

Mr. Schumann now represents the five affiliated banks in the Greeley and Fort Collins division as divisional vice president on the board.

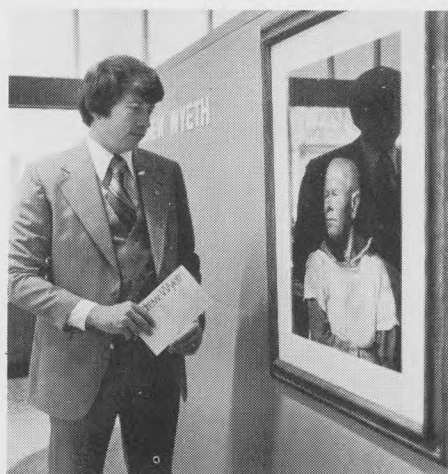
During the past 37 years, Mr.



Schumann has served as president of five banks in Colorado. He joined Greeley National Bank as executive vice president in 1961 and was named president in 1972. He serves on the board of Affiliated Bankshares and four member banks.

Mr. Hinman retired after a 44-year career in banking. He began with the First National Bank of Denver in 1934. In 1959 he was named president of Greeley National Bank and later was elected chairman. He is a former president of both the Wyoming and Colorado Bankers Association and was a director of the Denver branch of the Federal Reserve Bank of Kansas City. He helped form the Affiliated Bankshares, an 18-bank holding company, and had served on its board since 1970.

United Bank of Denver Sponsors Art Exhibition



RON Phillips, v.p., marketing admin., United Bank of Denver, with "The Finn," a famous work by Andrew Wyeth which is part of a 120-piece collection of Wyeth facsimiles recently exhibited by United Bank of Denver. The collection, entitled "Andrew Wyeth in Facsimile," is a newly-assembled traveling show. It was exhibited for the first time by the Denver bank and attracted thousands of on-lookers.

5 Officers Elected at Denver

R. J. Frank, president of the American National Bank of Denver, has announced the appointments of five officers. They are: Robert G. Bush, William J. Brennan and Patrick T. McKinney, vice presidents; U. G. (Bud) Mosier, assistant vice president, and Michael V. Grady, commercial loan officer.

Mr. Bush, who has been with the bank since 1972, has been executive officer of trust investments since January of this year. Mr. Brennan was named executive officer of corporate planning, a new position. He will be responsible for designing the bank's electronic funds transfer system. Most recently, Mr. Brennan was senior vice president of Diners Club, Inc. Mr. McKinney takes over as executive officer of trust marketing with emphasis on personal trust services. He formerly was a trust officer with the First National Bank of Denver.

Mr. Mosier, a former bank officer, returns from the bank's parent corporation, Western Bancorporation, where he was data processing auditor for Colorado and Wyoming. He will assist Mr. Brennan as corporate planning officer. Mr. Grady formerly was an assistant branch manager with the United California Bank in San Francisco.

Women's Bank in Denver Names Crane Director

Herbert Crane has been elected a director of the Women's Bank in Denver, according to B. LaRae Orullian, president. Mr. Crane is chairman of Continental Finance Corp. of America, which owns the Continental Industrial Bank in Denver. He also is president and chairman of Continental Alliance, which owns Totalease, Inc., an auto leasing company, and Crane Homes, Inc., a builder of single family homes.

Elected at Denver

Dave Scruby, executive vice president of University National Bank, Denver, has been added to the firm's board of directors, according to Charles L. Ferguson, president. Mr. Scruby has been with the bank since last February. He formerly was president and chairman of First National Bank of Evergreen.

United California Bank To Open Denver Office

United California Bank will open a loan production office in Denver this month, according to Jerol M. Sonosky, senior vice president and head of the bank's natural resources department. The office will cater to the energy industry, the bank said in a statement.

Located in Three Park Central Building, 1515 Arapahoe Street, the office will have an initial staff of two officers and a secretary.

United California Bank is based in Los Angeles and is the principal subsidiary of Western Bancorporation, multi-state bank holding company with 22 banks in 11 western states.

Denver Bank's Loan Division Changes Names

The small business loan division of The First National Bank of Denver has been renamed the Independent business division, according to Thomas Carney, vice president and division head.

Mr. Carney also announced publication by the division of a booklet, "The Independent Business Loan Kit." The booklet is a comprehensive overview of starting and maintaining an independent business.

The name change of the division is a corporate statement that the division serves the financial needs of all independent businesses, said Mr. Carney.

Joins First of Boulder

Thomas S. Siders has joined the First National Bank in Boulder as a consumer loan officer. Mr. Siders, formerly an assistant vice president in lending with the Farmer's State Bank in Marion, Ia., has eight years of experience in lending.

Elected at Colfax National

Rafael (Ray) Ponce has been elected a director of Colfax National Bank succeeding Roger Richter. Mr. Ponce is president of Athena Mercantile Co., a Park Hill company that specializes in real estate holdings, tax shelters and retail grocery operations, in which it operates Mi-T-Mart's.

United Bank of Denver Announces Appointments

United Bank of Denver has announced the appointment of Eugene F. Kulyan to vice president. He joined the bank in 1976 as a senior investment analyst and was named trust investment officer in January of 1977. A graduate of Northwestern University with a BS and MBA in finance, he is a member of the Chartered Financial Analysts.

Other new appointments include Thomas M. Peterson, investment officer; James D. Steeples and Alicia J. Toczek, assistant vice presidents; Richard M. Hall, Jr., commercial banking officer, and Jane Dahlstrom-Quinn, compliance officer.

Named at Grand Junction

Bill Gossett, executive vice president of the U.S. Bank of Grand Junction, has been elected to the bank's board of directors. Mr. Gossett is a former vice president of the Central Bank of Denver and was employed there for more than 20 years before joining U.S. Bank in 1973.

Mesa United Bank Names New Director

Douglas W. Cleghorn has been elected to the board of directors of Mesa United Bank of Grand Junction. He is a partner in the Cleghorn & Washburn Mining Co.

United Bank To Expand MiniBank Network

United Bank of Denver has offered participation in its state-wide automated teller machine program to correspondents and other non-affiliated banks in Colorado.

"This program is an expansion of our own one-year-old United MiniBank network," said Robert H. Dressel, vice president and manager of the bank's correspondent banking group. "We believe it will offer banks a less labor-intensive method of processing banking transactions and the opportunity to provide their customers increased banking convenience."

All participating banks will issue access cards and may also choose to install an on-site MiniBank.

After January 1, 1978, when the new Colorado EFT law goes into effect, MiniBank cardholders will be able to make cash withdrawals, deposits and loan payments, check their account balances and transfer money between their accounts at any bank in the MiniBank network.

"In other words," said Mr. Dressel, "the MiniBank network will give customers a means of doing business with their own banks 24 hours a day, 7 days a week at locations all around Colorado."

Participants will be offered operational and marketing support services to take them step-by-step through an implementation program developed by United Banks for its own United MiniBank campaign.

For all participating banks, this program includes assistance with card issuance and control, staff training, customer orientation and advertising support. Consultation by specially-trained United Bank of Denver personnel will be available through all phases of a bank's introductory campaign as well as to support on-going MiniBank activity.

Additionally, those banks which choose to have an on-site MiniBank will receive assistance with site selection and preparation and with equipment purchase or lease and installation.

Special MiniBank cards have been designed for use by participating banks which do not already have plastic cards in distribution. These magnetically-stripped cards will carry the individual bank name as well as the standard MiniBank identification.

Promotional and collateral materials, such as statement stuffers, brochures and direct mail, have been created for use by all participants in the MiniBank network. The marketing program also includes a media campaign of newspaper and radio advertising which will be used to create state-wide awareness of the MiniBank network and its participants. The identity of each bank will be maintained as certain segments of the total marketing program will be personalized.

The fee to banks participating in the MiniBank program will consist of three segments: an initial entry fee, an annual service fee and a per transaction fee for interchange usage when a MiniBank cardholder uses another bank's MiniBank.

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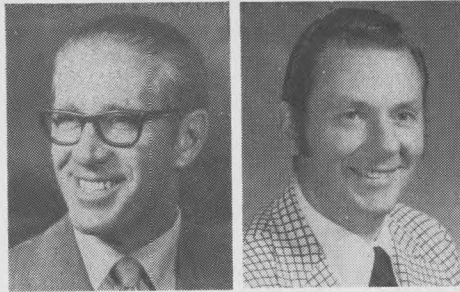
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Multidimensional Commercial Banking
Member First National Bancorporation

Montana News

W. R. TAIT President Butte
J. T. CADBY Secretary Helena



Livingston Bank Constructs Addition

FIRST Security Bank of Livingston recently completed construction of an addition which gave the bank a total of 25,000 square feet of working space, according to Claude R. Erickson, president.

The construction added three levels of working area. Accounting and safe deposit boxes are some of the expanded services on the lower level. A customer service area, six private offices, three note teller stations and doubled area for officers and customers were added on the main level. An expansion area is located on the upper level.

Four drive-in lanes and one walk-up window also were added bringing the total number to six drive-ins and two walk-ups. Room is provided for an additional drive-up lane.

Billings Bank Promotes Two Bank Officers

Richard A. Kjoss, president of Security Bank, N.A., Billings, has announced the promotions of Mike

Conley to assistant vice president, agricultural loan department, and Roger Bent to mortgage loan officer.

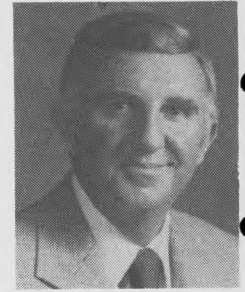
Mr. Conley received his BS and MS degrees in agriculture from the University of Idaho. He has 12 years of previous banking experience in Oregon before joining Security in August. Mr. Bent joined the bank in 1975 as a management trainee. Most recently he was a credit analyst for the commercial loan department.

New ABA School Covers Essentials of Banking

The American Bankers Association (ABA) has announced the formation of a new school structured to cover the essentials of banking in a comprehensive one-week learning experience.

The first session of the "Essentials of Banking School" will be held June 25-July 1 at Duke University in Durham, N.C. Applications must be received no later than March 31, 1978.

Utah News



R. T. HEINER
PRESIDENT
Ogden

Tracy-Collins Bank Announces Promotions

Tracy-Collins Bank and Trust, Salt Lake City, has announced the following staff promotions: Michael Dimick assistant vice president and manager of the Midtown Office; Debbie Larson, operations officer, Midvale Office; Ed Sappington, vice president and commercial loan officer, Farmer's Office; Mike Thurman, assistant controller, main office; Linda Wilcox, operations officer, Sugar House Office, and Lilian Huetter, assistant vice president, main office.

Also announced was the election of LeRoy Parkin as senior vice president and manager of the new North Salt Lake Office. Operations officer for the new office is DeAnne Horsley, formerly assistant cashier at the bank's Farmer's Office in Bountiful.



PICTURED above are an exterior and an interior view of the new First Security Bank of Livingston.

Wyoming News

O. G. GEESEY President Kemmerer
M. C. MUNDELL Secretary Laramie



New Rawlins Bank Names Hewitt President

Henry Hewitt has been appointed president of the newly-formed Wyoming Bank of Rawlins, according to Robert W. Miracle, president of Wyoming National Corporation, Casper, parent company of the new bank.

Mr. Hewitt has been in banking since 1969. He most recently was the executive vice president of the First Wyoming Bank, N.A., in Rawlins and also concurrently served as president of the First Wyoming Bank of Hanna. He is a 1969 business administration graduate of the University of Wyoming.

The Wyoming Bank of Rawlins received its charter application approval in June of this year. The bank, located at the intersection of 3rd and Buffalo, will open for

business about April 1, 1978, with capital of \$750,000.

Cheyenne Bank Names Senior Vice President

D. L. Day, Jr., president of the American National Bank in Cheyenne, has announced the promotion of Ronald E. Bailey to senior vice president, lending division. He will supervise the real estate, commercial and installment loans.

Mr. Bailey received his BS degree in business administration from the University of Wyoming at Laramie. He began his banking career in 1968 as a loan officer in Casper, before joining American National in 1973 as vice president and manager of the installment loan department. He became manager of the real estate department earlier this year.

Wyoming State of Cheyenne Breaks Ground at New Site

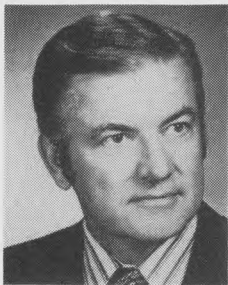
The officers and directors of the Wyoming State Bank recently conducted the official groundbreaking on the building site of the new bank at 3600 East Pershing Boulevard in Cheyenne.

The building is scheduled for completion by March 31, 1978, according to Roger Schreiner, executive vice president. The 3,700 square foot building was designed by Morris Kemper and Associates of Cheyenne.

Auburn W. Dowdy, president of the new Wyoming State Bank, Cheyenne, has announced the appointment of three officers. They are: Roger A. Schreiner, executive vice president; Robert L. Godfrey, vice president, and Ann Rhodes, cashier.

Mr. Schreiner brings over five years of experience to the position. He attended the University of Wyoming. Mr. Godfrey, who has seven years of banking experience, received an associate degree in business administration at State University of New York at Alfred. Ms. Rhodes has nine years of experience as a general bookkeeper, audit clerk and accounting clerk.

Oregon News



E. G. OTTUM
President
Salem

C. B. Stephenson

C. B. (Bill) Stephenson, an officer of First National Bank of Oregon for 30 years, including seven as president and chief executive officer until his retirement in 1960, died in Portland recently after an illness of several months.

Mr. Stephenson earned his law degree from the University of Oregon and entered banking at the First National in 1930. He served 23 years as vice president and was elected president in 1953. During his

seven years as president, First National expanded from 48 to 84 branches.

Idaho News



T. H. ALLEN
President
Boise

Idaho Bank & Trust Co. Announces Staff Changes

Hugh Coats is the new vice president and manager, Treasure Valley area of Idaho Bank & Trust Co., Pocatello. He will supervise the three Boise branches as well as those in Nampa and Caldwell. Mr. Coats joined the bank's staff from the First Security Bank.

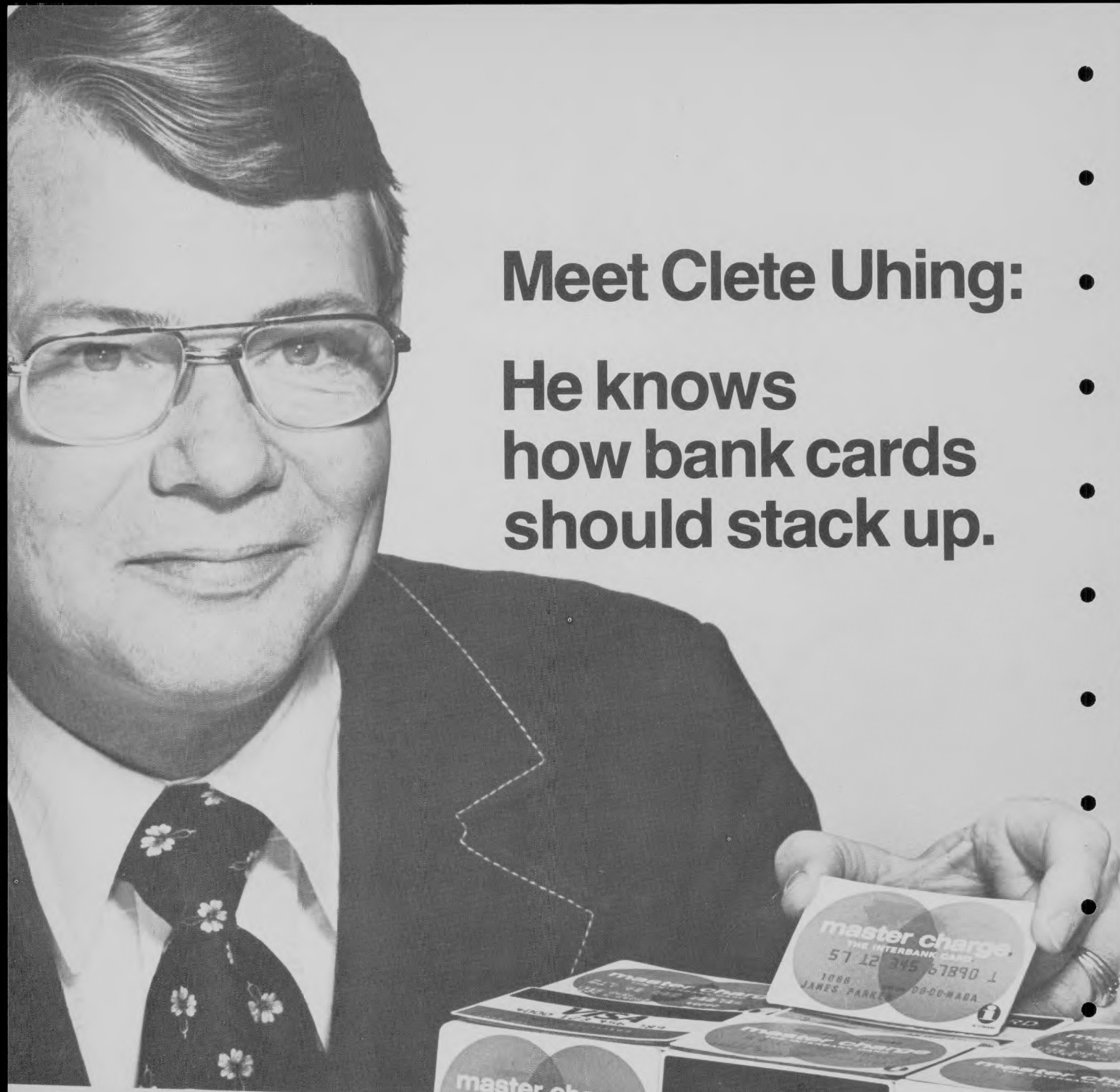
Also announced was the transfer of Jack Hemenway, vice president, to director of marketing, a new position, in the Pocatello head office.

First Bank of Troy Opens Moscow Office

A former bank president, Willis Bohman, cut a ribbon made of 50 new \$2 bills to mark the opening of the First Bank of Troy's first official branch bank. The ribbon was then awarded by a drawing to one of the hundreds of people attending the grand opening of the Moscow branch, according to Robert L. Montgomery, bank president.

A reception was held the preceding evening for guests hosted by J. Grant Bickmore, president of Idaho Bank & Trust Corp., the parent organization of First Bank of Troy and the 21-office Idaho Bank & Trust Co.

Special favors for adults and refreshments were served throughout grand opening day.



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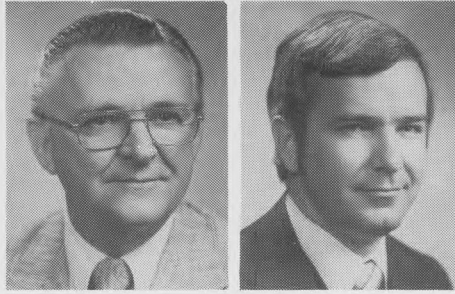
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of Omaha



Nebraska News

H. E. LARMON President McCook
 J. E. HARRIS Exec. Mgr. Lincoln



LB258 Could Funnel \$50 Million More Through Banks to Nebraska Borrowers

PASSAGE of LB 258 in the next session of the Nebraska legislature could pump another \$50 million or more into deposits of Nebraska's 450 banks, it was revealed at a special legislative hearing in Lincoln last month. The hearing was called jointly by Sen. John W. DeCamp, chairman of the banking, commerce and insurance committee, and Sen. Loran Schmit, chairman of the ag and environment committee and vice chairman of the banking committee.

A principal feature of the hearing on November 4 at the Radisson Cornhusker Hotel was an up-to-date report on Nebraska's sagging ag economy presented by Ed Harshbarger, research officer and economist of the Federal Reserve Bank of Kansas City. Because of his concern over the downward direction of the state's agricultural situation in September, Sen. DeCamp went to Kansas City with Robert E. Harris, executive manager of the Nebraska Bankers Association, to discuss the situation with Fed officials there and seek help in compiling current, meaningful data.

The Fed responded by accelerating its quarterly report on 10th district conditions and presenting the report at the November 4 hearings with a series of charts and slides, emphasizing Nebraska findings.

Following this sobering report, details of LB 258, jointly sponsored by Senators DeCamp and Schmit, were reviewed. Invitations to attend the hearing had been extended to all members of the legislature, interested farm leaders and bankers of Nebraska. Approximately 200 persons attended the hearing, which started at 10 a.m. and adjourned at 3 p.m.

LB 258 was introduced early in the 1977 legislative session by Sen. Schmit after a similar bill received no consideration in the 1976 session. Although no action was taken in the 1977 session, the bill is out of committee and will be taken up on the floor. Previously, statutory authority existed for the state investment council to invest surplus funds in Nebraska banks. However, the practice had been to invest the funds outside the state in govern-

ment securities, T-Bills, etc. After introduction of LB 258, \$50 million of funds were deposited in Nebraska banks. Passage of the bill would call for the investment council to invest all its surplus funds in Nebraska bank deposits so the funds could be put to use at home instead of outside the state.

The first order of business called for by Sen. DeCamp was presentation of the Fed's special report. Mr. Harshbarger said ag conditions appear to have stabilized somewhat during the third quarter of 1977. Despite low commodity prices and depressed income, most producers appear able to "weather the storm." Farmers are turning to government loan programs, country banks are increasing their activity with correspondent banks and noncredit agencies, little change has been noted in loan demand, and a pause is noted in upward movement of farm land prices. The findings are based on statements from 164 bankers responding to the quarterly review of the Kansas City Fed.

Survey Details

Mr. Harshbarger made these specific points:

1. Most bankers commented that low crop and livestock prices, coupled with high production costs, are seriously hurting their farm customers. As a result, 42% of the reporting banks indicate they are requiring more collateral than a year earlier, while 27% of responding bankers said they are refusing or reducing more loans now than a year ago.



LEFT—Visiting prior to hearing are, from left: **Bob Harris**, exec. mgr. of Nebraska Bankers Assn., Lincoln; **Roger Sandman**, Nebraska dir. of agric.; **Sen. John DeCamp** (standing right), chmn. of banking comm.; **Sen. Herb Duls** (seated left), member bkg. comm., and **Sen. Roland Luedtke**, speaker of the legislature. **RIGHT**—**Bob Harris** visits with **Sen. Loran Schmit**, chmn. of ag comm. and vice chmn. of banking comm.

2. Referral activity has increased during the past quarter, with one-third of the reporting banks showing correspondent referral activity up over year-earlier levels, and 45% of the respondent banks are making more referrals to nonbank credit agencies.

3. Farm loan demand remains high, although the credit situation apparently has not worsened during the past quarter. While 63% of the respondents feel that loan demand is greater now than a year ago, in Nebraska over 87% of the bankers report their loan demand is greater now than last year, the highest ratio for any state in the district. Also, 63% of Nebraska banks report their loanable funds situation is tighter now than previously, much higher than other banks in the district.

4. The average loan/deposit ratio for the district was 65.3%, essentially unchanged from the July 1 survey, compared to 61.5% for a year earlier. The low was 58% in Oklahoma to a high of 72% in Colorado. (However, a number of Nebraska banks recently have reported ratios above 90%.)

5. Interest rates for farm loans have remained essentially unchanged over the past quarter, with cattle loans at 8.86%, operating loans at 8.97%, intermediate term (1-7 year) loans at 9.30%, and real estate loans at 9.19%.

5. Other findings support the contention that ag credit conditions in the district have not deteriorated during the summer. Points: 90% of the banks have only 5% or less of their farm customers delinquent, while 86% of the banks report only 5% or less face possible liquidation, a fairly constant number from previous surveys.

6. Land values show signs of softening as low commodity prices continue. As of October 1, nonirrigated cropland averaged \$519 per acre in the district, while irrigated cropland was valued at \$968 per acre and ranchland at \$266 per acre. Cropland prices are down marginally from a year ago, while ranchland is up 2.5%. Further land price moderate price declines are expected by responding bankers.

Discussion Period

An extended question and answer and discussion period was cut off at 2:30 p.m. by Sen. DeCamp so that

details of LB 258, to be sponsored jointly by his committee with Sen. Schmit's committee next January, could be explained. Basically, 258 would require investment of all short-term funds under the jurisdiction of the state investment council in Nebraska banks at a rate 1% over the average rate paid for three-month U. S. Treasury bills.



Ed Harshbarger, research off. and economist, Kansas City Fed, responds to question from legislator.

The deposits would be in the form of \$100,000 CDs in every desiring bank. This would mean a deposit of \$45 million in Nebraska's 450 banks. Excess funds, perhaps up to \$100 million extra, would be spread among the banks, based upon a formula utilizing the bank's equity capital.

Bob Harris Reviews Bill

Mr. DeCamp called upon the NBA's Bob Harris to explain further details of the bill. Mr. Harris made these points:

1. There is approximately \$50 million of state funds presently on deposit in Nebraska banks. The initial rate on November 1, 1976, was 5.5% on 30-day CDs and 362 banks accepted the funds.

On May 17, 1977, \$10 million was offered on a bid basis for 90-day CDs at an average rate of 5.8%. This \$10 million was renewed on August 15 at rates which ranged from 6.3% to 6.81%.

On October 17, the \$100,000 CDs were rolled over, if banks wanted them, at 7.2% for 30 days.

On November 14, another \$12 million was to be placed for 90-day

CDs, with a minimum rate accepted of 6.75%. (Ed. Note: The amount actually placed was \$14,200,000 with a top rate of 7.7% and a bottom rate accepted of 7%, all maturing February 13, at which time there will be re-bidding. Of the 95 banks submitting bids, 61 received funds. Of these, 14 banks received \$500,000. For the \$600,000 remaining after 54 banks had taken funds, seven banks drew at a rate of 7% and five received the money at that rate. No banks from Omaha and only three smaller Lincoln banks received funds, emphasizing the strong loan demand in country banks, and that the funds were going where needed.)

2. The net effect of this action shows 30-day CDs have risen from the 5.5% rate on November 1, 1976, to 7.2% today.

Bid funds (90-day CDs) have increased from 5.8% on May 17, 1977, to the new rate paid in November. The total amount invested as of November was \$50 million.

Revisions Suggested

There are problems with LB 258, Mr. Harris said, although the NBA helped draft it, and he listed these suggested revisions:

- "We think \$100,000 to each bank should be increased to spread more funds statewide.

- "We're examining ways in which the requirement of pledging on amounts over \$100,000 can be broadened.

- "The 30-day provision on deposits is inadequate to accommodate valid loan demand. This should go to at least 90 days. CDs could be staggered to meet state obligations.

- "The formula for surpluses above the \$100,000 or \$200,000 in each bank should be retained.

- "The rate should be reviewed and possibly reduced."

Mr. Harris then concluded his part of the hearing session with these observations:

"The bidding now used is dramatically increasing the rate to borrowers—mostly agricultural borrowers.

"The rate charged for 30-day CD (7.2%) appears excessive and unfair to bank customers. The people of Nebraska are paying a premium rate for the right to use tax dollars they helped generate.

"Investments in commercial paper



Happy Holidays!

W. Baack *Diane J.*
Jene Resac *Jerry Gurnan*
Richard Wible *Dorva L. Biedt* *Tom Stuckey*
Robert H. ... *W. Stephenson*

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and government securities should be a secondary market, used only if no demand in Nebraska.

"We're working on improvements to the bill which would be fair to the borrower, the banks and the state, without requiring a premium rate."

"The state needs the funds."

Asked if he could predict what effect the deposit of these funds in Nebraska banks would have, Mr. Harris said, "If 258 had been in effect in 1976 the tax revenue to Nebraska would have been \$7.6 million and the state would have realized a greater direct yield than in the national investment markets."

Following other brief comments, Sen. DeCamp said the committees would push vigorously for early consideration of LB 258 in order to meet credit needs in the state as early as possible. □

Harold Oxley Joins York Bank

Harold Oxley has joined the York State Bank and Trust Company as instalment loan officer. He previously was manager of Avco Financial Services.

Sculpture is Highlight of Stromsburg Bank

FIRST National Bank in Stromsburg recently held an open house to mark the completion of a major remodeling project. The bank doubled its space by expanding the lobby into an adjacent building. The old facility was remodeled to include offices, directors' room and reception area.

The focal point of the new lobby is a Yggdrasil metal sculpture designed and built by Betty Kjelson of Coral Gables, Fla. Mrs. Kjelson spent more than 50 hours delving into Swedish mythology in order to produce a piece with special significance to the Swedish heritage of the Stromsburg community, according to Fred Guggenmos, bank president.

The result is the Yggdrasil, which means Tree of Life, sculpture composed of pieces of etched copper and bronze welded together. The piece measures 5 by 6 feet and took more than 400 hours to create.

Before assembling the piece, Mrs. Kjelson made prints of the various portions which are framed and



PICTURED are Fred Guggenmos, pres., 1st of Stromsburg, with Betty Kjelson who designed and built the sculpture.

displayed throughout the bank as a permanent art collection. Plants also are used extensively in the decor.

The firm of Greathouse-Flanders and Associates of Lincoln did the design work for the remodeling project. Johansen Construction Company of Columbus was the general contractor.

Announces Staff Changes

Tim V. Stern, president of the Northwestern National Bank, Norfolk, has announced the following promotions: Thomas F. Finnigan to senior vice president with primary responsibilities in loan administration, Dennis L. Meek to assistant vice president and manager of the consumer loan department, and Robert Harris to personal loan officer and assistant manager, consumer loans.

Kearney Bank Opens Motor Bank North

About 1,000 people attended the recent grand opening of the Motor Bank North of the Platte Valley State Bank & Trust Company, Kearney.

The facility features an authorized U.S. Post Office sub-station. It has 2,300 square feet of area which includes conference room, lobby, safe deposit, vault, inside teller windows with a sit-down window and three drive-in lanes.

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●Broken Bow Bank Sold

The Broken Bow State Bank has been purchased by Edgar Varney of Broken Bow, his son Seth Matthew Varney and D. L. Sommerhalder of Lincoln.

Effective January 2, Sam Bailey, president, will become chairman. Matthew Varney will become president and a director. For three generations, the Varney family has been part of the bank's ownership and management.

Mr. Varney began his banking career in 1966 at the National Bank of Commerce in Lincoln. In 1968, upon graduation from the University, he joined NBC's investment department and now serves as vice president and assistant manager of that department and has served on various investment committees for the bank and NBC Co.

Edgar Varney, pharmacist and owner of Varney Rexall Drug Store, continues in ownership and as a bank director.

Mr. Sommerhalder brings 30 years of experience to the bank having served as vice president and senior investment officer of a Lincoln bank. He is president and director of Bank of Brady, a director of Packers Bank Management Company, Omaha, and a director of the First National Bank and Trust Co. of Falls City.

Mr. Bailey has been with the bank since 1946. He will remain active in the bank as chairman.

●NABW Mid-Plains Chapter Installs Officers

Nadine Frakes recently was installed as group chairman of the Mid-Plains Chapter of the National Association of Bank Women (NABW). She is cashier and director of The Farmers Bank, Nebraska City.

Other officers installed are Doris Capps, vice president, Center Bank, Omaha, as vice chairman; Ruth Schuck, accounting officer, The Omaha National Bank, as secretary, and Mary Lou Rivett, assistant vice president, Otoe County Bank, Nebraska City, as treasurer.

●Named at North Platte

Zane Scheer has been named to the board of directors of North Platte State Bank. He is manager of Hoppe Lumber Co.

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Omaha News



In a series of executive management moves at the United States

States National Bank of Omaha, President and Chief Executive Officer **Donald J. Murphy** has announced his move to chairman and chief executive officer, Vice Chairman **Robert A. Kr-**



D. J. MURPHY

ane's advancement to president and chief operating officer, and Senior Vice President **G. W. [Sam] O'Keefe's** advancement to executive vice president.

Mr. Murphy's move occurs on the resignation of Chairman **Kermit Hansen**. Mr. Hansen will remain on the bank's staff in an advisory and consulting capacity, officing at the main bank. He also remains a director.

Mr. Murphy, 59, took the helm of the bank as chief executive officer in 1976. He had joined the bank as president in October of 1975. A banker for 38 years, Mr. Murphy began his career at the Northwestern State Bank of Osseo, Minn. He served as president of that bank from 1952-56 when he joined Northwest Bancorporation. In 1963 he came to Omaha as senior vice president of Northwestern National Bank. He moved to president in 1965.



R. A. KRANE

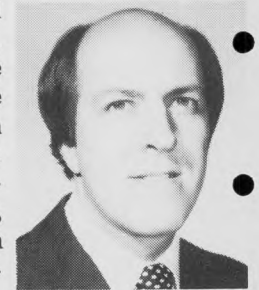
G. W. O'KEEFE

Mr. Krane, 44, joined the bank in 1976 from the Iowa-Des Moines National Bank, Des Moines, Ia., where he served as president. He joined that bank in 1959 and was named president and director in 1974.

Mr. O'Keefe, 53, joined the bank in 1976 as senior vice president in charge of all lending functions. A banker of 24 years, Mr. O'Keefe spent 19 years at the First National Bank of Duluth, Minn., before moving to the Northwestern State Bank in Virginia, Minn., as president and chief executive officer in 1973.

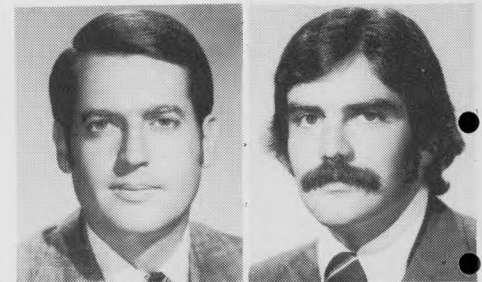
Mr. Hansen, 60, joined the bank in 1959 as assistant vice president. He was named executive vice president and director in 1967, president in 1973, and chief executive officer in 1974. He moved to chairman in 1975. Mr. Hansen is a graduate of the University of Nebraska in Lincoln.

The bank also announced the promotions of two vice presidents and a commercial loan officer. Named vice presidents are **Larry H. Hansen** and **Joseph T. Sullivan, Jr. Joseph J. Borghoff, IV** has been named commercial loan officer.



L. H. HANSEN

Mr. Hansen, 33, a correspondent bank officer, joined the bank in 1962 as a teller. He joined the correspondent division in 1969, was promoted to assistant cashier in 1970 and to correspondent bank officer in 1973. Mr. Sullivan, 37, came to the bank in 1975 as a commercial loan officer after 11 years of banking experience in Omaha. Mr. Borghoff, 29, joined the bank in 1974 as a credit analyst in the loan services department. He was named credit officer in 1975 and credit department manager in 1976.


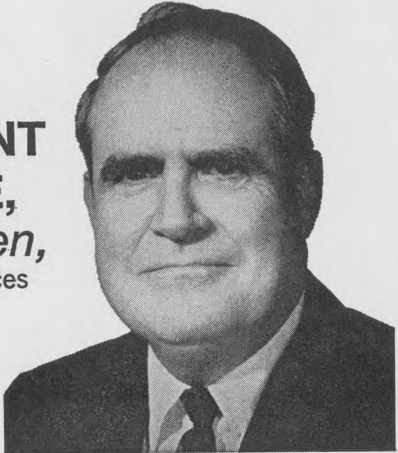


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1070 210 02 0455 140	Savings	5,678.90	Open	02/01/92	
1070 210 02 0455 141	Money Market	3,456.78	Open	03/10/92	
1070 210 02 0455 142	CD	10,000.00	Open	04/01/92	06/30/92
1070 210 02 0455 143	IRA	20,000.00	Open	05/01/92	
1070 210 02 0455 144	401(k)	15,000.00	Open	06/01/92	
1070 210 02 0455 145	529	5,000.00	Open	07/01/92	
1070 210 02 0455 146	529	3,000.00	Open	08/01/92	
1070 210 02 0455 147	529	2,000.00	Open	09/01/92	
1070 210 02 0455 148	529	1,000.00	Open	10/01/92	
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Lincoln News



THE National Bank of Commerce was honored last month by the Newcomen Society in North America in observance of the bank's 75th anniversary. NBC Board Chairman Glenn Yaussi was guest of honor at the cocktail party and dinner attended by nearly 400.

Following his presentation of the bank's history, Mr. Yaussi was presented a plaque commemorating the bank's first 75 years. As part of the commemoration, comprehensive history of the bank was researched and written for publication and inclusion in the national Newcomen library.

NBC was chartered in August of 1902 as Bank of Commerce. In 1904 the bank obtained a national charter and assumed its present name. It is now the primary subsidiary of NBC Co., one-bank holding company which was formed in 1969 and is affiliated through common ownership with 10 Nebraska banks and their parent holding companies.



GLEN Yaussi (left) was guest of honor as the Newcomen Society in N. America honored National Bank of Commerce on its 75th anniversary. Mr. Yaussi, chmn. of the bank and NBC Co., receives a plaque from **C. Daniel Hayes, Jr.**, v.p. of the society.

The Newcomen Society is a non-profit educational membership corporation. Its purpose is to

increase knowledge and appreciation of the free enterprise system through the study of business, industrial and institutional history.

The National Bank of Commerce recently kicked off a special energy-saving home improvement loan campaign. At a press conference attended by more than 120 and involving local, state and federal energy officials, NBC outlined the aspects of the program.

Jim Nissen, president, said, "we recognize that the use of modern insulation methods, proper construction techniques and efficient heating and cooling equipment can accomplish significant energy and cost savings for all homeowners." Through January, NBC is making loans on qualifying energy-savings projects at 10%.



NBC pres. James F. Nissen explains the points of the energy-saving loan sales at the press conference. Also pictured is **Helen Boosalis**, Lincoln mayor.

Also participating on the promotion is the Lincoln Electric System. The utility conducted two free clinics for the public and provided a display of energy conservation instruction tips on exhibit in the bank's lobby.

A sampling of the projects that qualify for the 10% rate includes ceiling, wall and floor insulation, storm windows or double blazing, storm doors, basement foundation insulation, window and door weather stripping, new or rebuilt furnaces, heat pump system, automatic night set-back thermostat, fireplace damper integrity, duct and pipe insulation, solar heating or solar home design, efficient hot water heaters and roofing.



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Vice President

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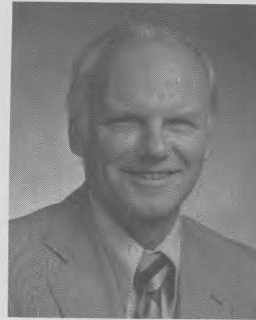
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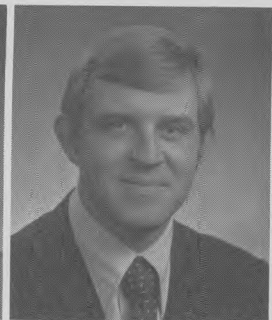
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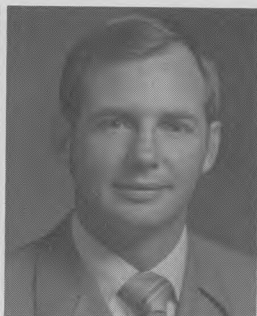
JIM BULLOCK



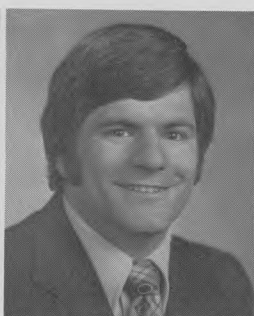
DWAIN CARLSON



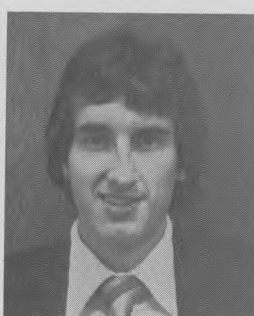
RAY McMAHON



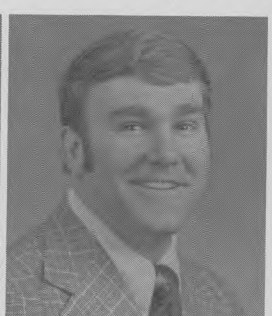
JIM FOX



JERRY LIST



TOM LOTT



JOHN WALTERS



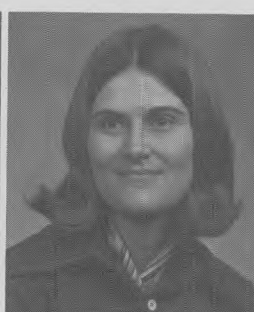
BILL WARNER



SAM WHITWORTH



LINDA PETERSEN



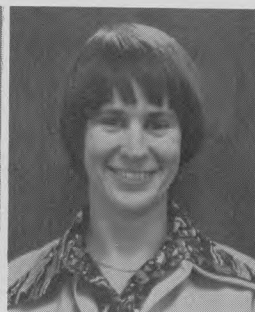
KAREN BLOUNT



THELMA COTTER



CATHY FAGOT



NANCY KORTH



LORENE KRAMER



BEV PIPER



MARY ULMER



FIRST NATIONAL LINCOLN

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SEASON'S GREETINGS

from our roving correspondents



Let us take a moment from the holiday festivities to send you our best wishes for a happy holiday season and a prosperous 1978.

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many old friends, as well as new ones, in the year ahead.

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Correspondent Banking, Second Floor, Ruan Center

Iowa News

C. F. ARMSTRONG President Dubuque
NEIL MILNER Exec. V.P. Des Moines



All Iowa Credit Unions, One S&L Join IACHA

ALL 412 credit unions and the First Federal Savings & Loan Association of Sioux City have asked for and received membership in the Iowa Automated Clearing House Association, it was announced last month by Raymond G. Johnston, president of the association.

Mr. Johnston, who is also president of Central National Bank & Trust Company, Des Moines, said the Automated Clearing House Association was established in mid-1975 by Iowa banks for the purpose of allowing employees to direct their payroll checks to the financial institution of their choice. Using this program, 72 Iowa employers currently provide electronic tapes of their payrolls to their local banks. These tapes are transmitted by closed circuit transmission or surface courier to the Automated Clearing House computer for immediate deposit in the financial institution previously selected by the employee.

The same program, Mr. Johnston said, may be used to pay regular recurring monthly bills such as mortgage and consumer loan payments and insurance premiums without writing a traditional check.

The ACH presently generates 7,000 credit transactions and 4,000 debit transactions per month, he stated.

In addition to handling payrolls, Mr. Johnston noted, IACHA offers direct deposit of Social Security checks.

The fiscal service of the United States Treasury reported in September that of the nearly 450,000 eligible Treasury checks going monthly into Iowa, 108,000, or 21.5% of the Iowa total, are now being direct deposited through the Iowa Automated Clearing House Association. The national average is 17% participation. Iowa ranks 13th in use of this direct deposit service.

Membership in the Iowa Automated Clearing House Association now exceeds 1,000 financial institutions, Mr. Johnston said.

Fed Approves Banco Acquisition at Fort Dodge

Reversing itself, the Federal Reserve Board recently approved the acquisition of the First National Bank of Fort Dodge by Northwest Bancorporation, a Minneapolis-based bank holding company.

Last May, the Fed rejected the application because it thought that the Fort Dodge banking market was "attractive" for new entries, and that Banco's presence there might deter them. But after receiving more information from the bank holding company, the Fed changed its mind.

The Fort Dodge bank has deposits of \$66.1 million. Its acquisition would give Banco eight affiliates in Iowa. They include the Iowa-Des Moines National Bank and banks in Bettendorf, Denison, Keokuk, Mason City, Ottumwa and Sioux City.

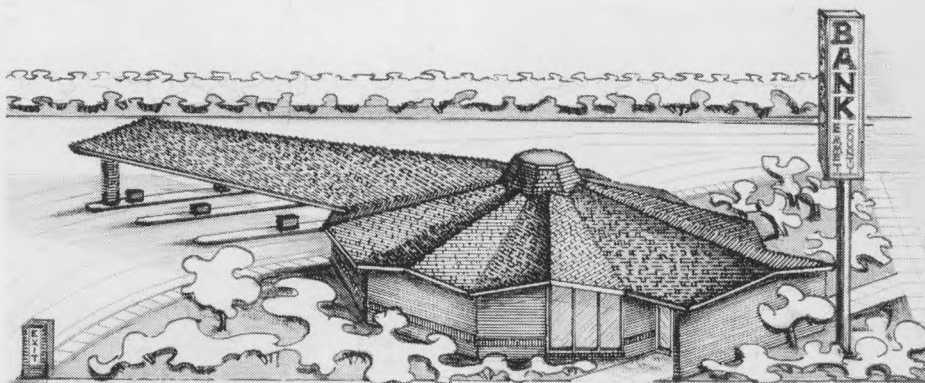
Apply Now for Iowa Group NABW Scholarships

Applications are now being taken for the Iowa Group scholarships of the National Association of Bank Women, Inc. (NABW). Deadline for submitting an application is March 1.

The group will be awarding two scholarships this year to NABW members. The recipients may attend either the School of Banking at the University of Iowa, Iowa City, in June, or the Instalment Lending School at Drake University, Des Moines, in August.

The group also will award the Helen Rinehart scholarship to a non-member. Those applying must be recommended by a NABW member. The winner may attend either of the two above schools.

For an application and further information, contact the Iowa scholarship chairman, Leona P. Sutton, Assistant Vice President, Bankers Trust Company, Des Moines, Iowa 50304.



ARCHITECT'S sketch of the drive-in facilities for the Emmet County State Bank, Estherville, now under construction.

Estherville Bank Expands Drive-In

WORK is underway on new drive-in banking facilities at the Emmet County State Bank, Estherville, according to Jim Currell, president.

The new building will contain about 2,000 square feet and three drive-in lanes with room for four.

Facilities will be included to serve walk-in customers.

Fagre Construction Company, Estherville, is general contractor for the new structure, which was designed by Kooker Associates, Spencer. The bank expects completion by May 1, 1978.

Drake Joins NABW Management Degree Program

WOMEN in Iowa now have a more convenient way to further their education and obtain a Bachelor's degree in management.

Drake University in Des Moines has affiliated with a unique degree program for women in banking. Sponsored jointly by the National Association of Bank Women, Inc., Mundelein College, Chicago, and Drake University, the program is designed expressly for the woman banker who is committed to a full time career in banking and who wishes to earn a baccalaureate degree in management without interrupting her career.

"Drake is the first of what we hope will be a series of colleges to become affiliated with our degree program, commented Anne L. Bryant, education director of NABW Educational Foundation in Chicago. She spoke at a recent meeting of the Central Iowa Group of NABW, where the affiliation was announced.

The NABW/Mundelein Baccalaureate Degree in management is the equivalent of 120 semester hours of credit consisting of two major components—the Management Institutes at Mundelein College and the elective component at Drake University.

Program

Here is how the program works:

Two two-week Management Institutes are held each year in January and August for three years at Mundelein College in Chicago. By completing the six institutes, which constitutes 42 semester hours of credit in residence, the student completes the requirements for her major and the residency requirement at Mundelein.

The courses are strategically geared to meeting the needs of the banking industry and include: accounting, organizational behavior, microeconomics, macroeconomics, quantitative business analysis, management, statistics, operations, finance, money and banking computers and marketing.

Exchange of ideas with other women bankers during the institutes is a rewarding benefit.

The remaining 78 credit hours can

be earned at Drake University in the areas of liberal arts and business related courses. Credit may be achieved by:

- Courses at Drake University scheduled during the day, late afternoon, evenings and weekends.
- Previously completed courses from accredited colleges and universities will be evaluated and transfer

credit awarded by Mundelein College where appropriate.

- College Level Examination Program (CLEP) credit hours are awarded on the basis of performance on national tests in general or subject areas. Tests are administered at Drake.

- Credit for Academically Relevant Experience (CARE) can be obtained by following Mundelein College guidelines.

The student's program is individually planned by Mundelein with the guidance of a Drake University faculty advisor who will assist in the initial program outline and advise throughout the degree program.

"This program is for the motivated individual," said Ms. Bryant. "It is for someone who has realized that a degree is important for her career."

Presently there are four Iowa Bankers enrolled in the program at Mundelein. They are: Phyllis H. Otto, loan officer, First National Bank, Council Bluffs; Sarah Hesmer and Karen Freese, assistant vice presidents, Fidelity Brenton Bank & Trust Company, Marshalltown, and Marlene Owens, assistant cashier, Iowa Trust & Savings Bank, Centerville. Ms. Otto spoke about her experiences at the meeting.

The NABW educational program is "global in its aspiration," said Ms. Bryant. Other colleges offering the management bachelor's degree program are Simmons College, Boston, Mass.; Florida State University, Tallahassee, Fla., and Pitzer College, Claremont, Calif.

How To Apply

Ann L. Schodde, director of women's programs, College for Continuing Education, Drake, told the women at the meeting how to begin the admission procedure.

You must first contact Drake, she said. After filling out an application, a conference will be held to further explain the program. Then the application will be sent to the dean and a first year education plan will be formulated. The plan is submitted to the employer for approval of released time to attend Mundelein and for discussion of financial aid.


Following employer's approval, Drake will forward the necessary material to Mundelein. A representative from Mundelein will conduct a final interview of the applicant (in Des Moines if there are two applicants).

Other Programs

Kaye F. Fulrath, vice president of the midwest region of NABW, and assistant vice president, The Merchants National Bank, Cedar Rapids, showed a slide presentation of all of the NABW educational programs at the meeting. These include the Career Management Seminar, Managing Executive Priorities Seminar, Seminar for Male Managers and the Management Series.

Two people to contact for more information and help spoke briefly at the meeting. They are Carol Stone, NABW bank education advisor for the state, and trust officer, Central National Bank and Trust Co., Des Moines, and Marilyn Hurley, vice president, National Bank of Des Moines, who is a career management seminar leader.

Joyce A. Chapman, vice president and cashier, West Des Moines State Bank and Central Iowa Group chairman, presided at the meeting. □



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Peat, Marwick Reviews Graduate School's EFT Cost Accounting Study at Seminar

ALTHOUGH the subject of Electronic Funds Transfer may be considered "old hat" now in some quarters, many banks nationwide are formulating and implementing their plans for EFT development and equipment. This is the observation of Peter Louderback, a principal of Peat, Marwick, Mitchell & Co., in its Newark, N. J., office. "There is no way of avoiding EFT," he added.

Mr. Louderback was addressing a small group of bankers attending an EFT Strategic Planning and Cost Benefit Seminar sponsored in Des Moines last month by the Iowa Bankers Association. The more than two dozen bank executives and management level staff members in attendance included representatives from Oklahoma and Colorado as well as Iowa.

The purpose of the seminar, according to Don Burd, also of Peat, Marwick's Newark office, was to provide the structure through which banks can make a uniform evaluation of what they have, their needs and available systems. Having a uniform base structure for this judgment is vital, he said.

To give substance to this goal, the results of a \$120,000 research study conducted by Peat, Marwick, Mitchell for the Graduate School of Banking at the University of Wisconsin were presented in detail at

the seminar. Titled "EFT Cost Accounting Concepts and System Components," it covers cost accounting concepts, market analysis, volume and income projections, system requirements, alternatives, and methods for monitoring, reporting and measuring performance.

Dale Dooley, executive director of the Iowa Transfer System, reported that all shared terminal transactions in Iowa will be going through the central switch effective February 4.

Representatives from Oklahoma and Colorado gave brief comments about rules and systems in their states. In Oklahoma, "three to five banks are trying to go it on their own, which means merchants have several terminals on their premises." In Colorado, there is state legislated mandatory sharing of off-premise terminals, but no central network, such as in Iowa, for routing transactions. After Colorado's EFT law becomes effective in January it is expected there will be three, and perhaps four, full systems by major banks which would be competing with each other.

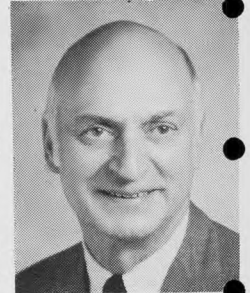
Mr. Louderback commended Iowa for its approach and stated "I think you'll see the Iowa system will pay off in the future." Referring to the Telephone Automated Payments System being marketed by Farmers & Mechanics Savings Bank of

Minneapolis, he said, "I predict every bank in five years will have some kind of telephone payment system; a service you may not particularly like, but it will be here."

Mr. Louderback also said credit unions are making a linkup nationwide with Sears, Roebuck & Co. for credit union members to use Sears' nationwide terminals for purchases at Sears. This initial step can be expanded into wider service financial terminals for credit union members, he added. Montgomery Ward and J. C. Penney, he added, are committed heavily to similar on-line systems with cash registers and card terminals.

Named Union Trust Board Chairman in Fort Dodge

The appointment of John A. Worley, 63, as chairman of the board of directors of Union Trust & Savings Bank, Fort Dodge, has been announced by Peter Garatoni, president. Mr. Worley has been a member of the bank's board since 1953.



J. A. WORLEY

Mr. Worley, who will now direct and serve as spokesman of the board, is western area director of the Mead Corporation.

Carroll County Bankers Elect Officers

William Hess recently was elected president of the Carroll County Bankers Association succeeding Frank Liewer, executive vice president, Commercial Savings Bank, Carroll. Mr. Hess is vice president, Iowa Savings Bank, Coon Rapids.

John Gronstal, vice president, Carroll County State Bank, was elected vice president, and Tom Horbach, cashier, Templeton Savings Bank, was elected secretary-treasurer.

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PICTURED above are exterior and interior pictures of the new Hampton State Bank building. The interior picture shows the lobby's circular fireplace.

Hampton State Bank Has New Home

HAMPTON State Bank recently moved into its new one-story building on the site of the old bank building which was destroyed by fire in 1975. The bank had been operating out of temporary quarters since that time.

The new facility, which is about 2½ times larger than the old one, has 5,300 square feet on the main level. The lower level consists of two

large community rooms and a kitchen. The first level has five private offices, large reception area and main lobby with five tellers at a half-circle-shaped counter. The lobby features a circular fireplace with a large copper hood reaching to the ceiling. The exterior of the bank is of aggregate rock.

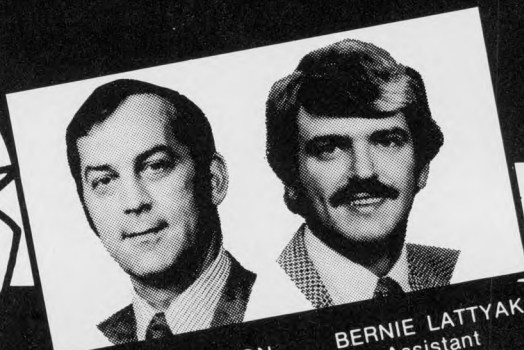
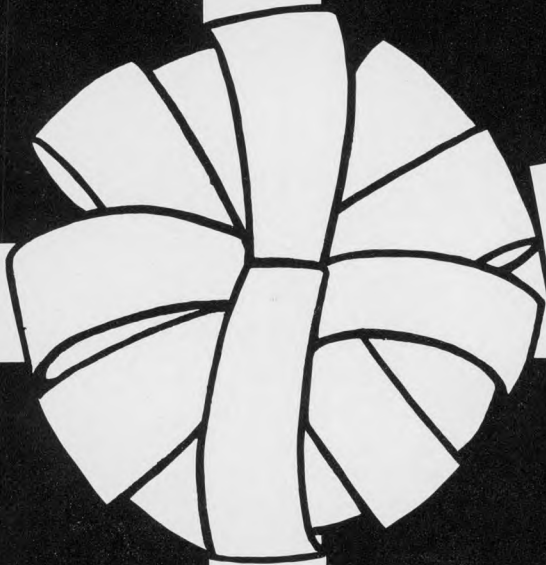
Lindgren & Taylor Architects of Des Moines designed the building.

To Head Grundy Bankers

Dave Loupee, vice president and farm representative, Farmers Savings Bank, Beaman, was elected president of the Grundy County Bankers Association at the group's recent annual meeting.

Dave Pike, assistant vice president, Farmers Savings Bank, Grundy Center, was named vice president, and Dorothy King, cashier, First State Bank, Conrad, was elected secretary-treasurer.

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Vice President

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Bill Carr



Jon Grindle



Jim Jensen

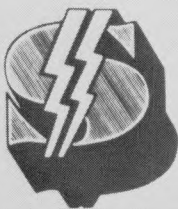
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HOSTING Dr. Earl L. Butz (left foreground) on his arrival at the Council Bluffs Savings Bank's Cattle Feeders Banquet were these officers of the host bank: **Ron Sealock** (behind Dr. Butz), exec. v.p.; **George Meyer**, v.p. (center), and **Ed Spetman**, pres.

Dr. Butz: Farm Strike Counterproductive

FARM animals and crop production cycles are creatures of nature and cannot be adjusted arbitrarily to the whims of those who would pursue a national farm strike scheduled for December 14, Dr. Earl L. Butz declared in Council Bluffs

last month.

Addressing the annual Cattle Feeders' Banquet sponsored by the Council Bluffs Savings Bank, Dr. Butz, former Secretary of Agriculture, said "the farm strike has already served its only useful

purpose in getting attention, and any further talk about it from now on will only prove counterproductive." Dr. Butz, now dean emeritus of agriculture at Purdue University, said all previous attempts by farmers to withhold products from the market "have always aborted."

Dr. Butz also attacked the Food and Agriculture Act of 1977, recently signed by President Carter. He said the policy is directed to a program of high supports and that government storage of grain will make American commodities less competitive on the world market. "We should be thinking more about moving this wheat into the world markets in the hope of developing higher prices in the years to come," he stated.

Dr. Butz further criticized Secretary of Agriculture Bob Bergland's decision to permit farm cooperatives to collect and pool price support loans on members' wheat and feed grains. This gives coops preferential treatment, he said. This decision by Secretary Bergland now is being challenged in the courts by private grain dealers who say such loan pooling would drive them out of business.

Ed H. Spetman, Jr., president of the Council Bluffs Savings Bank, which has hosted the Cattle Feeders' Banquet for many years, also introduced another speaker, E. H. Shorty Shoemaker, Jr., president of Milldale Ranch Company at North Platte, Nebr. Mr. Shoemaker expressed optimism for the cattle business the next few years.

A downtrend in cow herds has been followed by slaughter weights, he said, resulting in a strengthening of demand for beef. Recent heavy marketings of cattle have resulted in some price declines, he noted, but this weeding out has still brought prices \$3 to \$4 a hundredweight above prices of a year ago. He expects fed cattle prices to remain at \$40 or above during December, with a spread of \$38 to \$44 during 1978 and higher prices in the third and fourth quarters.

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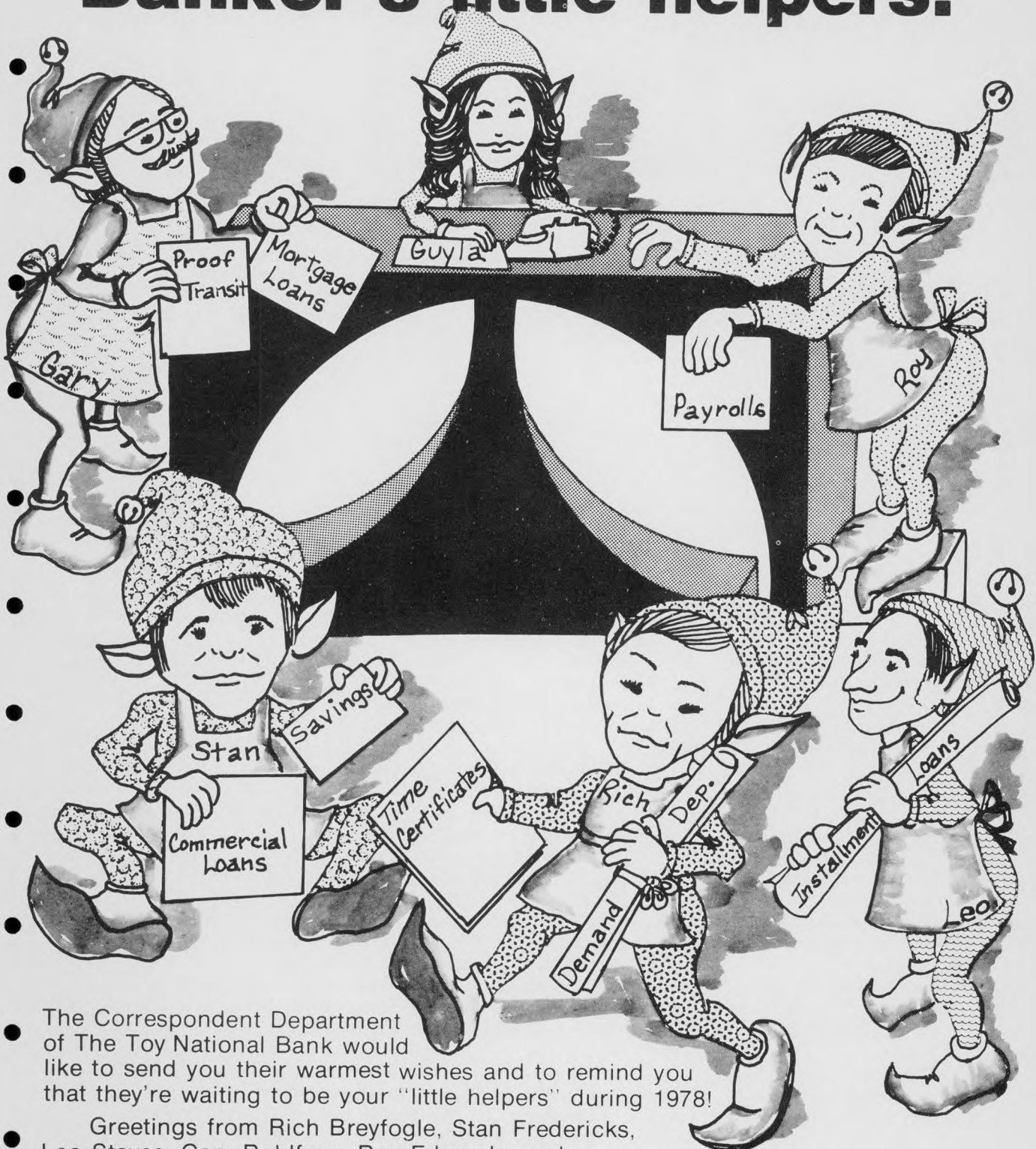
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Des Moines News

DALE C. SMITH, executive vice president of Central National Bank and Trust Company, retired November 30. He had been associated with Central National since May, 1931, starting his employment at the bank as a messenger in May, 1931, just a year after his graduation from Valley High School in West Des Moines.



D. C. SMITH

In his career of 46 and one-half years with Central, Mr. Smith was well known to thousands of bankers through his work in the correspondent bank department. During his first 11 years at the bank he had served as a messenger, then worked in several operational departments before serving in the Air Force from July, 1942, to January, 1946. Upon his return to the bank he was assigned to the correspondent department and worked there 24 years, the last nine of them as vice president and head of the department.

Mr. Smith was elected senior vice president in July, 1970, and executive vice president in July, 1971.

Throughout his career, Mr. Smith had a lasting interest in education, both formal and on-the-job. He had 10 years of training in American Institute of Banking classes and was a graduate of the Graduate School of Banking at the University of Wisconsin in one of its early classes ('49-'51). He then served for 10 years on the administrative staff of the

Graduate School, during which time he was known to hundreds of banker students as "House Mother." Through his correspondent bank contacts Mr. Smith convinced chief executives of a number of Iowa banks of the value of the Graduate School, resulting in a continuing flow of Iowa banker students to the School. He personally counseled a number of Central National staffers on the advantages of the Graduate School.

His service to the industry encompassed extensive work in both the Iowa Bankers Association and the American Bankers Association. After several years of dedicated committee service with the IBA he was elected president of the Iowa Bankers Association for 1966-67. He was appointed Iowa state vice president of the ABA for 1968; served as a member of the executive committee of the ABA's correspondent banking division in its infancy from 1971-73, and was a member of the ABA board of directors representing Region V (comprising seven midwestern states) in 1972-73 after a major reorganization within ABA. In addition, he served as a member of the advisory council to the Center for Industrial Research and Service, Iowa State University, from 1968-70.

In his personal pursuits, Mr. Smith has retained an abiding interest in the American Red Cross, stemming from his military service when he was a senior non-commissioned officer at a Salt Lake City Army hospital caring for wounded young men. He is presently serving the Central Iowa Chapter of the American Red Cross as a board

member and is a past director, chairman and treasurer of the chapter. He is also a former board member for the Des Moines Child Guidance Center.

Mr. Smith's other long-standing personal interest has been the Scottish Rite movement. He is serving presently as director and treasurer of the Scottish Rite Charitable and Educational Foundation of Iowa and is a director of Scottish Rite Park, Inc., the beautiful high-rise retirement apartment complex located near downtown Des Moines.

Mr. Smith was honored by his bank associates at a retirement party. He and his wife, Kay, will continue living in Des Moines at 2101 39th St. (50310).

James M. Middendorf of West Des Moines has joined the Capital City State Bank as a commercial loan officer. Following graduation from the University of South Dakota, he was with the Admiral Corporation.



Mr. Middendorf then joined J. M. MIDDENDORF Department of Banking in May of 1975.

Forest T. Lewis, president of Plaza State Bank, was named "Banker of the Year" by the American Institute of Banking at its annual Management Appreciation Banquet.



F. T. LEWIS

The banquet was held last month at the Hilton Inn. Guest Speaker was **Dick Andrews**, administrative assistant in sales and product development for Omaha Financial Life Insurance Company.

Mr. Lewis began his banking career in the Terril State Bank in 1933. In 1946 he joined Iowa State Bank's agricultural department. He advanced to vice president before his resignation in 1965 to accept a

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Forest T. Lewis (center), pres., Plaza State Bank, was named "Banker of the Year" by AIB. Pictured with Mr. Lewis are Peg Nuehring, AIB chapter pres. & real estate administrator, trust div., Iowa-Des Moines National Bank, and Ed Cunningham, chapter first v.p., & a.v.p. & mgr., instalment loan dept., Plaza State Bank.

position with Plaza State Bank. In 1966 he was promoted to executive vice president and in 1969 added trust officer to his title. Mr. Lewis became president in 1975.

Mr. Lewis has served AIB in several capacities, including being president in 1952-53. He has been a member of the organization for over 30 years.

Central National Bancshares, Inc., Des Moines based multibank holding company, through a newly formed subsidiary, has agreed to purchase the Central National Bank building at Locust and Sixth Avenue in Des Moines, and the adjacent parking ramp. The announcement was made by Kenneth M. Myers, president of the holding company. The seller is Hamden Associates Limited Partnership.

The principal tenant in the building is Central National Bank and Trust Company of Des Moines, a banking subsidiary of the holding company. The holding company offices also are located in the building.

Named Volunteer Chairman For Savings Bond Program

Wilma A. Hatting has been appointed volunteer chairman for the Savings Bonds Program in Osceola County. She is vice president and cashier of the First National Bank in Sibley.

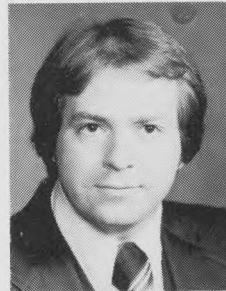
Joins First of Davenport

Daniel W. Hansen has joined the First National Bank of Davenport as an officer trainee in the instalment loan department. He is a 1975 graduate with a law degree from Drake University of Des Moines and has completed course work for a Master's degree in public administration at Iowa State University in Ames.

Union Story Bank, Ames Names Trust Officer

Dan W. Guerttman has joined the Union Story Trust and Savings Bank, Ames, as trust officer, head of the trust department, and a member of the investment and discount committees.

Prior to joining the bank, Mr. Guerttman was the assistant



D. W. GUERTTMAN

county attorney for Wright County and had a private law practice in Eagle Grove. A native of Spencer, he received his undergraduate degree from the University of Northern Iowa, Cedar Falls, with a major in economics and his law degree from the law school at Drake University in Des Moines, in 1976.

Jackson State Bank, Maquoketa, Promotions

Craig Bentrott has joined the Jackson State Bank, Maquoketa, as assistant to the president. He formerly was executive vice president of First Trust & Savings Bank, Wheatland.

The bank also has announced the following promotions: David Thieleke from vice president to executive vice president in charge of operations; Reid Erickson from vice president to senior vice president, instalment loans; Don Henningsen from vice president to senior vice president, farm loans; Mary Kay Flenker from assistant cashier to assistant vice president and loan operations officer; Margaret McCarthy from assistant cashier to assistant vice president and marketing officer; Paul Miller to assistant vice president and office manager, Delmar, and Richard Brown to instalment loan officer.

Director Changes Made at Muscatine Bank

Eugene E. Seyb, senior vice president, finance and administration, at Bandag, Inc., has been elected to the board of First National Bank, Muscatine. He succeeds Richard M. Disbrowe, vice president and general manager of Huttig Manufacturing Co., who resigned.

S. Central NABW Holds Meeting.

Marlene Owens recently spoke about her experiences while attending Mundelein College in Chicago at the evening meeting of the South Central Iowa Group of the National Association of Bank Women, Inc. She is assistant cashier of the Iowa Trust and Savings Bank of Centerville.

One guest and 29 members attended the meeting in Fairfield.

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Let Your Money Ride at Marion Bank



"LET Your Money Ride" was the theme of a recent promotion at The First National Bank of Marion, according to **Phil Morris**, pres. The bank offered a 49-piece Bachmann HO Electric Train set for \$14.95 with a deposit of \$250. The theme was appropriate due to the long history of Marion as a division point of the Milwaukee Railroad. Pictured above are members of the bank's staff who dressed up in "railroad clothes" for the promotion. Shown are (Left to right): **Ken McMurray**, **Diane Tuominen**, **Linda Norris**, **Marlene Wendell**, **Mary Jo Schaeffer**, **Beverly Techau** and **Mary Kay Miller**.

Toy National, Sioux City, Announces Promotions

L. H. Olson president of the Toy National Bank, Sioux City, has announced the following promotions in the bank's lending division: **Don H. Vaudt**, vice president, to be in



E. H. VAUDT

J. PESEK

charge of commercial lending; **James Pesek** elected vice president in charge of consumer lending, and **Michael Hunter** named commercial loan officer, commercial lending.

Mr. Vaudt joined the bank in 1970 as manager of the installment loan department after over 11 years of experience in the consumer finance area. He was elected vice president in 1973 and placed in charge of consumer lending in 1975.

Mr. Pesek joined the bank in 1973 as collection manager. In 1974 he was elected assistant cashier and in 1975 assistant vice president. He has been manager of the installment loan department since June of 1975. Prior

to joining the bank in 1976, Mr. Hunter was with a consumer finance company for four years. He has been collection manager since joining the bank and was elected installment loan officer in April of 1977.

AIB Chapter Honors Marshalltown Banker

The Iowa Valley Chapter of the American Institute of Banking (AIB) held a dinner recently in honor of **Thomas R. Smith**, president of Fidelity Brenton Bank and Trust in Marshalltown and newly-elected treasurer of the American Bankers Association.

Mr. Smith was honored for his active role in helping form the local chapter of AIB.

Second National of Eldora Names Poppen President

Don Poppen is the new president of the Second National Bank, Eldora. He had served as president of the Town and Country Bank in Quincy, Ill., since 1973.

John Goodenow of Wall Lake had served as acting president of the bank since last September when **Dennis Wood** left the post to assume the presidency of Packers National Bank in Omaha, Nebr.

Mr. Poppen, a native of Manson, Ia., is a 1961 graduate of Wartburg

College in Waverly with a degree in business administration and economics. He began his banking career in 1963 as operations supervisor for the First National Bank in Fort Dodge, a post he held for five years. He then served 13 months as cashier of the Security State Trust and Savings Bank in Bettendorf and over a year as vice president of the State Capitol Bank in Oklahoma City, Okla. Since 1971 he was with the Town and County Bank in Quincy as vice president and president.

Elected to Chicago Fed

John F. Spies and **Arthur J. Decio** have been elected directors of the Federal Reserve Bank of Chicago by member banks in the seventh Federal Reserve District. They will begin a three-year term on January 1, 1978.

Mr. Spies is president of the Iowa Trust and Savings Bank, Emmetsburg, Ia. This will be his second consecutive term as a class A director, elected by district member banks in the smallest size group.

Mr. Decio is chairman of the Skyline Corporation in Elkhart, Ind. He was elected to his first term as a class B director by medium-sized banks in the seventh district.

Announces Officers

Linda K. Sebolt is the new chairman of the Southeast Iowa Group of the National Association of Bank Women (NABW). She is cashier of Central Trust & Savings Bank in Eldridge.

Other new officers are: vice chairman—**Leota Holland**, assistant vice president, Fort Madison Bank and Trust Company; secretary—**Ruth Willits**, vice president, Northwest Bank and Trust Company, Davenport, and treasurer—**Ellen Nepote**, assistant trust officer, Keokuk Savings Bank and Trust Company.

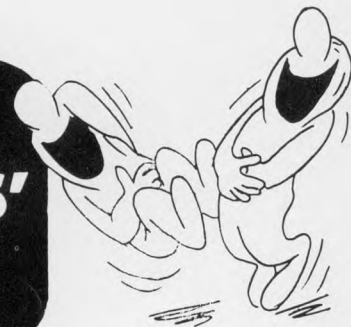
Edwin Gobble Linder

Funeral services were held recently for **Edwin Gobble Linder**, 84, retired Fairfield banker.

Mr. Linder began his banking career at Kingston in 1916. He joined the First National Bank of Fairfield in 1917 and the Iowa State Bank and Trust Co., Fairfield, in 1929. He retired in 1963.



In the DIRECTORS' ROOM



Unpacking the Car

Pa and Ma had worked hard all their lives to scratch out a meager living on their little farm up in the hills. When they reached age 65 they decided to retire and draw their Social Security.

Since they now had a steady income, they decided to take their entire life savings and buy the one thing they had always wanted — a new car. They purchased a new station wagon for \$6,000. It was loaded with all the extras . . . even down to the beautiful metal on the sides that looked like wood.

When they got it home, Pa got out the crowbar and proceeded to pry off all the panels on the sides and back that looked like wood. When he was finished he stood back and surveyed his handiwork and said, "You know, Ma, I think I liked it better when it was in the crate."

Misunderstanding

Father to daughter's suitor: "It's after 2 a.m. Do you think you can stay here all night?"

Suitor: "I'll have to phone home and find out."



"My husband gets more wrapped-up than that in his copy of the NORTHWESTERN BANKER."

What To Do After School

The PTA was involved in a serious discussion about what the children could do after school.

Many suggestions were made; playgrounds, youth huts, canteens, bicycle trails, even a youth center with a paid supervisor.

Finally, a practical-minded, gray-haired grandmother quietly asked, "Couldn't they go home?"

Unusual Disease!

A young doctor was making his first house call and went upstairs to visit the ailing woman. In a few minutes he came down and asked the husband for a screwdriver.

A few minutes later he was down again and asked for a hammer. The husband was quite puzzled but got him the hammer.

Again he came down and asked, "Do you have a hacksaw I could use?"

By this time the husband was beside himself and asked, "For heaven's sake, Doc, what's the matter with my wife?"

Don't know yet, came the reply. "I can't get the lock on my bag open."

New Collection Procedure

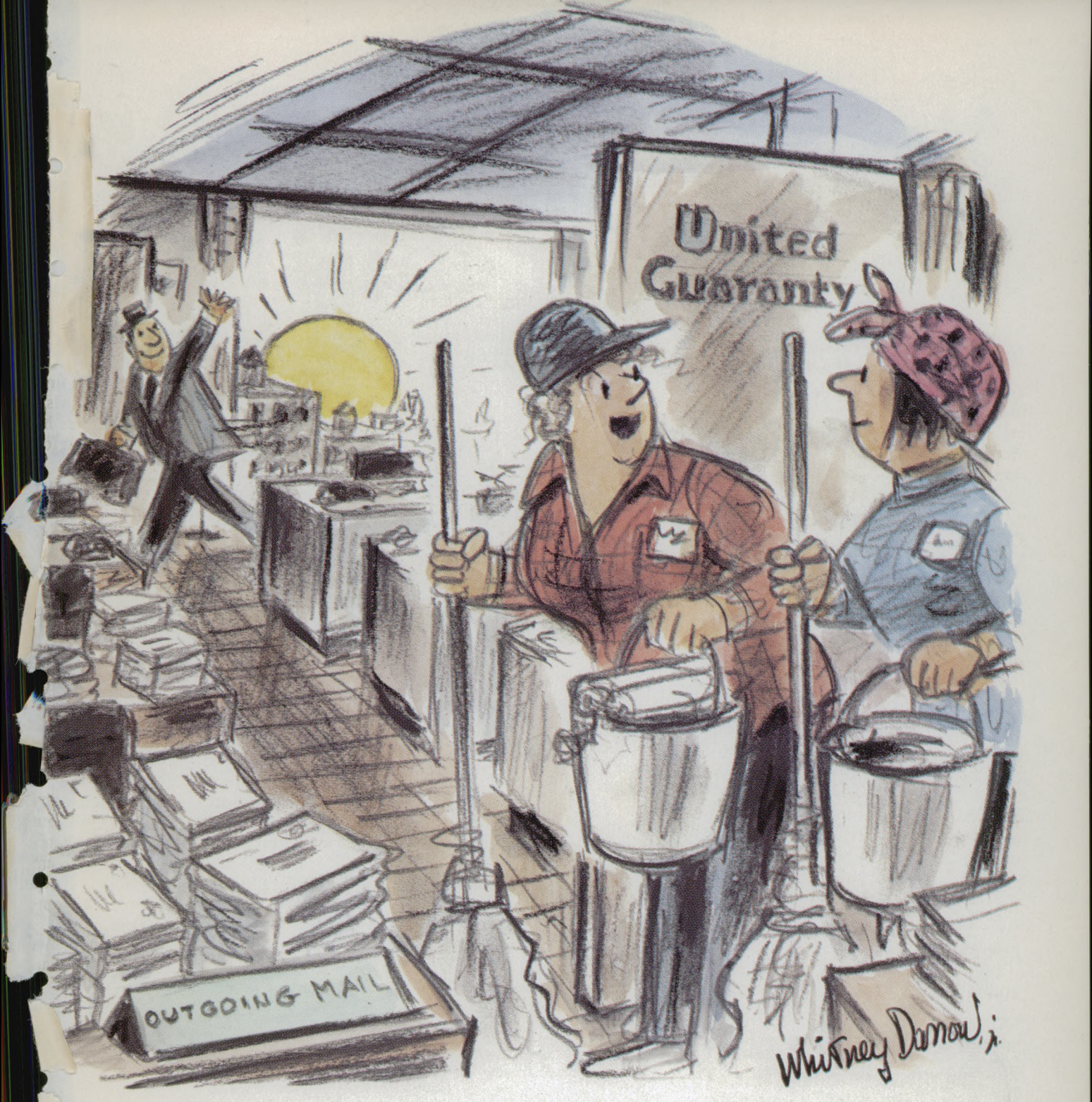
A businessman tried for many months to collect an overdue bill, but with no success. Finally, he sent a tear-jerking letter accompanied by a picture of his little daughter. Under it wrote: "The reason I need the money."

By return mail came a photo of a voluptuous blond in a bikini. It was captioned: "The reason I can't pay."

INDEX OF ADVERTISERS

DECEMBER, 1977

Acorn Printing Co.	90	Daktronics	12	Manufacturers Hanover Trust Co.	49-52
Allison-Williams Co.	60	DeLuxe Check Printers	15	Merchants National Bank	2
American National Bank, Chicago	44	Employers Mutual Companies	43	Midland National Bank	57
American National Bank, St. Paul	59	First Mid America	74	Miller, J. T., Co.	39
American Trust & Savings, Dubuque	83	First National Bank, Chicago	11	Mobile Leasing, Inc.	14
Banco Financial Corporation	54	First National Bank, Denver	67	Modern Banking, Inc., Omaha	19
Bank Building Corporation	33	First National Bank, Lincoln	79	National Bank of Commerce	73
Bankers Trust Co., Des Moines	80	First National Bank, Minneapolis	61	National Bank of Waterloo	85
Banks of Iowa Computer Services	88-89	First National Bank, Omaha	77	North Central Life Companies	8-9, 17A
Brandt Systems	3	First National Bank, St. Paul	13	Northern Trust Co.	27
Central National Bank, Des Moines	93	First National Bank, Sioux City	86	Northwestern National Bank, Sioux City	3
Chase Manhattan Bank, New York	29	Gross, Kirk, Co.	84	Northwestern Bell Telephone Co.	7
Continental Bank, Chicago	22	Harris Bank, Chicago	17	Omaha Financial Life Insurance Co.	6
		Heller, Walter E. & Co.	20-21	Packers National Bank	76
		Insured Credit Services	41	Piper, Jaffray & Hopwood	58
		Iowa Bankers Insurance & Services	87	Security National Bank	5
		Iowa-Des Moines National Bank	98	Toy National Bank	91
		Kooker, E. F. Associates	84	United Guaranty Insurance	97
		Lease America, Cedar Rapids	90	United States Checkbook Company	48, 58
		Le Febure Corp., Cedar Rapids	5	United States National Bank	70
		Lincoln Benefit Life Co.	78	Van Wagenen, G. D.	4
				Western Capital Corp.	16



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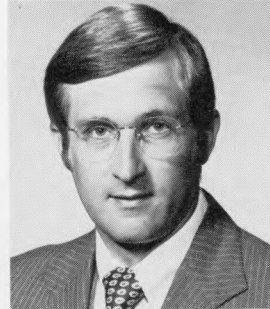
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