

NORTHWESTERN *Banker*

APRIL
1978



- **The Spring Agricultural Outlook—Survey**
- **Potential Risks of Bank Directors**
- **Area Insurance Firms Report Progress**
- **Nebraska Bankers Annual Convention Program**

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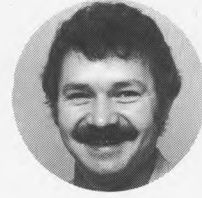
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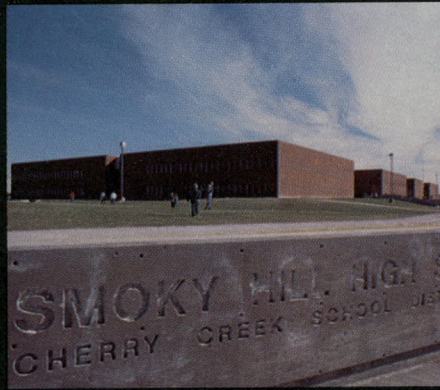
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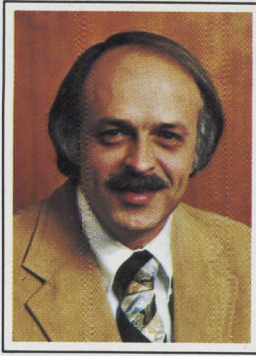


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NORTHWESTERN Banker

APRIL 1978 • 85th Year No. 1375



OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES
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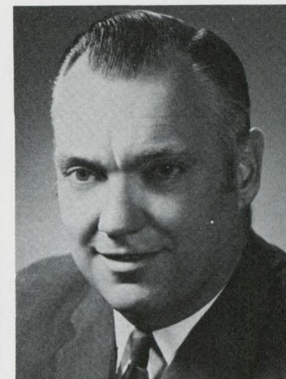
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Harold Larmon, NBA President



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If you sell your customers an ordinary brand of travelers cheques, be sure to tell them not to lose them on a weekend.

Or on a holiday. Or even at night.

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BAI Holds Conference In San Francisco

U. S. Congressman Henry S. Reuss, chairman of the House Committee on Banking, Finance and Urban Affairs, will keynote the opening session of Bank Administration Institute's (BAI) first Spring Conference in San Francisco. The meeting will be held at the Hyatt Regency in Embarcadero Center April 23-26.

BAI Chairman Horace Dunagan, Jr., also will address delegates at the opening session. He is president of the First State Bank of Caruthersville, Mo.

Commenting on the meeting, Mr. Dunagan said the conference, and another to be held in May in New Orleans, will replace BAI's four regional conventions previously held each spring.

Five special interest workshops on Wednesday morning include an indepth discussion of the problems of international banking, the technique of memory recall, a case study approach to building a plan for teller selection, a bank performance clinic using a computer printout of the performance of the participant's own bank, and how to start a bank planning committee, what to expect from it, and what it will cost.

In addition, the conference will have 17 technical sessions featuring more than 30 different speakers and banking subjects. Leading bank suppliers will exhibit the latest equipment and services throughout the meeting.

Graduate School of Banking Names Nelson Chairman

Robert C. Nelson, executive vice president, Indiana Bankers Association, has been appointed chairman of the board of trustees of The Graduate School of Banking at the University of Wisconsin-Madison. The school is sponsored by the 16 states of the Central States Conference of Bankers Associations.

Mr. Nelson will complete the unexpired term of William J. Daner who left the board following his resignation as secretary and general counsel of the North Dakota Bankers Association and his return to private law practice.

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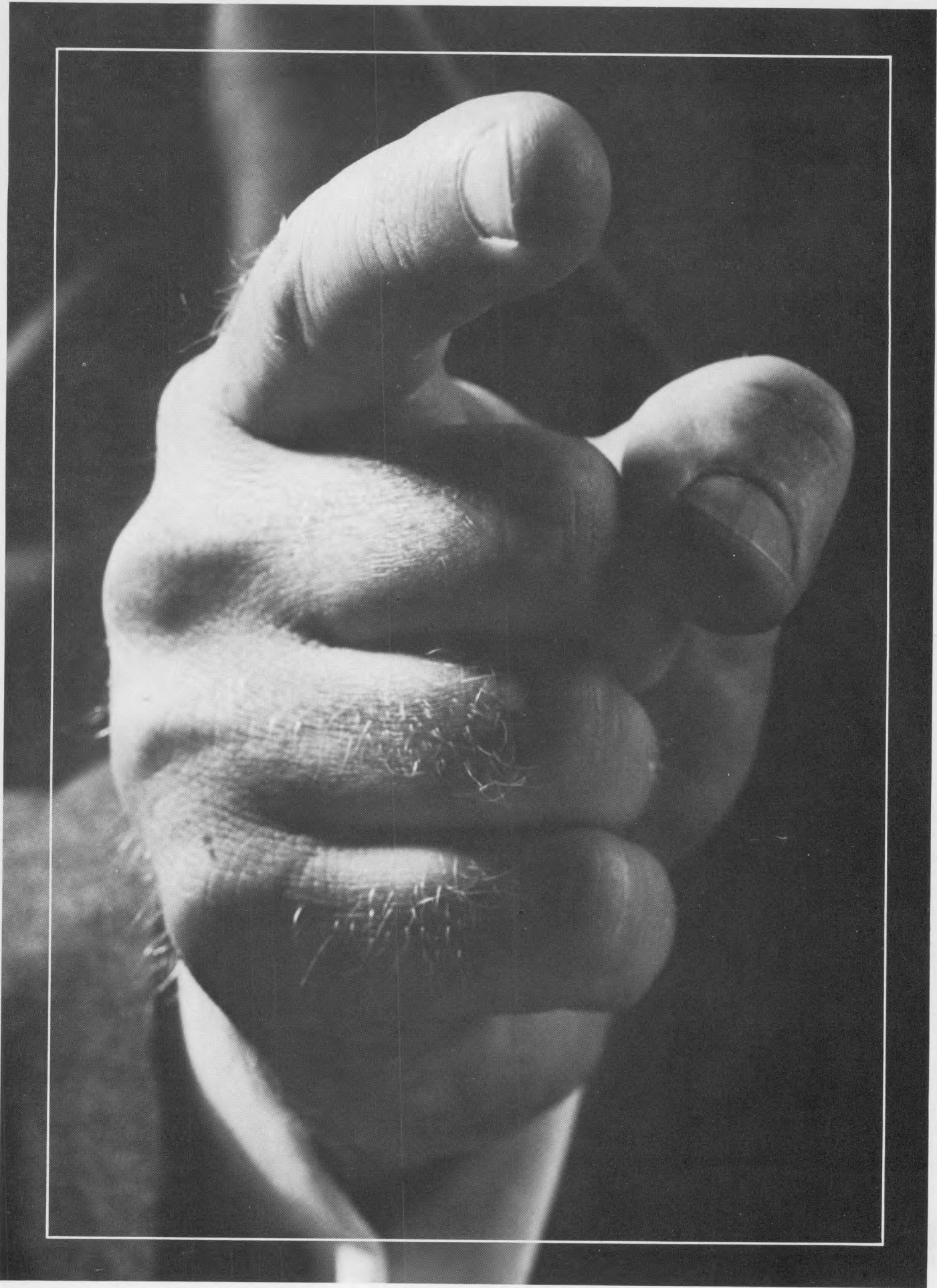
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BICS is more efficient and saves you money for a simple reason: adaptability.

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Equally important, BICS offers the best support team available. Don't be misled; computers **aren't** the total answer.

And BICS gives you the most effective support team going — proved by the constant enhancement of existing systems — proved by the introduction of key industry innovations.

And as for services — BICS offers you the single largest group of services you'll find anywhere.

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At far less investment than our standard 10-character display.

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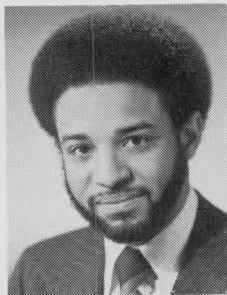


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Bank Promotions

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

American National Bank, Chicago: Frederic C. Dawson and Richard G. Harvie have been elected trust investment officers. Mr. Dawson, portfolio manager, joined the bank in 1976. Mr. Harvie, who joined the



F. DAWSON



R. HARVIE

bank last December as a portfolio manager, is head of investment management in the trust investment division.

Drovers Bank of Chicago: James J. Carmody, 53, has been named executive vice president to head the banking division responsible for all commercial banking and consumer lending operations. Before joining the bank, Mr. Carmody was a vice president of

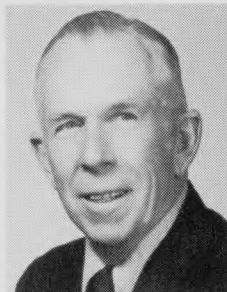


J. J. CARMODY

the First National Bank of Chicago and head of the brokers division in the corporate banking department. Prior to that he was senior vice president of corporate banking at LaSalle National Bank of Chicago for 12 years, and before that was vice president of the corporate division of Colonial Bank and Trust Company, Chicago.

First National Bank, St. Louis, Mo.: Dennis L. Noah has been elected assistant vice president. New officers elected are C. Gean Griffin and Edward B. Parsons, personal banking officers; Harry J. Johnson, retail banking officer, and Mary M. Maurer, data processing officer.

First Stock Yards Bank, St. Joseph, Mo.: John E. Karn has been elected president and director succeeding H. H. Broadhead, Jr., who has been elected chairman.



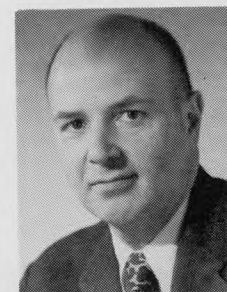
H. H. BROADHEAD



J. E. KARN

Mr. Karn joined the bank in 1960. He was promoted to assistant cashier in 1964, cashier in 1968, vice president/cashier in 1970 and executive vice president in 1975. Mr. Broadhead has been with the bank since 1939. He progressed in 1947 to assistant cashier, in 1951 to assistant vice president, in 1954 to vice president and director and in 1970 to president.

Harris Trust and Savings Bank, Chicago: Richard L. McAuliffe, senior vice president, has been named controller and head of the planning and control group. He formerly served as head of the banking services group. Succeeding him in the post will be P. David Hubbard, vice president, who has been bank secretary and head of the corporate activities office. N. Daniel Engstrom, former vice president in charge of the trust department's estate administration division, has become bank secretary and head of corporate activities. Russell L. Mitchem, vice president, succeeds Mr. Engstrom. James A. Graves has been named head of the trust tax division.

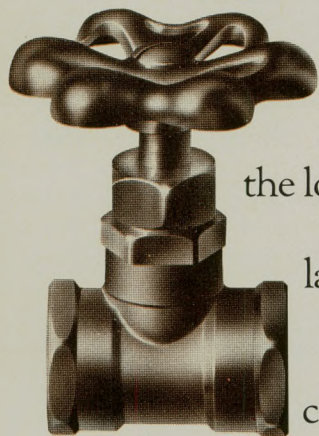


R. L. McAULIFFE



P. D. HUBBARD

Why banks suggested Ætna Money for valves in Minnesota and light dimmers in Georgia.



His banker had two good reasons to hesitate when the valve manufacturer asked for growth money.

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And inventory financing was needed, but the bank lacked the staff to monitor the collateral.

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Result? The manufacturer continued his growth and improved his relationship with the bank.

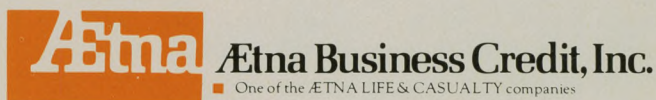
To stay competitive, the manufacturer of light dimmers had to expand his product line. But he was also having temporary financial difficulties, so his bank was unwilling to increase his credit line.

Solution? Ætna Money. With the bank participating, we provided a financing program collateralized by inventory and receivables.

Result? The manufacturer expanded his product line, his profits, and his business with the bank.

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Although certain identifying facts have been changed to protect client confidentiality, these are authentic examples of Ætna Money at work.

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Harris Bankcorp, Inc., parent of the bank, has announced the nomination of two new directors: Mary Petrie, treasurer of the University of Chicago, and John J. Schmidt, president of Santa Fe Industries.

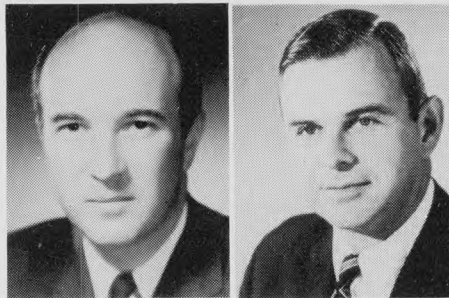
LaSalle National Bank, Chicago, Ill.: Bruce L. Dahltopp has been promoted to senior vice president and Emil J. Schubert to vice president, metropolitan division.

Northern Trust Company, Chicago: E. Norman Staub officially succeeded Edward Byron Smith last month as chairman and chief executive officer of the bank, according to the successor plan reported last November in anticipation of Mr.



C. H. BARROW

Smith's retirement. Mr. Smith will continue his posts with the holding company until March, 1979. Mr. Staub was vice chairman of the bank



W. J. ARMSTRONG

D. W. FOX

and continues as vice chairman of the holding company.

Solomon B. Smith did not stand for reelection as a director of Nortrust Corporation, the parent holding company. In his place, stockholders elected James W. Cozad, vice president-finance, and a director of Standard Oil Company (Indiana). Stockholders also voted to change the holding company name to Northern Trust Corporation.

Mr. Staub last month announced several top executive changes within the bank. Charles H. Barrow, executive vice president, has been appointed to the new post of senior executive vice president and was elected a director of the bank. He will be the bank's third principal officer,

working with Mr. Staub and Philip W. K. Sweet, Jr., president.

Mr. Barrow will have responsibility for the banking, international operating, auditing, building, and advertising and public relations departments. He joined Northern Trust in 1952 and was named executive vice president in 1973.

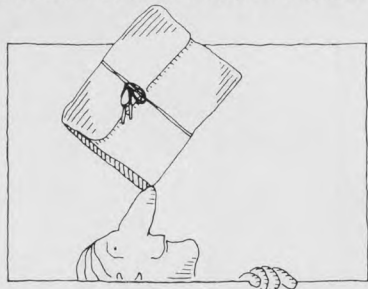
Mr. Staub also announced the assignment of W. James Armstrong, executive vice president, to responsibility for all bankwide planning activities. David W. Fox has been elected executive vice president to succeed Mr. Armstrong as head of the banking department.

Design Awards Competition

Bank Building Corporation recently held its annual Design Awards Competition and selected 11 of the 64 projects entered for special awards. Banks winning awards from the area covered by the Northwestern Banker are: award of excellence—Herget National Bank, Pekin, Ill.; awards of merit—Merchandise National Bank, Chicago, Ill., and First National Bank of West Union, St. Lucas, Ia.

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BMA Announces School For Marketing Managers

The Bank Marketing Association (BMA) has announced details of its 1978 Bank Management School for Marketing Managers (formerly called the Graduate Course in Bank Marketing Management), August 12-18 at the University of Wisconsin, Madison. The school is sponsored annually by BMA in cooperation with the University.

The program is designed to provide bank marketing managers with exposure to advanced marketing subjects and management concepts and practices.

A highlight will be the participation by students in BankSim I, a computer bank simulation program which lets students act as members of a senior management team. Intensive class discussion, visual presentations and swap sessions are included.

Those interested should apply as soon as possible for the limited number of places available.

For more information contact: Schools Registrar, Bank Marketing Association, 309 West Washington Street, Chicago, Ill. 60606.

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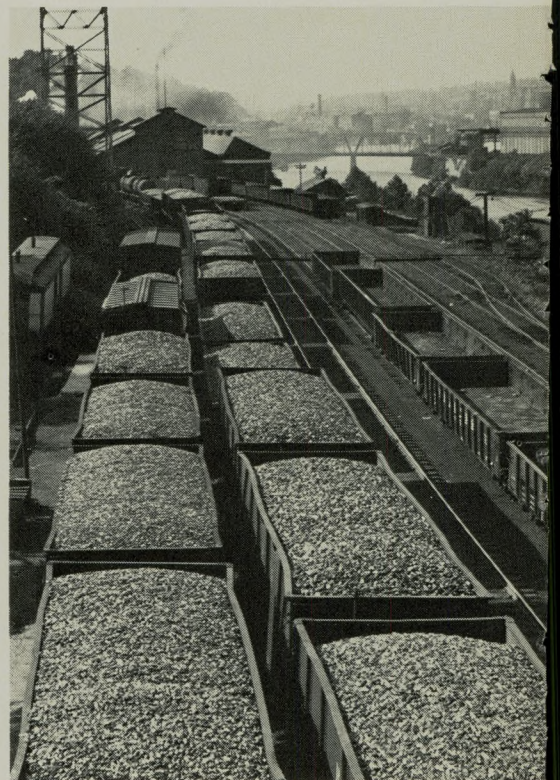
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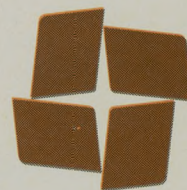


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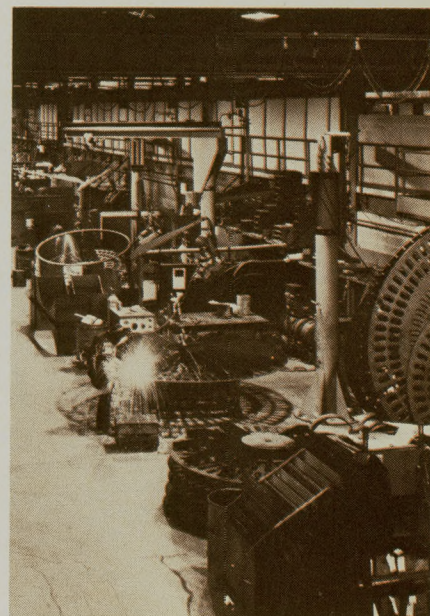
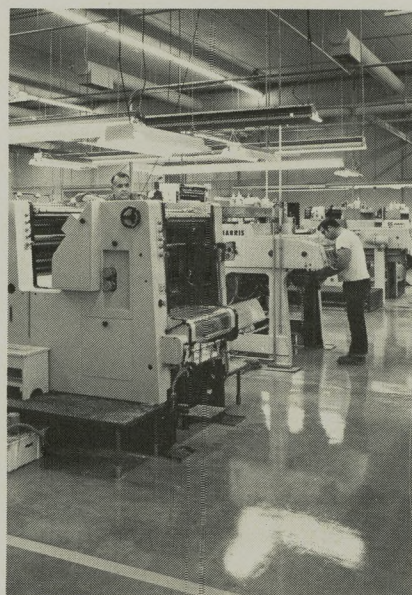
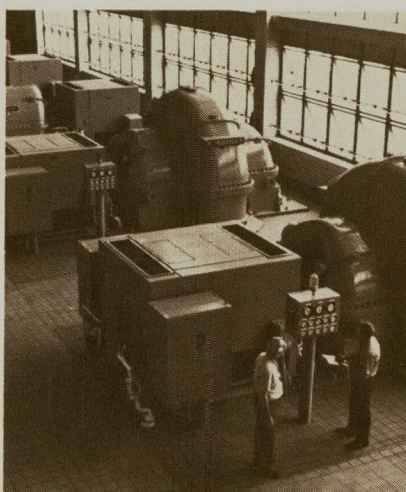
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Convention Calendar


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

- Apr. 5-7—National Association of Bank Directors 2nd Annual Convention, O'Hare Inn, Chicago.
- Apr. 8—AIB District 10 Vice President Workshop and Public Speaking Contest, Four Seasons Motor Inn, Colorado Springs, Col.
- Apr. 9-12—Conference of State Bank Supervisors 77th Annual Convention, Hyatt Regency, San Francisco.
- Apr. 15—AIB District II Vice President Workshop and Public Speaking Contest, Concourse, Madison, Wisc.
- Apr. 16-21—ABA Community Bank Chief Executive Officer Program, The Wigwam, Litchfield Park, Ariz.
- Apr. 16-27—ABA National Commercial Lending School, University of Oklahoma, Norman.
- Apr. 26-28—ABA Governing Council Meeting, The Greenbriar, White Sulphur Springs, W.V.
- Apr. 30-May 2—Nebraska Bankers Association Annual Conference, Omaha Hilton.
- May 7-12—ABA National Commercial Lending Graduate School, University of Oklahoma, Norman.
- May 10-12—South Dakota Bankers Association 86th annual Convention, Rushmore Plaza Civic Center, Rapid City.
- May 18-20—NABW Western and Rocky Mountain Regional Conference, Century Plaza, Los Angeles.

- May 21-24—ABA National Marketing Conference, Disneyland Hotel, Anaheim, Calif.
- May 21-24—ABA National Operations and Automation Conference, Peachtree Plaza Hotel, Atlanta.
- May 21-27—IIIB 19th Senior Bank Officer Seminar, Harvard Business School, Boston, Mass.
- May 22-24—North Dakota Bankers Association 93rd Annual Convention, Ramada Inn, Minot.
- May 28-June 2—BMA School of Trust Business Development and Marketing, University of Colorado, Boulder.
- May 28-June 9—BMA Essentials of Bank Marketing Course, University of Colorado, Boulder.
- May 29-30—AIB Annual Convention, Chicago.
- June 1-3—Colorado Bankers Association 77th Annual Convention, Broadmoor Hotel, Colorado Springs.
- June 4-6—Illinois Bankers Association Annual Convention, Peoria Hilton Hotel.
- June 7-9—Nevada Bankers Association Annual Convention, The MGM Grand Hotel, Reno.
- June 12-14—Minnesota Bankers Association 88th Annual Convention, Radisson Muehlebach, Bloomington.
- June 14-16—Wyoming Bankers Association Annual Convention, Jackson Lake Lodge, Moran.
- June 18-21—Wisconsin Bankers Association Annual Convention, Pfister Hotel & Tower, Milwaukee.
- July 8—District 7 AIB Leaders Conference, MGM Grand Hotel, Reno.
- July 15—District 10 AIB Leaders Conference, Denver.
- June 18-21—Wisconsin Bankers Association

- Annual Convention, Pfister Hotel & Tower, Milwaukee.
- July 8—District 7 AIB Leaders Conference, MGM Grand Hotel, Reno.
- July 15—District 10 AIB Leaders Conference, Denver.
- July 15—District 11 AIB Leaders Conference, Indianapolis, Ind.
- July 20-22—Iowa Independent Bankers Association 7th Annual Convention, The New Inn, Lake Okoboji.
- July 23-28—ABA National School of Bank Card Management, Northwestern University, Evanston, Ill.
- July 31-Aug. 12—BAI School of Bank Administration, Graduate Program, University of Wisconsin, Madison.
- Aug. 4-15—Northwest Intermediate Banking Schools, Lewis and Clark College, Portland, Ore.
- Aug. 6-18—Colorado Bankers Association Colorado School of Banking, University of Colorado, Boulder.
- Aug. 12-18—BMA Bank Management School for Marketing Managers, University of Wisconsin, Madison.
- Aug. 14-25—ABA National Graduate Trust School, Northwestern University, Evanston, Ill.
- Aug. 17-20—Independent Bankers Association of Minnesota, 17th Annual Convention, Arrowwood Resort, Alexandria, Minn.
- Sept. 10-13—ABA Annual Bank Card Convention, Fairmount Hotel, Dallas.
- Sept. 10-15—RMA Loan Management Seminar, Indiana University, Bloomington.
- Sept. 11-16—Nebraska Bankers Association Basic School of Banking, Nebraska Center, Lincoln.
- Sept. 13-15—Association for Modern Banking in Illinois Annual Meeting, Continental Plaza, Chicago.
- Sept. 17-20—BAI 54th Annual Convention, Hilton Hotel, New York.
- Sept. 17-20—BMA Trust Marketing Workshop, Copley Plaza, Boston.
- Sept. 17-29—ABA National Instalment Credit School, Second Session, University of Oklahoma of Norman.
- Sept. 24-26—ABA National Personnel Conference, Denver Hilton, Denver.
- Sept. 24-26—Iowa Bankers Association 92nd Annual Convention, Hotel Fort Des Moines.
- Sept. 24-27—NABW 56th Annual Convention, Caesars Palace, Las Vegas.
- Sept. 25-27—ABA Secondary Mortgage Market Workshop, Chicago.
- Oct. 15-19—BMA 63rd Annual Convention, Palmer House, Chicago.
- Oct. 17-20—Independent Bankers Association of North Dakota, 11th Annual Convention, Kirkwood Motor Inn, Bismarck.
- Oct. 21-25—ABA Annual Convention, Honolulu, Hawaii.
- Oct. 22-26—Independent Bankers Association of America 12th Annual Seminar for Junior Bank Officers, Ball State University, Muncie, Ind.
- Oct. 29-Nov. 2—BAI Bank EDP Audit Conference, San Francisco.
- Oct. 30-Nov. 4—Nebraska Bankers Association Advanced School of Banking, Overland Park, Kan.
- Nov. 5-8—RMA 54th Annual Convention, Dallas, Texas.
- Nov. 8-10—ABA Midcontinent Trust Conference, Drake Hotel, Chicago.

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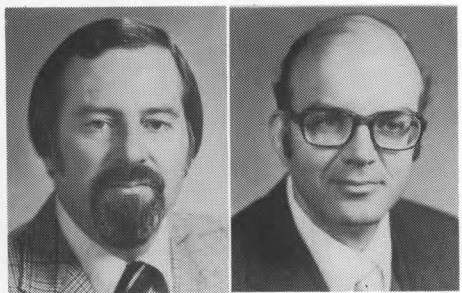
Corporate News

PROMOTIONS and announcements have been made by the following firms:

Aetna Business Credit, Inc., East Hartford, Conn.: The creation of two executive vice president positions at this commercial finance company has been announced. Executives named to fill the positions are James T. Verfurth, commercial finance



J. T. VERFURTH



B. L. LAVERY

J. L. WAREN

operations, and Bernard L. Lavery, intermediate term lending operations. Mr. Verfurth previously was senior vice president, eastern division. Mr. Lavery was senior vice president, commercial and industrial division. Additionally, Jack L. Waren, head of the portfolio review department, has been promoted to senior vice president.

Allison-Williams Company, Minneapolis, Minn.: I. D. Owen, who joined the company when it was founded in 1919, has been named chairman emeritus. The appointment follows a long career in the municipal and corporate bond business, during which Mr. Owen served as the company's executive vice president, president and chair-



I. D. OWEN

D. H. OWEN



R. GILLIGAN

R. C. TENG DIN

man. He shares the new title with W. J. Allison, one of the firm's founders. Named to succeed Mr. Owen as chairman is Robert C. Tengdin, with the company since 1952 and formerly executive vice president. Willys P. Jones continues as president and chief executive. Raymond E. Gilligan and David H. Owen have been named executive vice presidents.

American International Group, Inc., New York, N.Y.: William S. Mooney has been appointed administrative vice president in addition to his position as vice president-claims.

Clifford E. Reedy has been elected president of American International Adjustment Company, Inc., newly formed subsidiary of American International. The firm will function as an independent adjustment organization and at the outset will provide claim service primarily to companies of American International Group. Mr. Reedy, who has over 30 years experience in the claim field, has been president of GAB Business Services, Inc.

Bank Building Corporation, St. Louis, Mo.: Patricia E. Fussner has

been promoted to executive assistant to the chairman, making her a member of the management group. She joined the company in 1961 and most recently was special assistant and secretary to Joseph A. Smith, chairman and chief executive officer.



P. E. FUSSNER

Bank Consultants of America, Denver, Colo: New vice presidents

named are Charles A. Loop, marketing and Lewis E. Johnson, operations. Mr. Loop, formerly director of marketing in the firm's midwest division office in Chicago, fills the newly created position of vice president-marketing. Mr. Johnson was promoted from his position as mountain states division manager. The company markets a complete package of design, engineering, interior and construction management services to financial institutions.



C. A. LOOP

Blunt Ellis and Loewi Incorporated, Chicago and Milwaukee: Ronald Melvin, president of Blunt Ellis & Simmons, Incorporated, and Gilbert H. Schubert, president of Loewi & Co., Incorporated, have announced an agreement in principle today for the merger of the two firms to form Blunt Ellis and Loewi Incorporated with joint headquarters in Chicago and Milwaukee. The company, which will be an affiliate of Loewi Financial Companies, Ltd., will become the largest regional investment securities firm serving Illinois and Wisconsin.

ABA Operations Survey To Be Discussed in May

Preliminary results of the American Bankers Association's (ABA) National Operations and Automation Survey will be announced at the 1978 National Operations and Automation Conference, May 21-24, in Atlanta.

The survey is conducted every three years by the ABA's operations and automation division. The questionnaire has been sent to all banks with deposits over \$500 million as well as to a stratified random sample of about 4,500 banks with smaller deposit totals.

Those interested in further information on either the Survey or the 1978 National Operations and Automation Conference should contact Arnold Kaplan, Operations and Automation Division, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036.

What's New

A NEW, coin sorter/counter for banks, savings and loans, vending companies and other high-volume money handling firms, allowing the operator to set the exact amount of coins to be delivered to each bag, was announced recently by Brandt, Inc.



Optional equipment includes an automatic feed holding up to 19,000 dimes. An optimum loan of coins is automatically regulated and maintained.

Also available is a Model 946 printer to record coin totals, and a security stand in which bags hanging from the machine are locked.

All Brandt equipment is constructed for precision, durability and long life. Machines are backed by service provided through factory-trained specialists nationwide, who have immediate access to any replacement part required.

For further information about the Model 936 and its capabilities, contact Brandt, Inc., Watertown, Wisconsin 53094. The firm is a leading manufacturer of coin and currency processing equipment, with nationwide sales and manufacturing facilities serving users throughout the U.S. and Canada.

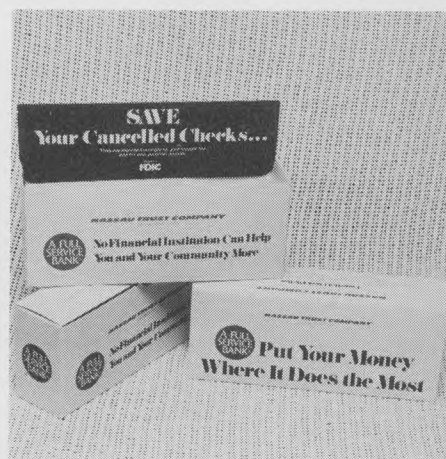
AS A way of applying merchandising techniques to help America's commercial banks in the multi-billion-dollar competition for personal checking accounts, the American Bankers Association has recognized and endorsed the Full Service Bank Check File as an attractive, dignified and useful means of holding onto cancelled checks. These may be called into service for some years as legally acceptable receipts for income tax and bill payments.

The file is shipped flat but easily unfolds along clear creases into its essential box-shape measuring 8¾" long by 3½" high by 2" wide. Colors are dark brown and sky blue on the white boxboard with a dull sheen. Space is indicated for such filing information as check dates and numbers.

Manufactured for Full Service Bank Productions, Inc., an affiliate of Christmas Club a Corporation, the cancelled check file serves a number of valuable purposes, according to Albert C. Winiarski, product manager.

"As a great convenience for present bank customers," he said,

"the file can provide orderly and easily accessible reference for tax payment evidence, for records of contributions, for medical bills and for matters like utility, service, installment and other payments made by check."



Excellent display space is provided in three main areas of the graphic design of the check file for an individual bank imprint in the same bright blue as the registered Full Service Bank logo. Thus, the individual bank, the Full Service Bank organization and the American Bankers Association are all tied together with the ABA's \$4.1 million national advertising program. Still further tying in for the additional power through unification are such widely promoted copy themes as "Put your money where it does the most" and "No financial institution can help you and your community more."

For a free sample of the cancelled check file and for inquiries about shipping and quantity prices, write: Albert C. Winiarski, Product Manager, Full Service Bank Productions, Inc., P.O. Box 1098, Bethlehem, Penna., 18016, or phone 215-258-6101.

The Model 936, scheduled for April production at Brandt headquarters, Watertown, Wisc., stops automatically when the desired quantity of coins is reached. The operator-set bag stops make the machine particularly flexible and adaptable to any coin-counting operation.

Controls are easily set, and the operator is free to perform other tasks while the 936 is sorting, counting and totaling up to 600 coins per minute. Mixed coins from the hopper are handled in one smooth operation.

The new Brandt unit has a memory which always retains an accumulative total, and an instantaneous electronic readout giving batch and accumulative figures. Backup mechanical registers by denomination add to the operator's total control, according to the manufacturer.

The 936 is finished in a soft desert tan color to enhance a variety of setting. It stands 20 inches deep, 19 inches wide and 25½ inches high, and weighs only 115 pounds.

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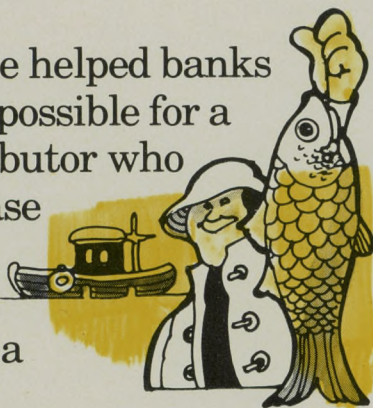
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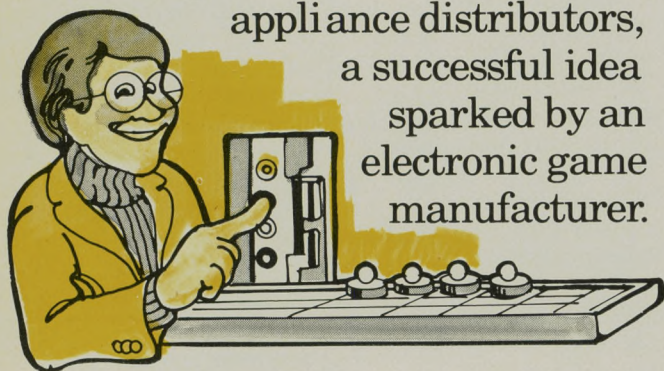
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The spring ag outlook



A NORTHWESTERN BANKER Survey

CONTINUED high ag loan demand is expected to prevail throughout the spring months, according to responses from area bankers to the NORTHWESTERN BANKER's spring agricultural survey. Some improvement in cash flow has been noted by improved prices for grains and livestock, as well as various types of government loans and subsidy payments. Ag banker participants in this latest survey report the following on current farm conditions and the outlook for the next few weeks.



W. E. Reigle, vice president, Dixon National Bank, Dixon, Ill.: Our present loan deposit ratio is 57.6. This is higher than we have been in the past, largely due to the fact that we are carrying loans for last year's produce and the grain has not been delivered because of tie-ups at the river terminal. A large part of this grain has been sold for January and February deliveries but as yet has not been delivered. We would anticipate that our farm loan demand for the next 60-90 days will be less than last

year because of the anticipated pay back from undelivered grain. We are in a position to handle this demand and will be doing it all without correspondent help. Our lending limit is sufficient to meet these demands. We do not see any payments because of SBA's involvement at this time.

Planting intentions appear to be normal as far as averages of corn and beans are concerned. There has been very little effect in our immediate area because of

the farm strike and to my knowledge, we have no one actively taking part.

Our current deposit total is \$65,000,000 and Dixon is a community of 18,000 people.

C. N. Finson, president, National Bank of Monticello, Ill.: We anticipate that our farm loan demand will increase during the next 60 to 90 days as farmers incur expenses for fuel, seed, fertilizer and other costs associated with the planting season. This demand might be offset by reductions in 1977 crop loans from sale of 1977 grain but we doubt if the reductions will be as great as the demand for advances. We are currently loaned to about 75% of deposits and expect this percentage to creep up 2 or 3% by June 1. Our bank expects to handle this demand except for some overlines exceeding our lending limit. Later in the year, we may have to sell some excess loans to correspondents and will probably utilize funds from the season loan program of Fed.

Little SBA loan activity exists in our market area, and we do not expect any influence on either deposits or loans.

Planting intentions for 1978 crop will not be

The spring ag outlook



abnormal. A shift of some acreage from corn to soybeans may occur simply because production costs are lower. Farmers generally will not comply with the USDA set-aside if the market price and loan price of corn stay close together, as they are now. The farm strike will have very little effect on 1978 plantings in our area. If a customer of ours wished to participate in the strike and owned us money, we would not agree to finance annual payments and living costs above income projections unless the financial strength of the customer would justify it.

We have placed our emphasis in working with farm customers on trying to assist them in adjusting their operation to lower income, in paring costs and in attempting to restore profitability.



Jon E. Foley, vice president and agricultural representative, First National Bank, Creston, Ia.: Our demand for farm loans for the next 90 days will continue to increase for spring needs. Our ratio has been running in the 60% area and will

continue there. We will be able to handle the demand for loans. We will be able to handle 98% of the loans in our bank; 2% will go outside as overline loans.

SBA loans are helping pay down farm loan portfolio 40%.

Planting intentions in our trade area are going to remain about the same. No major change, only a small percentage more will be seeded down.

USDA set-aside program will not have large participation in this area. Too many farmers will not seed down 10% for nothing.

The farm strike will not and does not mean much to many farmers in our area. Our farmers are selling grain as price dictates when they have payments due. Also, they are not holding livestock.

James Lipton, president, Iola County State Bank, Ida Grove, Ia.: Farming intentions are normal. Little interest apparently is being shown the set-aside program at this time. Everybody is waiting to see what the final details will be. Farm strike is not a factor in this area; few farmers even discuss it. I feel that the strike has received national attention because there wasn't anything better for them to put on the TV and we have no feelings one way or the other about it except that some of the demands seem rather vague at the present time.

Our loan demand has been very heavy and it has

taken a lot of fancy footwork to be able to keep up. We have received help from our correspondent banks and also have discounted through our Ag Credit Corporation. The SBA has not been helpful to our agricultural customers. Any requests seemed to be bogged down in paper work and the backlog at the Des Moines office so that most farmers are discouraged about even considering it.

L. C. Pike, president, Farmers Savings Bank, Grundy Center, Ia.: We anticipate loan demand for farmers to be quite strong for the next 60-90 days; however, we do not expect loan to deposit ratios to change much during this period. We are between 73 to 75% loaned up and expect this ratio will remain steady. Good income from sale of hogs and cattle has helped pay off some loans and also has been a help in offsetting other income that farmers would have had by now from sale of corn and beans.



L. C. PIKE

A large number of acres of our farm land is in seed corn. This is a cash crop and in most cases, pays out in December and May. Cash flow was helped with the December payment and income again will receive a boost from the second half payment that will come in May - just in time to help with the 1978 crop production expenses. Gross cash income from seed corn last year ran between \$300-450 per acre. One of the saddest plights that our farmers are experiencing is the inability of our area elevators to move grain by rail.

We are on the Rock Island Railroad, and because of the heavy winter snows, trains have not moved up and down our tracks for weeks. This, along with a car shortage, has plugged our elevators with grain, corn in particular, and has resulted in millions of dollars of loss income in our state for the farmers and elevators alike. The apathy of our government and the poor management displayed by the owners of the railroads in connection with this problem perplexes the minds of all of us who have watched this situation deteriorate year after year.

We feel we will be able to handle our local loan demand in 95% of the cases. Our bank is a member of Hawkeye Bancorporation, so any of our farmers who need loans beyond our lending limits can secure additional funding from another Hawkeye bank through our loan discount committee. Because of this unique situation, we do not have to go to our correspondent bank for overline help. At this time I do not anticipate we will be overlining many of our agriculture loans.

SBA disaster loans in our immediate area are negligible; amounts will probably total less than \$250,000. Money collected from disaster payments and loans has gone to pay for last year's expenses. Disaster income or disaster loans has had little effect on the level of deposits for our bank.

As near as we can tell, planting intentions for 1978 are near normal, with possibly a few more acres going to beans than in the past years. It is too early to tell what effect the USDA set-aside program will have on our acreages. Our guess is that less than 50% of our farmers will be participating. This may change as sign-up time rolls around, as many of the operators

realize they have to sign up to be eligible for any of the USDA farm programs unless they participate in the set-aside. It looks like most of our livestock farmers and farmers that grow seed corn or seed beans will not pay much attention to the program. There is a strong feeling locally that the present administration is too consumer oriented; therefore, the attitude is "the heck with being a part of a lousy program."

There has been very little activity or little talk in our area regarding the farm strike. We have not had any customers miss paying a loan off because of this activity. I believe some good has come from the farm strike in that it has been a good attention getter for the farmers. It is high time that the city people and our politicians wake up and realize that farmers have many problems when they are forced to sell corn below \$2 per bushel. Their problems are further compounded when they can't deliver grain because of inadequate railroad services.

We are firm believers that if we don't have an economically healthy agriculture, the banks, business people, factory workers, and yes, the whole country will suffer financially. Some of our strong consumer advocates need to wake up soon and learn this lesson.

Taunce H. Mathiason, president, The National Bank of Washington, Ia.: We do not expect farm loan demand to be significantly greater in the next three months than in comparable periods of past years. This prediction is based on two assumptions. First, we expect hog prices to remain in the \$40 range during this period, which should offset excessive borrowing needs. Second, we anticipate a late, wet spring, which should increase the already prevalent intention to plant more soybeans and less corn than last year.



T. H. MATHIASON

Our bank has experienced a 70% loan to deposit ratio for the past several months. We expect this ratio to remain in this range for the balance of the year. Through participation arrangements with associate banks, our ability to meet the needs of placing overline credit will remain unimpaired.

We have found an increased utilization of SBA, FHA and Federal Land Bank long term financing to be advantageous in restructuring short term debt in certain cases. With the anticipated increase in long term ratio, we feel it in the best interest of the bank and the customer to restructure those lines with a disproportioned short to long term debt ratio at this time.

We find our farm customers feel the USDA set-aside program has little appeal. The majority indicate no intention of participation in the program. The same feelings apply to the farm strike.

Lee A. Sorenson, assistant vice president and ag finance representative, First Northwestern Bank, Thief River Falls, Minn.: Our demand for farm loans has been quite high due to low farm income and the need for refinancing. I'm sure this demand will continue, with the peak yet 60-90 days away. Our loan to deposit ratio



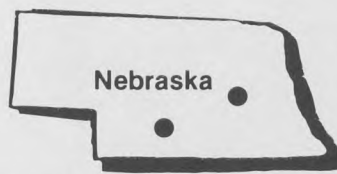
has been in the upper 70s. We will try to keep it there by selling as much of our loan portfolio as necessary. Most of this will be handled through a corporation owned subsidiary. We will have our normal amount of overlines but most will be created by this excessive demand.

We have a few farmers involved in the strike movement but I seriously doubt if any will be on strike come seeding time. Planting intentions appear to be normal and there has been very little indication of participation in the set-aside at this stage.

Elwood C. Phelps, assistant vice president and agricultural representative, First Northwestern Bank, Redwood Falls, Minn.: Excellent crops in 1977 have helped improve the attitude of area farmers after three very disappointing years. The good operators who are able to keep their debts under control are showing good profits while others are experiencing extremely high costs of production because of high interest load, high machinery investment, and high land costs.

We have been able to maintain a desirable loan-to-deposit ratio over the last three to four years, and expect that this ratio will still remain desirable although somewhat higher with the spring and summer loan demands. Our funds will be adequate to take care of our customers except where lending limits require us to seek overlines.

Planting intentions in our area are very unsettled at this point. We feel they will be approximately normal, as there are many alternatives available in this area. Therefore, the farm program will not be widely accepted in this area. The farm strike really is not a factor here, as there are many sympathizers but very limited active support by area farmers.



Paul Kosch, president, First National Bank, David City, Nebr.: We expect our farm loan demand in the next 60 to 90 days to be just a little

more than average. Our loan to deposit ratio at this time is surprisingly low, and we don't expect it to increase much over 10% between now and harvest time. The voluntary 10% reduction on feed grain plantings, which I think about 55% of our farmers will use, will tend to cut money needs some. While visiting with local farmers I gathered that many of them do not expect to use as much fertilizer this year as normal.

We have been able to handle the demand without any problem. We will not need correspondent help, as we don't anticipate any overlines.

SBA is not affecting our deposits or loans at this time. We have had some pay downs from Farmers Home Administration through their long-term refinancing.

As mentioned above, the planting intents will be normal with the exception of the 10% voluntary reduction which farmers need to follow in order to

The spring ag outlook



qualify for the Commodity Credit loan and any of the benefits which might develop from farm programs.

In our particular areas, the farmers are not hurting too badly. The prices are not what they should be, but to offset this situation we had a very good and more than average crops last year. The additional production per acre on dryland more than offsets the reduction in prices when it comes to total income. The fact that we had sufficient moisture made it possible for the farmers who irrigate to cut costs by not having to use as much fuel.

In reviewing the farm strike, I would say that locally we, of course, have farm customers who are sympathetic towards the strike. But I can't say that anyone here is taking a real active part in the strike.

We don't have too many cattle feeders in the area. But, as you know, cattle prices have been good, and the cattle feeders are making a little profit. Hog prices are also very good and we are urging our hog raisers to get them off to market just as quick as they are ready, as we feel there might be some downward adjustment.

We are going to have a late spring, and, needless to say, it is going to be wet. But we are not complaining. It is a lot better than dust.

L. J. Titus, president, First National Bank, Holdrege, Nebr.: Holdrege, located in South Central Nebraska, has a population of 6,000. The area crops are predominantly irrigated corn. We have had good crops and have not been affected by the drought. Our bank deposits are \$51,800,000, with loans being 64% of this total.

Eighty per cent of our loans are agricultural. We expect a strong loan demand from our farmers this spring and we are in a better position to meet this demand than we were a year ago. Our loans then were 73% of our deposits and reached a high of 78% by the fall of the year. Last year at this time, very little 1976 corn had been sold and a big per cent of this corn was not sold until December when the price got up to the \$2 level locally. This year we have seen a lot of corn sold instead of paying commercial storage or putting it under the government loan program.

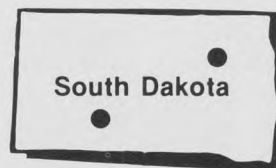
We have been able to handle the loan demand locally without outside help and only use our correspondent bank for overlines.

Farm planting in this area will be near normal. We are getting mixed reactions to the U.S.D.A. set-aside program. Our livestock feeders who feed their corn will

not participate. The other farmers are weighing the benefits of the price support loans and the disaster protection against being able to plant all of their acres. I expect many will want this protection. But, if the corn price looks like it will be in the \$2 range this fall, it could lower the participation considerably.

The farmers in our area are sympathetic to the farm strike, but I do not know of any who would not plant their crops. If they do wish to take part and owe us money, we would have to look at each individual case. A lot depends on what the farmers do in the southern part of the country. Almost all of our farmers have shown a reduction in net worth on their financial statements and higher prices are definitely a must.

James I. Black, president, Cones State Bank, Pierce, Nebr.: We expect loan demand to be about the same as last year for the next 60 to 90 days. The loan deposit ratio is down about 3% due to an increase in deposits, not a decrease in loans. We anticipate being able to handle these loans without correspondent help for liquidity purposes. Our excess overlines are about the same as last year.



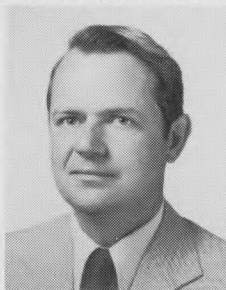
Charles W. Ekstrum, president, First National Bank, Philip, S.D.: This bank does anticipate an increased farm loan demand in the next 60 to 90 days. This demand is

basically because of the most severe winter this area has seen in some years. This area is heavy in livestock and, therefore, because of the severe winter we shall need to purchase additional feed, which will be a main item for increase. Also, because of the heavy snowfall our ranchers and farmers have had to use tremendous amounts of fuel to take care of their livestock and this is also an additional expense. This, topped with the inflation on repairs, fuel and other farm supplies, will increase our demand from 10 to 20% over a normal year. Our present loan to deposit ratio is running approximately 60%, and we anticipate going to 67 to 70% by mid-summer.

Our bank is also anticipating and receiving a heavier loan demand because of the severe drought that our area suffered in 1975 and 1976, where a large number of our cattle herds were liquidated. We anticipate with the good carry-over of moisture from 1977 that there will be some restocking of ranch units. We also have a loan demand from the lack of profit in the livestock industry from the past few years. This, coupled with the severe drop in winter wheat prices that caused disastrous losses in that industry, has increased our loan demand significantly.

We will have a larger increase in demand than normal but part of this is softened by the fact that we are receiving considerable repayments from disaster loans by the Farmers Home Administration. Approximately 10 to 15% of our total outstanding farm loans have been paid down through disaster loans. We anticipate another 3% to be repaid in the future. This will help us to handle a portion of an increased loan demand, the balance will be handled mainly through our own resources liquidating government bonds.

At the present time we are not anticipating



L. G. TITUS

increasing our correspondent overlines in business ventures, but this is completely unrelated to the agriculture demand. We are also considering the sale of real estate and SBA loans to keep our loans and deposit ratio favorable to our policy.

Our area as far as farming is concerned is mainly winter wheat and that planting has already been done. The plantings appear to be slightly below a year ago but above the historical planting for the area. It appears that farmers who are close to the USDA set-aside program limits will comply with the program. The farmers who have expanded have no way of meeting these set-aside program limits and will not participate; this will be the larger farmers.

At the present time it appears we have a small number of our customers participating in the farm strike, but we have a large number of them sympathetic. We have not heard any one seriously considering the no plant portion of the farm strike; however it is a long time before planting season and this could change. As to the question of how we will handle an individual farmer who owes us money and tends to participate in the strike to full extent, this question has not been posed to us, but if it is we will have to approach it on an individual basis. We will give consideration to anyone who has the equity to stand any possible losses resulting from a no plant. We will not take undue risk with depositors' money.

Our bank has \$24 million in assets, total agricultural loans exceeding \$8 million, and total loans exceeding \$13½ million. We are in a town of 1,000 population and have customers scattered in a 75 mile circle around Philip.

Tom Baxter, vice president, First National Bank, Watertown, S.D.: With good moisture outlook, I expect a strong loan demand both for operating loans and for livestock purchases. Our pastures should come back if we get moisture. The many pastures which were diverted last year and no grazing was allowed on them will create a strong demand for livestock.

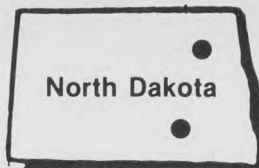
Our present loan to deposit ratio is 66%, about normal for our bank this time of year.

We do not expect any problem in handling this loan demand. However, we may have to use the services of a correspondent bank for the purpose of selling overlines to accommodate our customers whose credit needs exceed our legal lending limits.

Farmers' planting intentions are not yet clear in our area. I do not believe most farmers will sign up on the farm program in its present form. It is not a good program but it may be improved upon so that the farmers will sign up before planting.

The farm strike in our area does not seem to be a big issue. Generally everyone is in sympathy with it and recognizes the seriousness of the farmers' cost price squeeze.

David D. Johnsen, assistant cashier and ag rep, First National Bank of Valley City, N.D.: During the

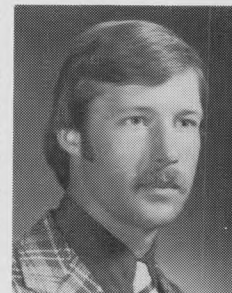


next 60-90 day period we expect strong operating loan demand, likely equal to last year. We are presently at a 66-68% loan/deposit ratio and we anticipate a peak ratio of 80-82% during the summer months. We expect we will be able to handle this strong demand with our seasonal Fed borrowing.

Wheat and barley deficiency payments have helped our customers pay down loans, although this would account for less than 10% of an average operator's debt repayment.

Their planting intentions appear to be normal to slightly below normal, with some indications of alternatives, especially crops, such as beans and sunflowers. The set-aside program appears to have little effect on total crop acres and participation at this time in our area is at best, poor.

The farm strike appears to have considerable sympathy but no real effect has been seen in our area. We have tried wherever possible to accommodate a striking farmer to a reasonable point.



D. D. JOHNSEN

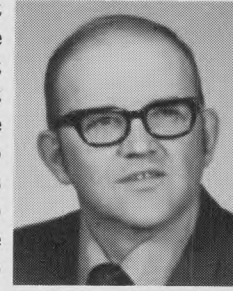
Daniel J. Lessard, president, Walsh County Bank and Trust Co., Grafton, N.D.: We anticipate a very active farm loan demand in the next 60-90 days when farmers will be getting ready to start planting. At the present time our loan to deposit ratio is running about 70% and we anticipate that it will be close to 75% after the spring demand runs its course. We expect to be able to handle this demand. However, we will be selling some of these loans to our correspondent banks or selling participations to other banks and/or other lending institutions if the demand goes higher. No problems are expected in overlines because of our lending limit, only due to the excess demand.

The impact of SBA or other payments in our area helping deposits and paydown on loans is negligible.

It is a little early to tell, however, it appears that a good number of our farmers will be participating in the government farm program. The result will be about a 20% reduction in planting intentions. We don't see or hear of anyone cutting down 50%. Quite a few of our farmers are active in the farm strike movement, American Agricultural Movement, and of course some of them do owe us money. We feel that each case will be taken on a case-by-case basis, and we hope to be able to support these people and that the picture of agriculture will improve.



T. BAXTER



D. J. LESSARD

The spring ag outlook



R. J. Kuntz, assistant vice president, First National Bank, Havre, Mont.: Havre is a community of approximately 14,000 people located 40 miles south of the Canadian border in northcentral

Montana. Our area is heavily dependent on its agricultural base which consists mainly of dryland grain farming and cow/calf ranching operations.

The First National is the largest of three banks in town with roughly \$36 million in deposits and \$27 million in loans, of which \$8 million represents direct ag production loans. Our loan to deposit ratio has been running from 70 - 75%, but we get much tighter during the summer months which represents our peak borrowing season. Loan/deposit ratios of 85 - 90% during the summer also cause liquidity problems that have been relieved in the past with participations to correspondent banks.

Regarding our ag loan demand, we expect it to continue to rise throughout the next 60 - 90 days as production costs spiral. We intend to handle our established customers for any reasonable requests and don't really anticipate any major problems in doing so. In the past we have been able to sell packages of ag credits to correspondent banks without any difficulty. Any new customer requests are being very carefully analyzed for adequate management and cash flow before we take them on.

As with other sections of the country, sympathy with the farm strike is prevalent in our area. Poor weather conditions this winter have helped make it easier for farmers and ranchers to be "on strike" in this area. As a result, actual participation in the strike because of withholding sales, etc. has been somewhat hard to measure. Individual customers of this bank with strike intentions are being handled on a case by case basis. Some of them simply are not in a position to withhold produce from the market.

Planting intentions appear to be normal in our area. Normal winter wheat planting took place because of the confusion surrounding the set-aside program.

Quite frankly, farmers in our area appear to be skeptical of any government-initiated programs. Additionally, this is wheat country and our farmers really don't have any viable production alternatives. Right now the attitude up here appears to be one of "business as usual" regarding production.

The renewal process for our ag customers has been a long and involved process this year. By far the majority of our customers are showing negative annual cash

flows based upon current commodity prices and we have been busy counseling these people and taking a little extra time to explain their individual financial pictures to them. More restructuring of debt has been necessary than in the past few years.

Robert L. Reiquam, president, First National Bank in Miles City, Mont.: With farm and ranch loans normally constituting about 40% of this bank's total loan volume, and with a loan to deposit ratio fluctuating through the year between 75 and 79%, we do not anticipate any substantial increase in the next 90-day period. At the present time we have some decrease anticipated from the sale of calves wintered, but then we will see the loan demand pick back up and maintain itself. We are also anticipating some decrease at the end of this quarter and the early part of next from Farmers Home Administration second mortgage refinancing.



R. L. REIQUAM

It is anticipated that we will be able to handle the loan demand we have this spring and, in fact, we are projecting a need for additional agricultural loans to fill our portfolio. The FHA refinancing has been considerable and, added to the long-term financing from insurance companies and Federal Land Bank loans, will bring our total loan portfolio about 20% lower than a year ago when all commitments are fulfilled.

With a legal loaning limit approaching a half million dollars (without using Exception 7) we do not anticipate the need for participation with other banks on overlines, and we believe we will have ample room to handle operating loans as requested.

The SBA has not been noticed in this area, and I am only aware of one loan in which they have participated. They have not been eager for these, and it has been our feeling that they were not able to handle them on a very knowledgeable basis. The impact of Farmers Home Administration has been very noticeable on loans that had deteriorated to the point where a commercial lender could no longer stay with them. The use of second mortgages has provided new funds and given these people some additional life, but I am very concerned that it is only prolonging the inevitable, and will further erode the equity these people have left.

Farm planting intentions for wheat are considerably above normal as a total for southeastern Montana, because of the enormous acreage brought under cultivation in the last four years. With the good fall moisture and the heavy snow pack, throughout eastern Montana, many farmers will be tempted to recrop, where before they had intended to summer fallow, and this will certainly increase the wheat acreage planted. Most of the larger units intend to stay out of the farm program, due to the restrictions imposed on payments, and I am not anticipating any reduction in planting from this farm program. It would appear at this time that the smaller family farm will probably stay in the program, but overall, I do not anticipate much reduction in production because of the program.

Our immediate area will be without its main irrigated

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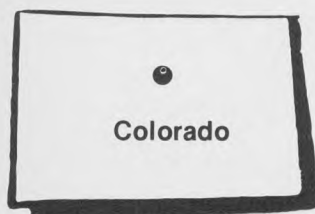
Continental Illinois National Bank and Trust Company of Chicago.

cash crop, which was sugar beets in the past, as Holly Sugar has restricted its production in this area, and so our irrigated farmers will be faced with finding alternative crops. At this point it looks as if most of them will be going with corn, and a considerable increase in alfalfa hay production. Some are talking beans, and there will also be an increase in small grain crops, particularly feed grains.

This area has been very hard hit with the winter, some of the deepest snowfall on record, and also staying on longer than in recent history. This had depleted already weak feed supplies, and many of the area's producers will be looking at feed crops to restore this level of feed. Livestock losses in this area are going to be very heavy, with both sheep and cattle perishing in the winter storms, and many of the losses yet to come as we dig out from under the snowbanks. There will be a light calf crop, due to this storm, and we would anticipate a poor breeding response on those animals that might calve.

The economic condition of this area's farmers and ranchers is not good, as evidenced by the tremendous increase in Federal Land Bank loans, the majority of which have been refinancing. When you add to this the activity created at the Farmers Home Administration offices and the general comments of agricultural lenders in this area, it points to a very critical situation. Businessmen in the towns have been feeling the impact of this all winter and will certainly notice it on into the summer months.

Looking at it from the brighter side, we do have adequate soil moisture from last fall and have had a tremendous snow cover which will provide good stock water and ample irrigation water. Cattle prices have been climbing and our feeders are going to show a profit for their winter's work. Sheep prices are at their highest level in memory and many people are looking to build back their sheep numbers if they can control the coyotes. Adversity is a way of life for eastern Montana farmers and ranchers, but there is little doubt but what we will see some different faces on these units within the next three years.



Paul L. Rice, president and chairman, First National Bank, Loveland, Colo.: It appears to us that farm loan demand will remain relatively normal, although there is some bulge in cattle loans due to increased cattle values and fairly strong numbers.

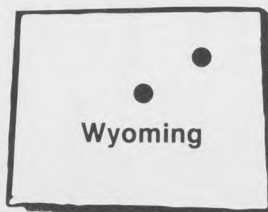
SBA is not a factor relative to our farm customers. We participate with SBA in one loan, that of a dairy production loan. Perhaps it is us, but to get information from SBA relative to farm loans seems to be difficult.

Planting intentions appear to be normal, with about

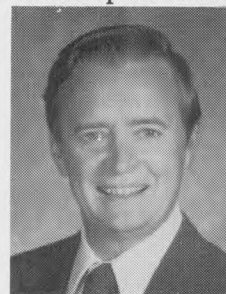


P. L. RICE

15% increase in sugar beet acreage. The set-aside program will probably have little effect in this immediate area. We have no borrowing customers active in the farm strike.



Kenneth C. Naramore, president, Stockmens Bank and Trust Co., Gillette, Wyo.: We anticipate farm loan demand for the next 60 to 90 days to be near normal. Cattle prices are showing considerable strength, and if this continues, a number of our customers will be selling cattle. Some have indicated they plan to sell cows when the price reaches at least \$400 per head. We feel they will perhaps sell pairs up in the \$450 range.



Farm planting intentions are about normal. The effect of the USDA set-aside program in this area is small. This is not an area that depends on grain crops as a mainstay of the economy. The farm strike has had very little effect on us. The vast majority of the people supporting the farm strike are wheat farmers. Few people in this area rely heavily on their wheat crop. None of our customers are participating in the strike.

Our loan deposit ratio has been running about 70%. We will experience in the next 60 days a reduction or runoff in deposits and an increased loan demand, and we will probably be up around 75% loaned by June 1. We should be able to handle the credit needs of our customers without selling loans or participations.

Our bank does not handle SBA loans because of difficulties we have had with legal counsel at the state SBA office.

Dean M. Bartels, president, The First National Bank, Worland, Wyo.: We anticipate farm loan demand to be about the same as last year, with possibly a slight softening towards buying more equipment. Our loan deposit ratio has been hovering around 67%. However, we anticipate that it will increase to 75 or 76% when the spring demand runs its course. We anticipate being able to handle this demand, although it will require some help from correspondent banks. Most of this help will be needed because of overlines exceeding our legal lending limit.

Our planting intentions remain stable in the sugar beet area. However, the malting barley plantings may be reduced because ample satisfactory contracts have not been awarded. Some of this acreage will undoubtedly be planted to edible beans. We anticipate little effect of the set-aside program in our area. □

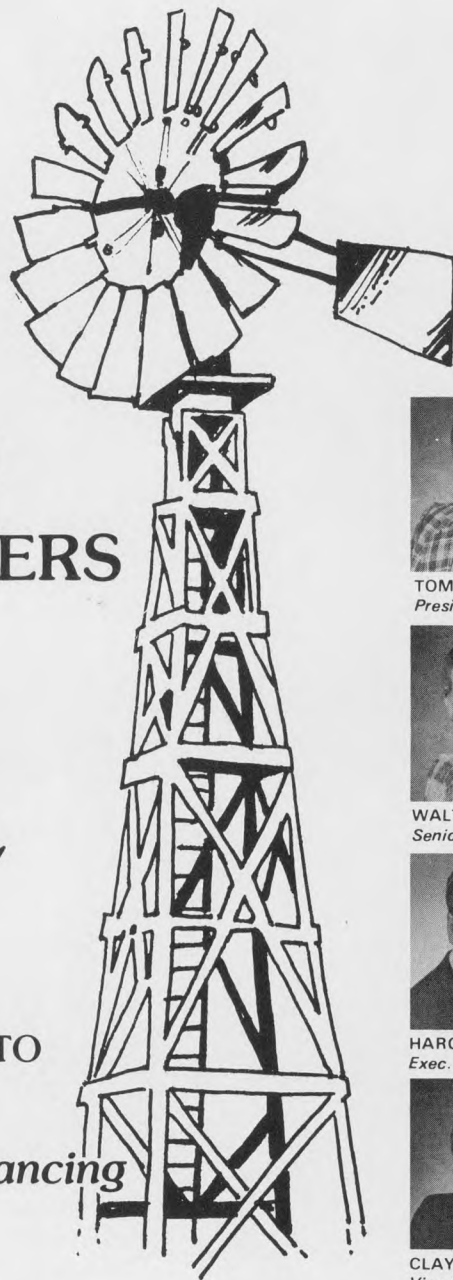
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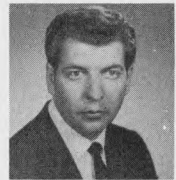
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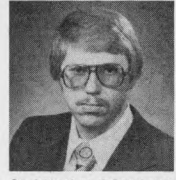
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NEW OFFICERS—1st v.p. Raymond D. Campbell; treas. Don F. Kirchner; 2nd v.p. Thomas F. Bolger, and pres. Ivan D. Fugate.

Independent Bankers Adopt Five Year Plan; Elect Colorado Banker

By MALCOLM FREELAND
Publisher

THE Independent Bankers Association of America decided to evaluate its own structure and develop a "five-year action plan" for possible reorganization in action taken at the 48th annual convention at the Diplomat Hotel here March 6-8.

The IBAA executive council approved the hiring of Dr. Robert F. Taylor, director of The Management Center at the College of St. Thomas, St. Paul, Minn., to develop recommendations for the organization, position responsibilities and geographical locations of the staff of the IBAA. Dr. Taylor, a former staff member of Arthur D. Little Co., said this would be done by analyzing data collected from a poll of the 7,300 member banks and through interviews with staff and outside sources.

The study, to be completed in six months, will result in a five-year action program to recommend to the governing bodies of IBAA.

Some 2,200 independent bankers and their spouses attended the convention. Next year the 7,300-member bank association will meet

March 4-8 at the Hilton Hotel in New Orleans, La.

New Officers

Advanced to IBAA president at the final convention session was Ivan D. Fugate, board chairman and president of Western National Bank in Denver, Colo. Mr. Fugate succeeds Edward A. Trautz, president of East Lansing (Michigan) State Bank, who presided at the general sessions.

The new first vice president is Raymond D. Campbell, president and chief executive officer of Oberlin (Ohio) Savings Bank Company. Elected second vice president was Thomas F. Bolger, president and chief executive officer of McHenry (Illinois) State Bank, and the new treasurer is Don F. Kirchner, board chairman and president of Peoples Trust and Savings Bank of Riverside, Ia. Mr. Kirchner succeeds Don R. Ostrand, vice president, First National Bank of Omaha, Neb.

Evasion of Branching

In other convention action,

delegates ratified the association's cooperation in challenging "the most open and obvious evasion of state branching laws" by Michigan National Corporation, a large multi-bank holding company based in Detroit. Michigan National has established what it calls the "Accommodation Transaction Service" (ATS) network through which deposits are received and checks paid at any of MNC's 16 banks and 180 offices for any account at any MNC bank.

The convention also ratified the following IBAA legal actions:

—Challenging the regulation of the Comptroller of the Currency regarding sale of credit life insurance now pending in the federal court in the District of Columbia.

—Challenging federal and state agencies permitting credit union share draft programs and EFTS activities.

—Challenging the regulation of the Federal Home Loan Bank Board permitting federal s&ls to engage in banking by use of EFTS, a suit now

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IOWA HOSPITALITY—IIB Pres. **Gordon Mennen**, pres., LeMars Sav. Bk.; **Terry Mennen**; **Diane Gibbs**, secy., IIB; **Richard Berglund**, e.v.p., IIB; **Mary Alice** and **Keith Campbell**, IBAA state dir., and pres., Citizens St. Bk., Sheldon. **RIGHT**—**Vera** and **Ben Eilders**, sr. v.p., Bankers Tr. Co., Des Moines.



pending in the federal court in the District of Columbia.

—Seeking rescission of operating circulars permitting thrift organizations direct access to bank clearance systems.

—Supporting the challenge to the activities of securities brokerage firms which amount to branch banking.

Paperwork Burden

Bank regulatory excesses appeared high on the list of priority issues among convention delegates. One resolution called for better coordination among the three federal banking agencies to end "confusion, conflict, duplication, overlap and endless forms and reports." In another resolution, the association urged Congress to establish a national commission to review fully the "growth, power and lack of responsiveness of the federal agency structure." Congress was also asked to reassert oversight and control over the "apparently unmanageable federal agency structure."

In a related resolution, delegates called attention to the paperwork burden which has reached crisis proportion in the business and banking world. "Ironically, the trend runs counter to the stated intention of the President to reduce the volume of government regulations," the resolution stated.

Commenting on the so-called "Safe Banking Bill" (H.R. 9600), IBAA said it supports carefully considered, necessary changes which would improve the current system. "However, we feel that endlessly drafting new laws rather than enforcing present laws is the wrong approach," IBAA said.

President Trautz reaffirmed As-

sociation opposition to interest payments on demand money. Citing IBAA action in the past year against the controversial proposal to take negotiable order of withdrawal accounts nationwide, he told the bankers, "In the face of formidable forces pushing for nationwide NOWs, IBAA testified before Congress that the cost of such accounts would be borne largely by the average consumer and small bank—the majority of the nation's banks and consumers."

Resolutions

In other convention resolutions IBAA:

—Resolved to continue its support of interest rate controls on savings and CDs and removal of the favored rate which thrift institutions enjoy in those states where they have gained bank-like powers.

—Contended that depository institutions that are permitted by law to offer demand accounts should have nondiscriminatory access into electronic fund transfer systems at nondiscriminatory rates without regard to the size of these institutions. The association recommended that state laws prevail over federal statutes or regulations.

—Expressed concern about current proposals to reorganize the U.S. Department of Agriculture, suggested by the Administration's Reorganization Study Group. "These proposals would be the first step in the department's loss of cabinet status," the resolution stated. IBAA, which is principally composed of rural banks, supported the concept of a strengthened USDA "whose primary purposes would be to assure a fair return for agricultural production

and development of rural communities."

—Opposed creation of a central liquidity facility for credit unions "because it would encourage unsound liquidity management by credit unions." IBAA said credit unions have expanded their functions with or without legal authority, to the point where these institutions must address themselves to the problem of liquidity. "IBAA believes the creation of a central liquidity facility is premature and tends to validate and encourage credit unions to expand their powers and further invade the field of commercial banking," the resolution stated.

—Urged Congress and the President to give a priority position among the nation's issues to the maintenance of agricultural prices in relative balance with other segments of the economy. "At present levels, farmers are in a loss position on wheat, corn and other feed grains," IBAA said. "It is imperative that the U.S. government put an adequate support price under basic crop prices."

—Called upon the Administration and Congress to take whatever action is necessary to insure the American farmer free and unhindered access to world markets.

—Recommended that Farmers Home Administration loans be raised as follows: On farm ownership loans, to \$200,000 on direct and insured loans and to \$300,000 on guaranteed loans; on farm operating loans, to \$100,000 on direct loans and to \$200,000 on guaranteed loans.

The convention delegates also reaffirmed a number of positions taken at prior IBAA conventions. IBAA resolved to:



MONTANA Ind. Bkrs. executive secretary, **John Scully** of Bozeman, **Robert Sipple**, adm. v.p., American Nat'l Bk. & Tr., St. Paul, and **R. R. Bartschi**, v.p., First St. Bk., Shelby, Mont. **RIGHT**—American of St. Paul hospitality room finds **Mr. and Mrs. Don Johnson**, v.p., and **Mr. and Mrs. Bob Jacobson**, v.p.

—Oppose legislation which would permit the further geographical expansion of branch banking and supported all legislation, rulings and interpretations which would require federally-chartered financial institutions to comply with state branching laws applicable to each type of institution.

—Resist vigorously attempts by federal banking agencies to preempt state laws regulating insurance agencies or to interfere with private agencies on bank premises which operate in compliance with state law.

—Continue efforts to obtain amendments to the Internal Revenue Code which would prohibit multi-bank holding companies from using capital stock exchanges as a means of expansion.

—Seek an amendment to the Bank Holding Company Act that would bring it into conformity with the same controls applying to branching. Such an amendment would prohibit holding company expansion in any state having no legislation on the subject until the state legislature determined by specific enabling

legislation the extent to which holding company operations would be permitted to expand within the state. An exception for small one-bank holding companies would be included.

—Seek an amendment to federal law which would bring federal s&l into conformity with state control of branching, as in banking.

FDIC Survey

At a panel discussion on federal legislation, Senate minority staff member Anthony Cluff warned that the recent release of raw data from a special survey the FDIC conducted of the nation's 14,000 commercial banks lends itself to possible misinterpretation. "It is incumbent upon commercial banks to flesh out the survey," Mr. Cluff told the banking audience. "The raw data don't tell the whole story."

Although armchair analysis of the statistics indicated that 92% of the 4,500 banks which reported that they allowed insider overdrafts had made at least one at a zero rate of interest, Mr. Cluff stressed that additional interpretation is needed,

since there are frequently extenuating circumstances. The survey was also isolating a "worst case" situation, Mr. Cluff noted, which was not representative of a cross-section of the banking community. He speculated, however, that the figures could breathe new life into the stalled Safe Banking Act.

Bank consultant Alex Sheshunoff, president of Sheshunoff and Co., Austin, Texas, called for "fairness in pricing bank services."

"First, banks should charge at least what it costs to provide the service, plus an appropriate margin of profit," Mr. Sheshunoff said. "Second, the customer who uses the service should be the one to pay for it."

For example, the speaker said, the cost of processing a "hot check" should be borne by the hot check writer, not the bank's borrowers. "All too often the costs of free or underpriced services are reflected in higher interest rates for borrowers or lower yields to savers," Mr. Sheshunoff said.

Sheshunoff and Co., recently



BANQUET GUESTS—**Karen and Gary Todd**, v.p., Peoples Nat'l. Bk., Columbus Junction; **Mike Byrne**, 2nd v.p., American Nat'l. Bk. & Tr. Co., Chicago, and **Myra Mohr**, Miles Sav. Bk., Miles, Ia. **RIGHT**—**Allen and Betty Stults**, chmn. & pres., American Nat'l. Bk. & Tr. Co., Chicago, and **Don and Ginny Ostrand**, v.p., First Nat'l. Bk., Omaha.



OLD FRIENDS—MEL KUPKA, pres., First Comm. Bk. & Tr., Traer; **Morris Neighbor**, pres., Mechanicsville Tr. & Sav. Bk.; **W. N. Shellenbarger**, dir., Farmers St. Bk., Marion, and **Jim Lipton**, pres., Ida Grove St. Bk. **RIGHT**—Mrs. **Don Wenthe**; **John Cunningham**, v.p., Chelsea Sav. Bk., Belle Plaine, and **Don Wenthe**, e.v.p., Nat'l. Bk. of Waterloo.

completed a survey of service charges in which more than 4,000 banks throughout the country responded.

In regard to a question about charges for returned checks, responses ranged from 25 cents to \$10 per check. Some 26% now charge \$5 per check, compared with 18% one year ago.

The banks also reported that increasing the charge of insufficient fund checks or overdrafts did not necessarily reduce the volume of such checks. In fact, the number of such checks actually increased 15% of the time, remained the same 75% of the time and decreased only 10% of the time. Also, 97.5% of the banks said the same customers continued to write the hot checks following the price increase.

Guaranteed Loan Programs

The bottom-line advantages to banks of utilizing Small Business Administration and Farmers Home Administration guaranteed loans were underscored by panelists from government and banking.

Embree K. Easterly, president of Capital Bank & Trust Company of Baton Rouge, La., demonstrated how the making of 242 guaranteed loans has saved nearly 3,000 jobs in his community. An additional 1,139 jobs are at stake in loans still pending.

At the same time, Mr. Easterly said, the marketing opportunities for the 90% guaranteed portion make these loans the most profitable in the bank's loan portfolio. He emphasized that these are not marginal loans, and that the program is not a government giveaway. By adding jobs and taxes, the guaranteed loan

program benefits both the bank and the community.

No Change in Farm Sector

An agricultural economist told convention delegates that barring calamitous weather conditions, prospects for the foreseeable future hold little promise for significant change from the current situation in the farm sector.

Roby L. Sloan, vice president and associate director of research for the Federal Reserve Bank of Chicago, said financial problems in the months ahead will again be mostly concentrated among grain farmers as opposed to livestock producers. □

Kansas City Fed Elects McKinney Director

John A. McKinney, president and chief executive officer of Johns-Manville Corp., Denver, has been elected a director of the Federal Reserve Bank of Kansas City. Mr. McKinney will serve through December 31, 1979. He is completing the term of Maurice B. Mitchell, chancellor of the University of Denver, who is leaving for a new position in Santa Barbara, Calif., as head of the Center for the Study of Democratic Institutions.

BMA Awards Competition Now Open for Entries

The Bank Marketing Association now is accepting entry applications for its 1978 Golden Coin Awards Competition. The awards are conferred annually on banks producing outstanding, innovative and profitable marketing programs and

distinguished and socially productive public affairs programs.

Winners of the competition will be recognized at a special awards ceremony at BMA's 63rd annual convention in Chicago, October 15-18, 1978. News of winning entries also will be featured in BMA's "Bank Marketing" magazine during 1978.

Any bank may enter its programs in the competition in either the marketing or public affairs category, or in both. Marketing entries may focus on new business development, product or service development, training, corporate marketing, publicity, trust marketing, advertising or may include any marketing program successfully completed by a bank within the last year. Public affairs entries are concerned with bank activities that focus on objectives other than immediate profit or sales response.

Barron, Wis., Bank Elects Director, Officer

James M. Simpson, president of the First National Bank of Barron, Wisc., has announced the election of H. Gale Wells to the bank's board and the promotion of John Tjernagel to vice president.

Mr. Wells' father, the late Floyd J. Wells, was a past president and director of the bank for 22 years. Gale Wells is owner of Northern Granite Corporation. Previously an assistant vice president, Mr. Tjernagel is responsible for ag loans, instalment loans and works with operations of the bank. He joined the bank from Watertown, Minn., last May.





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Just say you want to fly with the "Ace."

MANUFACTURERS HANOVER

Potential risks of bank directors

Why You May Need Liability Insurance

Following are excerpts from a talk Mr. Marshman gave at the Bank Director Management Workshop sponsored by The National Association of Bank Directors in Minneapolis, Minn.

FEW positions in a community are as prestigious, influential, and generally laden with status as that of the bank director. This position is not, however, just honorific. Bank directors are charged with significant responsibilities and the manner in which they meet these responsibilities has a material impact on the success enjoyed by their banks and their own potential liability.

Directors of banks run a real risk of being personally named in a suit. In fact, research reveals that officers and directors of banks were the subjects of more suits over the last six years than were the officers and directors of any other category of business.

Although this fact might surprise you, it should come as no surprise that there is a direct relationship between the lack of profitability and the frequency of suits filed against bank officers and directors. Stockholders bring almost one-half of all suits filed against bank officers and directors. The remainder of the claims are brought by disgruntled or otherwise unhappy bank customers (acting alone or in a class action), governmental agencies, and citizen groups.

Litigation Results

Of all suits filed against bank officers and directors over the last six years, 10% were dropped by the claimant, 36% were settled by litigation, 3% have been tried but are being appealed, and fully 51% of all claims are currently awaiting trial.

Such litigation is expensive. Over the last six years, the cost for attorney fees to defend against

claims involving officers and directors has averaged a whopping \$205,000 per case. The average gross cost of these claims, including the legal fees and the settlement, is over \$1,000,000 per case.

Bank officers and directors are sued for many reasons. Here are three examples.

1. The current officers and directors of a bank filed a suit against the bank's former officers and directors, charging them with conflict of interest, self dealing and dereliction of duty.

2. A suit alleging fraudulent breach of contract and requesting damages based upon the termination of a Master Charge contract was brought against a bank.

3. A state sued a bank, charging the bank and its trust officers with the unauthorized practice of law.

Other Examples

Consider also the catch 22 built into the selection of many outside directors. One reason for electing a new board member is for the new business that he can bring to the bank. But this in itself could lead to a conflict of interest and a suit.

Part of a director's duties involves establishing a bank's overall lending

and investment policies. If these policies produce poor results, the directors could be involved in litigation.

Insider transactions comprise another major area of concern. Sensitive to past losses and aware of the potential for future losses, the FDIC has adopted regulations to curb abuses that could occur in the context of transactions between state nonmember commercial banks and insiders of the banks.

Starting this year, the Federal Trade Commission is naming both the corporation and the directors in its complaints against interlocking directors between commercial banks, savings and loan associations, and savings banks. The Justice Department and various other state regulators are investigating interlocks between the boards of banks and non-financial institutions.

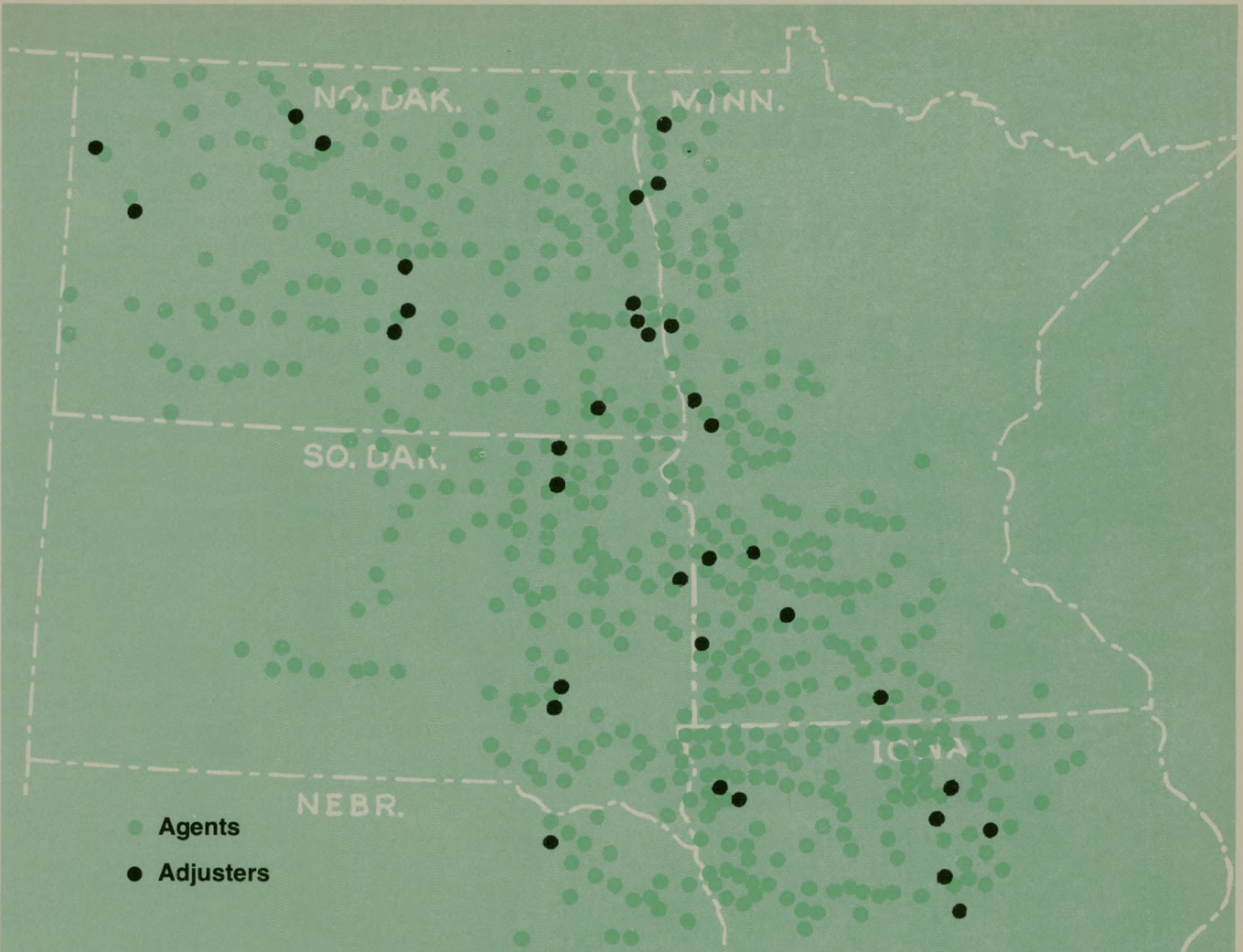
The Comptroller of the Currency has announced the establishment of a national banks early warning surveillance system designed to effect appropriate and timely decisions by the board of directors, the examiners, and the Office of the Comptroller. One effect of this system could be an increase in Cease and Desist orders, to which directors can be made a party. The Comptroller of the Currency issued a new regulation that prohibits the payment of commission or service fee to a national bank's officers or directors acting as agents for the sale of credit life and accident and health insurance.

The Employee Retirement Income Security Act of 1975, more commonly known as ERISA, has created serious liability exposures. Many bank directors serve on boards whose banks service ERISA programs. The provisions and interpretations of the "prudent expert" concept are fuzzy and will have to be



By **ROBERT W. MARSHMAN**
Vice President, Marketing
Scarborough & Company
Chicago, Ill.

POTENTIAL RISKS...
[Turn to page 120, please]



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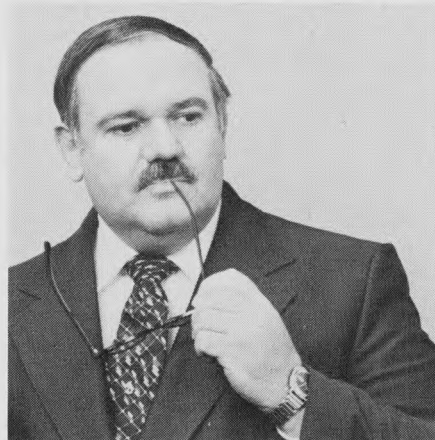
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D&O eases lawsuit anxiety



By **JOSEPH P. DeALESSANDRO**
Executive Vice President
American Home Assurance Company
New York, N. Y.

SOLID citizens on the boards of banks and savings and loan associations across the country know of their serious custodial responsibilities and sense the trust that their fellow townspeople have vested in them. They must keep in touch with each other, stay aware of their position with regard to banking legislation, and maintain the security of their depositors investments.

Whether the institution comes under a federal or state charter, its affairs are closely scrutinized by banking regulatory authorities. The board of directors assumes a very specialized accountability to the depositors and the regulators.

D&O Removes Fear of Suit

A carefully written Directors & Officers Liability Insurance policy for banks can protect the individuals involved and enable them to offer the best of their services to the community without fear of being

□ **THE AUTHOR** Joseph P. DeAlessandro, is executive vice president and director of the American Home/National Union insurance companies and has executive responsibility for the financial services, sensitive risks and bonding divisions, as well as the accident and health division. He is also vice president of American International Underwriters, a division of American International Group in New York. He joined American Home in 1967; in 1971 was elected vice president, in 1974 senior vice president, and in 1977 executive vice president. A native of Brooklyn, New York, Mr. DeAlessandro received his education at Brooklyn College, New York University and The College of Insurance.

Northwestern Banker, April 1978

financially penalized by acts, errors or omissions over which they had no control or of which they were not aware.

The outside directors, as well as insiders, must uphold the corporate integrity. Well-intentioned but uninitiated outside directors of banking corporations have a right to expect a detailed program of education to afford them the facts and information they need in order to use their judgment in making policy decisions. They may be expected to assimilate a formidable and continuous stream of figures, statistics, reports and proposals.

It is the responsibility of the bank officers to ascertain that outside, as well as inside directors, are effectively kept up to date on these subjects. The bank officers must make themselves fully aware of the regulatory legislation of the banking business and convey this to neophyte directors. It is to the best interests of the bank that all members of the board of directors should be able to interpret ongoing events with the best possible degree of professionalism and that they should consider themselves confident and well-qualified when casting their votes.

Perhaps two-thirds of the banking institutions operating country-wide already enjoy the release from anxiety offered by a good D&O policy. Bank management, periodically examining the litigious inclinations of the public in all areas, may well look into the hazards of a lawsuit against one or more of the directors and officers. It is reassuring to know that there is a way of protecting these valuable figures along with buildings and plate glass, data processing equipment, and millions of dollars in depositors funds.

Financial institutions are liable in a variety of ways. Often, the directors and officers act as their brothers' and sisters' keepers, since they may be held accountable for the actions of the whole board. Errors or omissions on the part of the bank's staff, upon whom the others must rely in technical matters rather than areas of personal judgment, may also be the responsibility of the full board. The Directors & Officers Liability Insurance policy offers protection from negligent acts performed by any members of the board.

In addition to suits brought by shareholders, the directors and officers of banks may find themselves being sued by the regulatory authorities for a myriad of reasons. The directors of banks should be particularly concerned with the restrictions imposed by the regulatory authorities on both domestic and foreign loans.

D&O Policy Coverages

The Directors & Officers Policy and Corporate Reimbursement covers liabilities identified in the policy and protects the corporation as a beneficiary, for indemnification or liabilities assumed through its by-laws, or through common or statutory law, dealing with responsibility to the directors. The contract of insurance also covers costs, changes and expenses involved in the defense of the litigated action, not only for the liability announced by the court or the jury excluding punitive and exemplary damages, but also for the attorneys' fees, accountants' fees and all the other necessary and incidental defense costs that are involved in the case. □

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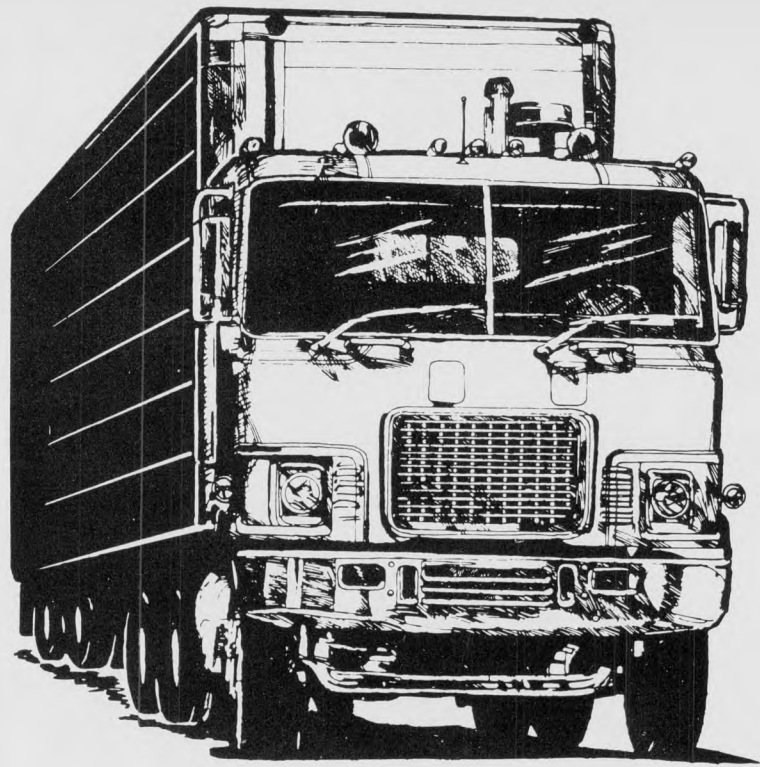
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A REVIEW of annual reports for 1977 and projections for the current year indicates that area insurance firms in general had another record breaking year. Crop hail insurers probably proved their value to farm operators in 1977 as much as at any other period in economic history. Crop hail losses, while heavy, were not catastrophic but payments for crop losses came at a time when sagging farm income was substantially bolstered by the insurance payments. Many firms also have announced new or improved services and expanded staffs to handle growing business. Their reports follow.

MGIC Mortgage Volume Spurs 80% Earnings Gain

A new peak in residential mortgage insurance application volume, combined with strong investment income and improvement in previously losing operations, were the major factors behind an 80% gain in earnings for MGIC Investment Corporation, Milwaukee, according to Chairman Max H. Karl.



M. H. KARL

The company earned a record \$2.03 per share for the year ended December 31, 1977, up sharply from the \$1.15 per share earned in 1976. Consolidated net income for 1977 rose to \$45,772,000, an 80% increase over the \$25,370,000 reported in 1976. The 1977 results include \$31,000, or less than \$.01 per share, of realized investment losses, compared with \$48,000, or less than \$.01 per share of realized investment losses the previous year.

Consolidated net revenues in 1977 were \$199.4 million, up from the \$173.3 million in 1976. Consolidated net premiums written increased to \$125.8 million from \$107.8 million the prior year. Pretax investment income rose 15% to \$36.6 million, compared with \$31.8 million in 1976.

The company's primary business, residential mortgage insurance, was the principal force behind the earnings gain. Pre-tax underwriting income rose to \$50.5 million for the year, a gain of 27% over the \$39.7

Area insurance firms report continued progress

million realized in 1976. Residential mortgage insurance application volume of \$11.0 billion was 49% above the \$7.4 billion reported a year earlier.

"Our application volume in 1977 eclipsed 1973, previously our all-time best year," said Mr. Karl. "Renewal premiums from the business written last year will contribute to earnings well into the next decade."

Commercial mortgage and lease insurance operations returned to profitability in 1977, showing pre-tax underwriting income of \$2.4 million, compared with a loss of \$7.3 million in 1976.

Pre-tax underwriting losses in the company's mobile home credit insurance operations were \$552,000 for the year, sharply beneath the \$5.1 million loss recorded in 1976.

Directors and officers liability insurance posted pre-tax underwriting income of \$2.7 million in 1977, up from the \$2.3 million the previous year. Municipal bond insurance underwriting income went from \$377,000 earned in 1976 to \$878,000.

Real estate operations recorded a pre-tax loss of \$17.6 million, up from \$13.9 million in 1976.

North Central Companies' Income Tops \$1.6 Million

The North Central Companies, Inc., a Minnesota-based financial services holding company, headquartered in St. Paul, announced year-end figures for 1977, which showed the companies reaching new all-time highs for total revenues, consolidated net income, net worth, assets, premium

income, investment income, dividends, benefits to policyholders and insurance-in-force.

Consolidated net income for the companies, according to Theodore Sanborn, president, reached a new high of \$1,629,089 in 1977, compared to \$1,496,924 in 1976. Net income per share rose to \$2.41 from the previous year's \$2.13.

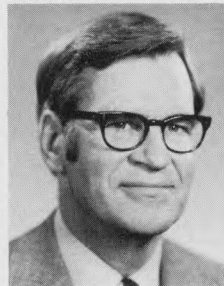
Total revenues rose substantially to \$34,843,501 compared to \$28,803,270 for 1976.

Net worth of the companies went to \$14,048,380 up from \$13,025,987 for 1976, while net worth per share rose to \$21.39 compared to the previous year's \$18.70.

Total assets climbed to \$67,204,094 up from \$56,709,274 at year-end 1976.

Premium income for North Central Life Insurance Company, the holding company's principal subsidiary, also reached an all-time high of \$32,096,895 up from \$26,611,088 the year before. Insurance-in-force grew rapidly to another all time high of \$1,576,068,178 up 23.5% over last year's \$1,276,085,774.

In a message to shareholders, Mr. Sanborn reported that "Sales grew in all major lines of business. The total grew more than 20% and group mortgage excelled with a 33% increase. Creditor insurance grew 21%, and ordinary life 19%. Expenses and claims grew, particularly in accident and health. Yet, all but two business lines were profitable. Ordinary life was especially so when measured against 1976; its profitability grew significantly. Credit accident and health showed a small loss for the year. Individual accident and health showed a loss because of hospitalization insurance. Hospitalization insurance has not been a significant product in our operations in recent years, and has not been profitable; therefore, your



T. SANDBORN

management has decided to stop writing it.

"In 1975, after 54 years of operation, The North Central Companies primary subsidiary, North Central Life, reached the landmark of \$1,000,000,000 of life insurance-in-force. Last year, about 1½ years later, we hit the mark of \$1,500,000,000."

Richard Morran Joins Insurance Programmers

Robert A. Carney, president of Insurance Programmers, Inc., of Rolling Meadows, Ill., announced recently that J. Richard Morran joined the firm as vice president.



J. R. MORRAN

Mr. Morran has had 26 years of experience in financial insurance as the underwriting vice president for Scarborough & Co. In his new position, he will be in charge of markets, new policy forms and underwriting.

USLIFE Credit Life Has 36% Increase in Premiums

Production in excess of \$56 million in premium was recorded in 1977 by USLIFE Credit Life Insurance Company, according to James E.

Lee, vice president. The firm is headquartered in Schaumburg, Ill.

District managers were appointed in Oklahoma and Ohio, and additional representation was added in Minnesota and Michigan.

IBIS Has Record Year; Staff Revisions Announced

The Iowa Bankers Insurance & Services reported in fiscal year 1977 a record return of over \$153,000 in dividends to 490 participating Iowa banks.

The IBIS, owned by all Iowa banks, offers a complete line of services in the areas of pension and profit sharing programs, employee group, credit life, blanket bond, comprehensive bank, directors & officers liability, trust errors and omissions, and lenders single interest insurance. Total premiums for these programs for 1977 were \$4,342,594, up 33% over 1976.

Ron Dougherty, Ron Meyer, Bill Carr and Jim Jensen are the IBIS field representatives and were recently named vice presidents. On April 1, 1978, Al Tinder joined IBIS as office manager and comes to the corporation with over 25 years experience in the



A. TINDER

insurance field. Long-time banker Collin Fritz is available through the IBIS office as a consultant for IRA and Keogh programs.

The current officers for the IBIS are: Chairman, Don Curry, Farmers Savings Bank, Massena; President, Rudolph Leytze, Farmers State Savings Bank, Independence; Vice President, J. F. Simmens, Lee County Savings Bank, Fort Madison, and Treasurer, Homer Jensen, Capital City State Bank, Des Moines.

Dawson Hail Writes \$89 Million in 1977

A total of \$89 million in risks was produced in 1977 by approximately 600 local agents

of Dawson Hail Insurance Company of Fargo, N. D. This total represents an eight percent increase over 1976. James Dawson, president of the widely-known insurance firm, said his company will retain 10% of each risk in 1978. The remainder will be reinsured by several Lloyds of London syndicates and 20 other reinsurance companies, allowing for almost unlimited capacity.



J. DAWSON

Mr. Dawson reports 1978 prospects are excellent due to adequate moisture and considering an above normal number of very severe losses in 1977 (see premiums/losses chart in accompanying story.)

A veteran insurance underwriter, Dawson Hail is licensed in North Dakota, South Dakota, Minnesota and was admitted to Iowa as a policy writing stock company in November, 1977. An affiliate, Dawson General Agency, has been in the crop hail business 61 years and manages the business in these four states and Nebraska.

In addition to President James Dawson, other officers of the company are Robert Dawson, secretary; Lyle Askerooth, vice president; Pearl Burley, treasurer, Charles Fosberg and Tom Dawson, directors.

James Dawson was elected to the International Hail Insurers at its congress in Cannes, France last October, the first American to serve

—Our 58th Year—
THE CROP HAIL PROTECTION FARMERS PREFER

STATEMENT OF CONDITION At Close of Business December 31, 1977

ADMITTED ASSETS	
U.S. Government Bonds	\$6,179,422.81
Other Bonds	1,428,469.17
Stocks	135,775.38
Accrued Interest, etc.	196,445.99
Cash in Bank and Home Office	156,096.34
Total Admitted Assets	\$8,096,209.69
LIABILITIES	
Reserve for Federal and State Taxes	\$ 133,063.19
Other Liabilities	1,062,812.15
Total Liabilities	\$1,195,875.34
Funds for Policyholder Protection	6,900,334.35
	\$8,096,209.69

Securities carried at \$392,088.53 in above statement are deposited with public authorities as required by law.

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There's no denying that the last few years have been tough, both for some banks and for insurers. But Scarborough and Company has remained a stable source for blanket bonds for almost 60 years. What's more, we developed and we continue to offer the broadest bond coverage in the market—the Bankers Special Bond. It affords banks important extensions and additions to standard blanket bond coverage.

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Crop Hail Results Reported for 1977

CROP HAIL insurance premiums written nationwide in 1977 by private firms totaled \$338,963,263, according to statistics compiled by the Crop-Hail Insurance Actuarial Association and Crop Insurance Research Bureau, Inc. Losses against these premiums in 1977 were \$216,898,113 for a total loss ratio of 63.99%.

Fred W. Benson, general manager of the Crop Insurance Research Bureau, who headquarters in Sheldon, Ia., said "while it was not a profitable year for the companies it was not a serious loss year."

Mr. Benson further noted, "The area served by the NORTHWESTERN BANKER produces 61.4% of the total business. We are proud of the fact that we paid losses totaling \$136,194,352 to farmers in your area. Five of your states—Illinois, Minnesota, North Dakota, Iowa and Nebraska—suffered losses paid of \$122,701,926, equalling 56.7% of all losses paid in the nation.

"Despite lower prices the demand for hail insurance increased about 4% nationally."

State (Rank)	1977 Premiums	1977 Losses	Loss Ratio
Colorado (19)	\$ 3,850,865	\$ 2,960,731	76.88
Idaho (16)	4,858,784	2,527,134	52.01
Illinois (2)	48,264,804	22,046,165	45.68
Iowa (1)	60,018,792	36,709,672	61.16
Kansas (7)	19,150,521	12,869,475	67.20
Minnesota (4)	27,041,612	15,821,072	58.51
Missouri (10)	8,479,408	5,814,003	68.57
Montana (9)	9,373,737	2,961,580	31.59
Nebraska (3)	29,066,167	24,541,275	84.43
North Dakota (6)	21,067,246	23,583,742	111.95
Oregon (31)	693,307	435,872	62.87
South Dakota (11)	8,429,269	5,633,645	66.83
Texas (5)	24,603,369	11,292,349	45.90
Washington (24)	2,299,918	950,494	41.33
Wisconsin (14)	5,628,193	4,693,694	83.40
Wyoming (28)	1,033,740	1,903,720	184.16

on the board of the association, whose headquarters are in Zurich, Switzerland. Mr. Dawson was appointed to the executive committee of the Crop Hail Insurance Actuarial Association at that group's annual meeting recently in Chicago.

Farmers Mutual Announces Fred Benson Retirement

At the 85th annual meeting of the Farmers Mutual Hail Insurance Company of Iowa, Des Moines,

In addition to private industry coverage, the Federal Crop Insurance Corporation wrote total premiums in 1977 of \$101,964,000 and had losses of \$151,638,000, for a loss ratio of 149%. The office of James Deal, manager of FCIC, told the NORTHWESTERN BANKER on March 15 that 98% of all losses had been paid as of March 7. All losses settled by that date had been paid by the Kansas City disbursing office as of March 10, it was added. Previously, FCIC had been unable to pay an estimated \$6,800,000 of settled losses due to lack of funds. These losses have since been paid out of other collected premiums and from Congressional appropriation.

Below is a chart showing 1977 premiums collected and losses paid by CHIAA and CIRB members for states in the NORTHWESTERN BANKER area, plus a number of surrounding states and leading premium-producing states. Number in parentheses indicates nationwide ranking by premium volume. These figures do not include Federal Crop Insurance Corporation figures.

President Albert Rutledge announced the retirement of Fred W. Benson of Sheldon, Ia., after 49 years of service with the company. He had been an officer of the company since 1946 and served as vice president in charge of national affairs when he retired.

He has served as president of the National Association of Mutual Insurance Companies, president of the Mutual Insurance Association of Iowa, president of the Crop Insurance Research Bureau and chairman of the National Crop

Insurance Council. He also served on the board of the Federal Crop Insurance Corporation.

Mr. Benson will continue as manager of the Crop Insurance Research Bureau, representing its members in the legislative, educational and research areas of the crop insurance industry. He expects to continue to live in Sheldon. Mr. Benson also is a director of the Citizens State Bank in Sheldon.

Employers Mutual Assets Top One Quarter Billion

Total assets for Employers Mutual Companies, Des Moines, topped a quarter billion dollars in 1977, which EMC President Robb B. Kelley described as "a year of progress" for the insurance company. He said total assets rose from \$210 million to 251 million.



R. KELLEY

Premium writings for the fire and casualty companies increased by 11.9% to \$147,223,000, Mr. Kelley reported. Employers Modern Life raised its life insurance in force to \$356,000,000 from \$329,305,000 in 1976.

Frederick W. Weitz, chairman and president of the Weitz Company, was elected to the board of directors of Employers Mutual at the annual meeting of the board last month. He presently serves on the boards of Employers Modern Life and Union Mutual Insurance Company of Providence, subsidiaries of Employers Mutual Companies.

In other action, the board promoted George Kochheiser, senior vice president, to executive vice president. The board also approved home office promotions for Vice President T. X. Wright to senior vice president; Vice President Philip T. Van Ekeren to vice president-secretary, and Forrest C. Mercer, assistant vice president, to vice president.

William Anderson, recently appointed branch manager of the Minneapolis office, was named a resident vice president.

Employers Mutual Companies is licensed in all 50 states with 17 branch offices across the country.

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We can help you find the solution to that problem lying on your desk right now. Over the long haul, we can help you grow, a little at a time, or a lot. Let's get together!

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Vice President
Correspondent Bank Division



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Vice President
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Phil Straight
Vice President
Northern Missouri



Steve Blackburn
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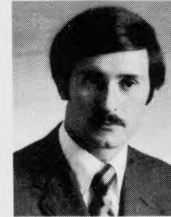
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OPEN HOUSE was held recently for guests of John H. Crowther, Inc., when the Minneapolis-based insurance underwriter moved into new and larger offices. In addition to the Minneapolis headquarters, the Crowther firm has offices in seven other cities—Des Moines, Omaha, Sioux Falls, Boise, Billings, Madison and Bismarck—to serve its clients in upper midwest and mountain states. Pictured in the receiving line are, left to right: **Doug and Dave Crowther, Alex Fjelstad, Mark Sheehan and Ray Johnston**, all of the Minneapolis office.

John Crowther Firm Sets Records, Expands in 1977

A record year was achieved by John H. Crowther, Inc., Minneapolis, in nearly every aspect of its insurance business during 1977, according to John H. Crowther, president.

Premiums written and earnings both reached new all time highs.

The rapid growth experience in 1977 is witnessed by the fact that six of its offices—Minneapolis, Des Moines, Billings, Omaha, Bismarck, and Sioux Falls—all required relocation in new offices in order to handle increased premium writing. In addition to this,



J. H. CROWTHER

a new office was opened in Boise, Idaho, in mid September. Also, terms were finalized for the purchase of the Durand Insurance Agency, which was acquired effective January 1, 1978. This office gives the company a new foothold in the state of Wisconsin.

Also, 1977 was a year of turmoil within the excess and surplus lines insurance industry. While the withdrawal from many lines in the standard insurance market created new potential within the excess and surplus lines end of the industry, limited capacity also crippled the E&S market. This limiting of capacity restricted an even larger growth potential for all excess and surplus lines companies.

Lines most heavily written at year-end included products liability, commercial automobile, liquor legal liability, and most classes of umbrella liability. Continued growth

in these areas is forecast through 1978.

AIG '77 Earnings Up 23%, Exceed \$121 Million

American International Group, Inc., New York, reported consolidated income from operations after income taxes reached a record \$121,700,000 or \$3.84 per share, and increase of 23% from \$3.12 or \$98,500,000 reported in 1976. Consolidated assets and capital funds achieved record levels at year end, approximating \$2.9 billion and \$612 million respectively.

AIG President M. R. Greenberg commented that, overall, 1977 was a fine year for the company. The underwriting ratio for the year was 93.53, down from 94.44, reflecting essentially stable loss experience and overall continued control of expenses.

For the year, general insurance net premiums written were up 25.1% from 1976 (\$1,155,700,000 in 1977 vs. \$923,700,000 in 1976.). General insurance net investment income, reflecting the impact of higher interest rates and very strong invested cash flow was \$83,300,000, up 27.1% from 1976.

Life insurance operating income was \$14,900,000 for the year, up 25.6%. Life premiums for the year were \$140,735,000 up 31.3% from \$106,800,000 in 1976.

Agency operating income was 7,600,000 for the full year compared with \$22,000,000 recorded in 1976.

Casualty Underwriters Breaks Records in 1977

Ralph L'Allier, president of Casualty Underwriters, Inc., St. Paul, announced last month that the company broke all its growth records by reporting a 54% increase in premium writings in 1977. The company specializes in writing all types of transportation coverages, including long-haul, intermediate and short-haul truck business.

During 1977 the company was appointed managing general agent by seven additional major insurance carriers, Mr. L'Allier stated, thereby increasing the company's capacity and expanding its product lines. One of these markets, he noted, will provide Casualty Underwriters with a nationwide boat program for its producers.

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Lincoln Benefit Reaches Half Billion in Force

Lincoln Benefit Life recorded another year of achievement in 1977, and surpassed a record of half a billion dollars of life insurance in force," reports C. T. "Cemy" Young, president of Lincoln Benefit Life, Lincoln, Nebr.



C. T. YOUNG

The disability and life company reports total insurance in force rose 25% from \$457 million to \$574 million in 1977. Premium income climbed 24%, going from \$11.3 million to \$14.0 million.

Lincoln Benefit Life, which operates a general agency system of 100 general agents and agency offices in 20 midwest and Rocky Mountain states, paid benefits to policyholders in 1977 amounting to over \$4.4 million, up over the previous year's \$3.3 million. Investment income went from \$2.1 million to \$2.6 million and admitted assets from \$36.2 million up to \$41.8 million.

Lincoln Benefit Life is a member company of First Greatwest Corporation, Lincoln.

mortgage costs make it nearly impossible for the average consumer to move today."

According to Mr. Schumann, the three areas of greatest development in the field are: (1) added living space, (2) updated kitchen and bathroom facilities, and (3) luxury improvements designed to improve liveability, such as swimming pools, tennis courts and saunas.

Insured Credit Services pioneered the idea of privately insuring property improvement loans 24 years ago and, today, more than 1,300 lenders are using the ICS

program. The company has insured more than \$2 billion in property improvement loans.

Life Investors Expands With Nationwide Offices

Life Investors, Inc., Cedar Rapids, Ia., has expanded its area of operations further around the nation and has opened four new regional offices in recent months, according to Don Nachtman, credit life sales manager.

These expanded services helped account for a 138% premium rise,

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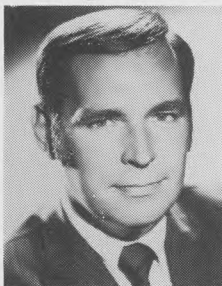
Billings
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Boise
208/336-7131

Madison
608/271-6500

Opportunity for Property Improvement Lending Seen

Activity in the property improvement loan field during 1978 is expected to be dramatically increased, according to William F. Schumann, president of Insured Credit Services, Inc., Chicago.



W. F. SCHUMANN

"All signs point to a banner year in the property improvement loan field," said Mr. Schumann. "There are two primary reasons for the anticipated growth in the field. First, the energy situation dictates greater consumer spending on improvements that will reduce energy costs and, in many cases, these consumers are in need of financing. Second, skyrocketing housing prices and the increase in

going to \$42,928,000 in 1977 from \$18,027,000 a year earlier. Pre-tax earnings rose 198% to \$2,935,000, the highest level in the company's history.

Life Investors markets its credit insurance through two separate organizations. The Cedar Rapids credit operation services banks and auto dealers throughout the United States. A new regional office in Troy, Mich., serves the credit union movement nationwide and the credit union block of insurance coverage assumed in 1977 accounted for \$19,941,000 of the increase in credit life and disability premiums registered over 1976. The remaining \$4,960,000 increase, according to Mr. Nachtman, was a direct result of a strong demand for automobiles and other consumer goods in 1977 and the company's marketing efforts to serve those customers.

Other regional service offices opened are in Chattanooga, Tenn.; Orlando, Fla., and Greensboro, N. C. Eight additional field representatives were added to the staff in 1977.

In addition, Mr. Nachtman reported, a program was developed to train the finance and insurance

personnel of auto dealers served. This program is being expanded in 1978 to installment loan officers of Life Investors' bank customers. These efforts, he noted, are expected to result in increased penetration of existing accounts and the addition of new accounts.

Guardsman Life Hits \$1.5 Billion of In-Force

Guardsman Life Insurance Company, Des Moines, ended 1977 with \$1.5 billion life insurance in force, representing a 43% increase in in-force within a 12 month period. The volume increase was 66% over the preceding year and there was a premium increase over 1976 of 23%. New ordinary life represented \$379 million as opposed to \$229 million in 1977. At the same time, there was a very significant increase in group and credit premium of 168%. New



R. R. HAGEMAN

premium in 1977, group and credit, was \$6,687,311 compared with \$2,496,670 in 1976.

"In short," reported President Rudy Hagelmann, "it was the greatest year of Guardsman growth in its history."

The company hit \$1 billion in force January 1, 1977, and attained \$1.5 billion in the next 12 months. "It is the company's objective now," Mr. Hagelmann said, "to try to attain \$2 billion in force by the end of 1978 or early 1979."

He said the company increased its area of operation in 1977 into the state of Georgia, to increase the number of brokerage general agents substantially, and to very materially increase the number of licensed brokers representing the company in its present 35-state area.

In 1977 Guardsman also introduced the Immediate Issue concept, which is a revolutionary new method of issuing policies in the offices of the agent at the time the application is received and the payment of commission at that time also. There is no limit as to the size of the policy as long as the papers are available or the applicant is within the non-medi-



85th ANNUAL FINANCIAL STATEMENT

DECEMBER 31, 1977

ADMITTED ASSETS		LIABILITIES AND SURPLUS	
Bonds: (Amortized)		Reserves for	
Government	\$15,220,637	Losses and Loss Expense	\$ 7,918,838
State, County and Municipal	26,787,890	Contingent Commissions	3,441,651
All Other	7,440,959	Taxes (Other Than Federal Income)	562,214
	\$49,449,486	Federal Income Tax	1,129,124
Stocks: (Market-N.A.I.C.)		Unearned Premiums	6,135,219
Preferred	52,500	Funds Held Under Reinsurance Treaties	692,820
Common	459,530	Reinsurance Balances Payable	4,824,871
Real Estate — Including Home Office Bldg.	756,527	All Other	329,630
Cash and Bank Deposits	840,898	TOTAL LIABILITIES	\$25,034,367
Agents Balances & Reinsurance Receivable	9,030,431	Surplus As Regards Policyholders	36,263,841
Interest Due and Accrued	670,869	TOTAL	\$61,298,208
All Other	37,967		
TOTAL	\$61,298,208		

ALBERT RUTLEDGE, President

DALE DEN HARTOG, Treasurer

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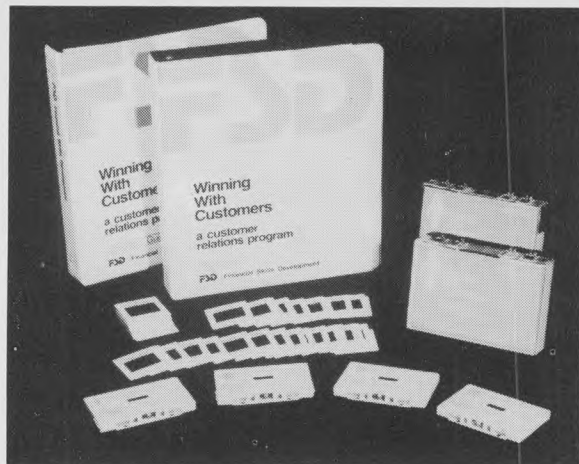
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Winning with Customers

—a customer relations program
from Continental Bank

POOR customer relations could be costing banks up to 40% of all the customers they lose each year, according to recent statistics.

"Winning With Customers, Continental Bank's latest packaged Financial Skills Development training program, was developed to make banks retain current customers, increase sales of bank services and reduce the number of customers who are lost because of poor customer relations," said John Tingleff, vice president, financial institutions division. The customer relations program, which utilizes sound/slide presentations, audio cassettes, and coordinated workbooks, is built into the framework of three 90 minute workshops.

The first unit of the course focuses on an individual's efforts to build customer confidence by teaching employees to listen attentively and communicate clearly.

The second portion of the course covers methods of dealing directly with customers, and includes tips on handling difficult situations, answering questions, and communicating face-to-face, by telephone, and in writing.

The third section presents techniques for discovering customer needs and introducing the appropriate services to meet them. This portion of "Winning With Customers" also permits an institution to customize the course by introducing its own products and services as program materials.

The workshop format encourages the highest degree of participation and involvement by employees, with minimal preparation required by the workshop leader, and makes the program a practical, interesting and enjoyable way to learn. The program was designed for every public contact person in a bank...receptionists, secretaries, tellers, personal bankers, loan officers and everyone who transmits the personality and prestige of a bank.

"Winning With Customers" has achieved enthusiastic acceptance by the 300 banks across the country that have been using it since it was first offered last October. Now Continental is making this program available on a 30 day preview basis to give banks the opportunity to prove the effectiveness of the program with no obligation.

"Winning With Customers" is the fourth in the financial skills development series of courses being offered by Continental Bank.

Further information on any of the courses is available from Jeanne Czarnecki, Manager, Educational Services Division, Continental Bank, 231 S. LaSalle Street, Chicago, Illinois.

cal limits. The information is immediately transferred to the office by telecopier. Underwriting decisions are made and the agency is informed of the policy number and premium amount and has trained staff prepared to issue the policy.

This system was put into full operation approximately midyear 1977 and by year end the company had issued \$35 million of business via Immediate Issue and some \$600,000 in annualized premium had been generated. As a result, the company is expanding its Immediate Issue program in 1978 and hopes to have by year-end over 100 agencies operating on this concept which has eliminated, in large part, the necessity to rely on U. S. mails and normal routine administrative procedures.

Omaha Financial Reports Progress and Promotions

Warren R. Whitted, president of Omaha Financial Life Insurance Co., Bloomington, Minn., reported to stockholders last month that assets at 1977 year-end were \$14,521,538. Life insurance in force on the same date was \$539,202,000 and total premiums written and assumed for the year were \$24,931,296.

Omaha Financial Life, which is a Mutual of Omaha company, formerly was known as St. Paul Hospital & Casualty Company but was given its present name last September.



W. R. WHITTED

Mr. Whitted also announced four staff promotions. Named vice presidents were Gene Currie and Paul Wold. Advanced to second vice presidents were Michael Costello and John Mullen.

A 31-year veteran with Mutual of Omaha companies, Mr. Currie is in administration. He has been with Omaha Financial since 1970.

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WOMEN IN BANKING

By **JANET TABER**
Assistant Vice President
First National Bank
Long Prairie, Minn.

WE, as women in banking, have to make work for us positive qualities that our male counterparts may not have, says Janet Taber, assistant vice president and assistant instalment loan officer of the First National Bank of Long Prairie, Minn.

"We, for example, will have a greater sensitivity to others' needs as we have been basically trained from the time we were little girls to be the helpmate. All the old stereotypes of women can be put into positive use on the job.

"A woman going into banking today will have the best advantage with some type of vocational banking schooling. The best advantage for a big city job would be a college business degree, but people's feelings vary on this according to the area of the country. She must decide for herself if she wants a career or a job. There is a big difference and many people do not realize this.

"I must stress the fact that she, whoever she may be, has to be willing at all times to continually learn more and work possibly twice as hard as her male counterpart to get ahead. Sometimes she must take extra banking courses or other business related courses that seem irrelevant at the time. She must always think of the future." First National Bank of Long Prairie is a very progressive bank in its area. In this field of education, it is a very strong backer of any and all employees getting further education through AIB courses or any of the other banking schools. This, in turn, is good for the bank.

Mrs. Taber joined the First National Bank of Long Prairie as safe deposit box custodian. She held that position for six months and then was transferred to the loan department as a loan secretary, teller and all-around Girl Friday. She is now assistant vice president and assistant instalment loan officer covering all instalment loan department activities—payroll, credit life, check charges, etc. Also, she makes airline arrangements as a free service for bank customers through Minnesota State Automobile Association.

Commenting on stereotype ideas of women, Ms. Taber said she identifies the problem most in the area of role stereotyping females into the secretary-teller-receptionist positions by both men and women. Women seem to get locked in for a very, very long term in the secretary-receptionist stereotype—even though they may have advanced to officer or higher management roles.

"At this point in time, I would recommend banking to my sons as a career, but not to my daughters unless things really change now and in the next five years," Ms. Taber said. "We, as women, must accept the fact that changes will come, but we must also be willing to wait patiently, because pushing the issues only makes the road to success that much harder." □



Mr. Wold is western general sales manager. He joined the company in 1972 and has been assistant vice president. Prior to joining the company, Mr. Wold had extensive experience in the credit life field in Iowa and surrounding states. He has been headquartered in Des Moines but will now move to Bloomington.

Mr. Costello is in underwriting and Mr. Mullen is in claims.

BAI To Award Continuing Education Units

Bank Administration Institute has begun to award continuing education units (CEUs) to bankers participating in institute educational programs. BAI President Ronald G. Burke announced that the new program would be available to participants in most BAI courses that meet national criteria and guidelines beginning April 1, 1978.

One unit equals 10 contact hours of participation in an organized continuing education experience under responsible sponsorship and qualified instruction. Records will be kept for all individuals who wish to participate in the program. At any time, a participant may request a transcript that will contain information regarding the number of CEUs which he or she has accumulated.

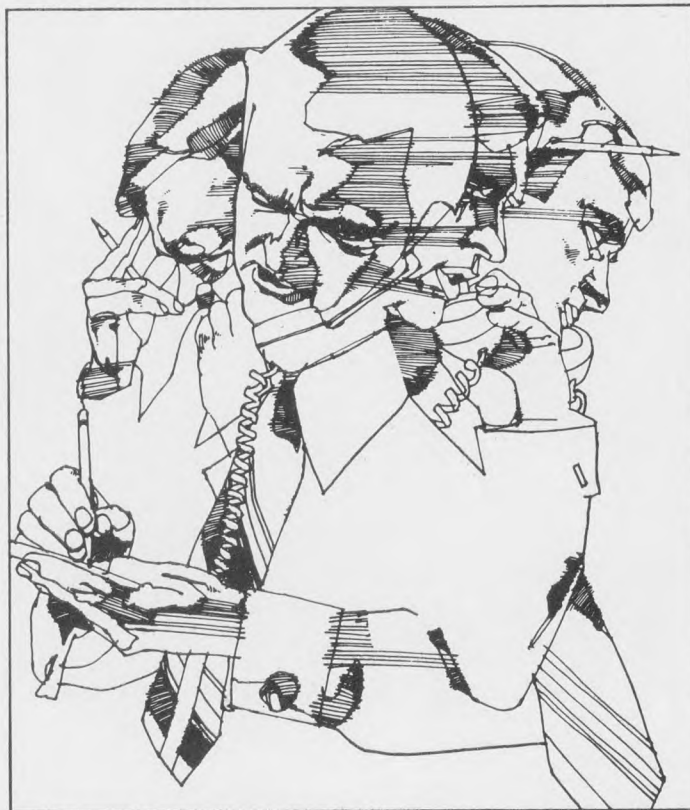
Kansas City Bank Schedules Correspondent Conference

The Commerce Bank of Kansas City, N.A., will host its 1978 Correspondent Bank Conference Thursday, April 20, at the Alameda Plaza Hotel in Kansas City. This year's theme is "Professionalism in Banking—The Commerce Bank of Kansas City Approach."

Guest speakers include Dr. Earl L. Butz, former secretary of agriculture and presently dean emeritus of agriculture at Purdue University, and Morton I. Sosland, editor and publisher of "Milling and Banking News" and president of the Sosland Companies, Inc. Discussions will be led by various bank experts covering the fields of portfolio management, corporate and retail lending, bank cards, estate planning, agribusiness, cash management and other fields.

The one-day conference will conclude with dinner and entertainment featuring Dian Hart and Glenn Ash.

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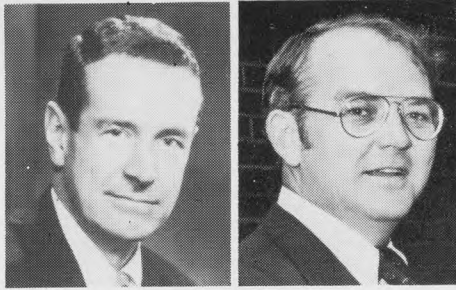


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Illinois News

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



First National of Hinsdale Announces Staff Changes

The First National Bank of Hinsdale has announced the election of Willys H. Monroe to its board. He is a senior vice president and partner in the firm of Booz, Allen & Hamilton.

Eugene C. Ognibene has been elected senior vice president. He recently joined the bank following 10 years at the Northern Trust Company in Chicago.

In an earlier action, the board elected J. K. McCoy, president, to chief executive officer. Mr. McCoy joined the bank in 1963. He succeeds D. F. Warnke as chief executive officer. Mr. Warnke retired at the end of 1977 after serving the bank since 1955.

Joseph Lancaster has been elected assistant cashier after about two years of operational duties at the bank. He had previous experience in the First Ogden Banks.

Pekin Banker Retires

William E. Troutman, vice chairman of First National Bank and Trust Company

of Pekin and director and cashier of First State Bank of Pekin, has retired from both positions. He continues as director and president of Court Acceptance



W. E. TROUTMAN

Company, holding company controlling the shares of First State Bank of Pekin.

The retirement culminated 44 years of banking experience beginning in 1934 at the Central Bank and Trust Company of Denver, Colo. In 1961, Mr. Troutman assumed the presidency of Rushmore State Bank in Rapid City, S.D., and was elected president of Group V of the South Dakota Bankers Association during his tenure there. He also served as executive vice president of People's Bank and Trust Company of Waterloo, Ia.

Mr. Troutman was named president of Pekin's First National Bank and Trust Company in 1968, a post he held until becoming vice chairman in 1976. Additionally, he was elected president of First State Bank of Pekin upon its chartering in 1971, a project in which he was instrumental.

Elected at Peoria

The election of Howard P. Gallatin to the position of trust officer has been announced by the Commercial National Bank of Peoria.

A native of Milwaukee, Mr. Gallatin was graduated in 1968 from the University of Iowa where he majored in economics and from the university's law school in 1974. He worked in the trust department of

the First National Bank of Rochester, Minn., before joining the Peoria bank in February.

Elected at Woodfield

Dale M. Hrouda has been elected cashier of Suburban National Bank of Woodfield. He joined the affiliated Suburban Bank of Rolling Meadows in 1975 after graduation from Marquette University College of Business Administration. He was assistant cashier there until joining the Woodfield bank last January.

Galesburg Bank Opens Sandburg Office

THE Sandburg Drive Office of the First Galesburg National Bank has opened, according to Richard M. Bishop, president.

The office features three officers, new accounts area, six teller windows, two after-hour teller windows, nine drive-up lanes, one exclusively for commercial use, and a 24-hour Bank Machine. It also will have 270 square feet of vault storage space and 6,500 square feet of office space.

The local architectural firm of Weber, Griffith and Mellican de-

signed the parking and drive-up layout and traffic pattern.

Officers will include: Edwin Hick, assistant vice president and manager; Charles E. Hawkinson, assistant manager, and Robert Steele, operations officer. Mr. Hick has been with the bank for 20 years and has served in commercial lending. Mr. Hawkinson, with the bank since 1971, most recently was an instalment loan officer. Mr. Steele has 30 years of experience in teller operations, most recently as manager of the Prairie Street Drive-Up.





GROUP SIX officers are shown from left: pres., **Howard R. Walker**, v.p. First Nat'l., Metamora; v.p., **Gordon Brown**, pres., St. Bk. of Havana, and secy--treas., **Donald Whittier**, v.p., Citizens Nat'l., Toluca.

ANNUAL GROUP MEETINGS

Defend New Illinois Banking Survey

SINCE the current Illinois legislative session is concerned with appropriations and budgetary matters, there is little likelihood that any action will be taken to affect banking structure this year."

This was the comment made by Robert Schrimple, former executive vice president of the Illinois Bankers Association, at the recent series of annual group meetings. Mr. Schrimple is now serving as legislative consultant for IBA.

Mr. Schrimple reported that IBA is backing an amendment to the usury rate law whereby a charge of \$15 can be made on loans of \$800 or less. This is expected to be brought up as "emergency legislation" this year.

New Survey

William J. Hocter, executive vice president of IBA, answered questions on a new survey sent to all members. The survey asks for opinions on banking structure, as well as on a wide variety of other current banking subjects. The Council of Administration developed the survey with the help of a well-known marketing organization in an attempt to determine the major forces impacting Illinois banking in 1978. Some IBA members felt that the survey prefaced the questions by suggestive comments concerning

branching by savings and loans and the issuing of share drafts by credit unions. They were assured by Mr. Hocter that IBA is not attempting to influence the answers to the survey.

Each group passed a resolution against the automatic transfer of funds from savings to checking as proposed by the Fed and FDIC. The Fed had asked for comment on the



IBA PRESIDENT **John Montgomery** describes new survey to the press.

proposal as of March 20. As of March 1, only 14 banks throughout the nation had responded, indicating an indifference to the subject.

Don Houk, vice president of Commercial National Bank, Peoria,

issued an appeal during the Group 6 meeting for a compromise between the IBA and AMBI (Association for Modern Banking in Illinois). The latter group withdrew from IBA several years ago because of its more liberal views on branching and registered multi-bank holding companies. Mr. Houk said that 1978 is the year to form a compromise, so that all Illinois banks will face the 1979 legislature as a solid block. Commercial National is a member of both IBA and AMBI.

President John Montgomery said that differences of opinion on banking structure among Illinois banks arises from the fact that varying degrees of competition are prevalent around the state. "The rapid changes are impacting some banks to a greater degree than others," according to Mr. Montgomery. Turning to another subject, he added that the interest rate differential is only one factor in competing with savings and loans. He gave as an example a savings and loan in Chicago that has \$1.9 billion in share accounts. Annual earnings for this institution were less than \$5 million, which is far below an accepted figure for commercial banks. He indicated that savings and loans can spend a greater amount of money on advertising and promotion because high earnings are not a requirement.

Group 6 in Peoria again boasted a record registration of 421.

First National of Lansing Announces Staff Promotions

Gilbert J. Rynberk, Jr., president of the First National Bank of Lansing, recently announced the promotions of Thomas C. Cornwell and Stanley S. Pamedis to vice presidents, and Helen M. Kennedy to cashier.

Mr. Cornwell will continue as trust officer and will supervise the trust operations. He joined the bank in 1972 after receiving his Doctor of Jurisprudence degree from Indiana University.

Mr. Pamedis will continue to supervise and operate the instalment loan department. He is a business graduate of Governors State University and joined the bank in 1971.

Mrs. Kennedy, formerly assistant cashier, will be in charge of bank operations. She joined the bank in 1961.

Promoted at Elmhurst

William T. Giova, president of the Bank of Elmhurst, has announced the following promotions: Duane T. Carpen, William D. Howe and Z. John Koper to assistant vice presidents; and Rose DeFrancesco, Pat Glanville and Mary Anne Migasi to assistant cashiers.

Elected at N. Aurora

John L. Oberweis has been elected to the board of directors of the Bank of North Aurora. He is president of Oberweis Dairy, Inc.

To Head IBA Marketing, Public Relations Division

G. Thomas Andes, executive vice president and director of The First National Bank of Belleville, has been elected president of the Illinois Bankers Association's marketing and public relations division.

Others elected include: first vice president, Gerald Feezor, president, Peoples Bank of Marion; second vice president, Dennis McMillan, vice president, Tuscola National Bank, and secretary, Karen Reeves DeLee, IBA director of communications.

Executive committee members elected to serve a three-year term are Ellis Waller, vice president, Illinois National Bank & Trust Co., Rockford, and Jim Adamson, vice president, Metropolitan Bank &

Trust Co., Chicago. Elected to serve a one-year term is Tom Patton, First National Bank, Shawneetown.



VINCENT L. deMoya, president of Chicago's Hartford Plaza Bank, has announced the election of two new members of the bank's board. They are: Clinton E. Frank, chairman of Bridelwood Corp., and honorary chairman of a major Chicago advertising agency bearing his name, and Sidney Friedland, vice president and treasurer of the Florsheim Shoe Company.

Michael E. Godwin has been elected vice president and Mara L. Tomsons assistant vice president of Sears Bank and Trust Company. Mr. Godwin has joined the bank to



M. E. GODWIN

M. L. TOMSON

assume responsibility for the internal audit function, and Ms. Tomsons will become head of bond department operations.

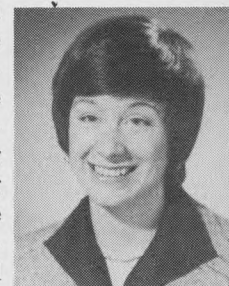
The Chicago City Bank and Trust Company, in cooperation with the United States Secret Service, Chicago Division, recently displayed an

unique exhibit on counterfeit money in the bank lobby, according to Gavin Weir, chairman.

On display were many variations of the actual counterfeit notes presently being passed in the Chicagoland area. The exhibit instructed both the novice and experienced money handler on what to look for and how to detect counterfeits.

A popular portion of the exhibit then allowed visitors to actually test their newly gained knowledge by detecting counterfeit from genuine U.S. currency.

Helen J. Tierney, vice president Financial Shares Corporation, Chi-



H. J. TIERNEY

ago, has been named to the planning committee of the Chicago Metropolitan Housing and Planning Council. The council is a non-profit regional institution for informed citizen action on major housing, planning and development issues.

In addition to the MHPC post, Ms. Tierney serves on the Hospital Review Committee of the City of Chicago Health Systems Agency. She is also a director of the Chicago Chapter, Bank Marketing Association, and is a member of several other professional and community groups.

Financial Shares Corporation is a Chicago-based marketing and training consulting firm.

The board of Capitol Bank of Chicago has announced the election of Amy Mazzolin, manager of the bank's marketing and advertising projects, to its board. She has been with the bank for two and a half years.

Gayle R. Redfern has been elected customer service officer in Michigan Avenue National Bank's customer service center. She joined the bank last December after serving as a mortgage loan officer for the Telegraph Savings and Loan in Chicago.

Correspondent Banking Division of Midland Bank



Stan Peterson
Vice President
372-7067

Jackie Dunn
Correspondent Services
Coordinator
372-7054

Mike Higgins
Assistant Vice
President
372-7062

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The solid fact is that these three people represent an institution of financial strength and broad experience in all areas of Correspondent Banking. Call us for assistance.

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Transit	Money Transfer
Federal Funds	Data Processing
Bank Stock Loans	Safekeeping
Personal Loans	Foreign Drafts & Currency
Investments	Keogh Plan

Right on the money.



MIDLAND NATIONAL BANK Of Minneapolis

An Affiliate of Northwest Bancorporation

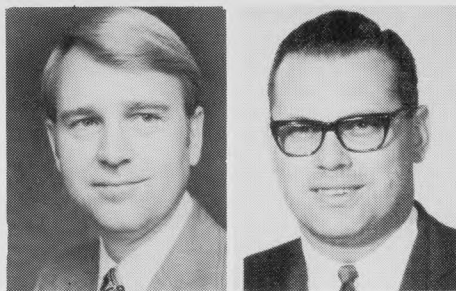
The Downtown Bank with Two Locations

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

BANCO

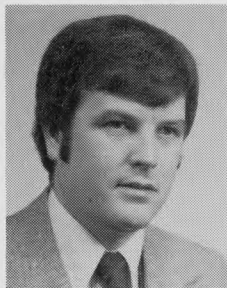
Minnesota News

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



To Head Benson Bank

N. Thomas Wiedebush, executive vice president, has been elected president and managing officer of The First State Bank of Benson. He succeeds James E. Hausauer who joined the Western Bank and Trust Company of Marshall.



N. T. WIEDEBUSH

Mr. Wiedebush began his career with First Bank System in 1968 as an administrative assistant at the Aberdeen National Bank in South Dakota. He also has been with the liaison credit office of First Bank System and the First National Bank in Miles City, Mont. He joined the Benson bank as vice president in 1976 and was elected executive vice president earlier this year.

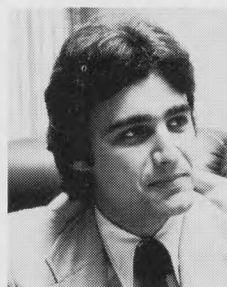
Lohr joined the bank in 1963 serving as head teller and assistant cashier. In 1974 she was appointed cashier. Mrs. Peil formerly was with Singer Sewing Company for three years.

Duluth Banker Retires

Arthur W. Danielson, cashier of the First National Bank of Duluth, retired March 31 after 31 years of service to the bank and its predecessor, First American National Bank. Mr. Danielson joined the bank in 1946, was promoted to assistant cashier in 1956, to assistant vice president in the customer services department in 1962 and to cashier in 1973.

Bloomington Bank Names Vice President, Director

The American State Bank of Bloomington has announced the election of Robert J. Facente, Jr., as vice president. Formerly with F&M Savings Bank of Minneapolis, Mr. Facente joined American State in September of 1976 as assistant vice president in the loan department. He is a business graduate of the University of Minnesota.



R. J. FACENTE

The bank also announced the election of Neil E. McGraw to its board of directors. Mr. McGraw is president of Gill Brothers Funeral Chapels, Inc., Minneapolis.

Advanced at Hastings Bank

First National Bank of Hastings has announced the promotions of LaRoy Lucken to vice president and Judith Florsheim to assistant cashier.

Mr. Lucken, who joined the bank last July, had previously been manager of the Barron Credit Union in Barron, Wisc. Mrs. Florsheim has been with the bank since 1973.

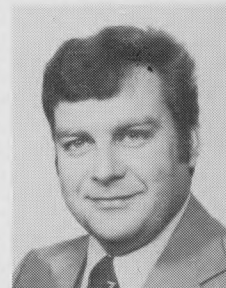
Brochure Features ATM Program at Bloomington

A new case history brochure published by Mosler features the ATM program at Community State Bank, Bloomington. The bank has three Mosler Teller-Matics run off the same controller and capacity to expand the present system by three terminals.

Among the highlights of the brochure is an explanation of how the bank effectively solved the problem of expensive free checking with new options including its Ever Ready Teller System.

First National, Hutchinson, Announces Staff Promotions

W. T. Richards, president and chairman of the First National Bank of Hutchinson, has announced the following promotions: Chuck Draeger, assistant vice president; Lee Clark and Richard Burgart, assistant cashiers, to assistant vice presidents; and Ruth McKay, Doris Mohler and Maureen Hantge, to assistant cashiers.

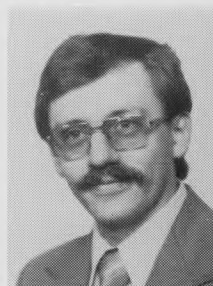


C. DRAEGER

Mr. Draeger was with the First State Bank of Brownston for 10 years prior to joining the Hutchinson bank. Mrs. Clark joined the bank in



L. CLARK



R. BURGART

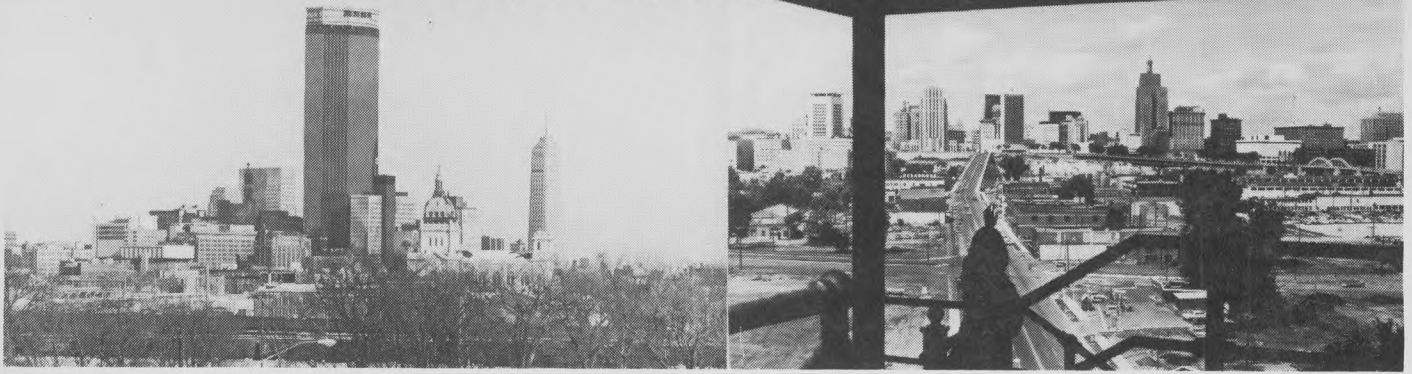
1962 as an assistant cashier-administrative secretary. In 1975 she became a loan officer. Mr. Burgart joined the bank in 1975 from Community Credit Company of Hutchinson.

State Bank of Worthington Announces Staff Promotions

The State Bank of Worthington has announced the following staff promotions: Howard Meyer, executive vice president; Ralph E. Schenck, Jr., vice president; Deloris Lohr, assistant vice president, and Gwen M. Peil, assistant consumer loan officer.

Mr. Meyer, who joined the bank in 1972, previously was cashier at Kanabec State Bank in Mora and operations coordinator of the bank group with central offices in Eau Claire, Wisc. He joined the Worthington bank as assistant vice president and agricultural representative and was promoted to vice president in 1973.

Mr. Schenck has been with the bank since March of 1976 as cashier. He formerly was with the First Minnetonka City State Bank. Mrs.

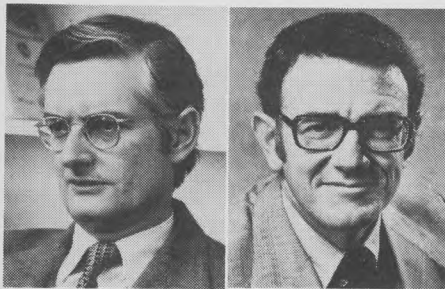


D. H. ANKENY, JR., president and chief executive officer of the First National Bank of Minneapolis, has announced the addition of three members to the bank's board of directors: **George H. Dixon**, president and director, First Bank System; **Robert H. Edwards**, president, Carleton College, Northfield, Minn., and **Richard L. Schall**, vice president and chief administrative officer, Dayton Hudson Corporation.

Mr. Dixon returns to First Minneapolis' board after having served as president, then chairman



G. H. DIXON



R. H. EDWARDS

R. L. SCHALL

and president, from 1968-76. He was Deputy Secretary of the U.S. Treasury in 1976-77, then assumed his present position with First Bank System.

The bank also has promoted four of its officers to vice presidents and four others to assistant vice presidents.

Named vice presidents are: **Charles H. Strothman**, corporate banking division D; **D. Michael Anderson**, corporate banking division I; **David A. McChesney**, instalment business loans, and **Roger A. Bowers**, trust

pension and profit sharing management department.

Named assistant vice presidents are: **Lawrence A. Gregerson**, corporate banking division C; **Sally O. Forsberg**, division H, professional accounts; **Allen J. Anderson**, real estate finance division II, and **Robert G. Borgeson**, metropolitan corporate banking division.

Mr. Strothman began his career with First Minneapolis in 1964 in commercial banking. Mr. Anderson joined the bank in 1965, Mr. McChesney in 1960, and Mr. Bowers in 1968.

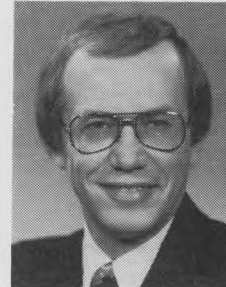
Mr. Gregerson joined the bank in 1973 as a credit analyst. Mrs. Forsberg, with the bank since 1976, formerly was with the Summit State Bank. Mr. Anderson joined the bank in 1973 and Mr. Borgeson in 1968.

Seven new officers with functional titles have been announced: **M. Claire Canavan** and **Sandra J. Anderson**, commercial banking officers; **Thomas Hanold** and **Sabina Sten**, international banking officers; **Kenneth L. Dagel**, bond investment officer, bond department; **Marianne McArdle**, trust officer, trust agency-custody division, and **Michael R. Addy**, systems officer, automated systems research and planning division.

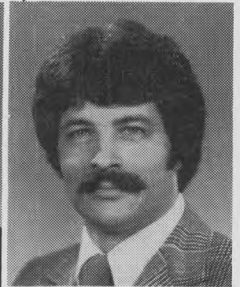
John H. Carlson has joined the Northwestern National Bank of Saint Paul as vice president of human resources, according to **G. Richard Slade**, president. An accredited personnel manager from the American Society of Personnel Administration, Mr. Carlson formerly was with Blue Cross and Blue Shield of Minnesota.

Also announced were the promotions of the following staff members: **Richard J. Briguet**, who recently joined the bank as collections

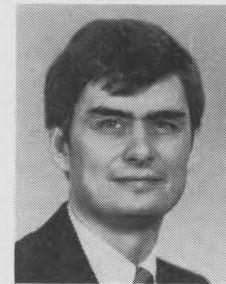
supervisor, to loan collections officer, and **James J. Drealan** and



J. CARLSON



R. BRIGUET



J. DREALAN



D. JOHNSON

Dorie M. Johnson, to trust officers.

Mr. Briguet formerly was with the First National Bank of Saint Paul. Mr. Drealan had experience with the Northwestern National Bank of Minneapolis before joining the Saint Paul bank. Ms. Johnson, formerly trust administrator, has been with the bank since 1974.

Richard Kuxhausen has been appointed marketing officer and sales training manager in the regional marketing services department of First Bank System, Inc. He joined the staff in 1977 as sales training manager. He had previously served as senior consultant and Minneapolis manager for Marketing Psychologists, Inc., Chicago, and as marketing consultant and administrative manager of Performance Incentives Corporation, Minneapolis.

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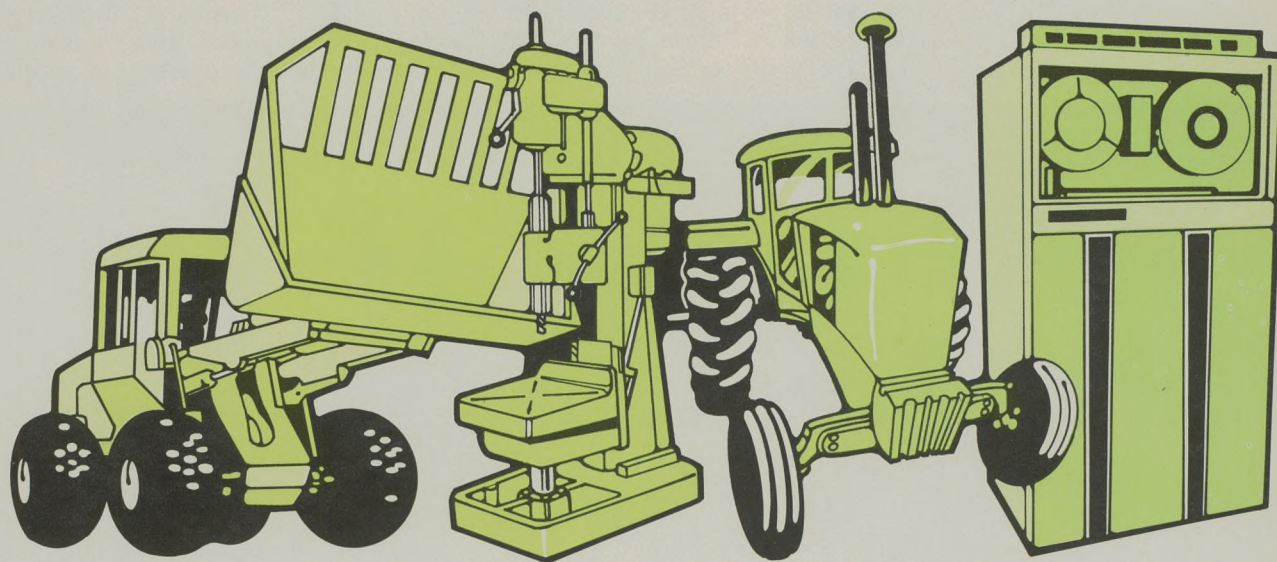
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BANQUET finds James T. Gowan (standing), v.p. in charge of correspondent dept.; Andrew G. Sall (left), exec. v.p.; David G. Jones, v.p. & economist from Audrey G. Lanston, New York, and Richard C. Swanberg, v.p.

"Profit Improvement '78" Sponsored by First National Bank of St. Paul

By MALCOLM FREELAND
Publisher

SHORT term interest rates will start moving up late this month and will continue the uptrend through July."

This was the prediction made by David M. Jones, vice president and economist for Aubrey G. Lanston & Co., Inc., New York. Mr. Jones appeared as a key speaker at the correspondent bank management conference sponsored by The First National Bank of St. Paul last month.

Mr. Jones indicated that the Federal Reserve will exert strong influence on short term rates, as William Miller takes up where Arthur Burns left off in the fight against inflation. Other influences will be a strong consumer credit expansion and anticipated large borrowings by the Treasury. Mr. Jones sees an inflation rate in 1978 of seven percent. He sees rates hitting a peak in June as follows: Fed Funds 7½%; One-Year Treasury Issues

8.35%, and the prime rate 8¾%. By year-end, rates will ease, he said.

Profit Improvement

The Conference was termed "Profit Improvement '78." Officers from major divisions of the host bank presented their thoughts in attaining this theme. James T. Gowan, vice president in charge of the correspondent department, served as moderator.

SBA/FmHA loan participations were discussed by Richard C. Swanberg, vice president in the investment department. He explained how community banks might gain greater liquidity through the secondary market. He said that new loans and old loans can qualify for sale in the open market. In addition to gaining greater liquidity, banks can increase earnings by getting a one per cent service fee. They can also increase their customer base and offer greater service to their community, according to Mr. Swanberg. A full length article on the subject will appear in the May issue of the Northwestern Banker.

Tax Reform

The Tax Reform Act of 1976 was discussed by Thomas T. Dwight, and Jon A. Theobald, vice presidents of the First Trust Company. Mr. Dwight reminded bankers that the next exception is \$134,000 this year, and it will increase to \$175,625 by 1981. He also mentioned the importance of the new \$250,000 maximum marital deduction.

Mr. Theobald illustrated the advantages of "two trust planning," which is important in reducing or



OLD FRIENDS—G. M. Pleschel, pres., Farmers & Mer. St. Bk., Springfield, Minn.; George Volz, pres., Farmers & Mer. St. Bk., New Ulm, Minn.; Don Buckman, v.p. host bank, and Marv Campbell, pres., Citizens St. Bk., Brainerd, Minn. RIGHT—Speakers included Ken Heiser, correspondent bk. off.; William A. Wood of ABA staff, and Richard C. Swanberg, v.p.



TAX REFORM was discussed by **Thomas T. Dwight**, v.p., and **Jon Theobald**, v.p., First Tr. Co., and **Terrance Svejda**, systems off., host bank, spoke on the Automated Payments Exchange. **RIGHT**—Hosts **James A. Russell**, a.v.p.; **Robert Peroutka**, a.v.p.; **Judith Owen**, real estate off.; and **Andrew G. Sall**, e.v.p.

eliminating taxes following the death of the second spouse. Both speakers indicated the importance of having wills updated following the 1976 tax changes.

Asset Management

Loan and investment policies were discussed by Andrew G. Sall, executive vice president, and Robert J. Peroutka, assistant vice president.

Mr. Sall emphasized the importance of a written loan policy, outlining the philosophy of lending for each community bank. He said the policy should include important ingredients such as types of loans, lending limits for individuals, geographic area, and type of loan review - but the policy should not be so restrictive that it removes initiative for lending personnel. A sample loan policy for medium-size banks was given to each guest.

Mr. Peroutka stated that a written investment policy leads to an improvement in handling investments. He said bankers should list objectives, size, mix, maturity distribution, and quality in formulating investment policies. Mr. Peroutka indicated that losses in the past few years have been frequently due to poor selection of maturities and not due to quality.

Mortgage Hints

Judith A. Owen, real estate officer, explained proper procedures for making FHA, VA and conventional real estate loans. She emphasized the importance of correct appraisal and credit information in selling mortgages to FNMA

or other secondary mortgage investors. The bank plans a training program for mortgage loan people late this month.

APEX

Current information on the Upper Midwest Automated Clearinghouse was presented by Terrance E. Svejda, systems officer, and effective cash management was discussed by John C. Whittaker, division assistant. Mr. Svejda explained how corporations can benefit from computerized cash management through "FirstLink System," based upon the Chemical Bank of New York's information service.

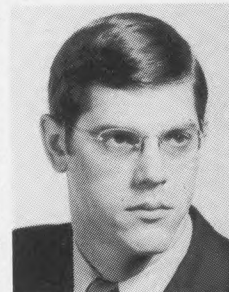
William A. Wood, Jr., ABA government relations division, explained the new options offered banks under the Treasury Tax and Loan Investment Program. Banks will be able to operate under the "Note Option" and elect to hold part of the Treasury's cash and function as a part of the collection system - or they will be able to elect the "Remittance Option" whereby they will function as a collector only. Further revisions on the current rules are anticipated.

The 1978 conference was highlighted by Michael H. Mescon, chairman, department of management, Georgia State University, Atlanta, as he talked on "Management of an Effective Organization." Mr. Mescon reminded guests that a major problem we face is the failure to recognize and reward people as individual human beings. He said that bankers should regard change as part of the status quo. Otherwise, they may face the same fate of W. T.

Grant stores and Abercrombie & Fitch. He concluded by saying, "If you don't like the way things look at the bottom, take a look at the top, In most instances, performance is reflective!"

Marquette Assignment

William Klein has been named correspondent banking officer for Marquette National Bank, Minneapolis. He will travel North Dakota and Montana.



W. KLEIN

Mr. Klein was an installment loan officer at Savage State Bank prior to joining Marquette. Originally from St. Peter, he attended the University of Minnesota and graduated from Mankato State College.

Named at Elk River

S. R. Wheaton, executive vice president of The First National Bank of Elk River, has announced the promotion of Richard Van Erp to assistant vice president, consumer loans, and the election of Gwen McGhan to assistant cashier, operations.

Mr. Van Erp joined the bank in 1975 as installment loan officer after experience as a loan officer in Spring Lake Park and Eau Claire, Wisc. Ms. McGhan joined the bank as a teller in 1966. She has been supervisor of teller and bookkeeping operations for the past two years.



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Counts, batches, endorses or cancels checks and currency up to 1200 per minute.



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Counts, batches, endorses or cancels checks, currency & food stamps . . . up to 750 per minute.



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Processes hundreds of coins per minute, ideal for processing large quantities of coins for bagging or packaging.

First System Services, Inc., the services subsidiary of First Bank System, Inc., has announced the promotions of **Deverne Danburg** and **Stanley W. Janssan** to assistant vice



D. DANBURG

S. W. JANSAN

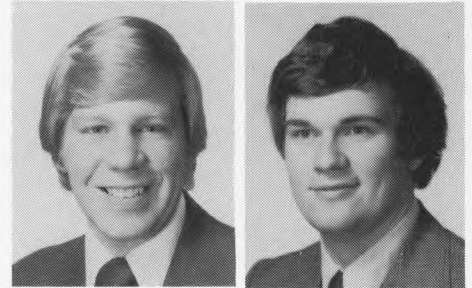
presidents-examinations. Mr. Danburg joined First Bank System in 1950 at The First National Bank of Windom, where he was appointed auditor in 1952. Mr. Janssan began his banking career in 1948 at the First State Bank of Graceville.

The Twin City Lenders Association recently elected officers and board members for 1978. They are:

president, **John Burlowski**, assistant cashier, National City Bank of Ridgedale; vice president, **Robert Facente, Jr.**, vice president, American State Bank of Bloomington; secretary, **Steve King**, lending officer, Hillcrest Mid-America State Bank of Maplewood, and treasurer, **George Slinkard**, vice president, Metropolitan State Bank.

The following board members also were announced: **John Barth**, assistant vice president, Northwestern National Bank, of St. Paul; **Sandra Dockter**, assistant vice president, Marquette National Bank of Minneapolis; **Tim Doherty**, assistant vice president, Community State Bank of Bloomington; **Jerry Larson**, assistant vice president, Northwestern State Bank of Osseo, and **John Luce**, assistant vice president, First Edina National Bank.

First Bloomington Lake National Bank has announced the elections of **W. Norman Swenson** to vice president and cashier and **Sheldon R.**



W. N. SWENSON

S. R. CRAVENS

Cravens to assistant vice president, commercial lending.

Mr. Swenson began his career at the bank in 1966 as utility teller. He became assistant operations manager in 1968, assistant cashier in 1972 and cashier in 1975. In 1973 he joined the Personal Banking Center with operations duties. Mr. Cravens worked part-time at the bank before joining it full time in 1973. He became assistant cashier, instalment lending in 1974. In 1975 he joined the Personal Banking Center and in 1976 was named sales finance manager. He was named commercial loan officer in September of 1977.

The First National Bank of Saint Paul has entered into an arrangement with the Chemical Bank of New York to market its new Chemlink computerized cash management system in the Upper Midwest, according to **Andrew G. Sall**, executive vice president of First National.

The system, to be marketed by the First of Saint Paul under the name FirstLink, involves a highly advanced information gathering network that permits the corporate treasurer to quickly assess his company's cash position, make evaluations, and execute borrowing and investment decisions based on accurate, up-to-the-minute information.

Two new directors recently were elected to the board of the First National Bank of Saint Paul. They are: **George H. Dixon**, president and director of First Bank System, Inc., and **Judith K. Healey**, executive director of the Minnesota Council on Foundations.

Mr. Dixon was president of the First National Bank of Minneapolis from 1968-72 and served as president and chairman from 1972-76. In 1976 he was named deputy secretary of the Treasury, Department of the Treasury, Washington, D.C.



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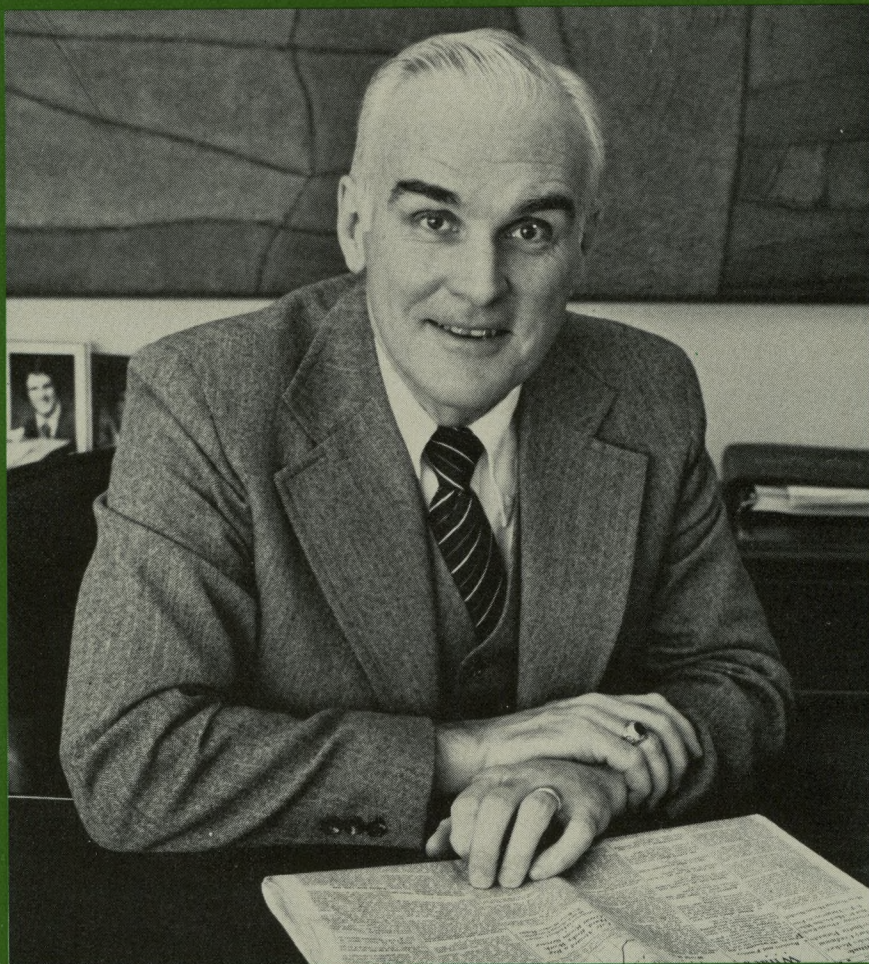
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Jim Gowan, Vice President,
Correspondent Banking Division (612) 291-5577

“Operating the whole Correspondent Bank Division is my responsibility. And that means that it’s my duty to see that our correspondent customers are getting the best service possible.

“To do that, I have to really understand correspondent banks’ needs, so that my division can tailor-make banking programs that best suit those needs. And I think the best way to stay in touch is by talking with correspondent bankers. That’s why I not only spend time out in the field, I also attend most of the regional conventions. The more time I spend with our correspondent customers, the more I learn.

“Part of my job is to understand your job. So next time you have an idea, a question or a problem,

don’t hesitate to share it with me—or with one of our people. Together we can build better Correspondent services that truly serve your needs, and help you serve your customers best.”



**Correspondent
Bank Division**

Member F.D.I.C.
A Full Service Bank

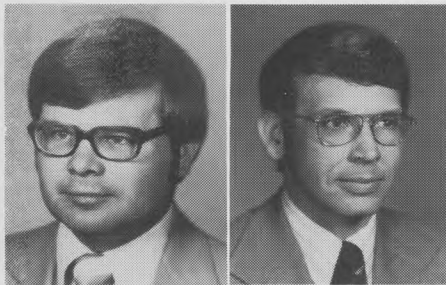
**We do our job.
You get the credit.**

The Western State Bank of St. Paul has announced the promotion of **A. William Sands, Jr.**, to president. **A. W. Sands, Sr.**, who has served as president since 1936, has been named chairman.

William Sands is a graduate of the University of Minnesota and the Wharton Graduate School of Finance. Prior to joining the bank in 1969, he worked for two years at the First National Bank of St. Paul in commercial lending and equipment leasing.

William W. George and **John E. Pearson** have been elected to the board of Northwestern National Bank of Minneapolis. Mr. George is vice president of Litton Industries and president of Litton Microwave Cooking Products. Mr. Pearson is president and chief executive officer of Northwestern Life Insurance Company.

Merle Sampson has been elected vice president in the human resources department, and **Richard P. Huberty** assistant vice president in the controller's division. Mr.



M. A. SAMPSON R. P. HUBERTY

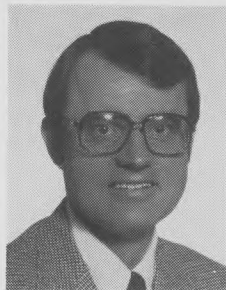
Sampson was manager of organizational planning and analysis for Honeywell, Inc., before joining the bank in 1976. That same year he was elected assistant vice president and last May assumed responsibility for organizational planning in the human resources department. Mr. **Huberty** joined the bank in 1964 and was elected an accounting officer before being named section manager of financial control in 1973.

Also promoted in the controller's division are: **James J. Kuhn**, **Mary A. Shefland** and **James L. Montague**, accounting officers, and **Victor A.**

Schwinghamer, quality controller officer.

Other promotions include: **Phyllis A. Hoffman**, card services officer, retail banking; and **Inez V. Regan** and **Marilyn A. Reynolds**, personal banking officers, Lake Street Office.

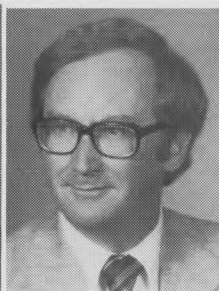
Northwestern National Bank of Minneapolis has elected **Donald S. Hooper**, **John S. Hale**, **Alan D. Peck** and **Ted A. Smith** vice presidents.



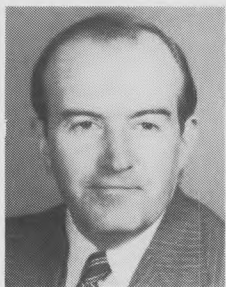
A. W. SANDS



D. S. HOOPER



J. S. HALE



A. D. PECK



T. A. SMITH

Twelve persons have been promoted to assistant vice president and six others have been elected officers of the bank.

Mr. **Hooper**, 40 joined the bank's trust investment department earlier this month to coordinate services to Northwest Bancorporation (Banco) trust companies in Nebraska, North Dakota and South Dakota. He formerly was senior vice president and treasurer of the First Northwestern Trust Company of South Dakota, a Banco affiliate. Mr. **Hooper** will continue to office at First Northwestern in Sioux Falls.

Mr. **Hale**, 41, has been with Northwestern since 1965. He was elected a trust officer in 1969, named assistant vice president in 1972 and promoted to section manager in personal trust in 1975. Last March, he was named section manager in the bank's pension and profit sharing division.

Mr. **Peck**, 38, joined Northwestern in 1963. That same year he was

named a trust administrator. He was elected a pension trust officer in 1968, named assistant vice president in 1971 and promoted to section manager in personal trust in 1975.

Mr. **Smith**, 60, has been with Northwestern since 1943. He was elected a trust officer in 1966, named assistant vice president in 1969 and became section manager in personal trust in 1975.

Named assistant vice president were: **John R. Barlow**, marketing officer since 1976; **Ardell C. Gilb**, tax officer since 1974 and senior estate tax specialist since last October; **Thomas E. Hatcher**, pension trust officer since 1975 and senior pension administrator since 1976; **Ronald G. Hoffman**, trust investment officer since 1974 and senior research analyst since 1977; **Edward J. Meyer, Jr.**, section manager and financial services officer since last August; **C. Roger Lundbeck**, portfolio manager in the trust investment department since 1974; **Frederick K. Martin**, trust investment officer since 1975 and senior portfolio manager since 1977; **Win J. Neuger**, trust investment officer since 1975 and investment strategist since 1977; **Dennis L. Senneseth**, trust officer since 1974 and investment strategist since 1977; **John G. Skogmo**, trust officer since 1975; and **James L. Swift**, tax officer since 1973.

Also promoted were: **Gale R. Friedrich**, to trust operations officer; **Frances M. Gingras**, to human resources officer; **Thomas M. Hestwood**, to human resources officer; **Kathleen B. Hoelscher**, to probate officer; **Thomas R. Maxwell**, to financial services officer; and **Wallace D. Stukel**, to trust operations officer.

Carl R. Pohl, president of the Marquette National Bank of Minneapolis, has announced the election of



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Liquidity Lines of Credit
Commercial Finance Services: Inventory and Receivable Financing
Corporate Financing Advisory Services
Leasing Activities and Analysis
Credit Information
Small Business Administration:
Loan Counsel

MANAGEMENT ASSISTANCE

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Economic Forecasting
Profit Planning and Forecasting
Marketing and Business Development Advice
Personnel Assistance
Operations Planning
Organization Planning

SPECIAL CORRESPONDENT SERVICES

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Account Referrals
Mini-conferences and Workshops,
Special Events Planning
Record Retention and Reconstruction
Cash Management Consulting: Collection, Concentration, Disbursement and Control

Visual Aids: Slides and Closed Circuit TV Production

TRUST BANKING

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

PERSONAL BANKING ASSISTANCE

Bank Promotions
YES Card™
Visa®
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
Municipals
Federal Agency Securities
Federal Funds
Repurchase Agreements
Commercial Paper
Certificates of Deposit
Treasury Tax and Loan Accounts
Money Desk Reviews
Portfolio Analysis Services

INTERNATIONAL BANKING

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Money Market Instruments
Letters of Credit
Foreign Exchange Transactions
Transfers and Remittances
Ex-Im Financing

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Dr. Alvin L. Zelickson and Edward H. Stotesbery to the bank's board.

Dr. Zelickson practices dermatology in Minneapolis and is a clinical professor at the University of Minnesota. Mr. Stotesbery has been affiliated with the Marquette Bank group for 22 years, beginning as president of the Marquette State Bank of Columbia Heights. He now serves as vice president of Marquette Bank's parent company, Bank Shares Incorporated, in its bank administration division.

James W. Reagan, president of the American National Bank and Trust Company, St. Paul, has announced the election of **Jermome B. Crary** and **Ruth Johnson** to the bank's board. Mr. Crary is operations manager of Northwestern Bell. Mrs. Johnson is president and chief executive officer of I.C. System, Inc., national collection and computer services company.

Mr. Reagan also announced that **George B. Benz**, vice president, has been appointed director of economic development for the bank. Mr. Benz joined American in 1971 as assistant vice president and marketing officer. In 1972 he was transferred to the commercial loan department and in 1974 was elected vice president in the metropolitan division.



G. B. BENZ

Stephen E. Jacobs has joined the staff of Dain, Kalman & Quail, Inc., Minneapolis-based regional investment banking firm, where he will specialize in investment banking services for the industrial development revenue bond area.

Until recently, Mr. Jacobs was a partner in the Minneapolis law firm of Ramier & Gries. Prior to that he was a trust officer of the Northwestern National Bank of Minneapolis.

Named at Coon Rapids

Appointment of two new assistant vice presidents has been announced by the First Mid America State Bank of Coon Rapids. Dorothy B. Andrews, a 10-year employe at the

Cottage Grove Bank Completes Facility



DON Nordlie, pres., Mid America Natl. Bank, Cottage Grove, has announced completion of the bank's new remote facility, 1/2 mi. w. of the bank's main facility. Located in the Cottage Square Shopping Center, the facility has 3 drive-in lanes and 2 walk-up windows.



D. B. ANDREWS

A. G. UNSETH

bank, has been promoted to assistant vice president for customer relations, and Arne G. Unseth to assistant vice president.

Mrs. Andrews has served in public and customer relations as well as being a receptionist, secretary and representative in the new accounts department. Mr. Unseth previously served in the loan department of Marquette National Bank in Minneapolis. He has worked in finance since 1968.

Elected Director at Roseville

David B. Crockett has been elected a director of Mid America National Bank of Roseville. He is a realtor with the Keller Corporation.

Named at Brainerd

Del Junker has been named to the board of directors of the American National Bank of Brainerd. He is president of the Crow Wing County Abstract Company, Inc.

To Head Owatonna Bank

The First National Bank of Owatonna has elected **Allan C. Chaffee** president and a director succeeding **Ward D. Dwight**, who has been elected chairman and will continue as managing officer until his retirement on May 31, 1978.



A. C. CHAFFEE

Mr. Chaffee has been with First Bank System since 1958 when he joined the First Metals Bank and Trust Company in Butte, Mont. In 1973 he joined The First National Bank and Trust Company of Bismarck, N.D., where he most recently served as vice president and senior lending officer.

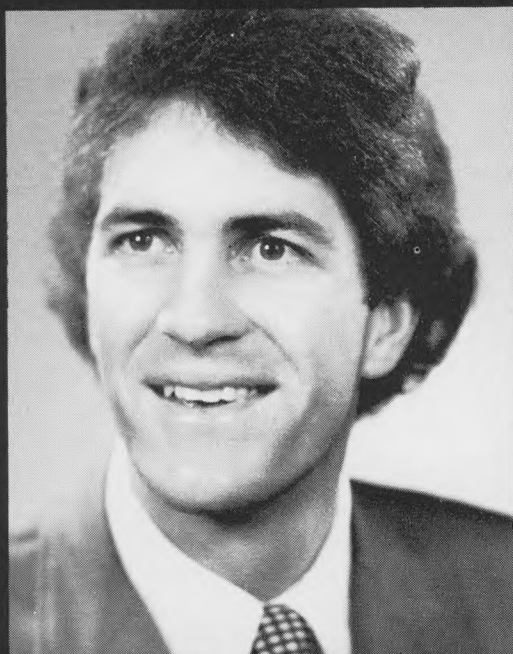
Joins Silver Bay Bank

Thomas W. Mahoney has joined the First Northwestern State Bank of Silver Bay as managing agent of its insurance center. He previously was managing agent of McConnell, Mahoney & Company, Inc., of Oxford, Ind., and also has taught college in Philadelphia, Pa.



T. W. MAHONEY

American Profiles



Mike McNeil
Correspondent
Bank Officer

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Northwestern Banker, April 1978

South Dakota News

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

National Bank of S.D. Announces Promotions

The National Bank of South Dakota, Sioux Falls, has announced the advancement of Dennis Amdahl to assistant vice president, South Branch, Sioux Falls, and the election



D. AMDAHL

M. L. MYERS

of Mary Lynn Myers to personnel officer, Main Office, Sioux Falls.

Mr. Amdahl began his career with the bank at the main office in 1969 as auditor. He transferred to the South Branch in 1972 and was elected loan officer. Ms. Myers joined the bank last January at the main office.

SunBank of S.D. Names New Officers

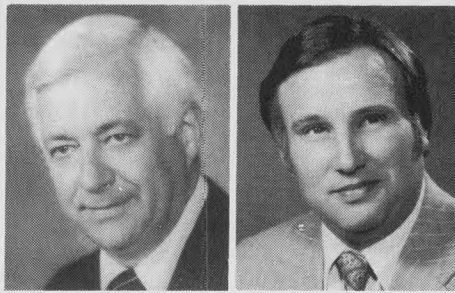
Gary Mennen has been elected loan officer and Jody Bymers operations officer of SunBank of South Dakota, Sioux Falls.

Mr. Mennen, a native of LeMars, Ia., has been with the bank since its start in 1975. He formerly served as operations officer. Miss Bymers of Clark previously was with the



G. MENNEN

J. BYMERS



First of the Black Hills Announces Staff Changes

Charles T. Undlin, president of the First National Bank of the Black Hills, has announced the following elections: Kenneth K. McLin, loan officer and assistant manager, Villa Ranchoero Branch, and Duane Bunkowske, loan officer and assistant manager, Robbinsdale branch.

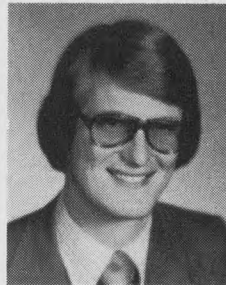
Mr. McLin has been loan officer and assistant manager of the Lead office since May of 1977. Mr. Bunkowski formerly was personal loan officer and assistant manager of the Villa Ranchoero office.

Citizen's State Bank in Clark. She has been the bookkeeping supervisor for the last year.

Western Bank, Sioux Falls, Elects Facility Manager

T. M. Reardon, chairman and president of Western Bank in Sioux Falls, has announced the election of Robb G. Keizer as managing officer of Western Bank North.

Mr. Keizer is a graduate of Sioux Falls College and has been with the bank since 1971. Most recently he has been instalment loan officer at Western Bank North.



R. G. KEIZER

Elected to Board at Pierre

J. Fredrick Forney has been elected a director of The Pierre National Bank, according to Walter H. Burke, chairman. Mr. Forney is a partner in the Forney-Neuharth Oil Company.

SDBA Calendar

May 11-12—Annual Convention, Civic Center, Rapid City.

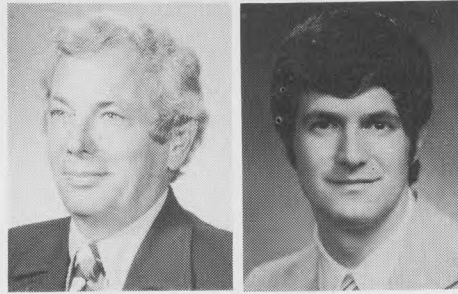
Commercial Bank of Mitchell To Expand



BOYD Knox, chmn. & pres., Commercial Bank, Mitchell, has announced plans for an addition to the main bank building. Included will be an expanded drive-up designed to accommodate three lanes of traffic and a walk-up window. Other features will be private offices and renovation and remodeling of existing lobby areas.

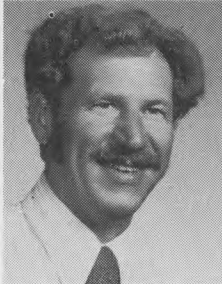
North Dakota News

HENRY N. NESS President Fargo
HARRY J. ARGUE Secretary Bismarck



First Bank of Langdon Announces Changes

Darwin Ronngren, president of First Bank of Langdon, has announced the election of three new directors. They are: Robert (Dougal) McLean, Jr., Hannah; James Symons, rural Langdon, and Burdette Saxlund, Alsen. Myles Johnson, former president of the bank for 20 years, retired. As a result of the changes, the board has increased in size from five to seven members.



B. HARBEKE

William Harbeke has been elected agricultural loan officer. He joined the bank in August of 1977.

First Trust Company Elects Two Members of Board

David R. Johnson and W. M. Sanger have been elected to the board of directors of the First Trust Company of North Dakota, Fargo, according to President Jack Riley.

Mr. Johnson is president and managing officer of the First Bank of North Dakota-Fargo. He has been with First Bank System since 1956 beginning his career with the First National Bank of Minneapolis. He was named president of the Fargo bank in 1977. Mr. Sanger has been president and managing officer of the First Bank of North Dakota-Wahpeton since 1972. He began his career with First Bank System at the First National Bank of Milnor, S.D., in 1951.

Named at Buffalo

Jack D. Wilcox and Terry Tallackson have been elected to the board of the First State Bank of Buffalo. They replace Fred J. Williams, Jr.; R. Paul Pederson, and James L. Williams, who recently resigned.

Mr. Wilcox is a grain and livestock farmer. Mr. Tallackson is manager of the Buffalo Insurance

Bank of North Dakota Holds Conference

THE Bank of North Dakota held its third annual "Mid-Winter Break" at the Kirkwood Motor Inn in Bismarck. There were 247 in attendance.

The group was welcomed by Robert Heskin, Bismarck Mayor, and Governor Arthur A. Link. Speakers covered a wide variety of topics. W. T. "Tom" Maloan, sr. vice president of the Commerce Union Bank of Nashville, Tenn., spoke about commercial funding prospects, and Al Gustin, widely known and popular farm director of KFYR-TV, reviewed the current farm situation. Leroy Gilbertson, commissioner of banking for North Dakota, reported on North Dakota banks, and Bob Karolevitz, of Mission Hills, S.D., gave a humorous talk on "Your Most Valuable Asset-A Sense of Humor."

Vollis Summerlin, vice president of the First National Bank of Omaha, spoke on leasing, and David Nauss, president of the Community Banking Co. of North Branford, Conn., spoke on "NOW accounts and the New England Experience." Dr. William Scheller of the Universi-

Association and vice president of the bank.

Retires from Fargo Bank

John H. McNair has retired following 39 years service with the First National Bank of Fargo.

Mr. McNair began his association with the bank in 1939 as a messenger. He also has served as clerk, supervisor of the proof-transit department, auditor, loan officer and manager of the customer service department. He had been assistant vice president.

ty of Nebraska gave a presentation on alcohol and gasoline - "Gasohol and the Future." Albert A. Wolf, executive secretary of the Independent Community Bank of North Dakota, addressed the conference Friday morning and presented the concern of North Dakota Independent Banks.

Dr. Paul S. Nadler, professor of banking at Rutgers University, New Brunswick, N.J., gave a wide ranging presentation, and then moderated a panel of bankers, savings & loan officials, and public officials who discussed several current banking topics.

John W. Fay and R. E. "Bob" Caudel, senior vice presidents, M. E. Stenehjem and E. B. Sather, vice presidents, and Steve Tomac, assistant cashier, spoke on various Bank of North Dakota activities.

The "Hickory Wisp" played for a dance Wednesday evening, and the "Garrison Stone Inn Players" presented a uniquely North Dakotan melodrama at a dinner theatre Thursday evening.

Mr. Caudel was in charge of the arrangements and the program.



Dr. Paul S. Nadler (left) emphasizes a point. **RIGHT—Vollis Summerlin** (left) discusses a point with **Dr. William Scheller** (center) and host **Bob Caudel**.



Wyoming News

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

Promoted at E. Cheyenne

Wayne Lutz has been promoted to senior vice president, loan department, of First Wyoming Bank, N.A., East Cheyenne. A graduate of the University of Northern Colorado, Greeley, Mr. Lutz has 20 years of experience in the fields of lending, insurance and real estate.

Mr. Lutz joined the bank in 1974 as a loan officer and later was promoted to vice president of instalment lending.

Elected at Casper

Raymond Shellabarger has been elected to the board of Wyoming National Corporation, registered bank holding company. He is president of Ray Shellabarger Chevrolet.

2 Named at Buffalo

A Kaycee area rancher and a Buffalo businessman have been named to the board of the First National Bank of Buffalo. They are

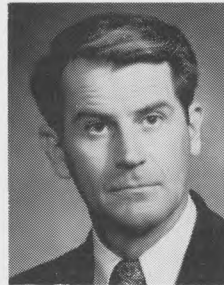


John Schiffer and Emerson Scott, Jr., owner and operator of Northern Feed and Seed Co., Buffalo.

Joins Casper Bank

David J. Palfrey has joined the Wyoming National Bank of Casper as trust officer.

Mr. Palfrey formerly was a trust officer at the First National Bank of Colorado Springs. From 1962-72 he was head of the probate department at the Boston Safe Deposit and Trust Co.



D. PALFREY

Elected at Sheridan

First Wyoming Bank, N.A., Sheridan, has announced the election of Elaine Guilford from operations clerk to assistant instalment loan officer and compliance officer. Mrs. Guilford joined the bank when it was

chartered in 1974. She has 10 years of banking experience.

Farmers State of Burns Announces Appointments

Theodore B. Bastian recently was elected to the board of directors of the Farmers State Bank of Burns. He is a farmer and rancher.

Charles T. (Tom) Fornstrom was elected cashier. He is a 1977 graduate of the University of Wyoming.

First Wyoming Bank, Hanna, Names Chairman

Edward F. Ziolkowski has been named chairman of the board of First Wyoming Bank—Hanna. He has been a director since the bank opened in March of 1975. Mr. Ziolkowski is vice president and general manager of Energy Development Company in Hanna.

2 Advanced at Casper

Robert W. Miracle, president of the Wyoming National Bank, Casper, recently reported the promotions of James Forsling to vice president, instalment loans, and James Watson to assistant vice president, trusts.

Mr. Forsling joined the bank in 1956 as a teller. He was promoted to




J. FORSLING

J. WATSON

assistant cashier in 1960, instalment loan officer in 1967, and assistant vice president in 1968. He heads the dealer section of the instalment loan department.

Mr. Watson joined the bank as a teller in 1960, and was promoted to assistant cashier in 1956, assistant trust officer in 1967 and trust officer in 1976. He is in the trust administrative area of the trust division.



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- A. Tobie Safer, Administrative Assistant.
- B. Bill MacMillan, Assistant Vice President, Eastern Colorado,
- C. Dave Fowler, Correspondent Officer, Wyoming and other financial institutions,

D. Jon Clark, Correspondent Officer, New Mexico and Western Colorado,

E. Lance Johnson, Vice President and Manager,
F. Bill Fleming, Vice President, Montana and Wyoming,

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Names Directors

Six Rawlins men and one Casperite have been named to the board of the newly-formed Wyoming Bank of Rawlins, according to Henry R. Hewitt, president.

The seven men include Mr. Hewitt, Sam Kelly, Jr., owner and operator of the Kelly Oil Co.; Thomas G. Wilson, partner in McMahon Motors; Max J. Worley, optometrist; Larry L. Shriner, president and general manager of the Shriner Mortuary; Gerald A. Wise, owner of the Gerald A. Wise Agency, Inc., all of Rawlins, and Robert W. Miracle, president and chief executive officer of the Wyoming National Bank of Casper and president and chief executive of the Wyoming National Corporation. He also has been a director of Wyoming National Bank of Gillette since its inception in 1974.

New Building for Edgerton Bank



THE Citizens State Bank, Midwest-Edgerton, which had been operating in a mobile unit since last spring, recently began operation in its newly-completed facility, according to **Wynn M. Terwilliger**, pres. The bank opened for business on March 17, 1977. The building includes four teller windows, large bookkeeping area, four offices, two drive-up windows and storage on the main floor. Downstairs includes a kitchen area, large community room, three large storage rooms and directors' room.

Montana News

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



ABA To Hold Consumer Compliance Workshops

Five regional workshops designed to assist bankers in complying with the growing number of consumer regulations will be held in May by the American Bankers Association. All consumer regulations will be covered with a special emphasis on the Truth-In-Lending, Equal Credit Opportunity, and Fair Housing Acts.

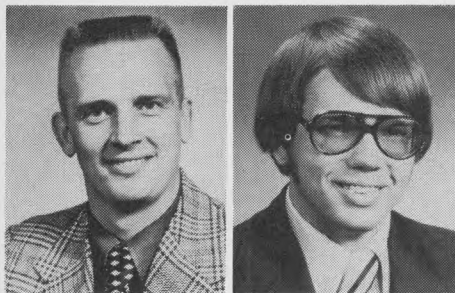
The format will be instructional with support coming from consumer compliance examiners and regional consumer specialists from the Office of the Comptroller of the Currency plus representatives from the Federal Reserve and the Federal Deposit Insurance Corporation.

The workshops will be held in the following locations:

- May 7-9 San Diego (Harbor Island Hotel)
- May 10-12 Denver (Stouffer's Denver Inn)
- May 14-16 New Orleans (Royal Orleans)
- May 17-19 Chicago (Hyatt Regency O'Hare)
- May 21-23 Washington, D. C. (Dulles Marriott)

Trust Corporation Announcements

Donald L. Knutson has been elected to the board of directors of Trust Corporation of Montana. Brian J. Stoppel has been elected assistant trust officer.



D. L. KNOTSON B. J. STOPPEL

Mr. Knutson began his trust career in 1973 with Trust Corporation as a trust administrator. He was

elected assistant trust officer in 1974, trust officer in 1975, vice president in 1976 and vice president and secretary in 1977. Mr. Stoppel began his banking career in 1974 with the First National Bank, Proctor, Minn. In 1976 he joined Trust Corporation as a management trainee.

Trust Corporation of Montana is an affiliate of Bank of Montana System and provides trust services to the 14 Bank of Montana System banks.

Named at Big Sandy

Glenn E. Skaalure has been elected to the board of Northern Bank of Montana, Big Sandy, according to Ronald J. Remick, president. Mr. Skaalure and his brother, Dale, own and operate a farm and ranch near Big Sandy.



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Colorado News

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

To Head Denver Bank

Guaranty Bank & Trust Co., Denver, has named John C. Rudolph as its new president. Mr. Rudolph had been president of the Boulder National Bank since 1970. He has broad banking experience in the Chicago area where he worked at the First National Bank of Blue Island, Pullman Bank and Trust Co., and First National Bank of East Chicago.

Mr. Rudolph succeeds John C. Macleod, who was promoted to a management capacity for Ronald L. Moore and James H. Oliver, owners of Guaranty Bank & Trust Co. as well as nine other banks in Colorado, four in Nebraska and one in New Mexico.

Appointed at Greeley

Mary Ann Feuerstein has been elected to the board of the United Bank of Greeley, according to Norman M. Dean, president. Mrs. Feuerstein is Weld County clerk and recorder.

Junction Bank Board Names 2 New Members

Two businessmen have been named new members of the 10-person board of the First National Bank North of Grand Junction, according to James W. Mackley, president. They are W. R. Bray, president of Bray and Co. real estate firm, and Paul S. Barru, owner of Barru Homes, Inc.

United Bank of Monaco Names Vice President

Beverly A. Green has been promoted to vice president and cashier of the United Bank of Monaco. A native of Denver, Ms. Green is a 20-year veteran of the banking profession. Since 1964, she has held various management



positions with United Bank of Denver including that of operations officer. She was chosen cashier for United Bank of Monaco prior to its opening in June of 1975.

Guaranty Bank of Denver Names 4 Directors

Guaranty Bank & Trust Co. of Denver has named four new directors. They are: Arnold Alpert, president of Joe Alpert Stores, Inc.; Bruce Bowers, vice president and director of Chilewich Corporation, New York; William P. Johnson, partner in the law firm of Rothgerber, Appel & Powers, and Homer E. Reed, president of Homer Reed Ltd., men's clothing store.

National City of Denver Announces Staff Changes

R. K. Hudson, president of The National City Bank of Denver, has announced the appointments of Dave Daugherty as vice president, consumer loans; Jim Beck as vice president, personnel, and Barbara Hyde as accounting services officer.

Mr. Daugherty joined the bank in 1972 after working with several finance companies in Denver and Illinois. He formerly was assistant vice president and head of the consumer loan department, a position he continues to hold. Mr. Beck came to the bank three years ago from the First National Bank of Denver. He was promoted to personnel officer the following year.

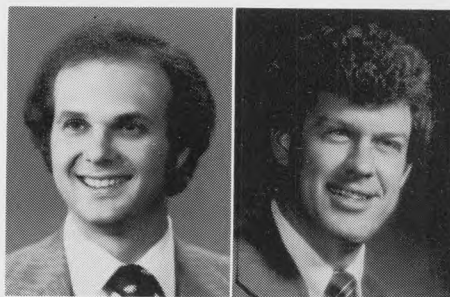
To Head Denver Bank

Paul Troyer has been elected president of the National State Bank, Denver, according to Richard C. Meckley, chairman and chief executive officer. Mr. Troyer had served as executive vice president of the bank since 1975. Mr. Meckley had been serving in a dual capacity as president and chairman.

Mr. Troyer began his banking career at The First National Bank of Denver in 1962 after graduation from Goshen College in Indiana.

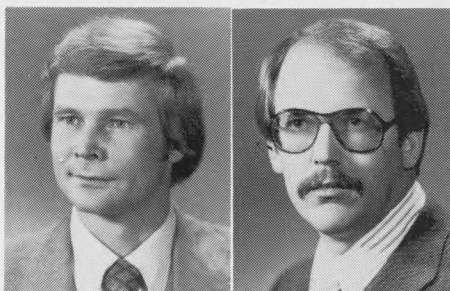
Kirchner Moore & Co. Announces Promotions

Promotions of four executives at Kirchner, Moore, & Co., Denver investment banking firm, have been announced by William J. White, president. Named vice presidents are: Robert C. Lombardi, trading



B. LOMBARDI

L. J. SWIATEK



H. D. GOEMANS

J. H. BARROWS

department; Louis J. Swiatek, municipal bond specialist; John H. D. Goemans and Joseph Barrows, public finance division.

Mr. Lombardi has been with the company since 1972 and Mr. Swiatek since 1974. Mr. Goemans joined the company in 1973.

Also announced was the appointment of Richard D. Young as a principal in the company. Mr. Young, who is a vice president of sales, began his career with the company in 1970. He previously was a registered representative for a major investment banking firm. Mr. Young was graduated from Eastern Illinois University.



R. D. YOUNG

First of Evergreen Names Assistant Vice President

Michele M. Look has been elected an assistant vice president of the First National Bank of Evergreen. She will be responsible for the management of the real estate loan department.

A graduate of the University of Minnesota with a degree in business

administration, she joined the bank in 1973.

Greeley Bank Selects Chief

J. Barney Flood, chairman of Flood and Peterson, Inc., recently was named chairman of the Cache National Bank of Greeley. He replaces Malcolm S. Anderson, who recently was elected chairman of

Greeley National and will remain a director of Cache. Both banks are part of Affiliated Bankshares of Colorado.

Also, George Goodell of Eaton was newly elected to the board of Cache National. He is president of Goodell Bros., Inc., a partner in Easton Development Corp., and is involved in farming and cattle feeding.

Idaho News



T. H. ALLEN
President
Boise

First Bank of Troy Names Orin Robinson President

The First Bank of Troy recently elected Orin Robinson as its new president and board chairman. He succeeds R. L. Montgomery who retired from that position and as executive vice president of Idaho Bank & Trust Co. Also named to the board is Don Turner, First Bank's executive vice president. He has been board secretary since the bank became part of IB&T Corp. in 1975.

Mr. Orin will continue in his role as vice president and manager for Idaho Bank & Trust's northern area and will remain at the Lewiston headquarters.

Idaho Bank & Trust Co. Announces Changes

The Idaho Bank & Trust Co., Pocatello, has announced the following staff changes: Ferrel Dilworth, loan officer; Jerry McGrath, vice president, to manager at Paul; Stephen Hale, loan officer, Paul; R. D. McKinney, manager, Twin Falls, and Dan Jacobsen, assistant manager, Twin Falls.

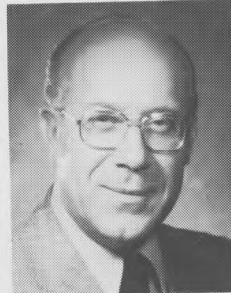
Idaho First National Announces Promotions

The Idaho First National Bank, Boise, has announced the following

staff promotions: Ronald C. Ashla, trust officer, administrative office, Boise; John V. Evans, Jr., loan officer II, Pocatello Office, and Ronald W. Petersen, loan officer, Salmon Office.

IBA Names Exec. Director

Berne K. Jensen has been appointed executive director of the Idaho Bankers Association according to Thomas H. Allen, president. Mr. Jensen is serving his second term on the Boise City Council and is chairman of the Boise Redevelopment Agency. His other activities include executive secretary to a senator, general law practice and police judge, director of the Idaho FHA insuring office, house counsel and manager of Mobile Sales and Leasing Company, Larry Barnes Industries, and legislative and services director of Manufacturer Housing Institute.



B. K. JENSEN

following staff changes: Angus H. Belliston, senior vice president and manager of the Utah division and Ann A. Whitney, assistant manager and operations officer in the head office.

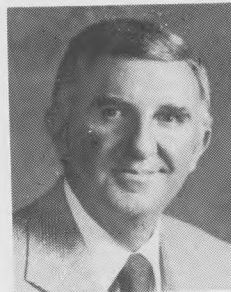
BMA Marketing Conference

The bank marketing association's annual marketing planning conference will be held April 30 - May 2 at the Hyatt Regency-Capitol Hill in Washington, D.C. The conference will present information on producing a marketing plan directed at the accomplishment of overall corporate goals and at satisfying the requirements of the Comptroller of the Currency's examination.

Incorporated in the two-day program is a "mini-course" of four practical sessions on the four stages of marketing planning: situational analysis, setting objectives, strategy determination, and implementation and evaluation. Designed for the banking industry, the course will be conducted by James H. Donnelly, Jr., D.B.A. Dr. Donnelly is professor of business administration at the University of Kentucky, co-authored the books "Fundamentals of Management," "Marketing For Bankers" and "Organizations," and has published articles in a variety of professional journals.

In addition to the course, a series of special bonus sessions will be offered, including case histories on planning for pay-by-phone services, pricing, packaging services and financial distribution systems. Key-note sessions will examine external communications and the regulatory issues affecting banking and the marketing planner. The closing session of the conference will provide a detailed description of Manufacturers Hanover Trust Company's successful planning program, "The Manny Hanny Way."

Utah News



R. T. HEINER
President
Ogden

Named at Zions Bank

Zions First National Bank, Salt Lake City, has announced the

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John Nelson



John McCune



Ruby Tiller



Bob Brown

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Nebraska Bankers Association 81st Annual Convention

Omaha Hilton April 30, May 1-2



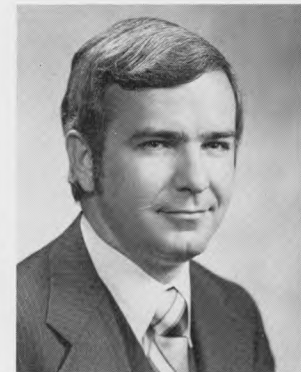
Doc Severinsen



HAROLD E. LARMON
President



KARL E. DICKINSON
President-Elect



ROBERT E. HARRIS
Executive Vice Pres.

DOC Severinsen of Tonight Show fame will lead off the upcoming 81st annual convention of the Nebraska Bankers Association April 30, May 1-2, in Omaha. Along with the singing group, "Today's Children," Doc Severinsen and his trumpet will perform at Omaha's Orpheum Theater on Sunday night, April 30. The performance will be preceded by dinners at the Omaha Hilton.

The sessions on Monday and Tuesday, May 1-2, will feature a variety of presentations relating to banking, governmental affairs, the economy and change of pace topics. One unique feature of the program will include 10 minute talks at different times by each of the five leading candidates for governor of Nebraska.

This year's convention will bring two nationally known figures to Nebraska from the front pages. George Gallup, who operates the poll bearing his name, will address the convention banquet on Monday night while John Dean III, well known for his Watergate

involvement, will make the closing speech on Tuesday. Following is the convention program.

Sunday, April 30

- A.M.
10 Registration at the Omaha Hilton.
P.M.
2 NBA executive council meeting.
3:30 Hospitality rooms open.
4 NBA past presidents' meeting.
4 NETS, Inc., board of directors meeting.
4:15 First dinner for *Tonight in Nebraska*, Omaha Hilton.
5:45 Second dinner for *Tonight in Nebraska*, Omaha Hilton.
6:45 Doors open at The Orpheum Theater.
7:30 *Tonight in Nebraska* floor show featuring Doc Severinsen and "Today's Children."
Later Hospitality rooms open at the Omaha Hilton.

Monday, May 1

A.M.

- 7-2 Registration.
 7:45 Breakfast at the Omaha Hilton.
 9 General session at The Orpheum.
- "Report from the House Banking Committee": The Hon. John Cavanaugh, U.S. Representative.
 - "Don't Forget To Pull the Trigger": Bob Murphey, attorney, Nacogdoches, Tex.
 - "The Race for Governor-1978-Part I": Charles Thone, Lincoln.
 - "Update on Banking Legislation": John Perkins, president-elect, American Bankers Association and president, Continental Illinois Bank, Chicago.
 - "NBA Advertising Program Activity Report": Richard Bailey, president, Bailey Lewis & Associates, Lincoln.

P.M.

- 12:15 Recess
 12:30 Luncheon at the Omaha Hilton.
- "Meeting the Challenges Ahead": James Metzger, president, FINCOM, Inc., Topeka, Kan.
- 2:30 General session at The Orpheum.
- "The Race for Governor-1978-Part II": Gerald Whelan, Hastings.
 - "The Impact of NOW Accounts-A Personal Experience": Thornton Morris, president, Simsbury Bank, Simsbury, Conn.
 - NBA annual meeting.
 ABA annual meeting and election.
 "State of the Association:" Harold Larmon, president.
 Financial report: Robert Harris, executive vice president.
 New business.
 New business.
 Election of officers.
 "The Year Ahead": Karl Dickinson, president-elect.
 - "The Race for Governor-1978-Part III": Vance Rogers, Lincoln.
- 4:30 Adjournment.
 7 Convention banquet at the Omaha Hilton.
- "Mood of America": George Gallup, Jr., president, The Gallup Poll, Princeton, N.J.

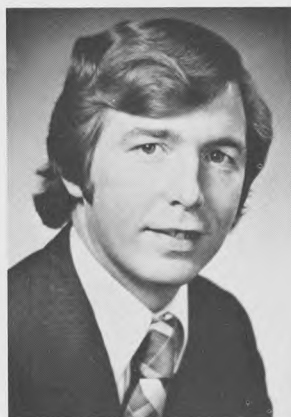
Tuesday, May 2

A.M.

- 7:45 Breakfast at the Omaha Hilton
 8:45 General Session at the Omaha Hilton.
- "The Race for Governor-1978-Part IV": Stan Juelfs, Kimball.
 - "Improving Bank Security": Edward Krupinsky, special agent in charge, Federal Bureau of Investigation, Omaha.
 - NETS Inc. annual meeting.
 - "A Look at the Nebraska Farm Economy": C. Edward Harshbarger, economist, Federal Reserve Bank of Kansas City.
 - The Race for Governor -1978-Part V": Robert Phares, North Platte.
 - "The Arrogance of Power": John Dean III, author, Los Angeles.



JOHN PERKINS



JOHN CAVANAUGH



GEORGE GALLUP, JR.



JOHN DEAN III



C, EDWARD HARSHBARGER



BOB MURPHEY



George McFadden

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Omaha News



D STEVEN Anderson purchased controlling interest in Cornhusker Bank from the Blank family. Mr. Anderson is vice president of American Savings and Loan Association, Omaha, where he will continue active in that post. He has also been elected vice president of Cornhusker Bank.

His father, **Darrell D. Anderson**, chairman of American S&L, has been elected chairman and chief executive officer of Cornhusker bank. He is also owner of the Bank of Peru and Elba State Bank, both Nebraska banks.

New president of Cornhusker Bank is **Robert J. Thilgen**, who resigned as vice president at Ames Bank to accept the new appointment. Mr. Thilgen had eight years of banking experience at Ames Bank, where his background was consumer

oriented. Prior to that, he was a credit analyst with the Dun & Bradstreet Omaha office for three years after his graduation from Creighton University.

Darrell Anderson, Steven Anderson, Robert Thilgen and **Charles Sederstrom** comprise the new board of directors.

John M. Shonsey, chairman of the American National Bank, Omaha, has announced the promotion of **Ben G. Ohlander** to assistant vice president, commercial loan department. Following over two years with another Omaha bank, Mr. Ohlander joined American National in 1975. In December of that year, he was promoted to assistant cashier and commercial loan officer.

Mr. Shonsey also announced the

retirement of Lt. Colonel (Ret.) **Robert Blomstrand**, assistant cashier and officer in charge of the bank's 90th and Maple Streets facility. A graduate of the University of Nebraska at Lincoln, Mr. Blomstrand joined the bank in 1973 following 29 years of military service.

Dennis R. Wood, president of the Packers National Bank in Omaha, has announced the following elections of additional directors: **Rudy F. Stoysich**, owner, Stoysich House of Sausage; **Larry L. Callen**, chairman, executive vice president and cashier, First National Bank, Ogallala; **James V. Chitwood**, president, Cambridge State Bank; **Donald W. Hardin**, president, Farmers & Merchants Bank, Edison; **R. E. McIllice**, president, Lawrence State Bank; **James R. Owens**, president and chairman, Nebraska State Bank, Weeping Water, and **Clarence H. Sixel**, president, State Bank of Scotia.

Mr. Wood also announced the addition of **Robert L. Hain** to the bank's staff as internal auditor. Mr. Hain received his BS degree from Wayne State College and his master's of business administration degree from the University of Arkansas, Fayetteville, in December of 1977.

Brig. Gen. Kermit R. Hansen USAR [Ret.] was presented the coveted "Minuteman of the Year" award last month by the Omaha chapter of the Reserve Officers' Association. The presentation was made by the 1977 recipient, **Capt. Ivan C. Griswold** USNR [Ret.].



K. HANSEN


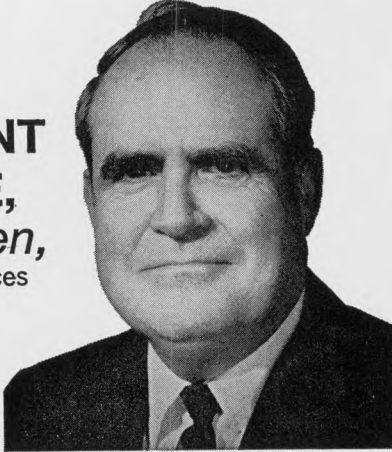
Mr. Hansen is retired former chairman and president of the United States National Bank of Omaha.

The award to Mr. Hansen was the latest in a long list of decorations and awards presented to him in a military career of active and reserve duty that spans a 39-year period.

An unusual ribbon-cutting ceremony held on March 1 for Douglas

for alert

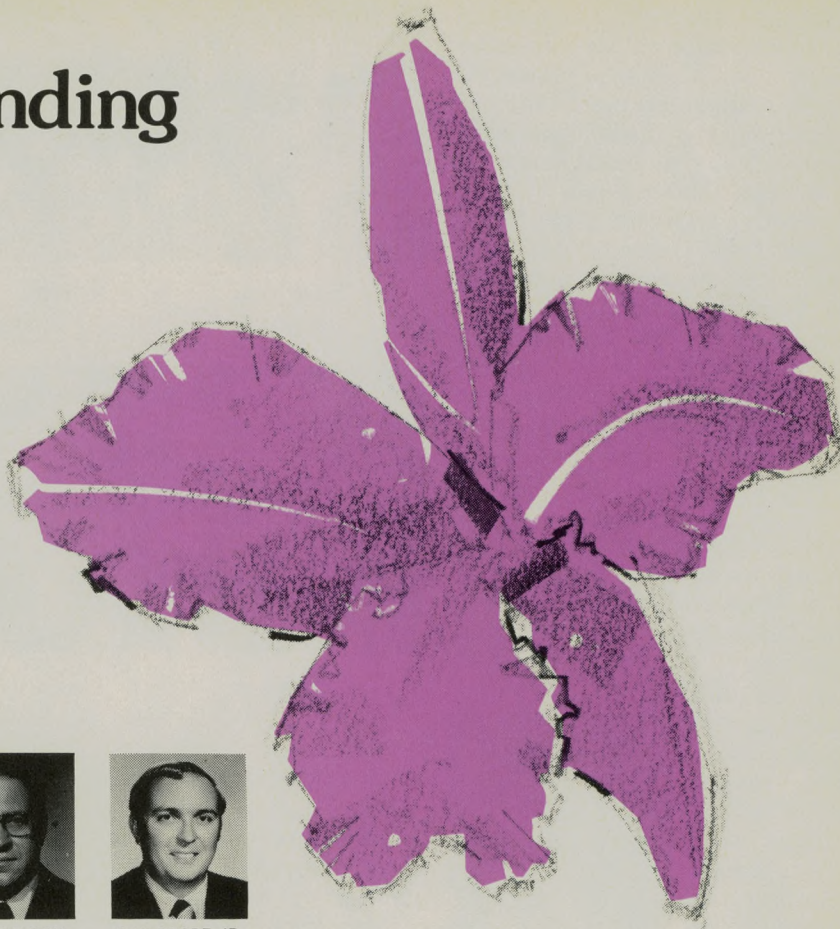
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PATRICK H. RENSCH
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Counsel



HARRY E. COE
Vice President



ROBERT E. ROH
Vice President



C. W. POORE, JR.
Sec.-Treas.



MARY GENE TROYER
Asst. Sec.-Treas.



THOMAS B. MEHL
Asst. V.P.



WM. (BILL) ABTS
Asst. V.P.



MICKEY KRUPINSKY
Representative



DAVE DUNN
Representative



MIKE MULLEN
Representative



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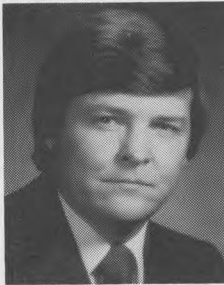
Member of the Securities Investor Protection Corporation **SiPC**

County Bank & Trust Company's new Harvey Oaks facility resulted in a \$500 contribution to the American Cancer Society. Omaha's Mayor Al Veys cut a ribbon of 100 five-dollar bills signifying the official opening of the new office, one block north of 144th & West Center Road.

Carl Brady, president of the bank, officiated at the ceremony. He said the opening of the new facility makes it the third location for Douglas County Bank & Trust Co.

A grand opening promotion was held the entire month of March, with a drawing on March 31, for the grand prizes.

Edward A. Kohout, president of the Northwestern National Bank, Omaha, has announced the following promotions and assignments: **Michael D. Mason**, assistant vice president, to vice president, commercial loans; **John P. Carlson**, assistant vice president and trust officer, to vice president and trust officer, and **Margie J. Bowen**, credit department officer, to real estate loan officer.



M. D. MASON

Elected as a new officer is **James E. Stewart**, credit department officer.

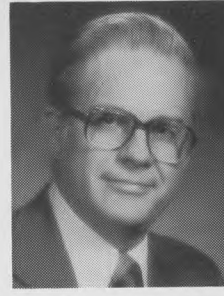
Assignment changes announced are: **Patrick J. Brady** to credit



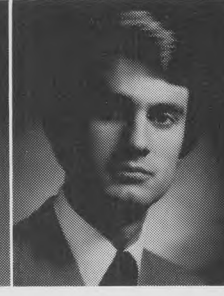
J. P. CARLSON



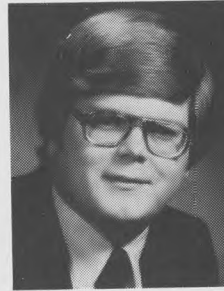
M. J. BOWEN



J. R. HOLTEY



J. R. MILLER



J. E. STEWART



P. J. BRADY

administrator; **John R. Holtey**, bank administration and trust officer in bank planning, and **John R. Miller**, assistant vice president, to the commercial lending department.

Mr. Mason, a 1969 graduate of Creighton University, began his banking career as a part-time teller with the bank in 1966. He joined the bank full time in 1972 and has worked in the commercial lending area. Mr. Carlson began his career in 1948. He will be in charge of the Livestock Exchange Office and will have agricultural lending and correspondent banking duties.

Scottsbluff National Bank Plans New Facility


The Scottsbluff National Bank and Trust Company has announced plans for a new facility at East 27th and Seventh Avenue, according to Jack Selzer, president. Bank Building Corporation of St. Louis, Mo., will manage the entire project, utilizing local contractors and material suppliers.

The new facility will contain over 5,200 square feet of floor space. One area will be occupied by Scotts Bluff Savings Co., a new industrial loan and investment company announced by officials recently, with the remainder to be occupied by a new Scottsbluff National Motor Bank. The motor bank will be in addition to the one at First Avenue and 17th Street.

During construction, which is scheduled to be completed before the end of the year, operations of both the Savings Co. and the bank will be conducted from two temporary buildings at the site.

The new building is designed in a traditional style to complement the area in which it is located. The exterior will be constructed of antique finish brick accented by diagonal wood trim. Both the Savings Co. and the bank will use the traditional style in their interiors, with a vaulted ceiling in the bank lobby.

Mr. Selzer reported that the bank area will contain a lobby and teller counters, safe deposit vault, night depository and drive-up facilities. One of the features of the drive-up facilities will be a lane especially constructed to handle pickups and campers. The bank also will have a customer lounge area, to be known as the Ambassador's Club, and a community room. Parking for 50 cars will be provided as well as expansion room.



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WAGONMASTER Merv Aegerter (left) introduces First National of Omaha's "outriders" of the correspondent bank department (l. to r.): **Ralph Peterson** and **Bob Brown**, v.p.s; **Jeff Moran**, mktg. off.; **George McFadden**, newest member of the team, and **Bill Henry**, v.p.-mktg.

Chuck Wagon Speakers Review Price Trends

WARM WEATHER, better prices and moisture combined to bring another record crowd of about 1,000 farmers, ranchers and their bankers to the First National Bank of Omaha 13th Annual Chuck Wagon Roundup last month at Ak-Sar-Ben Coliseum in Omaha.



D. R. OSTRAND

Improved prices for commodities and a fat cattle and hog market pushing \$50 was the keynote for talks presented during the day. The crowd was welcomed by Don R. Ostrand, vice president in charge of First National's correspondent bank department. Six states were represented, with the furthest registrant this year coming from Cheyenne.

The first scheduled speaker, Jim Levy of the Nebraska ETV Network in Lincoln, was unable to attend because of serious illness. The following speaker was Lee Searle, editor of Professional Farmers of America weekly news letter, "Pro Farmer," headquartered in Cedar Falls, Ia., and he did an outstanding job in presenting his own material over an extended time to occupy the morning period.

A graduate of Iowa State and a former editor with Successful Farming magazine in Des Moines, Mr. Searle displayed charts he has compiled himself that show basically no big surpluses in the world other than in the United States. His charts are developed based on material he has personally gathered from numerous sources.

In his opinion, after visiting with government officials and other sources in Washington, D. C.,

chances are three out of four there will be some kind of farm emergency bill passed by Congress after the Easter recess. The Talmage bill and McGovern bills are receiving attention from the Administration, he said, because they set lower target prices than previous proposed legislation.

Mr. Searle stated that any acreage cutbacks will lead to higher prices based on his estimate of lesser world surpluses at this time. The facts he is using, he said, are ones also being used by Cargill and Continental Grain, Russia, China and others. "The downside risk is pretty slim," he said, "while the upside looks bullish" if acreage cuts are voted. "Prices won't go straight up but will rise in a trending fashion."

Ron Gerber, owner of Gerber Feed Lot at Algona, Ia., where he farms 440 acres, was the final speaker. He feeds cattle in a 650-head confinement shed and runs a 130-head beef cow herd. Mr. Gerber and his wife Deanne were honored at the 1977 Beef Congress in Kansas City as "Beef Producers of the Year."

He pays special attention to the marketing of his cattle and feels success for any feeder hinges on knowing one's packer and grading procedures. He suggested that each feeder should follow his cattle through the packing plant process, as he does regularly, to see how his cattle dress out. He sells all his cattle on a dress and grade basis in nearby Fort Dodge. Having gone through this process he knows the kind of



Jack Canaday, exec. v.p. of the host bank, welcomes the crowd.



SPEAKER Lee Searle tells why he's bullish about the ag markets.

CHUCK WAGON. . .
(Turn to page 99, please)

You Will See Them at the 81st Annual Nebraska Convention

THE following metropolitan bankers, investment people and service equipment dealers have indicated they will be attending the 81st annual Nebraska Bankers Association Convention in Omaha, April 30, May 1 & 2.

Chicago

American National Bank & Trust Company: Michael J. Byrne, second vice president.

Continental Bank: John Perkins, president; Gary Scheuring and Bill Goodyear, vice presidents; Charles Huston, second vice president, and Becky Gollan, banking officer.

First National Bank: Garth Dunn, vice president and Mary Jo Franklin, loan officer.

The Northern Trust Company: Harold E. Hindsley and Orrin A. Wilson, vice presidents; L. Hamilton Kerr, commercial banking representative, and John E. Scully, bond investment officer.

Denver

Central Bank & Trust Company: Don H. Echtermeyer, senior vice president; Jim Simon, correspondent bank officer.

First National Bank: Ron Rose, assistant vice president, and Cliff Barrett, correspondent bank representative.

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

Kansas City

Commerce Bank of Kansas City: P. V. Miller, Jr., president; Fred N. Coulson, Jr., senior vice president, and Edwin B. Lewis, vice president.

First National Bank: George C. Dudley and William G. Dexter, senior vice presidents.

United Missouri Bank of Kansas City: Jerry Scott, president; Bill Bolt, chairman of executive committee; E. L. Burch, senior vice president; Dick Muir and Kirk

Vaughan, vice presidents; Steve Pankin and Kent Smith, special representatives, and George Morris, bond investment officer.

Lincoln

First National Lincoln: William Smith, president; David L. Patrick and Dale Young, executive vice presidents; William Edgecomb, vice president; Chuck Leffler, vice president and manager, correspondent bank division; Gary L. Bieck and Craig E. Wanamaker, assistant vice presidents and Steve Anderson, correspondent bank officer.

National Bank of Commerce: Glenn Yaussi, chairman; Paul Amen, vice chairman; James Nissen, president; Herman Brockmeier, executive vice president; Loren Anderson, Douglas Alford, Robert Hans, Robert Hinds, Ross Hecht and Wilbur Baack, senior vice presidents; Roy Otte, Duane Nelson, Robert Deahn and Tom Stuckey, assistant vice presidents; and Steve Kness and Jerry Runyan, correspondent bank officers.

New York

Chemical Bank: Jeffrey W. Strong, assistant manager, and Richard G. Hall, vice president.

Manufacturers Hanover Trust Co.: Earl H. Lundin, Jr., assistant vice president.

St. Joseph

First National Bank: Benton O'Neal, senior vice president.

First Stock Yards Bank: Philip R. Miller, vice president-agriculture.

Sioux City

First National Bank: Richard C. Taylor, president; Chas H. Walcott, executive vice president; Gary W. Stevenson, vice president, and Bernard J. Lattyak, assistant vice president.

Northwestern National Bank: Jerry Just, vice president, and Tom Pohlman, correspondent banking officer.

Security National Bank: Gene Hagen, executive vice president; Jim Hongslo, vice president, and Wayne Johnson and Steve Hatz, correspondent bank officers.

Toy National Bank: Richard Breyfogle and Stan Fredericks, vice presidents.

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Sioux Falls

First National Bank: Orv L. Bonacker, vice president and cashier, and Tom Long and Dennis Kirkeby, vice presidents.

Bank Equipment and Other Firms

Accent Service Co., Inc.: R. C. Wilwerding, president and C. J. Brazelton, regional sales representative.

Chiles, Heider & Co.: Bill Beavers, executive vice president; Hal Childs, vice president; Jim Foley and David Van Metre, senior vice presidents; and Fred Douglas, Tad Dunham, Roy Leibee and Jon Narmi.

Collateral Control Corporation: Mike Meyer, regional manager and vice president; Bob Schwieson, regional operations manager; and Dick Carlson, Dean Kedney and John Bergwell, representatives.

Daktronics, Inc.: Larry Fjeldos, district sales manager.

Hibbard, O'Connor & Weeks, Inc.: David B. Brevard, registered representative.

LeFebure Corp.: Rich Collins, branch manager, and George Vinson, Gerry Cholet and Dan Denman, sales engineers.

Lincoln Benefit Life Company: Steve Sutton, vice president.

Midwest Bank Builders: Matthew J. Thornton, manager.

Mortgage Guaranty Insurance Corp. [MGIC]: Ed Kallemyn, regional vice president, Des Moines; Ron Van Buren, Lincoln, and Harry Mitchell, Kearney.

Mosler Safe Co.: J. MacDonald, senior vice president.

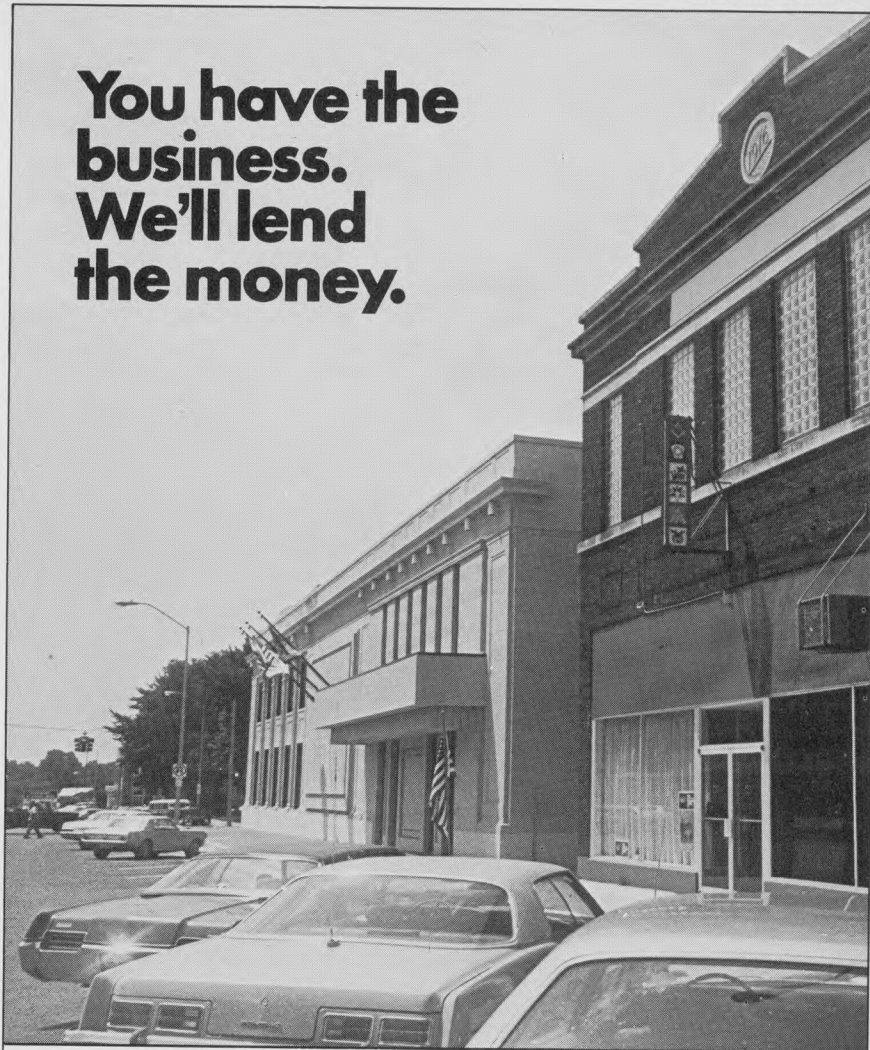
National Fidelity Life Insurance Company: Dwight Judy, Nebraska sales representative.

Robert E. Schweser Company, Inc.: William March, president; Robert E. Roh, vice president; Patrick H. Rensch, vice president and general counsel, and Frank E. Williams, executive vice president.

United States Check Book Company: C. B. Batchelder, president; Richard A. Dick, vice president; and Dick Hansen, Howard Yarwood, Ed Batchelder, Bill Connors, Kent Miller, Chuck Peterson, Bill Cummings and Rick Clabaugh, sales representatives.

USLife Credit Life Insurance Company: Steven McKelvey, district manager and Joseph H. Zearing, field vice president.

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Wayne Johnson
Correspondent Bank
Officer

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Nebraska Group Presidents Report on Area Farm and Financial Conditions

GROUP presidents of the Nebraska Bankers Association have submitted the following reports on agricultural and business conditions as they existed in their areas in early to mid-March:

GROUP 1. Ellis C. Dann, vice president, Citibank, Lincoln:

Loan demand in Lincoln is brisk, which has permitted our bank to be more selective. The local economy looks very healthy at the present time.

To get a first-hand appraisal of the situation in



E. C. DANN

some other communities in the Group 1 area, we solicited reports from Carleton G. Flynn, Jr., president of Citibank & Trust Company in Crete, and Ray J. Fiala, president of the First National Bank of Wahoo.

Mr. Flynn states, in part, "General farm and business conditions are above average, with a conservative view to the future. Our farmers have gone back to the land for refinancing, where necessary, and are utilizing more credit than ever. Crete farming is equally divided between dry land farming and irrigated farming. The final analysis seems to indicate the dry land farmer has fared better this past year than the irrigated farmer, especially if ground has just been placed under irrigation or purchased at high prices. Average yields on dry land farms are better than the previous six years, and in some instances close to all-time highs.

"We have a fair industrial base; we have experienced a decrease in housing construction, and accounts receivable are running higher.

"Banks in the area have shown an average 10% increase in loan demand over a year ago. We were 65% loaned up a year ago, peaked at 81% in late fall and are now at 77% with little reduction anticipated before seasonal demand increases.

"We have not experienced much impact from government (farm) payments to date. It appears more

(farmers) will participate in the set-aside program. These programs have a negative impact, to some degree. Our farmers would rather see effective beef imports curtailed so they could market grains through livestock and not place an additional burden on the taxpayer."

Mr. Fiala reports, in part: "General farm and business conditions appear much more favorable than they have the past four years due to excellent submoisture we never experienced at this time of the year. Major portions of Saunders County and our trade area were hit by severe drought for three years straight and in 1977 drought remained in the southeastern portion of the county. Due to this and depressed prices, our local businesses felt the effects along with our farmer friends.

"Our loan demand has changed completely from earlier years. Our portfolio has grown almost \$7 million dollars over a four-year period. Our current loan-deposit ratio of 62% is average for the district. We expect loan demand to ease somewhat because farmers have established a better cash flow position due to government payments and the Federal Crop Insurance programs.

"Many of our credit lines have been realigned with the help of FHA guaranteed emergency loans and the SBA direct loans for which farmers are eligible subject to their losses. The SBA 3% loans will certainly assist them to put past operational loans on a long term payout so we can again help them with current operational debt.

"This all evolves into larger farm credit lines, but the distribution of payments makes the plans workable so they can absorb their past losses. Also, a strengthening of cattle prices gives farmers a chance to make substantial profits on cattle on hand and ready for market. Overall, the quality of our farm loan portfolios has been increased with government guaranteed loans, the SBA and additions to real estate loans.

"Prospects for the coming year depend on moisture and stronger prices. We will have funds available for more loans."

GROUP 2. Ellen Ann Qualsett, president, First National Bank, Schuyler: The overall economic conditions of this area are looking good, which is quite an improvement over last year's outlook.



E. A. QUALSETT

Livestock prices have improved considerably and the margin between the purchase price of feeder cattle and today's fat cattle market has provided a more promising profit picture for the industry.

The anticipated downturn in hog prices did not materialize; therefore, a stabilization of the market seems to be a hopeful sign during the coming months.

The current upswing in bean prices, due to increased export and higher domestic usage, has helped the cash flow for grain farmers.

At the present time, loan demand has increased, but availability of funds, so far, has not been a problem.

With more adequate moisture these past months, the crop projection for 1978 seems to be most encouraging.

GROUP 3. Roger L. Weiss, president, Commercial National Bank, Ainsworth:

This area has experienced a long, cold winter. If present conditions continue (below normal temperature with snow), there may be larger than usual losses in spring calves.



R. L. WEISS

However, with the reduced cattle numbers in the country and the recent increase in price in all classes of cattle, the price prospects for 1978 look good.

The area is generally in good shape for moisture. Spring planting will be somewhat smaller than last year primarily because of the government set aside program. It is still too early to tell how many farmers will participate in the program, and reports vary across the area. Present

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Bill Norris, Vice President - Information Management and Wilbur Baack, Senior Vice President - Correspondent.

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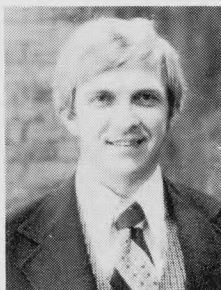
indications are there will not be wide spread participation in the program.

Loan demand is strong throughout the area for both long and short term lenders. There will be adequate funds available for legitimate operators for 1978. I believe the only people having trouble finding operating money are grain producers who purchased or developed high-priced land for center pivot irrigation in recent years with little equity and little or no prospect for profit this year.

GROUP 5. Donald E. Blaha, president, First National Bank,

Ord: It appears the year 1978 will again be a very critical and important year for the local farmers and businessmen in Group 5. Many Farmers and ranchers have completed refinancing of real estate and are now ready for the upcoming planting season. There have been severe financial losses by all our cattle operators and, of course, in 1977 there were also substantial losses sustained by the grain farmers as well.

We are now at a point where substantial profits must be realized



D.E. BLAHA

to help fight off any more agricultural disasters. We have already seen several farmers quit farming and I am sure we will still see more of the same in 1978. The cattle prices have started a slow, steady rise and this will certainly help the profit picture for the upcoming year.

We have received a large amount of snow fall and, of course, the weather has been unusually cold which will probably result in some very late plantings for 1978. Because of the cold weather it has taken a considerable amount of feed during the past 60 to 90 days. We feel that plantings in our area will not be decreased very much for the upcoming year. We will probably be fortunate to average a 5% decline in planted acres for the upcoming season.

Loans increased substantially in 1977 resulting in lower liquidity for most banks in our area. Because of a large amount of re-financing, it appears that most banks will have an adequate supply of funds for good customers for the balance of 1978. In fact, there will probably be more funds available for agriculture in the upcoming year than there were in 1977 because of all the re-financing that has taken place in the past six months.

Hog prices have held up very well for several years and I am sure they are much higher than anyone ever anticipated. We look for a decline in

hog prices during the year and after some soft spots in the spring and summer, we look for cattle prices to be on a steady rise during most of the year.

We feel in this particular area 1978 appears to be a much better profit year than the past three years. We hope our farmers and ranchers will, at least, be able to break even and possibly make a little money in the upcoming year and then once again start to increase incomes in 1979 and 1980.

GROUP 4. Samuel P. Baird, president, Farmers State Bank, Superior:

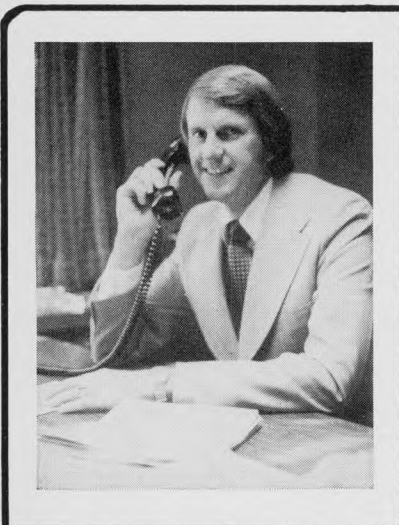
Our group is quite large and contains farmers with many different conditions. Many farmers in our immediate area have had an excellent year and are looking forward to 1978. These are the ones who had very unusual milo yields and then fed the milo to hogs and cattle.

The cattle industry apparently is entering a cycle in which those with an inventory will prosper. However, those looking for cattle to put on spring grass are being discouraged by the prices. Feeders who are selling now appear to be cutting down on replacements or thinking about lighter stock.

We have some in the area who were caught in a pocket of drought, hail or insect damage last year. These individuals have received some relief from S.B.A. disaster loans. The man who had only irrigated corn and did not feed livestock is suffering in our area as in other parts of the state.

Depending upon whether the high prices scare the cattlemen, I expect a very heavy loan demand this year. Planting intentions should not vary much from last year. I think many customers will be more careful with fertilizer and irrigation water application than in the past. However, the local area, either the merchant or bank, is being required to carry the financing that previously was financed by those higher in the chain of distribution.

I would like to encourage readers to contact the Small Business Administration with regard to its disaster loan program. It is surprising the number of farmers who qualify, and no one can turn down the offer of a 3% interest rate for seven to 10 years.



Steve W. Sutton
Vice President

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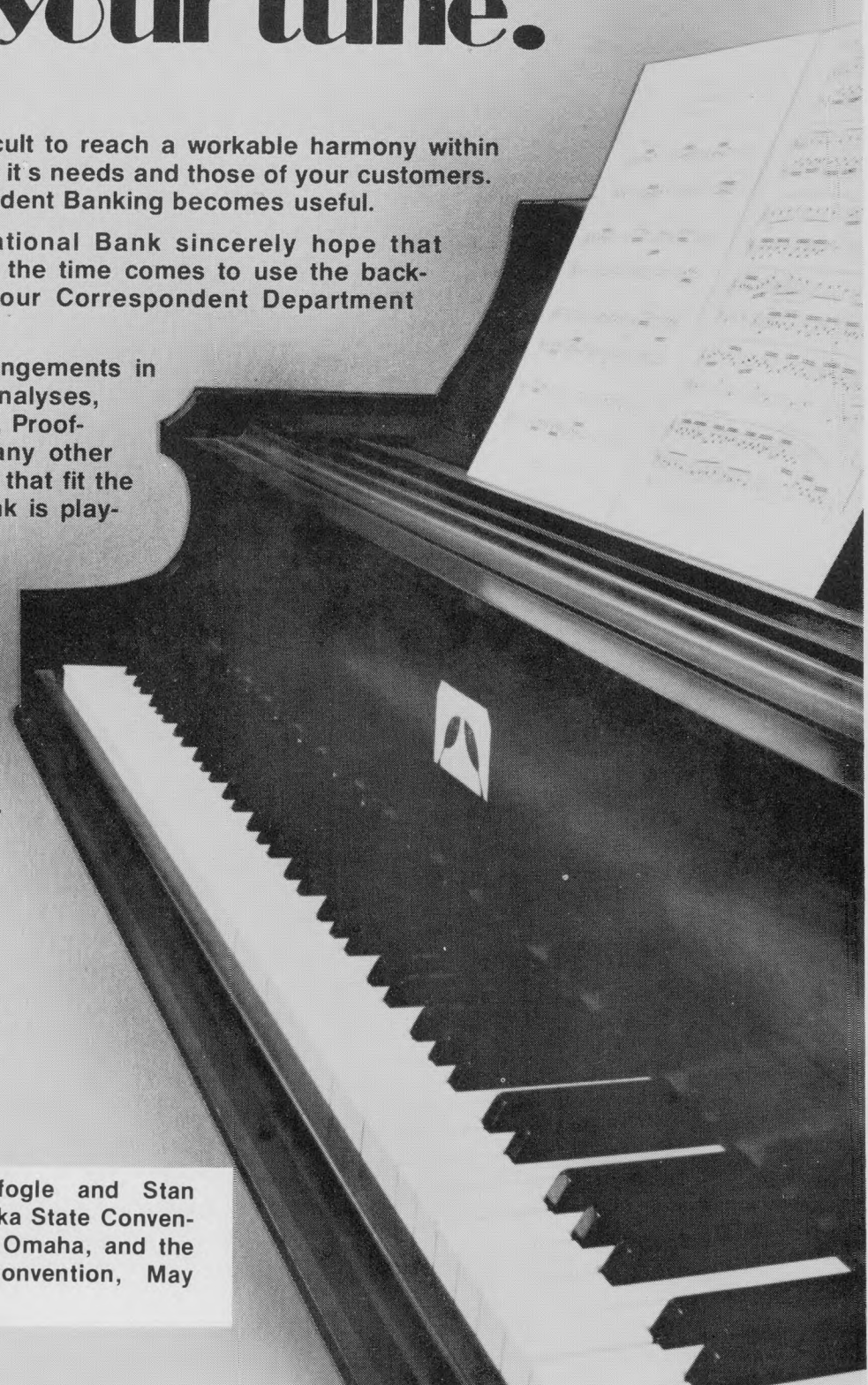
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Look for Rich Breyfogle and Stan Fredericks at the Nebraska State Convention, April 30-May 2, in Omaha, and the South Dakota State Convention, May 10-12, in Rapid City.



GROUP 6. Jerry J. Johnson, executive vice president, Bank of Chadron: Any discussion of conditions in Group 6 has to begin with the weather. It has been super cold. New, all-time low mercury readings have been set. This winter has been



J. L. JOHNSON

tough on the farmer-rancher and his livestock. Ranchers have seen their ample hay supplies diminish rapidly. It appears from all reports that the farmer-rancher, with supreme effort, has been able to hold his livestock death losses to a minimum in spite of mother nature. In the final tally for 1978, percentage calf crop will probably be down 2-3%.

Livestock men should be pleased with the turnaround in the livestock market. Since the first of the year, the markets for most all classes of livestock have shown some improvement. It is probably too early for all livestock people to celebrate, but the

USDA's January all-cattle survey was encouraging for the future. We have seen a goodly number of cows being culled from ranch herds in this area for several years. The report agreed with our thoughts as total inventory had been reduced to 116.3 million head. This count, although optimistic for the long pull, in no way guarantees profits for the cattleman regardless of what segment he is in in the cattle industry.

The present improvement in livestock prices is of some relief to farmers, with some degree of diversification, to endure the continued low grain prices. The acceptance of the government set-aside program, although attracting a good deal of attention and stimulating a good many questions is not at this time off the ground. The decision by the farmers on this program cannot practically be delayed too much longer.

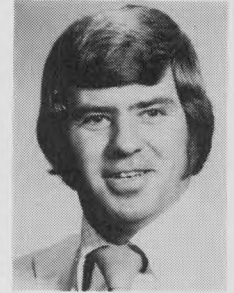
All can only agree that something needs to be done to bolster ailing grain prices.

Although agricultural loan totals are up in the Group 6 area, sound operators will find bank lendable

funds available for their operation. Farmers and ranchers will need to be particularly watchful of expenses. Agriculture in Nebraska has seen its income drop 42% from a high of \$1,421 million in 1975 to \$817 million in 1976, with a further decline in 1977. Sound, well-managed operations still make money, however.

Bank of Norfolk Names Assistant Vice President

President Duane Acklie has announced the promotion of Spencer Madden to assistant vice president of the Bank of Norfolk.



S. MADDEN

Mr. Madden joined the bank in May of 1973 and most recently managed the bank and insurance agency in Swanton. He attended the University of Nebraska, Fairbury Junior College and Peru State Teachers College majoring in business administration.



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NBA Group Officers

Members of the Nebraska Bankers Association's (NBA) Group 1 and 2 recently elected new officers for the coming year. They are:

Group 1

President, Ellis Dann, vice president, Citibank, Lincoln.

Vice president, Jim Owens, president and chairman, Nebraska State Bank, Weeping Water.

Secretary-treasurer, Dave Schweitz, First National Bank, Lincoln.

Representative to the NBA nominating committee, Dick Hahn, executive vice president and cashier, Carson National Bank, Auburn.

Group 2

President, Ellen Ann Qulasett, president, First National Bank, Schuyler.

Vice president, R. E. Grosse, president and cashier, Commercial State Bank, Cedar Bluffs.

Secretary-treasurer, Gary Bernhardt, cashier, First National Bank, Fremont.

Representative to the NBA nominating committee, Charles Backer, executive vice president, Burt County State Bank, Tekamah.

To Head Holdrege Bank

Louis G. Titus is the new president of The First National Bank, Holdrege, succeeding his father, L. J. (Jo) Titus.

Louis Titus, a 1962 economics graduate of the University of Nebraska, joined the bank full-time in 1962. In 1964 he was elected an officer and director and in 1967 vice president.

NBA Names Director Of Communications

The Nebraska Bankers Association has selected David S. McBride as its new director of communications. He replaces Harry J. Argue, who is now executive secretary with the North Dakota Bankers Association.

As director of communications, Mr. McBride will have primary responsibility for all NBA member publications, the NBA advertising program, and other areas relating to member services. He has most recently been affiliated with the Lincoln Chamber of Commerce as

public relations director, where he was in charge of publications, audio-visuals, and promotional assignments.

He has served as staff director for the Chamber's public relations committee and sports and recreation committee, which included responsibility for last summer's AAU National and Junior Olympic Championships.

Originally from Lincoln, Mr. McBride was graduated from the University of Nebraska School of Journalism. He has also worked in the University of Nebraska Sports

Information Office and as the assistant director of public relations for the Nebraska Coaches Association.

Sutton Banker Retires

Twenty-nine years of banking service recently came to an end with the retirement of Robert M. Figi, president of the City State Bank of Sutton. Mr. Figi joined the bank in 1949 and was named president in 1958.

Fred Figi, vice president, succeeds his father as president.



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1977 Nebraska Deposit and Loan Totals

TOTAL deposit and loan figures for Nebraska's 450 banks, as reported in the 1978 edition of the Nebraska Bank Directory, published by the NORTHWESTERN BANKER, as follows for December 31, 1977:

Deposits

National Banks.....	\$4,385,479,000*
State Banks.....	3,005,923,000
	\$7,391,402,000

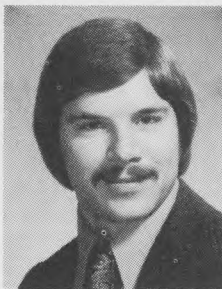
Loans

National Banks.....	\$2,863,044,000*
State Banks.....	1,964,939,000
	\$4,827,983,000

*1977 year-end deposit and loan figures were not available from the Comptroller of the Currency by March 21 and were not expected to be available for at least another two weeks for Nebraska's 117 national banks. Figures for the 333 state banks are from the Nebraska banking department. Above national bank figures are estimated, based on the 10.36% deposit growth of state banks in 1977 and the 11.1% loan growth of state banks in 1977.

Elected at Fullerton

Timothy D. Horacek has been elected assistant cashier of the Fullerton National Bank, according to Levetta M. Hosler, president. Mr. Horacek joined the bank in August of 1975 after graduation from the University of Nebraska-Lincoln.



T. D. HORACEK

North Platte Bank Celebrates 100th Year

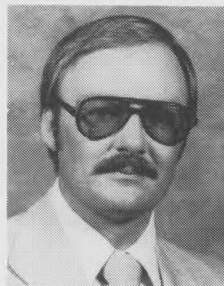
The McDonald State Bank of North Platte recently celebrated its 100th anniversary.

On January 1, 1878, Charles McDonald moved a pioneer bank into his log cabin store in North Platte. Nebraska did not have a banking department until 1902 so the bank was merely a private place

for the safekeeping of such valuables as gold dust, money and even expensive hand guns and boots, overnight and longer for a fee, according to J. Y. Castle, chairman. At the end of 100 years, the capital structure of the bank has grown to about \$3 million.

City National of Hastings Announces Staff Changes

Lloyd R. Kitrell, president of the City National Bank and Trust Company, Hastings, has announced the election of Charles R. (Chuck) Bowman as marketing officer. Mr. Bowman most recently served as vice president of sales for out-state Nebraska for Blue Cross-Blue Shield of Nebraska.



C. R. BOWMAN

Mr. Kitrell also announced the following bank promotions: Stanley D. Wieland, vice president, commercial loan department and Kenneth M. Meredith, vice president, installment loan department. Mr. Wieland joined the bank in 1974 as a loan officer and Mr. Meredith in 1972 as installment loan officer.

Homer Bank Is Sold

The American State Bank at Homer recently was sold by Frank R. Mares, president and cashier, to a group of 13 people who also own the Dakota County State Bank in South Sioux City.

Mr. Mares now is chairman of American State Bank. John R. Murphy has been elected president of the bank in Homer, the same position he holds at Dakota County State.

Ervin Habeck, who was assistant vice president and ag officer at Dakota County State Bank, has moved to the Homer bank as executive vice president and cashier and chief executive officer. Bonnie

NBA Calendar

April 30-May 2—Annual Convention, Omaha.
June 11-14—Washington Visit.

Wilke was promoted last month to assistant cashier of American State Bank.

RMA Publishes Booklet on Loan Review Procedures

Robert Morris Associates (RMA) has published a booklet which gives practical information on setting up a bank's commercial loan review procedures. The 36-page monograph shows how a bank can use loan review to help spot deteriorating credits before they become workouts and losses.

Copies can be purchased from RMA's order department, 1432 Philadelphia National Bank Building, Philadelphia, Pa. 19107. Prices are \$5 to member banks and \$7.50 to nonmembers.

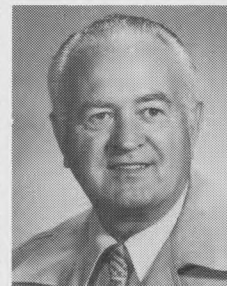
Kearney State Bank Names Board Chairman

The election of Dr. F. L. Richards as chairman of Kearney State Bank has been announced by Bernie Engles, president. Dick Rogers, Sr., has been elected honorary chairman.

Dr. Richards joined the bank as a director when it was chartered in 1976. Mr. Rogers, active in the bank since its beginning, serves as agricultural representative.

Northwestern of Norfolk Elects Vice President

Tim V. Stern, president of Northwestern National Bank, Norfolk, has announced the election of Harold E. Matney to vice president and head of the agricultural loan department. Mr. Matney previously has served as president of the First National Bank of Walthill and executive vice president of First Savings Company of Norfolk.



H. E. MATNEY

NETS Switch Finally Goes into Operation

AFTER four years of development, the Nebraska Electronic Transfer System became a reality last month when the central switch operated by MICOR went into operation March 27. Three of the state's five largest correspondent banks have signed contracts with MICOR International, the company operating NETSWITCH, a central computer center in Omaha.

NETS President S. N. Wolbach, chairman of the First National Bank in Grand Island, told NETS members in a letter early last month that EFT services will be supported by processing centers at First National Lincoln, National Bank of Commerce in Lincoln and United States National Bank of Omaha.

NETS was ready to start one year ago but was threatened with a lawsuit by the United States Department of Justice antitrust division. Subsequently, it was decided to have the individual processing banks negotiate contracts with MICOR instead of NETS. Omaha National Bank and First National Bank of Omaha withdrew

on advice of counsel to avoid danger of a lawsuit. Neither has yet returned actively to NETS.

U. S. National has sharing agreements with First National Lincoln, its own Banco banks in Omaha—Center Bank and Northwestern National—and with Gateway Bank in Lincoln. Chairman Don Murphy said U. S. National has 19 terminals in Omaha, now available to customers of sharing banks.

Bill Smith, president of First National Lincoln, said his bank has sharing agreements with Gateway Bank in Lincoln and U. S. National. It has five customer operated terminals in three grocery stores, a department store and a large volume liquor store, and has plans to install another five terminals in grocery stores within 45 days and probably another seven beyond that by summer.

National Bank of Commerce on March 27 was awaiting signing of sharing agreements with U. S. National and Gateway National. NBC has seven off-premise terminals, according to President Jim

Nissen, including one ATM and six POS terminals, all in Safeway stores. NBC possibly will have more up by summer, he said.

CHUCK WAGON...

(Continued from page 89)

beef the packing company wants and he feeds accordingly.

Mr. Gerber feels strongly that the marketing of cattle will have greater development in the next few years, more than any other aspect of livestock raising, such as genetic control. Also, he said, "we may see selling through co-operatives and adoption of regional livestock identification such as Florida has done with its orange crop. We can do the same for identification of certain kinds of beef."

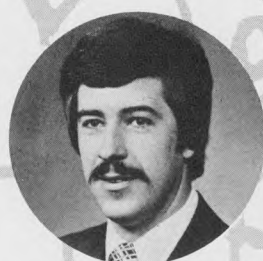
Following the traditional barbecued beef luncheon, James Doc Blakely, billed as the only PhD speaker in Texas, lived up to his advance billing as an entertaining speaker. His strictly humorous talk, identified in his opening remarks as having "absolutely no social redeeming value" was the right tonic for the crowd following the excellent noon meal.

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Jerry Just



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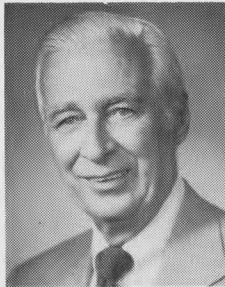
An Affiliate of Northwest Bancorporation

BANCO

Lincoln News



NBC CO.'s board chairman, **Glenn Yaussi**, retired at the end of January as an active officer in the organization. He retains his position as chairman of NBC Co. and its primary holding, National Bank of Commerce.



G. YAUSSEI

Having started in the banking business over 50 years ago in Marysville, Kan., Mr. Yaussi joined National Bank of Commerce 43 years ago as what was then known as a savings teller. He stayed in that position until November, 1939. At that time he joined Fort Dodge National Bank of Fort Dodge, Ia., where he remained until May, 1943. He rejoined the National Bank of Commerce as an assistant cashier, serving in various capacities until being elected president in 1961.

Shortly after he became president, the National Bank of Commerce merged with First Trust Company of Lincoln in September, 1961, and became the National Bank of Commerce Trust of Savings Association. This merger added nearly \$100 million in assets to NBC.

Later Mr. Yaussi was instrumental in developing the affiliate system with the formation of Lincoln Bank South in 1965. Under his leadership nine one-bank holding companies were formed. Stock in these holding companies is offered to NBC Co. stockholders. They are: LBE Co., Fremont First National Co., Fremont First State Co., Kearney First National Co., North Platte State Co., Hastings City National Co., Grand Island Overland Co., West-

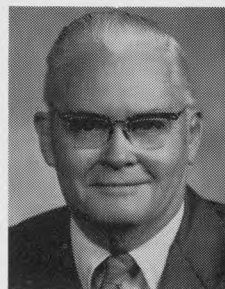
point First National Co., and United Bancshares of Nebraska, Inc.

Mr. Yaussi has served as chairman, president and treasurer of all the one-bank holding companies and is still active in many of them.

During Mr. Yaussi's tenure, Mutual Savings Company of Lincoln was acquired in December, 1972. Nebraska Savings Company of Scottsbluff was acquired in December, 1973, and in 1976 Mutual Savings Company of Omaha was formed. All are industrial banks and subsidiaries of NBC Co.

Mr. Yaussi has served as a director of the Omaha Branch of the Federal Reserve Bank of Kansas City, president of Lincoln Chamber of Commerce and president of the Lincoln School Board. He belongs to American Bankers Association, Robert Morris and Associates, Independent Bankers Association, Lincoln Chamber of Commerce, Lincoln Chamber Industrial Development Corp., and many other organizations.

Lyle F. Stoneman, vice president, correspondent bank division, First National Bank & Trust Co., recently retired.

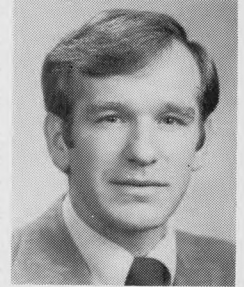


L. F. STONEMAN

Mr. Stoneman, who was born in Denton, joined the bank in the spring of 1936. He ran the wholesale route in the morning and worked in proof and transit in the afternoon for a year. Then he worked in the bookkeeping department until February of 1941.

In 1941, Mr. Stoneman joined the Federal Deposit Insurance Corporation as a junior examiner in Kansas City. He spent one year there and three years in North Platte, Nebr., returning to First National in the fall of 1944 as a member of the correspondent bank department.

Jim Nissen, president of the National Bank of Commerce in Lincoln, has announced the following staff promotions: **Tom Potter**, **R. L. [Bob] Hans**, and **Loren R. Anderson**, to executive vice presidents, and **Dana Henriksen** to vice president.



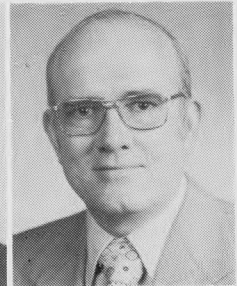
T. POTTER

In addition, the four, along with Vice President **Jerry Thornton**, have been named group heads under the bank's new organizational plan. The plan places internal reporting responsibilities within three functional groups and two support groups. The bank's division group heads, who previously reported to the president, will now report to one of the functional group heads.

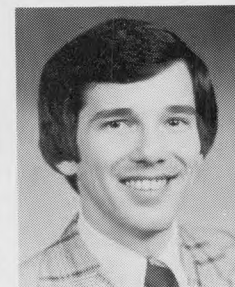
The functional groups are the lending group, headed by Mr. Potter; trust and bank investments group headed by Mr. Hans; and administrative group, headed by Mr. Anderson. The two support groups; marketing, and planning and control,



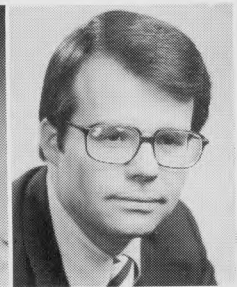
R. L. HANS



L. R. ANDERSON



D. HENRIKSEN



J. R. THORNTON

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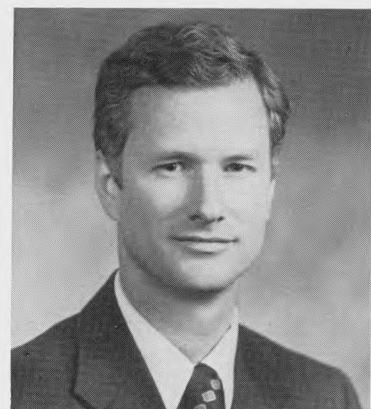
CHUCK LEFFLER



GARY BIECK



BILL EDGECOMB



CRAIG WANAMAKER



STEVE ANDERSON



DAVE SCHWEITZ



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will be headed by Mr. Thornton and Mr. Henricksen, respectively.

Mr. Potter will oversee all loan and deposit areas of the bank. Lending division heads in the areas of consumer, mortgage, and commercial will report to him. The correspondent banking division, headed by Wilbur Baack, also is a part of the lending group. Mr. Potter had been vice president in charge of NBC's commercial loan division.

Mr. Potter joined the bank in 1975 following a 10 year career in international banking; two years as a financial and economic analyst with the African Development Bank, Abidjan, Ivory Coast. Seven years of his career were spent as a loan officer and program budget officer with the Agency for International Development, U. S. Department of State. The State Department post included two years residency in Uruguay and two years of residency in Lima, Peru.

Bob Hans will have the trust and bank investment division reporting to him. Prior to the promotion he had served as senior vice president and investment division head. Mr. Hans, a Lincoln native has been associated with NBC since 1960.

The administrative group, under the direction of Loren R. Anderson, includes information management (NBC's computer division headed by Bill Norris), bank operations, personnel and the controller. He was senior vice president of administration before his promotion. Mr. Anderson has spent his entire banking career at National Bank of Commerce, starting in the bookkeeping department in 1949 and working his way through the organization, including a period as personnel director.

Mr. Thornton, who came to NBC last August from Brenton Banks, Inc., Des Moines, will continue in his capacity as marketing vice president and will head the marketing group.

Mr. Henricksen, who will guide the bank's planning and control function, has been with NBC since 1975. He started as a loan analyst and was serving as assistant to the president at the time of his new appointment.

Lincoln's National Bank of Commerce added to its Bank-In-The-Box on-line EFT network recently with the addition of a second Diebold



NATIONAL Bank of Commerce's side-by-side ATMs handled over 26,000 completed monetary transactions and inquiries during January.

TABS ATM in the main bank lobby and one at Lincoln's newest Safeway store. The additions were the fourth and fifth Bank-In-The-Box ATMs in the Lincoln market along with six POS terminals. First National Bank in Kearney, Neb., also maintains an on-line Bank-In-The-Box ATM.

The second NBC lobby unit was made necessary by the high volume of transactions processed by the first lobby ATM installed in March of 1976. During January of this year, the first full month of operation for both ATMs, 16,170 monetary transactions were handled. Coupled with 10,141 balance inquiries, the side-by-side ATMs processed over 26,000 transactions and inquiries.

With the opening of Nebraska's largest Safeway store last October, the first Bank-In-The-Box ATM not located on a bank premises was put into operation. The store's courtesy counter was designed to accommodate the ATM as a built-in feature. Bank-In-The-Box cardholders have night-and-day access to the machine in the 24-hour store.

Lincoln's other six Safeway stores utilize Burrough's TT100s as Bank-In-The-Box POS terminals at their courtesy counters.

NBC has 33,044 Bank-In-The-Box cardholders, and services B.I.T.B. cards issued by Lincoln Bank East and Lincoln Bank South. During January the deposit to withdrawal ratio at the five ATMs ran 1.6:1. The six Safeway POS terminals produced

a deposit to withdrawal ratio of 4.2:1.

First Mid America, Inc., has announced the election of **Robert G. Hinrichs**, senior vice president and treasurer, to its board. Prior to joining the company in 1975, Mr. Hinrichs, a certified public accountant, was with a national public accounting firm for 19 years. He is a past president of the Nebraska Society of Certified Public Accountants.

Robert S. Hinds, senior vice president and trust officer of the National Bank of Commerce, was elected a member of the executive committee of the American Bankers Association trust division. He also is a member of the association's taxation committee. Mr. Hinds heads the trust division of the bank.

L. J. (Lud) Hallas

Funeral services were held recently for L. J. (Lud) Hallas, retired banker.

Mr. Hallas began his banking career in 1919 at the National Bank of Commerce in Lincoln. He later moved to Murray where he served as cashier of The Murray State Bank. In 1930 he purchased controlling interest in The First State Bank in Siletton. He retired in 1970.

Bankers Discuss Consumer Survey Results At NBA Regional Meetings

By **LINDA RHEIN**
Associate Editor

NEARLY nine out of every 10 Nebraskans feel that a bank is their primary financial institution. However, half of all Nebraskans are doing business with a savings and loan association and one-fifth are doing business with a credit union, according to a survey commissioned by the Nebraska Bankers Association (NBA).

The average Nebraskan possesses three services at a bank. Most banks offer about 12 services. More effective cross-selling is important, says Tom Rozmarin, senior partner of Selection Research, Inc., of Omaha, which conducted the state-wide telephone consumer attitude survey of 1,000 Nebraskans last fall. The survey was made to determine how Nebraskans perceive and feel about their banks, s&ls and credit unions.

According to the survey, the most frequent reason people have for doing business with a bank is its checking accounts and other services. Higher interest rates and home mortgages were listed as reasons for going to a s&l. Interest rates and auto loans were listed as reasons for choosing credit unions.

Over one half of the credit union customers in the state reside in Omaha. Both s&l and credit union strength is greatest in Omaha and Lincoln, according to survey results.

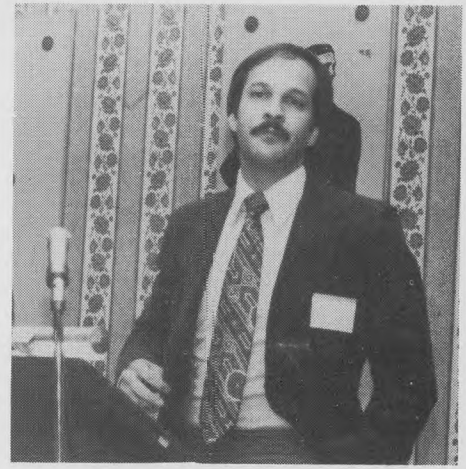
The NBA recently held six meetings throughout the state to explain the results of the survey. In addition, the program included a talk, "Treasury Tax and Loan Accounts—An Update on New Procedures," by Don Mahan, assistant vice president, and Ivar Andreasen, securities department manager, Federal Reserve Bank, Omaha.

The majority of Nebraskans have a high level of awareness of ATM, POS and paying bills by phone, according to the survey. One in five adults in the state has at least one of the plastic transaction cards associated with EFT, but a very small percentage use the cards.

"While many people like to possess these cards for an emergency situation when they might need money, they feel little need to use them on a daily basis," said Mr. Rozmarin. "They are satisfied with the way things are... Merchants cash checks easily. If this changes, maybe EFT will be used more."

About 12% of the Nebraskans are interested in getting a EFT service. According to the survey, they are most interested in: 30% ATM, 42% POS and 68% phone bill paying.

A large percentage of s&l growth has come through electronic banking services. When statewide services were examined, 4% said they have the Money Service card and 25% said they use it regularly; 5% said they have the CashAction/Prestige



THOMAS L. Rozmarin, sr. partner, Selection Research, Inc., Omaha, explains survey results at a recent NBA regional meeting.

card and 20% use it regularly, and 1% have a Telepay card and 100% use it regularly.

Lincoln was found to be a very strong market for electronic banking. About 44% possess at least one EFT service and another 19% say they will be getting one. In Omaha, 28% have a service and 6% say they will be getting one.

NBA members may examine detailed printouts of the survey at nine locations throughout the state. Contact: Walt Griffis, Guardian State Bank, Alliance; Stan Wirth, Beatrice National Bank; Mike Lindahl, First National Bank, Fremont; Bob Eversoll, Commercial National Bank, Grand Island; Barb McCormick, Lexington State Bank; Jackie Berkheim, NBA Office; Bill Deitemeyer, First National Bank, North Platte; Bill Henry, First National Bank, Omaha, or Dick Adkins, Osmond State Bank. □



LEFT—Scott Newberry, oper. officer, & **Lynda Trapp**, asst. oper. officer, The Omaha Natl. Bank, examine survey results. **RIGHT—Gene Tschida**, pres., Bank of Papillion; **Ronald Suhr**, v.p. & cash. & **Jerry Purintun**, Gretna State Bank.



I'm Don Carmody your roving correspondent from Bankers Trust

"Over the phone, through the mail or in person, I work with bankers all over Iowa, helping to bring our banking services to banks like yours."

Don Carmody is your correspondent banker from Bankers Trust. Knowledgeable and cooperative, Don will sit down with you and discuss your correspondent needs. Once he has the facts, he'll structure a complete program to fill those needs.

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Iowa News

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



Jim Lipton Now President At Ida County State Bank

James W. Lipton, Jr., has been advanced from executive vice president of the Ida County State Bank in Ida Grove. He succeeds H. W. Godbersen, who moves up to the chairmanship of the bank. Mr. Lipton's father, who died June 5, 1977, had been chairman since 1961.



J. W. LIPTON, JR.

Jim Lipton attended Grinnell College, then joined Bank of America in San Francisco. After seven years there he returned to Iowa to join his father in the Arthur Trust & Savings Bank. When that bank merged with Ida County State Bank in 1961 the senior Mr. Lipton was elected chairman and Jim Lipton was elected executive vice president.

Mr. Lipton is a graduate of the Graduate School of Banking at the University of Wisconsin and the Independent Bankers of America Banking School at Harvard. He has been active in Iowa Bankers Association activities for a number of years, serving in 1968-69 as president of the IBA.

Named at Washington Bank

Taunce H. Mathiason, president of The National Bank of Washington, has announced the election of Harvey B. Holden to the bank's board. Mr. Holden is an area farmer and also serves on the Washington City Council and is a past director of the F.S. Services for Iowa-Illinois-Wisconsin, a position he held for 10 years.

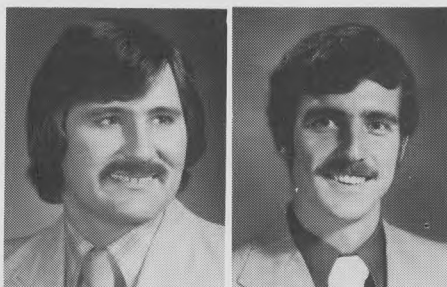
Kenneth W. Keniston has been promoted to vice president and cashier and Daniel B. Engler to vice

president. Richard Anderson has joined the bank's staff as loan officer. He had been engaged in farming.

Jefferson State Expands Ag Lending Department

Jefferson State Bank has announced the expansion of its agricultural lending department with the addition of two representatives. Clay A. Miller has joined the bank as farm management representative and Paul Johnson will join the bank around July 1 as agricultural loan representative.

Mr. Miller taught with the Jefferson School System for four years. He received a BS and



C. A. MILLER

P. JOHNSON

Master's degree from Iowa State University, Ames. Mr. Johnson recently was graduated in agricultural education from Iowa State University, Ames.

Rock Valley Bank Remodels

W. C. (Speck) Anderson, president of the Valley State Bank, Rock Valley, has announced construction on a remodeling and addition project to the bank. The completed facility will house the bank and offices of the Rock Valley Insurance Agency, providing a new look and an additional 2,000 square feet of space.

Foss, Engelstad, Heil of Sioux City, architects for the project, indicate that the inside of the building will feature dramatic ceiling forms of wood using oak coffers, boards and beams, integrated with a system of lighting. Stained oak woodwork will be used. Other features of the remodeled building will include interior freestanding structural glass partitions, art display walls, informal seating areas and a customer coffee room.

Named Vice President At Sioux City Bank

Karl H. Seeser has been elected vice president and trust officer of Toy National Bank, Sioux City. He will be in charge of the bank's trust department.

Mr. Seeser holds undergraduate and law degrees from the University of Iowa. He joins the bank from Midland National Bank of Milwaukee where he was responsible for personal trust administration. Prior to that he was with three Michigan banks in their trust departments.

Marshalltown Bank Names Director

Charles Nichols has been elected to the board of Fidelity Brenton Bank and Trust Co. He is senior vice president of the bank.

1978 Iowa Group Meetings

Date	Group	City
May 8	8	Davenport
May 9	4	Dubuque
May 10	7	Waterloo
May 11	6	Des Moines
May 22	5	Council Bluffs
May 23	2	Fort Dodge
May 25	3	Clear Lake
May 26	12	Okoboji



The 'bread' negotiable

BANKING in a supermarket! Don't laugh! It's here! Not in the big cities but in Sibley, Ia., population 2,900. You don't have to wade through food counters, the meat department or a delicatessen to find it, and when you get to the bank counter you don't have to wait for the teller to tally up another customer's pop bottle returns. That's because the First National Bank of Sibley was there first!

It all started when Gordon B. Anderson, owner of Gordy's Super Valu stores, visited with Leo E. Carlson, Jr., president of First National, in the fall of 1976 to determine if there was a good location for him to set up a new Gordy's in Sibley. Mr. Anderson had a successful track record in the retail food business as the owner of five supermarkets in Minnesota, with headquarters in Worthington, and another four stores in Waterloo, Ia.

A number of residents of Osceola County, where Sibley is located in northwest Iowa, already were patrons of Gordy's Super Valu in nearby Worthington.

Earlier, the bank had purchased a large lot at the east side of the business section just one block from the main bank. The First National Bank building had a walkup window but no drive-up facilities. In fact, there was no possibility of getting any kind of on-premise parking. Consequently, the bank had been holding the land for construction of a detached facility.

While Gordy Anderson outlined his plans and needs, Leo's mental gears meshed into high speed. After a quick review of the situation, Leo took a cue from a popular TV show and said, "Let's make a deal!"

He took Gordy Anderson to the bank property nearby where an old



PICTURED at grand opening, l. to r.: Front--Bruce and Tom Anderson, their father, Gordon Anderson; Leo Carlson, pres., 1st Natl., Sibley, and Dave Wier, Mayor of Sibley and v.p. of the 1st Natl. Back--Mickie Greeve (Leo's daughter) and Ken Klaver, tellers.



store — or edible!

supermarket had burned to the ground, leaving a scarred, weed-covered cement platform as a reminder. An old filling station occupied a corner of the lot.

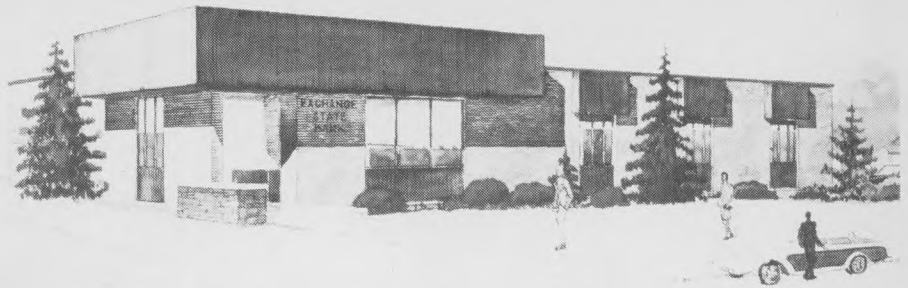
Leo suggested that Gordy's Super Valu buy the lot, design a building that would tastefully incorporate a bank office at one end, and First National would sign a long-term lease. The two agreed, the bank board concurred and the rest was up to the architect and contractor. Several principals in the bank have joined with Gordon Anderson in ownership of the building.

The result is Gordy's Super Valu of Sibley, which opened March 1 with a grand celebration. The First National Bank office opened February 22 to give bank personnel a week to test facilities and procedures.

The detached office has a loan officer and two tellers, a drive-up window and ample parking. The property adjoins a half-block municipal parking lot that will be paved this spring. First National is furnishing the light standards for the lot and the town of Sibley will provide the electricity.

In the first week of operation and through the grand opening of the supermarket a number of new bank accounts were opened. The convenience of the banking facility on premise for store customers has become evident and they are making steady use of it. A pharmacy will open later in the store.

Gordon Anderson is no stranger to banking. Recently, he became the major stockholder in the State Bank of Worthington. Now, with the First National as a tenant in Sibley's new supermarket, his customers will have a choice of whether the bread or dough they obtain in the building is of the edible variety or the universally accepted long green!



ARCHITECT'S sketch of the Exchange State Bank in Exira, undergoing a major construction program.

Exchange State of Exira To Expand

THE Exchange State Bank in Exira has announced a major construction program, according to R. M. Anderson, president.

Remodeling and expanding the building to the south and west will be included. The exterior will be completely refaced with brick and insulated windows. Bronze materials will be used in the windows and exterior panels.

A drive-up window will be added on the south. Other features will include new safety deposit vault with private coupon booths, enlarged bookkeeping, new teller windows and a sit-down station. Additional private offices, conference room and storage areas also are planned.

The project should be completed in eight to nine months. The Kirk

Gross Company of Waterloo is responsible for the program.

Ben E. Reed

Funeral services were held recently for Ben E. Reed, retired Cumberland banker. Mr. Reed became active in the Cumberland Savings Bank in 1956 and served as its president until 1972 when he sold his interest in the bank.

Named at Keokuk

Roger A. Burtraw has joined the board of directors of State Central Savings Bank, Keokuk. He is a group vice president of Sheller Globe.

On target, on time, on the money.

That's what you get when you call on the Kirk Gross Company to handle your building or remodeling project.

Our specialists handle everything from building plans, to construction and interior planning and design. Right down to your secretary's chair.

But most important, we'll be on target, on time and on the money.

Call us. We'd like to discuss your project.



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LEFT—Ken Pennebaker, e.v.p., Twin Cities Bank, North Little Rock, Ark., and Bob Clark, chmn., IBA marketing committee and v.p., Central Natl. Natk, Des Moines, discuss plans with Darrell Hick, a.v.p., Maquoketa State Bank. RIGHT—Dick Gerdes, Dick Gerdes Advertising, Inc., Des Moines; Mike Baehr, a.v.p., Farmers T&S Bank, Spencer, and Dr. Louis Wolter, professor of advertising, journalism dept., Drake University, Des Moines.

Effective Planning Needed for a Successful Marketing Program

HOW to develop more successful marketing programs was the topic of discussion February 15-16 when Iowa bankers met in Des Moines for the Iowa Bankers Association Marketing Conference. A number of advertising specialists outlined key ingredients to beginning a successful program. The overriding theme was to plan a long range course and objective.

Ken Pennebaker, executive vice president, Twin Cities Bank, North Little Rock, Ark., outlined his bank's success over the last 10 years. Twin Cities, an old, established bank, realized it was becoming stagnant. In 1968 its officers analyzed the situation. They found that they were not serving the community and did not have an image or commitment conducive to growth. Their study showed that most of the bank's customers were over 45 years of age and that over half of the community worked outside of the bank's marketing area. The bank has changed in many ways over the last 10 years, concentrating on image, location and convenience, and attitudes of personnel.

Emphasis

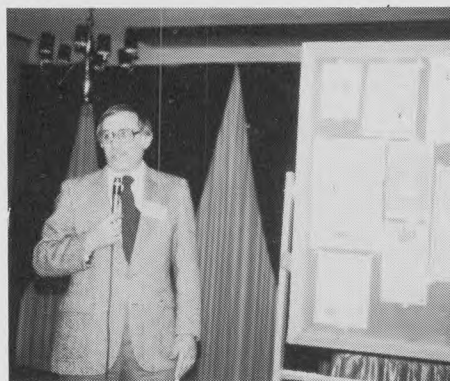
Image — The bank began to direct programs and advertising to younger age groups. It developed a student board of directors made up of high school seniors. (Over 230 students applied last year.)

Location and convenience —

By **MIKE FREELAND**
Business Manager

Saturday banking was started because most customers were unable to meet banking hours. This is now the second biggest day. Other key programs are free checking, 42-month car loans, ATMs, telephone banking, drive-up windows, and check guarantee.

Attitude of Personnel — An advertising campaign around personnel began to build more pride. People were appointed to various



JOE Berner, creative advertising director, Campbell-Mithun, Inc., Chicago, critiques current ads being used.

groups, such as youth or senior citizens.

Twin Cities Bank took a very aggressive approach to its problems. Many of its programs are not feasible for some banks. However, Twin Cities did identify the needs of

its community and then set out to serve these needs in a profitable manner.

Local advertising experts Dick Gerdes, of Gerdes Advertising, Des Moines, and Louis Wolter, professor of advertising, Drake University, outlined basics in establishing an effective advertising program. Mr. Gerdes said that few banks have a firm marketing program.

Questions to Consider

In beginning your program consider the following questions, he commented.

1) What is your market share? How is it made up and what would you like it to be?

2) Why do people bank with you? Why not? The number one reason is still convenience. A main reason to leave is bank errors. Also of key importance is bank personnel attitude.

3) What can you do to increase deposits?

4) How can you reach customers and prospective customers?

Mr. Gerdes reminded bankers that the average number of bank services used by customers is two. This is a key area for growth. Be sure bank personnel understand and can explain bank services.

When determining where to spend ad dollars, try to spend more on selling mediums such as television, radio, newspaper, direct mail, or billboards, and less on give away

Do yourself a favor.



If you're like most bankers you've got a very busy workload.

That's why we'd like to remind you that we can help you with your correspondent banking.

Computer work ... proof of deposit ... transit work ... collection of checks ... even the opportunity to increase your profits with our new BANKEASY card.

As this area's largest correspondent bank, we do them all. And we do them well.

So do yourself a favor.

Call or write us today.

National Bank of Waterloo

100 East Park

programs. A rule of thumb for your budget is .1% of assets.

Joe Berner, Campbell-Mithun Advertising, Inc., Chicago, critiqued many ads currently being used by Iowa bankers. Mr. Berner works with larger advertisers with budgets that can afford creative programs. Realizing many bankers are not allowed this advantage, Mr. Berner suggests smaller banks seek local talent to help develop more professional programs. □

Farmers Savings, Kalona Names Jan Skola President

Jan M. Skola has been advanced from vice president to president at Farmers Savings Bank of Kalona to succeed his father, Ferd E. Skola, who continues active as chairman of the board. Jan Skola has been with the bank six years.

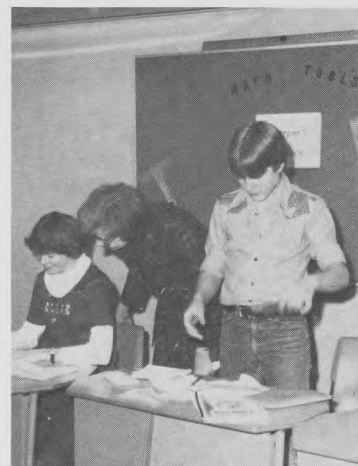
Ferd Skola has worked at the Farmers Savings Bank throughout his banking career, starting there under his father, who joined the bank in 1903. The senior employe of the bank is Belle Davis, honorary vice president, who started working at the bank for Ferd Skola's father in 1918. This summer she will mark her 60th anniversary of continued active service with the bank. Since she was born on July 4, 1891, Mrs. Davis' father named her Independence Belle Dunlap.

Automated Systems Continues Expansion

Automated Systems of Iowa, Inc., is now servicing for Insurance Programmers, Inc., the special Crum & Forster directors and officers liability program for Iowa banks. Crum & Forster is one of the major underwriters in the nation of D & O liability coverage for financial institutions.

Jon Grindle of Mt. Vernon and Ed Lenaghan of Ankeny are the principal officers of Automated Systems of Iowa.

Mr. Lenaghan said ASI also provides coverage for all other insurance needs of financial institutions, including bankers' blanket bonds, property and liability coverages and special coverages such as lenders' single interest and trust errors and omissions. He also notes that the markets represented by ASI are top rated in "Best's," which is the major insurance rating guide.



TOP LEFT—Loretta Buchheit, a.c., LeClaire State Bank, and Doris Rankin, math instructor, work with students at the Black Hawk Trust and Savings Bank. TOP RIGHT—Students learn about banking by running the businesses in a town. LEFT—Ms. Buchheit introduces the unit.

LeClaire State Bank Aids Junior High Students in Learning about Banking

BY the time they leave the eighth grade, the students of Blackhawk Junior High School in LeClaire will have felt the sting of financial stress or will have experienced the elation of financial success—hypothetically that is.

With the cooperation of LeClaire State Bank, the math department of the school, headed by Gordon Muller, has enacted the business life of a small town as a more interesting approach to presenting a unit in banking.

At the beginning of each unit, each student is required to complete an individual and/or business budget. The hub of the business world is the Blackhawk Bank, whose materials are supplied by LeClaire State Bank.

Each student visits the bank to open his or her accounts. A group of students serve as tellers. Daily business functions are enacted, such as paying light bills, buying groceries, with amounts being

furnished by a lottery drawing arrangement.

Businesses not only pay operating and occupancy costs, but also pay their employees. Surprisingly, the students even go so far as to demand periodic raises. And they have even designated an Internal Revenue Service as one of the businesses in the town.

The introduction to the unit is given by Lorette Buchheit, assistant cashier at LeClaire State Bank. She explains the importance of a bank in the community and details the services it provides. A movie, "Twenty Four Hours in the Life of a Check," provided by the Iowa Bankers Association, is shown.

The response of the students and parents to the program has been very positive, according to Ms. Buchheit. The bank's staff feels the efforts will be realized in years to come with reduced problem accounts and more efficient customer accounting.

A correspondent bank should give you more than just a correspondent banker. We do.

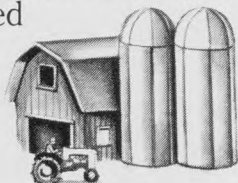
When you choose First National Bank in St. Louis as your correspondent bank, you get more than a correspondent banker.



You get an entire staff of specialists who offer you daily assistance for daily needs.

For example, the "Rabbit Transit" check-clearing systems our people have developed can help improve your earnings, because your transit items become collected balances rapidly.

We also offer you the services of agricultural finance specialists who can help you provide your customers with expert advice as well as flexible

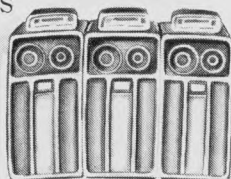


loan arrangements.

In the area of Fed Funds, investments and the safe-keeping of securities, we offer a performance record that's highly regarded in our industry.



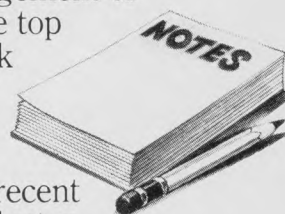
Our electronic data processing team brings you the most sensible systems for getting work done—reliably and accurately. And our computer specialists offer counsel and advice in all phases of EDP systems.



Our capacity for overline lending, based on our sizable assets, allows you

the opportunity to make larger loans than you otherwise might.

We sponsor timely seminars where you and other top management of your bank meet with the top management of our bank to exchange ideas and share expertise. These seminars also serve to keep you up-to-date on recent developments in our industry.



Of course, your correspondent banker is always available for individual consultation. He's the key to our relationship and the person we depend on to make fast decisions on our behalf. He's the one you can depend on, too, when you want to get more from your correspondent bank. He can help you plan for your bank's future and for our future together.



If you're not already seeing a First National Bank in St. Louis correspondent banker, just call Chuck Betz at (314) 342-6386. He'll make sure you get a correspondent banker... and a whole lot more.



First National Bank in St. Louis

A First Union Bank

Member FDIC

Iowa NABW Group To Meet May 3-4

MAY 3 and 4 are the dates set for the 1978 Iowa Meeting of the National Association of Bank Women, Inc. (NABW) to be held at the Ramada Inn, Waterloo. "The Business of Banking" is the meeting's theme.

Registration will be held from 8-10 a.m. on Wednesday, May 3. Hosts for the meeting are the members of the north-central Iowa group. Sara Lee Yoder, cashier, Grundy National Bank, Grundy Center, is chairman. Discussion topics will include marketing, personal banking, officer call program and bank profits.

Following is the program.

Wednesday, May 3

A.M.

- 8-10 Registration in the lobby.
- 10 Business Meeting
Group Chairmen Reports.
Legislative Update: Neil Milner, executive vice president, Iowa Bankers Association.
- 12:15 Luncheon
Speaker: Kay Fulrath, midwest regional vice president of NABW and assistant vice president, Merchants National Bank, Cedar Rapids.

P.M.

- 2:30 "The Business Banking" Panel
R. K. Sverdahl, president, Peoples Bank & Trust, Waterloo; R. Scott Fetner, president, National Bank of Waterloo, and Arnold



S. L. YODER



K. FULRATH



M. F. HOLSTAD

Schultz, president, Grundy National Bank, Grundy Center.

5:30 Social Hour.

6:45 Banquet

Speaker; Bernard McKinley—"Are You Growing?"

Thursday, May 4

A.M.

- 7:45 Prayer Breakfast: Audrey Michels—"Living Flowers."
- 9:15 Speaker: Mary Holstad, Iowa State Commerce Commission.
- 10 Forum: "The Business of Banking."
Mary Doak, marketing officer, Grundy National Bank, Grundy Center; Margaret Hough, assistant vice president, Merchants National Bank, Cedar Rapids, and Marilyn Hurley, vice president, National Bank of Des Moines.
- 10 Luncheon
Speaker: Inge Chase—"Anyone Can Paint."
- P.M.
2:30 Adjournment.

Peoples State Bank, Elkader, Opens

Increase Capital

The following Iowa banks have increased their common capital accounts:

Mediapolis Savings Bank—100% stock dividend by transferring \$150,000 from undivided profits to common capital. Capital now totals \$300,000.

Farmers Savings Bank, Traer—20% stock dividend by transferring \$50,000 from undivided profits. Capital now totals \$300,000.

Wellman Savings Bank sold 150 shares of authorized but unissued common stock at \$66.67 totaling \$100,000. Proceeds were distributed as follows: \$15,000 to capital, and \$85,000 to surplus. Capital now totals \$115,000.

Citizens State Bank, Wyoming—100% stock dividend by transferring \$200,000 from undivided profits. Capital now totals \$400,000.



PEOPLES State Bank of Elkader (pictured above) recently officially opened its doors for business. Officers and directors of banks in the surrounding area and correspondent bankers attended an open house social hour and buffet supper. A public open house was held on a weekend. Refreshments were served in the bank's community room and door prizes were given away to many of the 1,000 attendees.

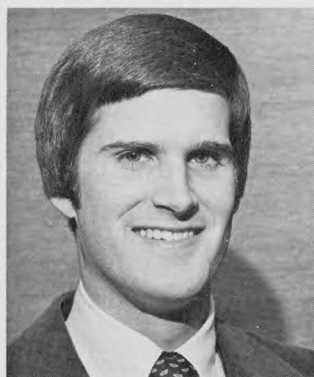
Jensen, Carr, Dougherty, and Meyer. They sound like a good law firm, until you need insurance.



Jim Jensen



Bill Carr



Ron Dougherty



Ron Meyer

490 participating banks already know these men and Iowa Bankers Insurance and Services. These banks are also aware of the year-end dividend checks we wrote for fiscal year 1977 — a total of \$140,837.07.

Jensen and Carr are responsible for bank and bank-management insurance, which includes a comprehensive bank insurance plan, blanket bonds, director and officers liability, trust errors and omissions, and lenders single interest.

Dougherty and Meyer handle our bank

employee group insurance, like Blue-Cross-Blue-Shield, Delta Dental, Group Life and Long Terms, Disability, high limit AD & D, and credit life programs.

If you need insurance to cover your bank, its officers and employees, remember Jensen, Carr, Dougherty and Meyer. They represent Iowa Bankers Insurance and Services, Inc., which represents over \$140,000 of dividend payments for fiscal year 1977.



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Capital City Bank Seminar Features Talks on Loans, Trusts and Ag Income

OFFICERS of correspondent banks served by Capital City State Bank of Des Moines attended a conference conducted in Des Moines last month by the Capital City Bank. The morning program featured three speakers covering the topics of loans and examinations, trust and money services offered by the host bank, and an ag financial review.

Guests were welcomed by Richard Buenneke, president, and Homer R. Jensen, executive vice president of Capital City Bank.

Jim Middendorf, who recently joined the host bank as commercial loan officer following several years of work as a state bank examiner, discussed loans. He stressed the need several times for proper documentation of each loan, including complete statements, analysis of debt to worth of borrower, proper listing of carry over debt, a debt reduction plan in writing, and evidence that collateral has been checked. Mr. Middendorf mentioned the problems caused by assuming that collateral is good.

He stated, "Examining is subjective, so anything you have documented to support or explain loans is helpful not only to the examiner, but to yourself and your borrower as you review loans in the future."

Richard C. Hinson, vice president and trust officer at Capital City Bank, centered his remarks primarily on a review of money market

instruments outlined in a printed folder distributed to each guest. In addition, he reviewed various methods of compensation and reported on one new development that surfaced at a trust meeting from which he had just returned. The Internal Revenue Service, he reported, recently wrote proposed regulations that would completely do away with deferred compensation. The regulations apparently have not yet been finalized but they have been published in the Federal Register. The effect is to do away totally with the exclusion from current income taxes of any income designated as deferred. Present deferred compensation plans would be grandfathered, but only for money accumulated up to the effective date of the proposed regulation; beyond that date, no further contributions apparently could be made.

Everett Stoneberg, professor of ag economics at Iowa State University, Ames, presented a series of slides portraying ag income for specified years. These figures show the sharp slide in net income for all farmers from a peak of \$34 billion in 1973 to \$20 billion in 1977. In real dollars, he said, this was a drop from \$22 billion to \$11 billion. Mr. Stoneberg also reviewed the balance sheet of the farming sector for years from 1950 to 1977 and it reflected a rise in assets from \$170 billion to \$700 billion, with an accompanying rise in farm debt

from \$15 billion to just over \$100 billion, with the big increase coming in real estate debt.

Looking briefly at crop and livestock income for the immediate past years, Mr. Stoneberg said, "All this shows farmers are in a real cost/price squeeze. It came sharper and quicker than anticipated and I don't see us working out of it soon. For the older man with little or no land costs to pay off, the outlook is not so bad, but for the younger man with high expenses, it's awful.

"The key question for young people is, 'How to gain control of land resources?' Everyone thinks land will be **more** five years from now, so why aren't they buying land? Because when you cash flow it you can't make it pay!"

After a noon luncheon President Buenneke moderated a review session during which current matters of management interest also were discussed.

39 Attend S. Central NABW Meeting

"What I Can Do for My Bank" was the title of a talk given by Lois Irvin at a recent meeting of the South Central Iowa Group of the National Association of Bank Women, Inc., in Chariton. She is public relations officer for the Davis County Savings Bank of Bloomfield.

Thirty members and nine guests attended the meeting hosted by Corydon State Bank and National Bank & Trust Company of Chariton.



PARTICIPANTS in Capital City Bank's recent seminar in Des Moines included **Everett Stoneberg** (left), professor of ag economics, Iowa State, and these five host bank officers, left to right: **Dick Buenneke**, pres.; **Homer Jensen**, exec. v.p.; **Jim Eick**, corr. bk. off.; **Jim Middendorf**, comm. In. off., and **Dick Hinson**, v.p. & t.o.



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Des Moines News

RAYMOND G. Johnston, president and chief executive officer of Central National Bank and Trust Company, has announced the election of **Ivan L. Johnson**, **Joe D. Young** and **Edward W. Roth** to the bank's board. He also announced the election of **C. Thomas Moore** to vice president in charge of bank marketing, **Linda S. Schugt** to customer services officer, and a title change for **Robert H. Clark, Jr.**, to vice president and trust development officer.



I. L. JOHNSON

Mr. Johnson joined the bank in 1948 and served in various departments before being elected a vice

president and head of the business development department in 1965. In 1971 he was elected senior vice president and in 1975 senior lending officer. In 1977 he was elected executive vice president.

Mr. Young joined the bank in 1958 as a trust officer. In 1966 he was elected vice president, in 1969 senior vice president and senior trust officer and in 1977 executive vice president.

Mr. Roth is director and chairman of Statesman Group, Inc. He also is director of various affiliated companies of the Statesman Group, Inc., and president and chairman of Vulvan Life Insurance Company.

Mr. Moore recently joined the bank from the Iowa-Des Moines National Bank. He served there as sales manager for the Master Charge Credit Card, assistant manager and manager of the Euclid Avenue branch office, director of metropolitan marketing and corporate services officer. Mrs. Schugt, formerly new accounts representative, joined the bank in 1962.

Mr. Clark joined the bank in 1968 and was promoted to vice president in 1969. He was named vice president and manager of the West Des Moines Office in 1974 and in 1975 returned to the main bank to serve in the marketing area.

James I. Mackay has joined Central National Bancshares, Inc., as vice president in charge of loan policy and administration.

Mr. Mackay, a 1967 graduate of Indiana University, formerly was with Merchants National Bank & Trust Co., Indianapolis, Ind., from 1973 to the present as vice president of commercial lending and head of

the Indiana division. He joined Merchants National in 1967 and served as assistant cashier and commercial loan officer until 1973.

David L. Miller, president of West Des Moines State Bank, has announced the election of **James Hubbell III** to its board and **Richard A. Keene** to assistant vice president.

Mr. Hubbell is vice president, real estate development, of Hubbell Realty Company. Mr. Keene formerly was with the East Des Moines National Bank. He attended Drake University and Grandview College.

Richard W. Carey, vice president-trust of the Iowa-Des Moines National Bank, has been named chairman of Goodwill Industries. **Harley L. Martin**, real estate loan officer, has been elected president of the Des Moines Bankers Association.

Forest T. Lewis, president of Plaza State Bank, has announced the following staff promotions: **Edward J. Cunningham**, vice president; **Charles E. Breeding**, assistant vice president; **Donna M. Jones**, assistant cashier, and **Veva Cramblit**, executive secretary.

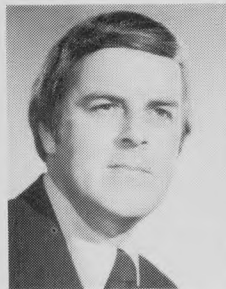
Mr. Cunningham, with the bank since 1970, began as a messenger. He is first vice president of the American Institute of Banking. Mr. Breeding joined the bank in 1976, Mr. Jones in 1972 and Ms. Cramblit in 1969.



J. D. YOUNG



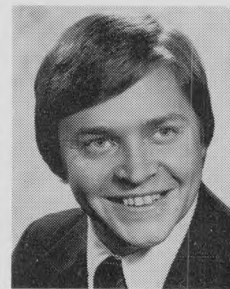
E. W. ROTH



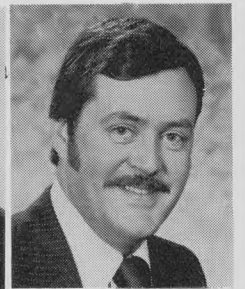
C. MOORE



L. S. SCHUGT



E. J. CUNNINGHAM



E. C. BREEDING



D. M. JONES



V. CRAMBLIT



Cyrus Kirk joins Central National Bank as Vice President.

We're glad to welcome Cy back to Des Moines. And, we're glad he's now in **our** correspondent bank department!

Cy isn't a stranger to banking or to Iowa. He's been in correspondent

banking for 24 years. And he's a Des Moines native.

You'll be seeing more of Cy in the weeks to come. We just wanted you to know that he's back in Iowa and with Central National.

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Larry L. Retherford resigned last month as senior vice president in charge of operations at Central National Bank and Trust Company. Mr. Retherford has joined Howard J. Blender Co., a Dallas, Tex., consulting firm which specializes in bank operations and electronic funds transfer. He will continue to live in Des Moines, working with bank clients.



L. L. RETHERFORD

A native of Lineville, Ia., Mr. Retherford was graduated from high school there, then worked nine years at the Lineville State Bank before joining Central National in 1963. He served as supervisor in the proof and transit area, was elected assistant cashier in 1965 and was appointed operations officer in charge of bank operations in 1970. He was elected a vice president, then named senior vice president last year.

Mr. Retherford was involved from the beginning with the Iowa Bankers Association's development of a statewide electronic funds transfer network and served as chairman of the Iowa Automated Clearing House Association steering committee. He has also served as a director of the National Automated Clearing House Association. He is a graduate of the Graduate School of Banking at the University of Wisconsin and the ABA Business and Banking School at Durham, N.H.

Promoted at Knoxville

John J. Brower recently was promoted to vice president at the Community National Bank and Trust Company, Knoxville, according to President James M. Bellamy. Other recent promotions include: Clifford Danner to operations officer, Lena Bankus to loan payment officer and Gloria Beard to data processing manager.

To Head BAI Chapter

Clifford Danner recently was named president of the Central Iowa Chapter of Bank Administration Institute (BAI). He is operations officer for Community National Bank and Trust Co., Knoxville.

Iowa Investment Bankers Elect Officers



PICTURED are the new officers of the Iowa Investment Bankers: left to right—secy.-treas., **Jim Weiser**, Central National Bank, Des Moines; second v.p., **Bill Goodwin**, R. G. Dickinson & Co.; 1st v.p., **Thomas Wormley**, Shaw, McDermott & Co.; and pres., **Gene Strandberg**, Carleton Beh Co.

ITS Debt Free; Volume Has Doubled

DALE Dooley, executive manager of the Iowa Transfer System, reported last month that response to the ITS membership special assessment brought in payments and commitments exceeding the projected income of \$430,000 from the assessment.

This made it possible, he said, to repay in full the debt to First National Bank of Minneapolis, the debt incurred for research and development in the early stages of ITS development. ITS now has no debt, he added.

The statewide electronic funds transfer system marked its first year of operation on February 14. In that period, transaction volume has doubled as noted in the accompanying chart. Switch volume, representing "not on us" items, started slowly since processing banks were added on a scheduled basis to make sure each individual system was totally operative.

At the start of the second year, ITS members have 82 shared terminals operating in 21 communities. Of these, 56 are manned terminals at courtesy counters, 15 are on premise ATMS, 11 are off premise ATMs.

Sight drafts for 1978 dues, the third of the five scheduled dues payments under terms of ITS

membership, were sent to all ITS member banks April 5.

Month	Trans. Volume	Switch Volume
Feb., 1977	55,000	499
Mar., "	62,358	5,870
Apr., "	70,720	9,921
May, "	70,009	12,206
June, "	74,273	13,694
July, "	77,012	16,290
Aug., "	85,936	19,044
Sept., "	93,233	21,181
Oct., "	81,579	28,127
Nov., "	86,295	31,905
Dec., "	101,110	42,833
Jan., 1978	111,526	40,917
Feb., "	**	40,591

**Volumes not received yet.

Charles City Bank Celebrates 75th Year

A series of special events and gifts for the community is being planned for the seventy-fifth anniversary of the First Security Bank & Trust Co. of Charles City, according to William G. Herbrechtsmeyer, president.

The observance will climax in a special celebration the weekend of July 14, the day the charter was issued to the Security Trust & Savings Bank. In 1929 the Security Trust absorbed the First National Bank of Charles City and renamed the bank the First Security Bank & Trust Co.

Iowa Deposit and Loan Totals Reported

TOTAL deposit and loan figures for Iowa's 656 banks, as reported in the 1978 edition of the Iowa Bank Directory, published by the NORTH-WESTERN BANKER, are as follows for December 31, 1977:

Deposits

National Banks.....	\$ 4,484,631,000*
State Banks.....	9,792,038,000
	\$14,276,669,000

Loans

National Banks.....	\$ 2,965,036,000*
State Banks.....	6,327,765,00
	\$ 9,292,801,000

*1977 year-end deposit and loan figures were not available from the Comptroller of the Currency by March 21 and were not expected to

be available for at least another two weeks for Iowa's 99 national banks. Figures for the 553 state banks are from the Iowa banking department. Above national bank figures are estimated, based on the 9.61% deposit growth of state banks in 1977 and the 19.03% loan growth of state banks in 1977. Figures for four private banks are not included.

Holding Companies

The seven registered multi-bank holding companies in Iowa held total assets on December 31, 1977, of \$4,280,624,531 and total deposits of \$3,603,323,916. This represents a 12.42% growth over 1976 year-end assets of \$3,807,729,772, and a 10.7% growth over 1976 deposits of \$3,254,990,784. Figures for individual holding companies are shown below:

Holding Company

Holding Company	Assets	Deposits
Banks of Iowa, Inc., Cedar Rapids	\$ 944,264,764	\$ 796,369,148
Brenton Banks, Inc., Des Moines	544,000,000	496,000,000
Central Natl. Bancshares, Des Moines	567,768,000	416,742,000
Hawkeye Bancorporation, Des Moines	656,865,130	583,966,585
MorAmerica Fin. Corp., Cedar Rapids	177,126,988	140,716,911
Northwest Bancorporation, Minneapolis	1,143,831,000	965,430,000
Security Natl. Corp., Sioux City	246,768,649	204,099,272
	\$4,280,624,531	\$3,603,323,916

Promoted at Davenport

James Segreto has been promoted from assistant cashier to assistant vice president of the First National Bank of Davenport. He joined the bank in 1974 and is active as an officer in the bank's instalment loan department.



J. SEGRETO

David W. Hammer has joined the bank's instalment loan department as loan officer. Mr. Hammer, a graduate of Peru State College in Peru, Neb., has worked for England Distributing Co. and Unity Welding Co.

Sells Clear Lake Bank

Central National Bancshares, Inc., Des Moines based multi-bank holding company, has announced the sale of the outstanding common stock, other than directors' qualifying shares, of Community State Bank of Clear Lake, to William L. Nicholas and J. Duane Walker, both of Clear Lake.

Central acquired the Community State Bank on February 27, 1978, upon the merger of Associated Bank Corporation, Mason City, Iowa, into Central, following Central's purchase of 98.95% of the outstanding common stock of Associated Bank Corporation. Central had agreed to sell the Clear Lake bank as a

condition of the approval of the Board of Governors of the Federal Reserve System to Central's acquisition of Associated Bank Corporation.

Elected at Sioux City

Mary Kay Lagan recently was elected commercial loan officer of Security National Bank, Sioux City.



M. K. LAGAN

Mrs. Lagan began her association with the bank in 1970 serving as secretary to the commercial loan division and commercial credit assistant. Most recently she was commercial loan representative.

National Bank of Waterloo Announces Staff Changes

The National Bank of Waterloo has announced the following staff changes: Max W. Cory, vice president and manager of the instalment loan department; Gerald Cook, Norman Timson and James Freet, assistant vice presidents; Elcina Buck, loan servicing officer; Marcia Colwell, trust operations officer; Daniel O'Brien, operations officer; Brian VanderWilt, assistant auditor, and Thomas Volding, farm manager.

Mr. Cook joined the bank in 1937 as a collector and most recently has been an assistant cashier and manager of the personal bankers in the main office. Mr. Timson, consumer credit officer, joined the bank in 1955. He was elected operations officer in 1973. Mr. Freet has been a systems supervisor in the data processing department since March of 1977. He formerly was associated with the Citizens National Bank in Decatur, Ill.

Frederick W. Mast has moved from the board to the advisory board. He is chairman of Jens Olesen & Sons.

Named At Davenport

Gerald L. Wallis has been named vice president and senior trust officer of First Trust and Savings Bank, Davenport. He formerly was trust officer at the United States National Bank in Galveston, Tex.

Red Oak Bank Names Two Executives

Houghton State Bank, Red Oak, has announced the addition of two executive staff members.

James H. Skahill has joined the bank as marketing and personnel officer. He recently retired as plant manager of Union Carbide.

Piper, Jaffray Opens New Office



OPEN HOUSE was held by Piper, Jaffray & Hopwood last month for customers and members of the business community to view the new PJH offices at 600 Employers Mutual Building in downtown Des Moines. The greatly expanded offices of the Minneapolis-based investment firm accommodate a staff of 21 registered representatives and seven office assistants. Several officials from Minneapolis headquarters were in Des Moines to greet guests at the open house. Pictured above at the entrance to the special customer lounge and library are, left to right: **Stacey Henderson**, Des Moines branch mgr.; **Harry C. Piper, Jr.**, pres. of PJH, and his son, **Tad Piper**, v.p. of the firm in branch administration.

POTENTIAL RISKS... [Continued from page 38]

interpreted through court decisions before we know exactly where we stand.

The startling and dramatic increase in internal fraud and embezzlement also poses another problem for directors. If a bank suffers a large loss of this type and does not carry a Blanket Bond with sufficiently high limits of coverage,

the directors may become personally liable. Still another problem exposing a director to personal liability might arise when the bank makes the market for its own stock. If the stock is sold at a price relative to book value or to earnings, at a ratio well above other bank stocks whose price is set by market forces, then the directors run the risk of being subject to legal action.

A number of banks (likely to be family held institutions) do not

compensate their directors. According to the Internal Revenue Service, if a director serves without compensation and is subject to a judgment predicated upon an unlawful act during his board services, such a judgment cannot be construed as an ordinary and necessary business expense for the bank.

Directors can protect themselves from the liabilities by learning as much as possible about their duties and responsibilities. That is one of the principal functions of the National Association of Bank Directors. The knowledge, prudence, and care which a director brings to his task, however, does not grant immunity from legal action.

Some directors have sought additional protection through indemnification agreements with their banks.

The best and most common form of protection is offered by a Directors and Officers Liability Insurance policy. This is an all-risks policy protecting the bank's officers and directors from loss involving alleged negligent acts, errors or omissions while directing or managing the bank's affairs. The coverage pays for defense and settlement costs. Few exclusions exist in most Directors and Officers policies.

In most cases, directors can protect themselves from liability with these various specialized coverages. But of equal importance is the need to know as much about their duties and responsibilities as possible. The National Association of Bank Directors is designed to perform this function, making directors more efficient and effective.

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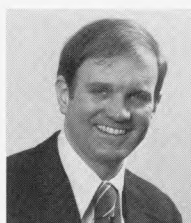


Thirty-two years ago Bob Buenneke began his banking career at his father's bank in Maynard, Iowa. Today, he is one of the state's best known correspondent bankers, and has been bringing his expertise to Iowa-Des Moines correspondents for 19 years.

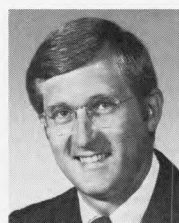
With knowledgeable people like Bob, the team at the Iowa-Des Moines is able to provide total service — a commitment that extends to more than 400 banks.

Having worked for smaller banks as well as the state's largest, Bob knows how to tailor the services of the Iowa-Des Moines to fit the needs of your bank. His expertise in the area of bank stock loans and agricultural financing can be helpful to you and your customers.

By putting experienced people like Bob Buenneke to work for you we can assure the prompt, attentive service you need. And what it adds up to is . . . a lot of help for your money, from all of us.



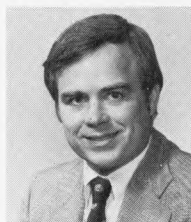
George Milligan



Lynn Horak



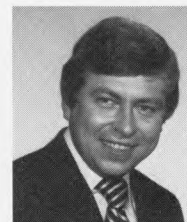
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