

NORTHWESTERN *Banker*

JUNE
1978



- How we formed our executive incentive plan
- New developments in home improvement insurance
 - 24-hour service builds deposits for Sioux City Bank
 - The ninth digit—new routing symbol effective July 1

Minnesota convention program

Wyoming convention program

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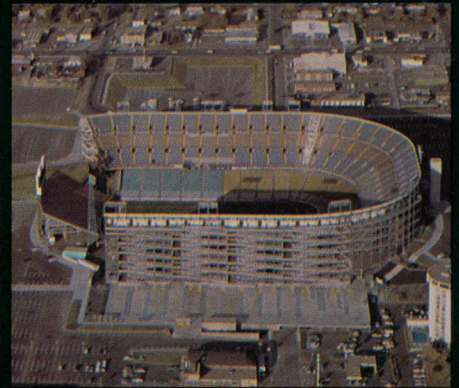
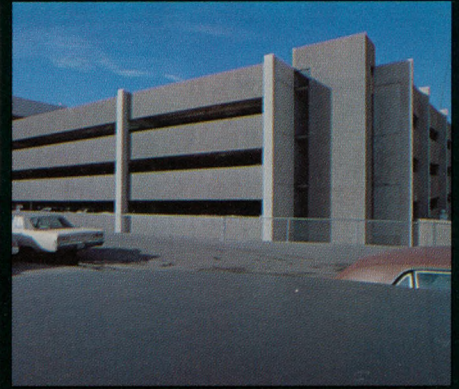
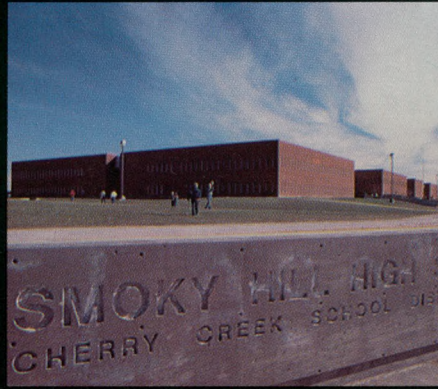
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ON THE COVER

Colter Bay, nestled at the base of the Grand Teton mountains in Jackson Hole, Wyo., provides this alluring scene for vacationers who seek a quiet, peaceful alliance with the ageless nature of the mountains. Colter Bay is south of Yellowstone National Park and five miles north of Jackson Lake Lodge, site of the Wyoming Bankers Association annual convention this month.

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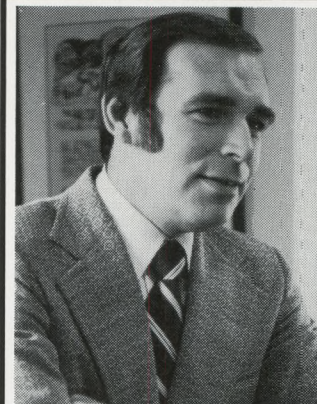
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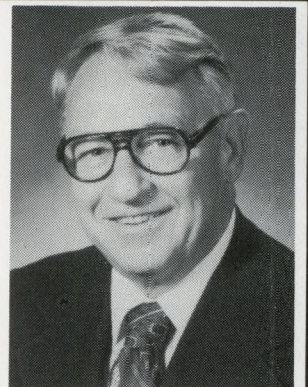
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Bank Promotions

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

American National Bank, Chicago: Rex A. Sinquefield, head of the bank's trust department, was elected senior vice president and chairman of the trust committee. Albert W. Lauth, Jr., of the bond division and Bruce H. Rademacher of the educational services division were elected vice presidents; and Steven H. Baer of the commercial banking division was elected second vice president. Promoted to bank investment officers are Dean J. Bennis and Donald R. Benson. David P. Killion and Gerald F. Toth, Jr., were elected commercial banking officers.



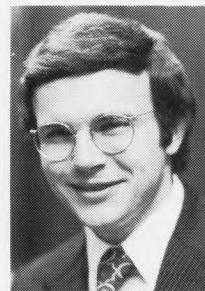
R. A. SINQUEFIELD



A. W. LAUTH



B. H. RADEMACHER



S. H. BAER

In other action, executive vice president Keene H. Addington was elected secretary of the bank, board and executive committee. Harold L. Arbit, vice president and head of the trust investment division, was named chairman of the trust investment committee.

Det Steward, a banker and former farm operator, has been named agri-

cultural representative. He is assigned to the correspondent bank division where he will work with correspondent banks on a variety of agricultural credit and collateral needs. He will also be available to customer banks for ag meetings they conduct on farm financing.

A native of Michigan, Mr. Steward began his banking career 23 years ago after a back injury forced him to give up dairy farming. He spent most of his banking career in Lapeer, Mich., serving the past 10 years as senior vice president of Lapeer County Bank & Trust Co.



D. STEWARD

Bank of America, San Francisco: A major reorganization of the trust department has been announced by Lawrence E. Nerheim, executive vice president for trust activities. The department is now organized along functional and regional lines.

Howard E. Ritt, 53, a veteran of 29 years with the bank, and head of the bank's southern California trust division since 1969, was named senior vice president and statewide head of the \$9 billion personal and court trust unit. The existing 33 district trust offices will now be organized into six regional groups.

William E. Goetze, 59, formerly vice president in the northern division, was appointed group vice president and nationwide head of the \$9 billion employee benefit trust unit. He joined the bank in 1974 after a career in advertising, broadcasting and manufacturing.

Vice President Roger M. Loar, 41, was named chief financial officer for trust activities. He has been financial officer for BankAmerica Corporation.

Vice President Dean J. Blair will continue as head of the trust real estate unit.

Charles Vaughan-Johnson, based in London, will head international trust activities.

Central National Chicago Corp.
Chicago; Jackson W. Smart, Jr.,

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president and chief executive officer, said the holding company board voted at its monthly meeting April 26 to omit the first quarter dividend of five cents per common share in order to increase the retention of earnings. He said it is not expected that common dividend payments will be resumed until net income levels are attained that result in an improved return on shareholder investment.

At the same meeting, David S. Leavitt, president of Unarco Industries, Inc., a diversified metal fabricator in Chicago, was elected a new director of the holding company.

Mr. Smart also assumed the additional title of chairman of both the holding company and its principal subsidiary, Central National Bank, from Joseph G. Lutz, who retired from those posts at the annual meeting.

Also, shareholders approved the Key Employee Stock Option Plan.

Continental Bank, Chicago: Vernon R. Loucks, Jr., president of Baxter Travenol Laboratories, Inc., and Thomas H. Roberts, Jr., chairman of DEKALB AgResearch,

Inc., were elected directors of Continental Illinois Corp., and its principal subsidiary, Continental Bank. William G. Karnes, retired chairman of Beatrice Foods Co., and Joseph S. Wright, former chairman of Zenith Radio Corp., did not stand for reelection in conformance with the board's retirement policy.

Drovers Bank of Chicago: Marcos Murillo has joined the bank as a business development officer. Mr. Murillo spent 20 years with Central National Bank of Chicago in the personal banking and instalment loan departments. He is a director of the Chicago Public Library and of the League of United Latin American Citizens, a volunteer organization which works to obtain college and university scholarships for Latin students.

First National Bank in St. Louis, Mo.: E. Randolph Whitelaw, vice

president in charge of the metropolitan division, has been elected a senior vice president. In addition, Dominic A. Carlucci, Michael E. Jennings and R. Greg Kintz have been elected assistant vice presidents, and Edward A. Hopkins and Mary Jo Self have been named data processing officers. Mr. Carlucci is in the representative office in London, England. Mr. Whitelaw began his banking career in 1968 as a management trainee.

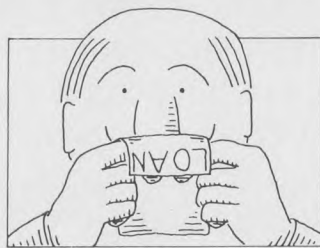
Manufacturers Hanover Trust Co., New York: Gabriel Hauge, chairman of the bank and its holding company, Manufacturers Hanover Corporation, was nominated for election last month as a member of the supervisory board of Royal Dutch Petroleum Company.

National Boulevard Bank of Chicago: John A. Banks has joined the bank as a vice president in the correspondent bank division. His credentials include a BBA degree in finance from the University of Notre Dame and an MBA in finance and management from Michigan Univer-



M. MURILLO

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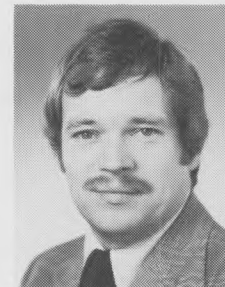


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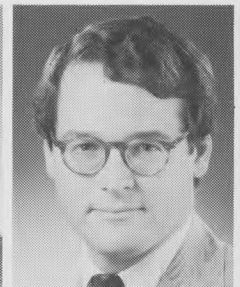
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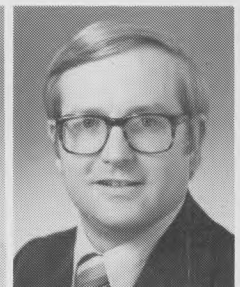
J. A. BANKS



J. F. DICKERSON



R. T. SWATEK



T. J. TOWLE

sity. He most recently served as vice president in the commercial loan division at City National Bank of Detroit. Other elections announced include: James F. Dickerson, to assistant vice president; Robert T. Swatek, to auditing officer, and Timothy J. Towle, to assistant cashier.

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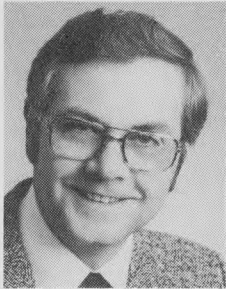


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United Missouri Bank of Kansas City: The promotion of three officers to vice president, two to assistant vice president, and election of two new officers have been announced by R. Crosby Kemper, chairman of the bank.

George E. Crews was named vice president in the correspondent bank division, where he works with banks in metropolitan Kansas City. He has been with the bank since 1976.



G. E. CREWS



D. A. BEAR

David A. Bear was elected assistant vice president in the correspondent division. His territory includes Oklahoma and Colorado. Before joining the bank in early April he was executive vice president at Farmers and Merchants Bank in Huntsville, Mo.

Randall J. Klein was promoted to assistant vice president in the investment department. He is responsible for portfolio and sales services to banks in Missouri, Kansas and Arkansas.

Steve Panknin was elected bond investment officer in the investment department. He is involved in portfolio and sales services to banks in Kansas, Oklahoma, Nebraska and Colorado. He joined the bank in 1977.

Ted H. Borgman and Eugene J. Calcara were advanced to vice presidents in the instalment loan division. Both men joined the bank in 1947.

Nannetta M. Hughes was promoted to assistant vice president in the safe deposit vault division and vice president of United Missouri Safe Deposit Company. She has been with the bank since 1971.

United Guaranty Splits Stock on 5 for 4 Basis

Directors of United Guaranty Corporation at their annual meeting recently in Greensboro, N. C., approved a five for four stock split.

The split was accomplished May 26 by distribution of one additional share for each four shares held on the record date of May 10. Cash was paid in lieu of fractional shares.

W. L. Hemphill, president of the nationwide mortgage insurer, said the 25% increase brings total United Guaranty outstanding shares to 4.81 million. He said the 1978 cash dividend level will be considered by directors at mid year. He noted it is management's present intention to recommend that the 1977 dividend rate of 12 cents a share be applied in 1978 to all shares following the split, thus increasing the effective dividend rate by 25%.

Mr. Hemphill also reported record level first quarter revenues and earnings. Quarterly income rose to \$2,990,000, or 78 cents per share, up 35% from 1977 first quarter income of \$2,220,000, or 58 cents a share.

Consolidated revenues to March 31 were \$9,095,000, setting a new quarterly high, compared with \$7,107,000 in 1977. Earned premiums were up 30% to \$7,442,000 and gross investment income was up 20% to \$1,653,000.

Applications for insurance of new loans in the first quarter reached \$784,481,000, a gain of 50% over applications of \$522,841,000 in 1977. Insurance written on new loans was up 53% to \$637,655,000. Consolidated insurance in force March 31 was \$8 billion, compared with \$6.2 billion a year earlier.

ABA Plans New Building

Willis W. Alexander, executive vice president of the American Bankers Association, announced last month the ABA plans to move to a new building early in 1980 just one block away from present offices at 1120 Connecticut Ave., N.W. in Washington, D.C. The move will give the national association 110,000 square feet of space in the new 10-story building, compared to the present 80,000 square feet contained in three and one-half floors at the present location.

ABA moved to its present building from New York City in 1971. ABA will work with the new building's developer in its design, which will feature energy-saving approaches, and also share in selection of tenants for the building.

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Corporate News

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

Aetna Business Credit, Inc., East Hartford, Conn.: The creation of the National Equipment Financing Center headquartered at the Minneapolis office has been announced. Kenneth W. Rahn, vice president, was named manager. He formerly headed the company's Minneapolis region. R.



K. W. RAHN

R. L. JONES

Lynn Jones was appointed vice president and regional manager of the Minneapolis region and will be responsible for commercial finance activities in the five-state area of Minnesota, Iowa, North Dakota, South Dakota, and Nebraska.

American International Group, Inc., New York, N.Y.: Edward E. Matthews, finance, and William S. Mooney, administration and claims, have been elected senior vice presidents. Mr. Matthews also serves as vice president and director of various AIB subsidiaries and affiliated companies. Mr. Mooney also is senior vice president and director of the American Home/National Union companies.

Bank Building Corporation, St. Louis, Mo.: Roger Grimshaw has been appointed director of market planning, financial institutions. He joined the company as manager of sales for the real estate services division in 1973 and had previously been manager of sales for the company's central facilities division. Prior to joining the company, Mr. Grimshaw was president of Executive General in Cincinnati, Ohio.



R. GRIMSHAW

Brandt, Inc., Watertown, Wisc.: Jack R. Luebeck has been named product sales manager. He joins the firm after five and a half years with IBM, most recently as an account representative based in Milwaukee. He will be responsible for new product introductions including close liaison with manufacturing operations; organization and conduct of training schools and correspondence with product buyers.

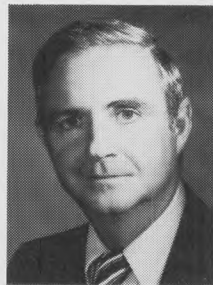


J. R. LUEBECK

Central States Health and Life Co., Omaha, Nebr.: The company has announced the formation of a new stock casualty company, Central States Indemnity Co. of Omaha. Principal officers of the affiliate company are Thomas L. Kizer, chairman; William J. Russell, president, and Wm. Michael Kizer, executive vice president. Thomas Kizer also is senior vice president, secretary and investment officer of the parent company and William J. Russell is vice president, direct marketing.



T. L. KIZER



W. RUSSELL



W. M. KIZER

Central States Indemnity will offer casualty protection relative to financial institutions and will operate out of the parent company's new headquarters building at 96th and Western Avenue. Other officers are William M. Kizer, secretary; Richard J. Ronk, treasurer; R. James Heaney, vice president, administra-

tion; John W. Kennedy, vice president and associate general counsel; Jerome G. Kraemer, and Frank W. Garvey, vice presidents, and Richard T. Kizer (Holz, Kluver & Kizer, Attorneys), general counsel.

Diebold Incorporated, Canton, Ohio: The board has named Michael J. Mokodean, Jr., vice president, legal and Charles B. Scheurer, vice president, personnel industrial relations. Mr. Mokodean, secretary, joined the company in 1969 as manager of taxes and insurance. Mr. Scheurer, personnel director since 1969, joined Diebold in 1964.



R. A. ROSENTHAL

Robert A. Rosenthal has been appointed midwestern area manager covering Kansas City and St. Louis, Mo.; Wichita, Kan.; Omaha, Nebr.; Des Moines and Davenport, Ia.; Minneapolis, Minn.; Billings, Mont., and Fargo, N.D. He will maintain his office in Kansas City. He joined Diebold as a sales representative in the St. Louis office in 1969. Most recently he was regional manager in Seattle, Wash. The company also has announced the election of Mary Charee Francis to corporate secretary.

Financial Placements, Kansas City: Tom C. Cannon has joined this bank officer personnel placement firm. Mr. Cannon is widely known in the midwest through his 27 years with Commerce Bank of Kansas City, most of it in the correspondent bank department working with banks in Iowa, Nebraska and Oklahoma. He has traveled extensively in most other upper midwest states working with correspondent banks.



T. CANNON

Mr. Cannon will offer this close contact and knowledge of banks and bankers in assisting Financial Placements accounts with their bank officer personnel needs.

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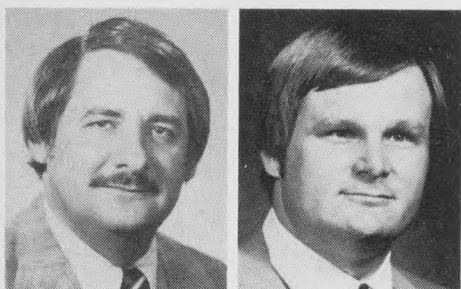
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an assistant cashier in March, 1951, in the correspondent bank division, he was appointed two years later assistant vice president and manager of the instalment loan department and later was elected vice president in that post. He transferred back to the correspondent division in August, 1956, as vice president and continued in that work until his retirement earlier this year.

LeFebure Corporation, Cedar Rapids Ia.: Thomas R. Perry has been appointed sales engineer. He will operate out of the St. Louis branch and will concentrate on the southern Illinois and western Kentucky market where he resides.



T. R. PERRY

CHRISTOPHERSON

Charles P. Christopherson has been appointed sales engineer, operating out of the Minneapolis branch. Mr. Christopherson will be concentrating on the central Minnesota market area where he resides.

Lincoln Benefit Life Insurance Co., Lincoln, Nebr.: C. T. "Cemy"

Young, president, recently announced the following promotions:

Clair Munyon, vice president-marketing, and G. D. Grovier, vice president-agency development.

Charles Linke, second vice president-policyowner benefits; Jack Caldwell, second vice president-west; Terry Smith, second vice president-eastern, and Michael Willets, second vice president-computer services.

Allen Stover, assistant vice president-agency administration, Daryl Northrop, assistant vice president-sales promotion.

Ted Kooser, assistant secretary and senior underwriter.

C. C. Hope Nominated for ABA President-Elect

C. C. Hope Jr., vice chairman of the board of First Union National Bank of North Carolina in Charlotte, was selected as the official nominee for the position of president-elect of the American Bankers Association by the Association's governing council at its recent meeting at the Greenbrier, White Sulphur Springs, W. Va.

Mr. Hope's nomination will be voted upon by bankers attending the ABA annual convention, October 21-25 in Honolulu. His one-year term as president-elect of ABA is expected to begin at the conclusion of the convention.

A. A. Milligan, president of the Bank of A. Levy, Oxnard, Calif., who is this year's president of ABA, was nominated for chairman of the governing council for 1978-79.

The current president-elect of the association, John H. Perkins, was nominated as next year's ABA president. Mr. Perkins is president of the Continental Illinois National Bank and Trust Co., Chicago.

Thomas R. Smith, president of Fidelity Brenton Bank and Trust Co., Marshalltown, Ia., was nominated for a second term as ABA treasurer.

ABA is the national trade association of banking. Its membership comprises some 13,254 full service banks — 92% of the nation's total.

Dr. Arthur F. Burns Joins Institute as Lecturer

The Honorable Arthur F. Burns, former chairman of the board of governors of the Federal Reserve System, has joined the American Enterprise Institute for Public Policy Research as a Distinguished Scholar in Residence, AEI President William J. Baroody announced last month.

Dr. Burns will have offices at the American Enterprise Institute headquarters, 1150 Seventeenth Street, N.W., Washington, D.C.

In his role as an AEI Distinguished Scholar, Dr. Burns will engage in writing, lecturing, and research on a multitude of economic subjects that have been his lifetime concern, including problems of inflation, monetary and fiscal policy, and the business cycle. He is also expected to participate in the collegial activities of the Institute, including seminars, forums, and conferences.

Dr. Burns will also serve part-time as a Distinguished Professorial Lecturer at Georgetown University in the School of Business Administration. This fall he will teach a seminar entitled "Economic Policy in Relation to the Business World."

Dr. Burns has had a long and distinguished career both in academic and public life. Most recently, from 1970 until March, 1978, he served as chairman of the Federal Reserve System's board of governors.

Before joining the Federal Reserve, he was Counsellor to the President of the United States (1969-70).

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Heller Has Record Earnings

Walter E. Heller International Corporation, Chicago, reported a moderate increase in net income and earnings per share from continuing financial operations for the first quarter of 1978 over last year's record first period. Franklin A. Cole, chairman of the financial services firm, said net income from its finance and banking operations was \$7.4 million, 3.2% more than the \$7.2 million earned in 1977. After preferred dividends, common share earnings from financial operations for the quarter were 63 cents compared with 62 cents for the comparable 1977 period (fully diluted, 61 cents versus 60 cents in 1977).

Mr. Cole said that financial services now provide 100% of net income, whereas last year there were also earnings from discontinued manufacturing operations. Therefore, total net income decreased 5.4% from \$7.8 million in last year's first quarter (including \$650 thousand from manufacturing) to the \$7.4 million this year. Manufacturing's last contribution was \$63,000 in the third quarter of 1977.

Mr. Cole detailed 1978 first quarter earnings as follows:

- \$6.0 million from finance units (commercial, industrial and consumer financing, and factoring), slightly below last year's \$6.1 million.
- \$3.4 million from banking, up 13.5% from \$3.0 million in 1977.

House Bans Overdrafts To Bank Officers

A House Banking subcommittee has approved legislation that would make it illegal for a bank to grant free check overdraft privileges to an executive officer or director.

The prohibition would not disturb any line-of-credit plans where the overdraft is treated as a loan and interest is paid by the over-drafter.

Nor would it interfere with preauthorized agreements under which overdrafts from a checking account are covered by transfers from another account at the same bank.

The overdraft ban was part of a bill being voted on by the House subcommittee on financial institutions supervision, regulation and insurance.

WOMEN IN BANKING

By **MARJORIE BREDOW**, Asst. Vice President
First National Lincoln, Lincoln, Nebr.

MY banking career began in 1958 at the Jones National Bank in Seward. It was a typical example of the local bank looking for employees who had at least some potential in bookkeeping and clerical skills. My high school business instructor recommended me and upon graduation, I became a banker.

Progressing through various duties, I began in the checking account area and also worked as proofmachine operator, drive-in window teller, bookkeeping, new accounts person, bond seller, etc.

Having achieved the place in the bank where I felt additional promotions would not be available, I decided to try my skills in a larger bank. Fortunately, First National Bank of Lincoln, was developing a detailed management reporting system that included establishment of divisions, cost centers, work measurement standards, cost accounting procedures and variance reporting, by exception, from profit plans. When I applied at First National, my well-rounded experience in all of the facets of banking (excluding the actual making of loans or selection of investments) was the criteria they were looking for. Of course, I still had many things to learn because while the actual procedure may be similar, size dictates many additional steps to be performed.

While at First National, I have refined and expanded the divisional reporting concept, worked as assistant treasurer of the holding company during its development (including all the initial SEC report development) and, in 1974 converted the general ledger systems of the bank and the holding company to a computerized system. Extensive cost accounting has also been a major portion of my past activities. In my current position I work on "special projects" as assigned by management. This can and does involve a wide range of concerns but the work is very interesting and most challenging.

My educational background was a high school diploma but, recognizing the need for more knowledge, I have also taken 26 AIB classes and completed the three year BAI School at Madison, Wisc., as a control major. My personal opinion is that even all of this is not enough to effectively compete in the job/promotion area so I am now enrolled in the NABW baccalaureate degree program through Mundelein College in Chicago. Obviously, I feel women must take the initiative and seek out opportunities to expand their knowledge and educational background. Of course, all the "background" in the world is of little value unless it can be applied in a practical manner, so creativity and imagination must also be present.

The abilities of men and women are only as great as they are personally developed. There is no "average" professional person and stereotyping of either men or women is unfortunate. Women have contributions to make—exactly what that contribution is can only be determined by the individual woman. Possibly, it is a solid family life, well-mannered children, community involvement, professional expertise or any combination. Self-satisfaction and fulfillment are the determining factors for what is right for the individual. Stereotyping is bad for all involved—as women we need to avoid this trait even more than men because we establish the standards.

Professionalism is universally recognized and this should be our



WOMEN IN BANKING . . .
[Turn to page 44, please]

Continental Opens New Operations Center

EVIDENCE of its commitment to revitalize the South Loop area of Chicago was given full visibility recently by Continental Bank of Chicago when bank officials and Mayor Michael Bilandic dedicated Continental's new six-story operations building at 840 S. Canal St.

Chairman Roger E. Anderson and President John H. Perkins pointed out that Continental could easily have placed the new operations center outside the Loop area and operated through modern communications technology. However, bank management and the board chose the South Canal site to give credence to bank support for revitalization of the area.

The old building was purchased in October, 1975, from General Electric Realty Co. for \$1,950,000. The building was completely stripped to its basic construction, then totally redesigned around computer operations and rebuilt. With the addition of 23,000 square feet of space during the rehabilitation, the building now has 375,000 square feet of space. Mr. Perkins noted that the site means 600 Continental employees will continue to work in the city.

The entire renovation cost 20% less than a new building would have and also saved 14 months' time.

In addition to all-new facilities for technical and computer services, the building now contains a two-story atrium atop the fifth and sixth floors for use as an employees' cafeteria. Extensive use of solar techniques will provide extensive savings in utility services.

At the same time, Continental announced it has signed a lease for



Continental Bank covered the light court of the original 840 S. Canal St. building with a tubular steel and glass skylight to create a two-story atrium which contains an employee cafeteria and lounge areas. The new floor of the atrium covers the original roof. Trees and plants heighten the outdoors effect.

16 floors of the 30 N. LaSalle Building, to be occupied by the bank's trust and investment services department. Gail M. Melick, executive vice president for operations and management services, said this move will provide 347,000 square feet of space to the bank.

Remodeling of the space has begun, Mr. Melick stated, and the bank expects to move the first of the trust department's 1,000 employees from the main office at 231 S.

LaSalle St. to the new offices by the end of 1978. The total move is scheduled for completion by mid-1979.

Gabriel Hauge Honored

The YMCA of Greater New York has named Gabriel Hauge, chairman of Manufacturers Hanover Corporation and Manufacturers Hanover Trust Company, as recipient of its Dodge Medallion Award for outstanding public service. The award was presented last month before more than a thousand guests at the New York Hilton Hotel.

Chase Offers Information Center Services to Public

The Information Center of The Chase Manhattan Bank, New York, has announced that it will offer its research and library services to the business public on a fee basis.

Staffed by professional librarians with expertise in the special needs of banks, The Information Center has over 22,000 books, 2,450 subject industry files and 1,100 periodical titles.

Sources will include 40 on-line automated data bases, some maintained and operated by various Chase information services subsidiaries.

The Information Center is equipped to perform research and provide source documents on questions such as:

- What are the current and projected prices for the various types of steel, and the overall prospects for the industry over the next five to seven years?

- Which companies have left New York City over the last five years?

- What are the names and addresses of the correspondent banking offices of each of the 50 largest banks in the U.S.?

- Can I get the 10K and Annual Report on each company in the high fashion garment industry?

Also available through The Information Center is a document retrieval service, taken from 11,000 reports on publicly held corporations filed with the S.E.C. These include annual reports, 10ks, 8ks, 10Qs, prospectuses, registration and proxy material.

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CHECKING a test run on the First-St. Louis InfoLink terminal at Anheuser-Busch, Inc., headquarters in St. Louis are **James F. Bridges**, manager of the brewery's treasury operations; **Linda Burke** (seated) of the Anheuser-Busch accounting staff, and **Rita Nyhoff**, First National product planning officer.

1st St. Louis Offers Cash Management

FIRST National Bank in St. Louis has announced the availability of a major new financial cash management system designed specifically to help corporate treasurers and money managers improve the efficiency of their cash management capabilities. The new system is called First-St. Louis InfoLink.

InfoLink will be participating in the national BankLink system of major U.S. banks. Both systems have evolved from the Chemlink service which was developed by the Chemical Bank of New York and marketed to selected banks. "First National was chosen by Chemical because of our national reputation in the field of cash management," explained Richard F. Ford, president and chief operating officer of First National Bank in St. Louis.

Mr. Ford described the new system as a flexible approach geared toward helping reduce corporate cash management operational costs. "InfoLink will enable our corporate customers to more quickly and accurately collect daily balance-related information, giving financial managers additional time for banking and investment decisions while

freeing staff for other responsibilities," Mr. Ford said.

Customers using the InfoLink system utilize on their premises a time-sharing terminal which gives instant access to daily balance-related information such as primary bank balances, previous day debits and credits, other domestic and foreign bank balances, lock box reports and a history of the company's bank balances over a given period of time. In addition the system permits rapid transfers of funds through depository transfer checks.

Mr. Ford announced that St. Louis-based Anheuser-Busch, Inc., the world's largest brewer, will be the first local company to join the InfoLink system.

"We investigated a number of bank balance reporting systems throughout the country," commented James F. Bridges, manager of the brewery's treasury operations, "and found InfoLink to be the best and most versatile system for our particular needs.

"Under the new system, each bank serving Anheuser-Busch will contact InfoLink daily to input the necessary report information. Using

the terminal at our office will result in direct and immediate access to this information.

"InfoLink will help Anheuser-Busch to better evaluate its cash position," Mr. Bridges said, "giving us timely information on our daily balances at each bank. These can be monitored as often during the day as we think necessary, enabling us to determine if and when funds should be transferred among accounts."

DeLuxe Sales Climb

DeLuxe Check Printers, Inc., St. Paul, Minn., reports sales for the first quarter of 1978 were \$72,718,824, a new record for a three-month period and up 11.8% over the first quarter of 1977 when sales were \$65,064,951.

Net income for the period was \$6,627,599, up 6.5% from last year's earnings of \$6,221,909. Net income per share for the quarter was 57 cents compared to 53 cents in 1977.

Both sales and earnings were favorably affected by price increases implemented July 1, 1977, and March 1, 1978. The estimated net effect of these increases was 2.6% on total sales for the quarter.

Fed Issues Guide to Explain Its Regulations

A Guide to Federal Reserve Regulations, the latest in a series of educational pamphlets, is now available for public distribution, the Board of Governors of the Federal Reserve System announced recently.

The booklet is designed to give a simplified explanation of the more than two dozen Board regulations dealing with commercial banks and bank holding companies, consumer credit transactions, use of credit in securities transactions, interest on savings deposits, the clearance and settlement of checks and other payments involving the use of Federal Reserve facilities, and other financial activities.

Copies of the Guide may be obtained singly or in bulk free of charge from the Board of Governors in Washington or from any of the 12 Federal Reserve Banks. Requests should be addressed to the Board's Publication Services or to the Publication Departments at the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas or San Francisco.

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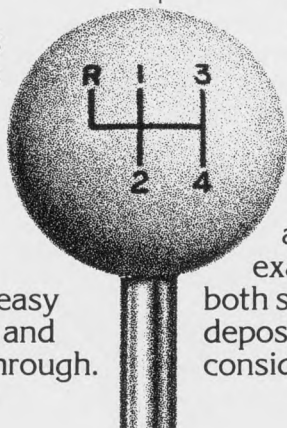


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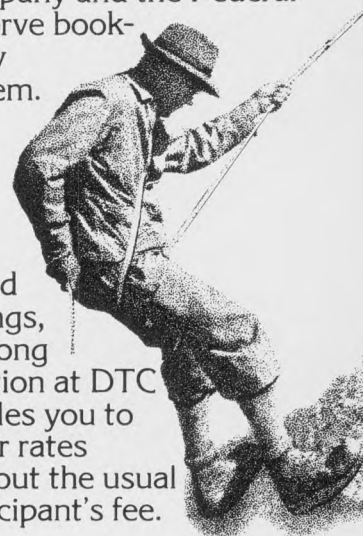
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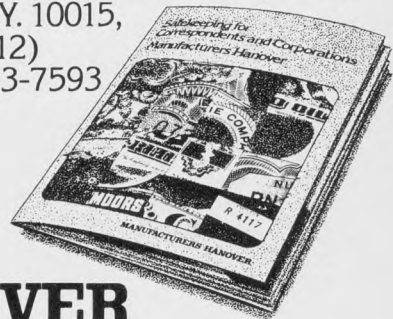
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MANUFACTURERS HANOVER

Fed Study Says HC Banks More Leveraged

BANK holding company banks exhibit riskier portfolios and more leveraged capital positions than similar, unaffiliated banks, but their profitability and growth are no different, according to a recently released Federal Reserve System staff study.

Conducted at the request of the Senate Banking Committee, the study by the Board of Governors consists of eight staff papers making up a comprehensive review and evaluation of existing research on bank holding companies. In transmitting the results to the Senate Banking Committee, Fed Chairman C. William Miller cautioned that "despite the large amount of research that has been done, it is difficult to draw unambiguous conclusions on the impact of bank holding companies." He said his staff has been instructed to undertake additional research in areas not sufficiently covered to date.

The study generally is subdivided into the five general concerns embodied in the 1970 amendments to the Bank Holding Company Act of 1956: 1. efficiency and performance of subsidiaries, 2. bank soundness, 3. competition, 4. concentration of resources and 5. public benefits and convenience and needs. Although frequently including the caution that the study is considered incomplete, since only seven years have elapsed since the amendments were passed, the staff study made these points in the extended text submitted:

Performance and Efficiency

First, it is clear that multi-BHCs have had a significant effect on the asset structure of acquired banks. Most notably, BHC banks hold less cash and U.S. government securities, more state and municipal bonds and more loans per dollar of assets than independent banks.

Second, in addition to holding what is generally regarded to be a riskier portfolio, the evidence indicates that multi-BHC banks exhibit lower capital-to-asset ratios than comparable independent banks.

Third, BHC banks exhibit significantly higher earnings and expenses subsequent to affiliation while their

profitability remains relatively unchanged.

Finally, BHC banks do not grow any faster than other banks.

In short, BHC banks exhibit riskier portfolios and more leveraged capital positions than similar unaffiliated banks, but their profitability and growth are no different.

In nonbank affiliates, the study reviewed only mortgage banking and consumer finance industry activity and concluded from the limited evidence that nonbank affiliates of BHCs tend to be less profitable and more highly leveraged than their independent counterparts.

The available study suggests that a bank can achieve some economies of scale by affiliating with a bank holding company; however, it will also incur additional expenses. Small affiliated banks, especially unit banks, may not be able to achieve economies until they reach a sufficient size. As affiliated banks grow (over \$30 to \$40 million), the economies of affiliation enable subsidiary banks to operate as, or more, efficiently than independent banks. The same studies suggest these gains in efficiency taper off as the affiliated bank becomes large.

Safety and Soundness

Multibank expansion has resulted in increased risk exposure through greater leveraging and riskier portfolios for subsidiary banks than for independent banks. The value of geographic diversity is not known. The little available evidence on banking affiliates indicates they are more leveraged than independent counterparts. Evidence indicates parent holding companies have leveraged significantly in recent years. In many cases, this leveraging has provided equity funding for BHC banks; however, even with such equity injections, BHC banks as a group still tend to be more highly leveraged than their independent counterparts.

Competition

Studies of the effects of BHCs on banking market concentration have yielded mixed results. The bulk of the work suggests that BHC activity has had little systematic or

significant effects on banking market concentration and, hence, little pro or anticompetitive effects.

Concentration of Resources

BHCs now control about 71% of domestic bank deposits, but only about 8% of these deposits are outside lead banks. Thus, most of the recent increase in BHCs share of domestic deposits is due to conversion by existing banks to the BHC form or organization and not to acquisitions by existing BHCs.

Nationally, concentration in banking has declined gradually, but steadily, since 1934. The greatest declines have been in the most and least concentrated states. Large increases in concentration directly attributable to bank holding company acquisitions have been limited to the low and moderately concentrated states. Locally, no significant, systematic increases in concentration have been attributed to bank holding companies.

Public Benefit

There have been very few studies on this subject but generalizations are that seldom, if ever, have convenience and needs factors tipped the scale in favor of a BHC approval; the chief public benefit from BHC activity has been increased availability of credit to the local community; BHCs have been found to fulfill most of the public benefit actions proposed.

Conclusions

The principal economic effect of the BHC movement to date has been to facilitate increased leverage and the acquisition of more loans and other risky assets. To some, this may suggest a weakening of the stability of the financial system. However, it is not clear that increased risk taking by individual BHC subsidiaries implies that overall organization has become more risky.

It must be determined whether a socially desirable level of risk has been achieved or yet remains to be achieved.

The staff study closed with recommendations for emphasis on further in-depth studies of the various aspects of BHC activity and organization.

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Commerce Bank Conference Highlighted By Morton Sosland and Earl Butz

By **MIKE FREELAND**
Business Manager

ALTERNATIVE ideas to the present agricultural policy were readily available to guests of the Commerce Bank's Correspondent Bank Conference held in Kansas City.

Morton I. Sosland, editor and publisher of the "Milling and Baking News," described the set-a-side program as a disaster. He maintained it would create lower total income. Too much attention has been given to production controls, and not enough to consumption. The grain sector must be allowed to perform and succeed. Price setting only reduces usage.

Mr. Sosland suggests the U.S. should allow for an export subsidy. He explains the cost for such a program is less than creating new markets. He went on to say the threat of export subsidy would probably be enough and that it may never have to be implemented.

American Food Machine

Dr. Butz, former secretary of agriculture, said "the modern American Food Machine is perhaps the greatest single source of strength undergirding the unparalleled level of American living. It is also our number one single source of foreign exchange. At the same time, it is one

of the real power bases undergirding our foreign policy.

"The remarkable growth in the efficiency and productivity of American agriculture in the last generation forms the real basis for the general affluence we take for granted in America.

"Even though the cost of food is a widespread source of complaint, the plain truth is that we Americans buy more food for a smaller share of our working day than ever before, and for less than any other nation.

"As a nation, we now get our food for a little less than 17% of our take-home pay. This compares with 24% of take-home pay required for food just a quarter century ago.

"Moreover, that 17% of take-home pay for food now buys a lot more services and extras than in former years. It includes all the built-in maid service in our modern food supply — frozen TV dinners, oven-ready pastries and rolls, processed potatoes, delicatessen items from the supermarket, and so on. On top of that, the 17% includes over one-third of our meals eaten outside the home.

"The American family farm represents entrepreneurship at its best. It is here that we find a direct relationship between personal profit (or at least the hope of profit) and investment, innovation, risktaking, and just plain old-fashioned hard work and enterprise.

"Agricultural science and development, investment and innovation, profit and incentive can't be turned on and off, willy nilly, in response to the vagaries of weather and production from year to year.

We are now face-to-face with the fact that the world's number one problem is how to feed 80% more people in the next quarter-century.

"Consumers the world around welcome a cheap food policy — and politicians respond, whether they're capitalist or communist. As nations become less agricultural and more urban, the incentive base for the farmer becomes less certain. It



Dr. **Earl L. Butz**, dean emeritus, Purdue University, and **P. V. Miller, Jr.**, pres., Commerce Bank.

becomes more susceptible to political pressures and special interest dealings.

"We must not dampen the incentives that have made our farmers the producers that they are. We must not signal to them in the language of price — the language they understand best — that we want less, not more.

"Our nation — and indeed every nation of the world — must make the commitment to move agriculture and food to the front burner. It must be moved higher on the scale of priorities in both national policy and in capital allocation.

Mr. Butz reminded bankers that not all farmers are in trouble, pointing to the cattle, hog, dairy, and soybean markets. He continued by saying that price supports leading to higher reserves would only

COMMERCE BANK . . .
[Turn to page 26, please]



Morton Sosland, publisher, Milling and Baking News.



Fred Coulson, Jr., s.v.p., and **Ed Lewis**, v.p., Commerce Bank.

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Automatic Transfer from Savings to Checking OKd

Approval for commercial banks to offer automatic transfer of funds from savings to checking accounts, effective November 1, 1978, was given last month by the Federal Reserve Board, the FDIC and Comptroller of the Currency. Such automatic transfers could be effected only if the depositors sign a written agreement with the bank authorizing it to do so.

FDIC Chairman George A. LeMaistre said, "the preauthorized transfer service is simply a logical extension of the present telephone service where banks are allowed to make transfers from savings to checking accounts if authorized to do so by a telephone call from the account holder."

Federal Home Loan Bank Board Chairman Robert H. McKinney immediately sharply criticized the Fed's decision to approve these transfers, stating it "clearly demonstrated that the Federal Reserve Board has usurped the power of Congress... (and) has determined today that this power should be the exclusive preserve of the commercial banking industry, to the detriment of the homeowner."

The FHLBB has threatened court action against the decision.

Profitability Spotlights Banclub Convention

Banks can operate club checking programs at a profit because customers are willing to pay for the special services, delegates to BANCLUB Association's recent annual convention were told.

A series of speakers emphasized to the 400 convention delegates and guests that club programs must be operated at a profitable level. Club members expect to pay for the services and will accept higher monthly charges.

"If there is a central theme to this convention, it is that you as bankers must price your services to bring a profit," said Henry McCall, president of BANCLUB's administrative arm, Financial Institution Services, Inc.

"You are in business to make a profit," Mr. McCall said in his closing remarks to the four-day convention held in April at the Opryland Hotel in Nashville. "If you

don't make a profit, then you're out of business."

"BANCLUB members are willing to pay; they expect to pay and they want more services," said Mr. McCall, who founded BANCLUB in 1971. BANCLUB has become the nation's largest special checking account program, with two million accounts in 1,400 banks.

Banks adding automatic teller machines to a club's amenities should consider a membership rate hike to offset the ATM's added expenses, Steve McCullough, vice president of Texas Bank & Trust in Sweetwater, Tex., said in outlining his bank's move to an ATM program.

"We lost no accounts because of the added charge," said Mr. McCullough, whose bank increased its BANCLUB charge from \$3 to \$3.50 per month. "On a national level, there's less than a 1% loss because of additional costs on club accounts. But you have to prepare your customers for the increase.

Also on the convention's program were updates on pending legislation, presentations of BANCLUB marketing plans and a videotaped panel interview of U.S. Senate Minority Leader Howard Baker.

COMMERCE BANK . . . [Continued from page 24]

insure that grain prices will stay low.

Throughout the day bankers were introduced to various department heads who shared with bankers the services they offer the correspondent accounts.

The following table is the result of a survey of the over 400 bankers present from 10 states:

Looking at present conditions and ahead to year-end 1978, I expect:

General business conditions to be:

better 44%

worse 6%

about the same 50%

The rate of inflation in the U.S. economy to be:

better 1%

worse 71%

about the same 28%

Unemployment to be:

greater 20%

less 20%

about the same 60%

Short-term interest rates to be:

higher 70%

lower 17%

about the same 13%

Long-term interest rates to be:

higher 64%

lower 4%

about the same 32%

Wheat prices to be:

51% over \$2.50/bushel

47% over \$3.00/bushel

2% over \$4.00/bushel

Corn prices to be:

47% over \$2.00/bushel

47% over \$2.50/bushel

6% over \$3.00/bushel

Cattle prices to be:

higher 56%

lower 13%

about the same 31%

In banking generally, I expect:

Farmland prices to be:

higher 44%

lower 5%

about the same 51%

The prime rate by December 31, 1978 to be:

lower-1%; 6-0%; 6½-1%;

7-4%; 7½-8%; 8-18%;

8½-49%; 9-15%; 9½-2%;

10; higher-2%;

The Fed Funds rate by December 31, 1978 to be:

lower-1%; 5-0%; 6-3%; 6½-

12%; 7-45%; 7½-20%; 8-13%;

8½-3%; higher-3%

In my own bank, I expect at year-end 1978:

Total deposits to be:

higher 94%

lower

about the same 6%

Loan-to-deposit ratio to be:

higher 54%

lower 5%

about the same 41%

The need for overline assistance to be:

higher 33%

lower 7%

about the same 60%

Earnings to be:

higher 60%

lower 6%

about the same 34%

Does your bank plan to participate in an electronic funds transfer system during 1978?

Yes 24%

No 60%

undecided 16%

If yes, will your efforts be done:

in-house 9%

through participation with other banks 81%

or both 10%

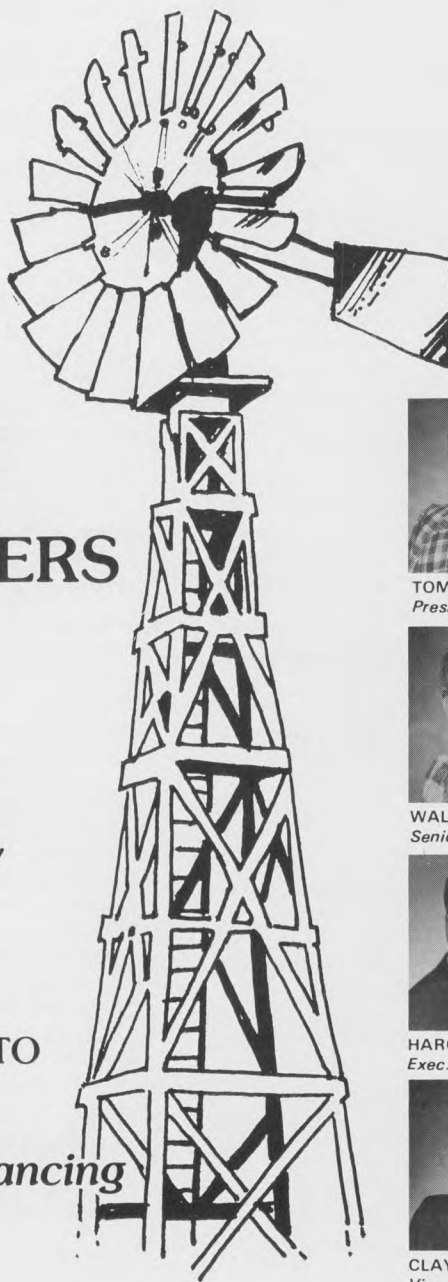
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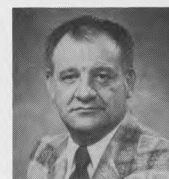
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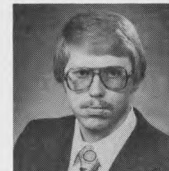
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Convention Calendar

- 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.
- Aug. 23-25—Montana Bankers Association 75th Annual Convention, Big Sky.
- Sept. 10-15—BMS Loan Management Seminar, Indiana University, Bloomington.
- Sept. 10-15—RMS 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.
- 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.
- Nov. 5-8—RMA 54th Annual Convention, Dallas, Texas.
- Nov. 8-10—ABA Midcontinent Trust Conference, Drake Hotel, Chicago.

Chairman LeMaistre announced the appointment of W. Harlan Sarsfield as regional director of the Chicago FDIC office. He succeeds James A. Davis, who has been appointed controller at FDIC headquarters in Washington. Mr. Sarsfield began his FDIC career on the examination staff in Iowa in 1942 and since 1966 has been assistant regional director of the Chicago office.

Continental Illinois Offers 8½ % Notes

The public offering of \$100-million Continental Illinois Corp. 8½ % notes due November 1, 1985, at 99.75% to yield 8.546%, plus accrued interest from May 1, 1978, was announced by the Chicago based bank holding company.

Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are managers of the nationwide underwriting group for the notes.

Net proceeds from the sale of the new notes will be added to the general funds of the corporation. The notes are not redeemable prior to June 1, 1985, after which the notes may be redeemed at the option of the company at the principal amount, plus accrued interest.

To Serve on ABA Housing Committee

BANKERS who will serve as officers and members of the housing and real estate finance division executive committee of the American Bankers Association were elected during a general session of the National Conference on Real Estate Finance last month in Washington, D.C.

These bankers will take office at the ABA Annual Convention this year in Hawaii, October 21-25.

Elected to serve as chairman of the division's executive committee was Robert W. Irving, senior vice president of Equitable Trust Company, Baltimore, Md. He will succeed Perry Russell, senior vice president of the First International Bank of Houston.

The newly elected vice chairman of the committee will be John Y. Van Bibber, senior vice president of Liberty National Bank and Trust Co., Louisville, Ky.

William M. Isaac Is New FDIC Director

WILLIAM M. Isaac has been appointed by President Carter to a six-year term as one of three directors of the Federal Deposit Insurance Corporation and was sworn into office April 24. He joins FDIC Board Chairman George A. LeMaistre and Comptroller John G. Heimann (ex officio board member).

Mr. Isaac, 34, received his law degree from Ohio State University in 1969, practiced corporate and banking law in Milwaukee, Wis., until 1974, and since that date has been vice president and general counsel for the First Kentucky

National Corporation, a holding company, and two of its subsidiaries, First National Bank of Louisville and First Kentucky Trust Company. Since 1975 he has also been secretary of the three companies.

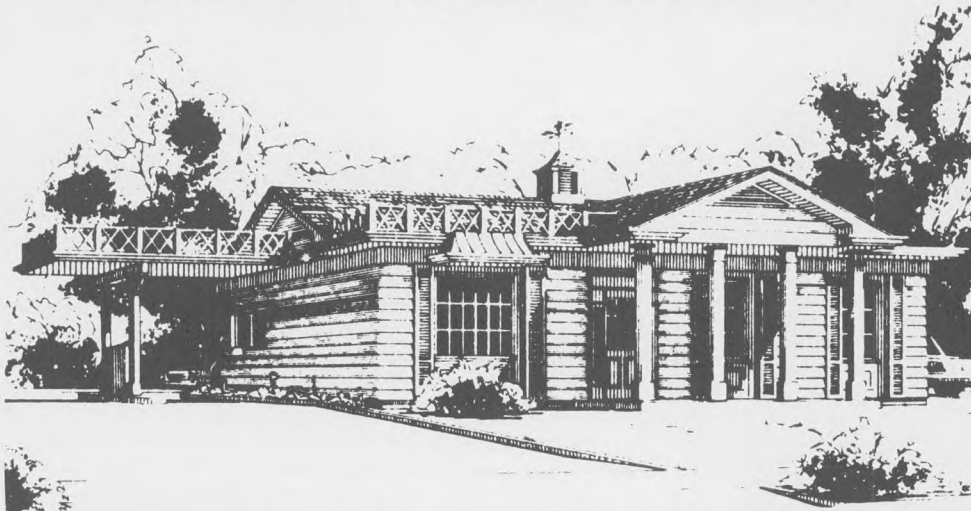
Mr. Isaac announced the appointments of Edwin B. Burr as assistant to the director and David B. Jacobsohn as special assistant to the director.

Mr. Burr, 44, has been regional director of FDIC in Boston. Mr. Jacobsohn, 34, was director of the securities disclosure division at the Comptroller's office.

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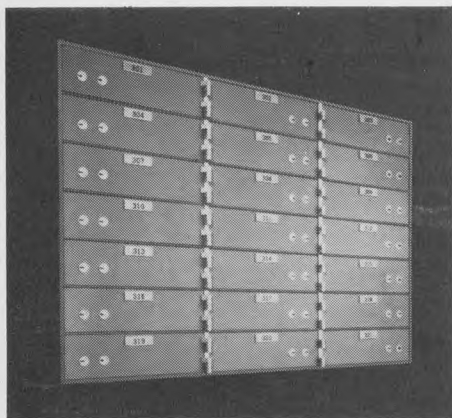
What's New

A NEW brochure detailing opportunities for lending institutions in the area of property improvement loans is now available from Insured Credit Services, Inc.

Entitled "The Risk-Free Profit Center," the attractive brochure features information on the property improvement loan field in general as well as specific ways ICS can tailor programs to take advantage of the market.

To obtain a copy, write to Insured Credit Services, Inc., 307 N. Michigan Avenue, Chicago, IL 60601.

A TOTALLY new concept in safe deposit box locks has been incorporated in the new Mod-22 line released by LeFebure Corporation, Cedar Rapids, Ia.



The unique lock design, originally configured for use in the high security Trident submarine strategic weapons system, provides a new measure of convenience and economy for safe deposit box installations, without compromising customer security.

When a Mod-22 box is surrendered by a customer, qualified personnel may — with the help of a specially engineered key — reset the customer 7-tumbler lock right on the premises, in the presence of a new customer. The UL-listed locks need not be disassembled or replaced and locksmith services are not required.

The guard key also may be reset at any time. Besides providing added internal security, this option enables the Mod-22 nests to be moved to a new location and immediately

matched to the guard key of boxes already on the premises.

Attractively styled of all steel with a low-maintenance textured gray epoxy finish, these Mod-22 units allow users to start with a small number of boxes and expand safe deposit facilities as needed. Nests may be ordered in eight different models, with box openings from 2 x 5 inches through 10 x 10 inches.

For additional flexibility, a unique numbering system permits nests to be held in inventory for immediate shipment. When an order is received, the specified numbers are inserted in satin chrome frames attached to the doors. This design also makes relocating and renumbering of nests easy and economical.

Other features of the security-oriented Mod-22 system include: doors recessed for extra protection against prying, attack-resistant hinge design and heavy-duty, reinforced steel bond boxes. All nests measure 32 5/8 inches with, 22 1/4 inches high and 24 inches deep.

BRANDT, Inc., manufacturer of coin, currency and document processing equipment, has announced the addition of three new models to its line of "Countess" machines designed for organizations requiring high-speed, automated assistance in daily document handling operations.

The three models handle currency and other paper items — as large as 4x8 inches — at operator-controlled speeds up to 1,200 items per minute. They feature a doubles detection device with indicator light; an extended stacker for better access and visibility of documents, and a variable speed control. They can batch in quantities from 1 to 999.

Model 825 counts currency, and endorses and cancels checks and food stamps with maximum ease.

Model 827 counts and batches currency, and detects counterfeit bills by scanning them for authenticity. The machine stops automatically when a suspected counterfeit bill is detected.

The Model 829 is designed to count a wide range of currency from new to mutilated.

They handle currency and docu-



ments of varying thickness and condition without any problem, with uninterrupted ease. Two convenient read-outs give both the batch amount and accumulative total.

All endorsing "Countesses" feature a "dry ink roll" that produces a sharp, consistent image — without smudging or smearing even when changing the roll. Exterior finish is a soft desert tan.

For further information about the new Models 825, 827 and 829 "Countesses," contact Brandt, Inc., Watertown, Wisconsin 53094.

THE new 1978 editions of the Iowa Bank Directory and the Nebraska Bank Directory have been mailed. Both editions feature a new format, making it easy to obtain pertinent information for individual banks throughout the two-state area.

As of December 31, 1977, national banks in Iowa had \$4,484,631,000 in deposits and \$2,965,036,000 in loans. State banks in Iowa had \$9,792,038,000 in deposits and \$6,792,038,000 in loans. There were 99 national banks and 553 state banks.

National banks in Nebraska at year-end reported deposits of \$4,385,479,000 and loans of \$2,863,044,000. State banks showed \$3,005,923,000 in deposits and \$1,964,939,000 in deposits. There were 117 national banks and 333 state banks.

The Iowa Bank Directory sells for \$9 and the Nebraska Bank Directory sells for \$6. Orders can be sent directly to the Northwestern Banker.

24-HOUR SERVICE

—the results 5 years later



A Northwestern Banker Interview with
STANLEY W. EVANS, President
 Northwestern National Bank
 Sioux City, Ia.

NEARLY a decade ago, directors and management of the Northwestern National Bank in Sioux City made the decision to move the main office of the bank to a central downtown location and retain the old building in the Sioux City stock yards area as a banking office.

Construction of a new building on a half-block in downtown began a year or two later and it was opened in October, 1972. Topography of the site was ideal for extensive drive-through facilities on the lower level of the building and a large parking lot on an upper level immediately adjacent to the main banking floor.

To take full advantage of its new facilities and to compete for a larger market share, Northwestern management initiated 24-hour teller service. In the following interview, President Stan Evans describes the results of this unique service after more than five years' experience with it.

Q. Five years ago, you became the first banker in Iowa to offer 24-hour Live-Teller Drive-In service. Five years later, you're still the only one. Why do you keep it up?

A. The question really should be, why are we still the only one? I'm glad it's exclusive with us because it provides us great competitive advantages. 24-hour Teller service is a feature that our customers really appreciate and really make use of, and we attribute much of our growth to the fact that we have this unique service.

Q. According to your Statement of Condition, your footings have almost tripled in those five years.

What makes you think that 24-hour Teller service was responsible?

A. We recognize that other factors have contributed to that growth, but we feel that we have to give the 24-hour service credit for a lot of it. - Our new account applications encourage our personnel to ask new customers what brought them to Northwestern. Time and time again, the answer is "Your 24-hour service." Many times they add that they don't ever expect to use the service, but it's such a comforting thought to know that their money is available any hour of the day or night. So, you see, there is a psychological advantage as well as a practical one.

Q. How practical is it?

A. Judging from its use, it's a surprisingly practical service. In all candor, I would profess to some surprise about that. We frankly felt that the 24-hour service would be of more promotional value than anything else, since it is so highly unusual. And it has been a highly promotable, attention-getting, image-building device. But, within a very short time, people were using it, and within a very few weeks after we started the service, we were serving more cars in so-called "non-banking" hours, than we were in the conventional banking schedule. And that is a trend that has continued.

Q. Sioux City doesn't seem like much of an after-midnight town. Do you have customers in those early-morning hours?

A. You bet. Our car count through those hours often nears the 100 mark. And, you're right,

Sioux City is pretty quiet after midnight, and you might get the impression that there wouldn't be a hundred cars moving in the whole town that time of night. But, they're there, and they stop by Northwestern's Drive-In.

Q. What kind of people use the service after midnight?

A. All kinds. After the first few months of spectacularly successful operation, we grew curious about that. So, I and another bank officer would station ourselves in the drive-in, just to ask people why they were banking that time of night. There was no discernible pattern to the answers, either in reasons for late-night banking, or stereo-typed customer patterns. They were from all occupations and professions, seemingly of all ages and economic strata. Some told us they had just been to the laundromat and stopped at the bank on the way home; or were visiting a hospitalized spouse and had stayed late. But, most often, when we asked "Why are you at the Bank at this hour of the night?", the answer we received most often was "Because it's open."

Q. Wouldn't machines do the job just as well, and with lower costs?

A. If you have tried those machines, you know they don't do the job well at all. Even if they're working — and often they're not — their services are limited. With Live Tellers, our customers know they can perform almost any financial transaction — even get a check cashed — any hour of the day or night, 7 days a week. But the most important point is, that those machines have a reputation of being undependable, and evidently it's a well deserved reputation.

Q. Do you really think the money machines are out-of-service that often?

A. It doesn't make any difference what I think — the customers think that they don't work, and

they don't trust them. Our advertising shows an attractive teller over the slogan, "Northwestern's Money Machines always work — beautifully!" And they do! Why, we even had a relative of the president of another bank switch her accounts to us one Monday, because she said she had spent Sunday afternoon trying to get money out of her cousin's vaunted 24-hour mechanical teller. She brought us some nice deposits because, as she said, "Relative or not, I'll be damned if I'm going to spend my weekends arguing with a blankety blank machine!"

Q. How about those tellers you mention? Any staffing problems for those unusual hours?

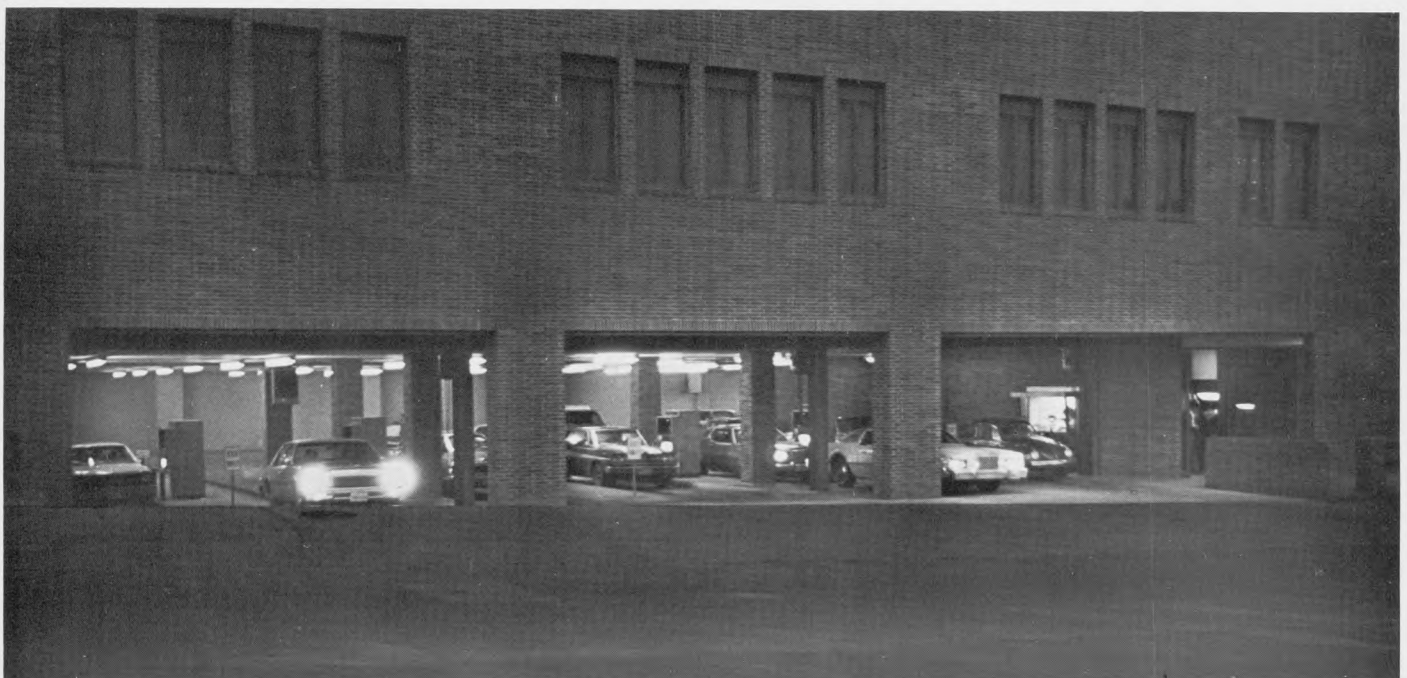
A. The midnight to 8 a.m. shift has been handled by the same lady for all the years we have had it. I don't think she would change shifts if we wanted her to. For the evening shifts, we rely a lot on students from Morningside and Briar Cliff colleges who are glad to have the hours which don't conflict with their classes.

Q. Do the wee hours bring on any special problems with the type of customers who show up for service?

A. No. And that might be a little surprising, too. I suppose you're thinking late-night drunks might cause some trouble. As a matter of fact, when the Des Moines Register wanted to do a feature about our unusual banking hours, we asked our post-midnight teller to be thinking up unusual incidents which would make good copy, and she couldn't think of any. It seems to be pretty routine — perhaps our dogs keep people well behaved, even at 4 o'clock in the morning.

Q. Tell us about those dogs.

A. They are carefully selected, and subjected to modified K-9 Police Training, with periodic re-training. They accompany our guards day and night, with a guard and his sentry dog in full view adjacent to the Drive-In; or, if it's necessary to leave the area, he is



After midnight, cars still move through the Northwestern's Drive-In.



Dogs accompany the guards day and night.

in constant radio contact with the tellers. They're beautiful animals, and they create a lot of conversation for us, so they have promotional value as well as being valuable security instruments and deterrents to trouble.

Q. What special problems are created by your extra hours of service?

A. Well, problems are very minimal, and were from the start. I suppose you could regard the necessity for extra personnel as a problem, but since they were added only after the patronage created the need, that probably isn't an accurate characterization. We planned the building, as we build it, so there is a separate control center, serving all teller areas, including the drive-in. Such pre-planning minimized our problems, but setting up for 24-hour service in a structure which hadn't been planned to accommodate it would be a real hassle.

Q. You say extra personnel were added only after the need was created. How could you start 24-hour service without extra personnel?

A. We had a night transit crew, anyway. Initially, we just trained one of them for teller work to take care of what we thought would be only an occasional customer. When it became obvious that public acceptance of the added hours of service was going to be overwhelming, we were only too glad to arrange for the extra tellers to handle all the new business generated.

Q. You seem to be pretty much anti-automatic tellers.

A. Automation is a marvelous thing in banking, but our experience proves that, when it comes to tellers, people want the real thing. The money machines have been oversold, and probably under-engineered, judging from the constant problems we hear about from customers of other banks. The industry seems to regard automatic tellers as the wave of the future; we don't think so. Certainly not for the foreseeable future. Experience, surveys, and studies around the country prove that people just aren't ready for a machined,

checkless financial system. When they get ready, we'll be ready. Meantime, we feel we're a long way ahead of the game with Live-Teller service around the clock with none of those frustrating machines that always seem to be malfunctioning.

Q. Northwestern National Bank of Sioux City appears to be operating in certain areas which are contrary to what bankers generally are offering. To what do you attribute this attitude?

A. As a student of the economy, I know that any one success depends on customers and those who patronize you and use your services. It is quite apparent that you direct your thinking and your efforts to those areas in which you have customer appeal or customer acceptance. A good example of this is how difficult it has been to persuade our customers that we bankers do not want them to use checks but rather we prefer the checkless society. For over 25 years we spent millions of dollars trying to convince our customers that every man, woman, and child in America should be afforded the advantages of a checking account and when they all believed what we had told them and we had a monopoly on the service, we turned their thinking to the area that we wanted to give away this monopoly and make them part of some fantastic plastic card arrangement that we would share with all of our competitors . . . the feelings of the customers were of no concern. To me, the same thinking is what generates the use of our 24-hour Live-Teller Service.

Q. A few years ago, a savings and loan in Lincoln, Nebr., in cooperation with the Hinky Dinky grocery people, upset banking and created great concern. How did you react to this situation?

A. Our reaction in Sioux City would be one that we welcome the Hinky Dinky—Savings & Loan type of competition. This would give us an opportunity to focus additional attention to our 24-hour, Live-Teller service and emphasize the fact that we are open when the Hinky Dinky store is closed and further, that our customers do not of necessity share any of their financial dealings with the clerk in the grocery store. □

How we formed our executive incentive plan



By **C. BERNARD JACOBS**
Chairman & Chief Executive Officer
National City Bank
Minneapolis, Minn.

BANKING is a people intense industry. When we were organizing our bank to open in June, 1964 with \$3 million of capital, we interviewed 400 people and hired an initial staff of 42. We had a published list of objectives placed in the hands of each of the employes.

One of these objectives from the beginning has been that no more than 18% of all income shall go into salaries. We're presently at 16% and our employes

THE AUTHOR—After working for Continental Bank of Chicago for 28 years, 20 of which were spent in the national division calling on banks in Ninth Federal Reserve District states, C. Bernard Jacobs assisted in the organization of National City Bank of Minneapolis in 1964. He was the bank's first president and continues today as chairman and chief executive officer. He has been a featured speaker at several bank executive seminars on the subject of personnel motivation. In the accompanying article he shares with our readers some of the steps taken during his bank's organizational procedure, as well as financial policies established to provide continuing personnel motivation, especially through the executive incentive plan he discusses here in detail.

know this. We set our salary ranges on the bank size just higher than us and established a fringe benefit program as quickly as we could.

All of our employes had the courage to believe we would establish benefit programs at least equal to or better than other banks in the community, where most of them had worked before joining us. They knew that achieving this would require a unified effort of the part of all staff members. All employes work 37 hours and 45 minutes per week. None of our tellers, for example, is in at 8:30 a.m. and out at 3:00 p.m.—they have other duties to perform.

From the outset we established a stock option plan for key employes with six of the original staff participating. Although we continue to have a stock option plan, our stock presently has no ready market and the changes in tax laws have made this form of compensation relatively unattractive.

Profit Sharing Plan

Our first incentive program was a profit sharing plan effective January 1, 1969. It was a simple plan that provided for eligibility up to 50% of salary on the January 1 following one full year of employment. After four full years, an employe would participate for 100% of salary. Each participant was fully vested and could take his or her share in cash except that after four years 50% had to be deferred until retirement, death, or separation. The plan called for allocation of profits after first setting aside a six per cent return on capital for the shareholders. From 1969 through 1976 the maximum permissible amount was contributed from profits with the effect that partial participants received 10% of salary and full participants 20% of salary in profit sharing.

Pension Plan

Effective January 1, 1970, we also established a non-contributory pension plan under which, after 35 years of service, retirement can be taken with 65% of the last five years' average salary. This is a better than average pension program which, of course, is mounting in costs with increased salaries and ages of our staff.

In 1970 we started a Management by Objectives program, using the format advocated by the American Management Association with attendance at the President's Association, Top Management Briefings and Middle Management sessions. From these we established job descriptions and standards of performance. Both are used in our new incentive program.

New Study Begun

Late in 1975, we came to two conclusions:

1. The automatic maximum of 10% or 20% of salary in profit sharing was not really acting as the incentive that it was intended to be.

2. Within the next few years the combination of pension cost and profit sharing would be in excess of the 25% of salaries permitted under IRS regulations. This would mean that as pension costs got higher, we would have to cut the profit sharing allocation, which would also have a detrimental effect and be a deterrent rather than a spur to greater profits.

We concluded that the younger employes of the bank, those under 40, were either the "Now generation" or else were people with growing families

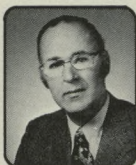
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“Under our new executive incentive plan we carefully selected those who could have a direct bearing on the total profits, a total of 19 people from our staff of 160.”

who would prefer to have larger incomes rather than defer it. Most importantly, we also felt that the key people in the bank who could directly affect profits should be properly rewarded, based on individual performance.

At that point we hired a consulting firm to interview a cross-section of our management staff to confirm whether or not we were on the right track. They concluded we were and suggested several alternate plans from which we adopted an incentive compensation plan effective January 1, 1977.

We discontinued the profit sharing plan after 1976 and made the transition by giving a one time salary increase of 5% to all partial participants and a 10% increase to the full participants. This was over and above the normal merit increase granted under our regular program.

Executive Incentive Plan

Under our new executive incentive plan we carefully selected those who could have a direct bearing on the profits, a total of 19 people from our staff of 160. Most of these people had helped to formulate overall three year objectives for the bank back in 1976, and are an integral part of setting our annual targets and profit plans. Each person, in consultation with his superior, develops and agrees to a set of personal objectives for the coming year. The new program is geared to compensating each person based on performance in reaching his or her goals as well as overall performance on behalf of the bank.

The program works like this:

TARGET BONUS AWARDS

Chairman of the Board	30%
President	30%
Senior Vice Presidents	25%
Other	20%

Target Bonus Fund

Chairman	30% of \$100,000	\$ 30,000
President	30% of \$ 70,000	21,000
Sr. V.P.s (5 at \$40,000)	25% of \$200,000	50,000
Other (12 at \$25,000)	20% of \$300,000	60,000
	Total	\$161,000

Actual Bonus Fund

Return on Average Capital	% of Target Bonus Fund Generated
9%	10%
10%	25%
11%	40%
12%	55%
13%	70%
14%	85%
15%	100%
16%	115%
17%	130%
18%	145%
19%	160%
20%	175%
21%	190%
22% over	200%

The plan calls for taking the salaries of those involved and figuring the percentage of each salary to the total. The resulting total of these amounts represents the target bonus award as a % of base salary. For each person to get his target bonus, he or she would have to have had a satisfactory overall performance including achieving the pre-set objectives. We are trying to achieve a 15% return on capital which would permit the bonus fund to equal the target fund total. On the bottom of the chart you will see that below a 9% return on average equity there would be nothing allocated to the bonus fund. On the other hand at 22%, or better, the allocation could be 200%.

Bonus Fund Example

Let's take an example:

- Assume a 15% net after taxes.
- Percent of target bonus fund is 100%.
- Fund of \$161,000 would then be divided as shown:

Chairman	\$30,000
President	21,000
Total	\$51,000

Remainder would be divided among all other participants based on a determination by the chairman and president of individual performance in relation to predetermined annual goals. Individuals shall be rated on a scale from 50 to 150; 100 representing average performance.

Officer	Performance	Bonus
1 Sr. Vice President	Outstanding	\$ 15,000
3 Sr. Vice Presidents	Average	30,000
1 Sr. Vice President	Below Average	5,000
Others:		
3 at \$75,000	Outstanding	22,500
6 at \$5,000	Average	30,000
3 at \$2,500	Below Average	7,500
	Total	\$110,000
	Grand Total	\$161,000

Actual Fund Distribution

Now, here's what actually happened in 1977, our first year of operation. The bank earned 11.36% on average equity which equaled 45.4% of the target bonus fund. The actual dollar amount allocated was just over \$72,000. The individual allocations ranged as follows:

2 at 110%
10 at 100%
3 at 90%
2 at 80%
1 at 75%
1 at 50%

Under the plan 50% was paid in cash before January 31 of this year. The remaining 50% has been deferred for one year but earns a 6% interest rate during that time. If a person voluntarily leaves before the year is over the deferred amount is forfeited.

One other advantage of this type of plan is that it does not require I.R.S. approval. On the whole the plan has been very well received, but it will require more seasoning to truly test its effects. □

AIB To Meet in Denver

The Denver Chapter, American Institute of Banking, will host the annual District Leaders Conference at the Marriott Hotel on Saturday, July 15, 1978. Attending will be approximately 400 delegates from various chapters in District 10 located in Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, and North and South Dakota.

Co-chairmen are Ron Robinson, president of the United Bank of Lakewood, and Wayne Meider, vice president of Continental National Bank.

Morgan Guaranty Says GNP Likely To Lag \$16 Billion

The 1978 gross national product is likely to be under official projections by \$16 billion - chargeable to "last winter's freeze, the coal strike, and whatever else contributed to the shortfall in first-quarter production." That's the assessment of Morgan Guaranty Trust Company economists, who calculate the GNP loss to be equal to \$200 for each family in America.

The New York bank economists, writing in the May issue of The Morgan Guaranty Survey, note that first-quarter output of goods and services should have been at an annual rate of \$1376 billion (in 1972 prices) to be in line with the January forecast of the President's Council of Economic Advisers (CEA) of a 1978 real GNP of \$1400 billion. But growth in the first quarter amounted to only \$1358 billion, according to preliminary reports.

To make up for the growth lost in the first three months of this year and get back on the 4¾% trendline called for by the CEA would take a second-quarter GNP increase over the first quarter at more than a 10% annual rate, the publication states.

A more realistic expectation, in the view of Morgan Guaranty's economic staff, would be a 7½% rate of increase in the second-quarter GNP; this "could reasonably be followed by the CEA's 4¾% rate in both the third and fourth quarters." These rates of growth, the survey concludes, would result in a 3.9% year-over-year increase in real GNP, instead of the original CEA projection of a 4.7% gain in annual GNP, 1978 over 1977.

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The ninth digit

target date • • • July 1, 1978

A CHANGE in the routing number format in the lower portion of checks will be introduced nationwide July 1 and will affect all financial institutions. This change from an eight digit to a nine digit routing number will permit computers to automatically reconstruct a single digit which cannot be read by reader/sorter, and to detect and reject misreads as is currently done by many banks and processing centers in the account number field.

This change is the result of a joint effort by Bank Administration Institute, the American Bankers Association and the Federal Reserve System to reduce the number of check processing exception items. The monetary importance of this venture is clearly visible from a BAI 1973 study which showed that three of every 25 checks written became exception items (MICR rejects, return items and adjustments) which increased direct check processing cost by 25% or \$285 million. BAI projected that cost would grow to \$1.6 billion by 1980 unless remedial action was taken at once.

Research Produced Solution

BAI did just that by initiating a study that soon brought in the ABA and FRS. By May 1977, they announced approval of a plan to insert a "check digit" in the routing number field in the MICR-coded band in checks. The study had shown that a significant total of their routing number rejects was associated with the

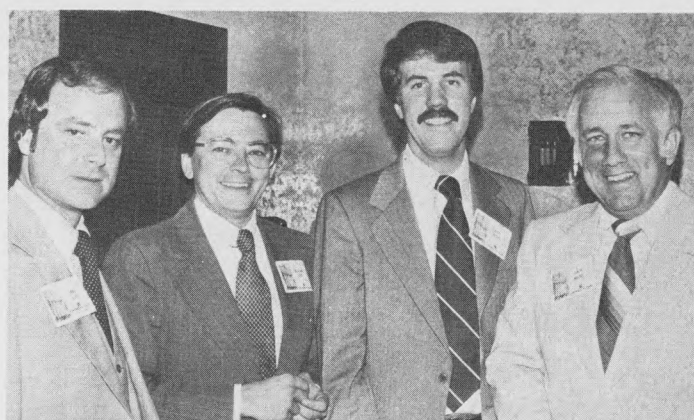
inability to read a single MICR digit within the field. Addition of the ninth number will make it possible to reconstruct that missing number as part of the normal processing run. The check digit will also be used to detect misreads, thereby reducing the extent to which such items are misrouted.

The current routing number format consists of nine MICR positions—the four-digit FRS routing symbol, a dash, and the four-digit ABA number. The new format will retain the nine positions by deleting the dash and adding a check digit at the end.

This new number has been calculated and can be found in the 1975 or later editions of the Rand, McNally "Key to Routing Numbers." These nine digit numbers also appear for each bank listed in the 1978 editions of the Iowa and Nebraska Bank Directories published by the Northwestern Banker.

The Joint Industry Task Force of the three initiating groups began notifying check processors and financial institutions of the change last fall, with the request that the nine digit numbers be imprinted on checks starting July 1—not before. Checks printed before then with eight digit numbers can be processed after July 1 until supplies are exhausted.

THE NINTH DIGIT . . .
[Turn to page 44, please]



SPEAKERS and hosts at Continental Bank of Chicago five-state correspondent bank seminars included, left to right: **George P. Dekker**, v.p.; **John B. Tingleff**, v.p.—head of fin. instit. div.; **Jeanne Czarnecki**, mgr., educational serv. div.; **Larry Frowick**, v.p.; **J. Michael Baird**, bkg. off.; **William L. Hood, Jr.**, atty.; **Kent Velde**, comm. bkg. assoc., and **H. Jack Moors**, chmn., Capital City State Bank, Des Moines, and chmn., Citizens State Bank, Lincoln, Nebr.

Labor Reform Law a Primary Topic at Continental Bank of Chicago Seminars

By **BEN HALLER, JR.**
Editor

CONCERN with administration policies, Congressional bills and regulatory action dominated the Continental Bank of Chicago's correspondent bank seminars last month. The bank again took its team of in-house, experienced officials to meetings in outstate Illinois, Indiana, Iowa, Michigan and Wisconsin, then concluded the annual series with a conference in Chicago. This year's theme was "Perspective 1978."

Leading the staff of host personnel and participating as one of the speakers was **John B. Tingleff**, vice president and head of the financial institutions division, which includes responsibility for all correspondent bank and thrift institutions relationships in the above states and Ohio. His talk stressed the importance of directors understanding their responsibilities, including the need to ask for, read and understand all records pertinent to those responsibilities and not leave them to be included in a general report submitted by management.

H. Jack Moors was one of two speakers not affiliated officially with the bank. As chairman of Capital City State Bank in Des Moines and Citizens State Bank in Lincoln, he drew on his 21 years of banking experience to discuss "How to Use Your Board of Directors Effectively." Directors, he said, should bring sound business sense, help establish

sound policy, represent the interest of depositors and stockholders fairly and be capable of bringing business to the bank.

Michael F. Rosenblum, a partner in the law firm of Mayer, Brown & Platt, and a specialist in labor law, pointed out the highly adverse ramifications of the Labor Reform Act (H.R. 8410) which was passed by the House and was expected to be discussed on the Senate Floor early in May. The bill, he said, definitely was written to favor union organizing and can cut the time as short as 21 days from the time a union organizer shows up until an election takes place. Among other things, the bill states that an employer who addresses his own employees during the organizing period will be forced to provide an equal opportunity on company time to the union to address the same employees.

Mr. Rosenblum also said various federal agencies overseeing discrimination laws of all kinds are gradually being centralized and will wind up under the aegis of one super agency in charge of all compliance within three to four years. He further reviewed what to do and what not to do when the union shows up in front of the bank. The present Harris Bank case, he says, is considered by many to be a landmark case in labor law history. The suit is costing Harris Bank thousands of dollars and is expected to drag on for a long time—several years.

Edward H. Boss, Jr., vice president in the Continental's economic research division, expects

a strong rebound in the economy during the second quarter, as much as 9%, and about 5% in the second half of 1978, for a year-long growth of 4.4%. He pegs inflation at 6.5% for the year, unemployment at 6% by year-end and corporate profits about 10% or less. He expects the balance of payments to drop from \$31 billion to the \$20-\$25 billion range, with the dollar having now seen its worst. Treasury borrowing this year will be competing with business for borrowed money. The prime, he feels, will move to 8¼% by mid-May and be at 8¾% by year-end. The stock market could end the year in the 950 to 975 range.

William L. Hood, Jr., of Continental's corporate counsel division centered much of his legislative attention also on the Labor Reform Act, stating it will affect small businesses and banks more than any other sector. He predicts an all-out campaign by unions to organize banks if they are given the free rein provided in H.R. 8410. His assessment of the Carter Administration's performance and future outlook was very bleak. He said Washington people look for an immediate shakeup in the White House staff and in some of the Cabinet positions, with Treasury Secretary Blumenthal a prime candidate for replacement.

Jeanne Czarnecki, manager of Continental's educational services division, gave a brief presentation on Continental's widely accepted "Winning with Customers" training program now in use by more than 200 banks and financial organizations. (April Northwestern Banker, page 52). □

ENERGY CRUNCH!

boom for home improvement loans by banks



By **WILLIAM F. SCHUMANN**
President
Insured Credit Services, Inc.
Chicago, Ill.



"Prices and mortgage rates have gone out of sight. The alternative for the family is adding the new bedroom or family room."

WHILE the impact of drastically higher energy prices has provided a bonanza to the property improvement loan industry, it has also brought the 'suede-shoe' salesman out of the closet.

The modern-day con artist is easy to recognize. The 'suede-shoe' salesman always specializes in areas ripe for consumer fraud. Today, energy conservation has all the ingredients to fit the swindler's classic mold.

What makes energy conservation so attractive to the con artist is (1) the rapidly accelerating costs of energy and, (2) proposed government incentives.

Two Areas for Con Artists

The two areas where the con artist is concentrating are solar heating and insulation.

Solar heating is not yet cost-effective. Despite salesmen's wild promises, solar heating systems simply won't pay for themselves as fast as they say they will. Solar heating is in its infancy. It's like what the Model T was to the auto industry. It takes a long time to go from a Model T to an Eldorado.

Even in high sun areas like Phoenix, Albuquerque and Central Florida — current hot spots for 'suede shoe' salesmen — solar heating units are taking 12 to 15 years to pay for themselves instead of the five to six years the salesmen are claiming.

Beware of the salesman who is peddling his paper on a 'pays-for-itself' five to six years kind of deal.

The other trouble area is insulation. Insulation is relatively easy to get into and doesn't require a great deal of capital. It's a good sideline activity for many home improvement contractors and it seems everybody is hopping on the bandwagon.

It's just like the waterproofing schemes four or five years ago. The problem is you don't know whether you've got a botched-up job until it's too late, because you can't see the improvement. You didn't know the waterproofing job failed until the flood hit; you won't know the insulation isn't effective until the cold weather hits. In both cases, by the time you realize you've been taken, it's too late.

How To Guard Against Sharpies

Here are some simple ways lenders can guard against the 'sharpies':

- Know your project. Know the facts and statistics about insulation and solar energy. For example, thickness means nothing in insulation, it's the R-value that counts.

- Know your dealer. Make sure he's reputable and local. Check the Better Business Bureau. Look at previously completed jobs. Visit his sales office. Find out who's doing the selling and their backgrounds.

- Know your law. Make sure you have a reasonable contract; make sure the dealer is operating with a building permit. Make sure the improvement meets with zoning regulations and local ordinances.

- Know your borrower. Make sure the borrower is aware of what he's getting into, and make sure he has the ability and willingness to repay your loan.

Opportunity for Conservation Loans

Putting the 'con artist' aside, the twin effects of energy conservation needs and rapidly increasing home purchase prices have made the property improvement

"The property improvement borrower is probably the most stable borrower in any loan portfolio."

loan an unprecedented opportunity for the lending institution.

The costs of energy are literally and figuratively going through the roof. Petroleum costs have more than doubled over the last three years; electricity has increased 25% to 40% in the last 18 months, and natural gas costs jumped as much as 30% during the past year in most parts of the country.

Such rapid increases create a strong need for the consumer to do something about conservation. Because many don't have the funds, they will be coming in increasing numbers to financial institutions for loans.

Government Energy Effects

The second important aspect of energy is the Administration-proposed conservation incentives for taxpayers. When passed by Congress, this aspect of President Carter's energy policy will create tax credits for energy-related property improvements.

Let me illustrate the potential effect of energy on the property improvement industry:

Normally, the property improvement industry would grow about 10% a year. In 1977 industry sales were about \$30 billion. Normal expectations for 1978 would have been \$33 billion.

Because of government incentives and consumer needs in the energy field, we anticipate maybe another \$5 billion in industry sales. That's an added push of nearly 17% above the 10% normal growth.

Opportunity To Upgrade Portfolio

The current situation presents a prime opportunity for lenders. It also presents a prime opportunity for institutions to change their portfolio mix and upgrade it.

Auto loans provide an obvious area for institutions to reevaluate in the light of the property improvement lending boom:

There are roughly three times as many auto loans as property improvement loans in most portfolios today. But remember what took place just three years ago when we had another kind of energy crisis — the gasoline crunch. The bottom fell out of the auto loan market.

□ **ABOUT THE AUTHOR**—William F. Schumann, a native of St. Louis, was graduated from Northwestern University in Chicago and has been a resident in the Chicago area the past 20 years. He began his career with General Finance Corporation, then in 1960 became affiliated with First National Bank and Trust Company in Evanston, Ill. In 1965 he joined Insured Credit Services. He was appointed national underwriting director in 1969 and subsequently was elected executive vice president. In 1971 he was named president of ICS. This firm was established in 1954 and pioneered the idea of privately insured property improvement loans. Under his direction, ICS has continued to expand services to provide a comprehensive range of portfolio review and marketing aids to the lending community. The importance of these services to banks is indicated by the fact that 1,300 lending institutions coast to coast are using ICS plans which insure more than \$2 billion in property improvement loans.

One of two things happened at that time with imbalanced portfolios that were top-heavy in auto loans. Either quality dropped because lenders were scurrying around trying to maintain their outstandings and having to let down the credit bars, or outstandings dropped and control of funds decreased with regard to consumer lending.

Financial institutions can't afford to put all their eggs in one basket. Sound lending dictates a more balanced portfolio, and there is no better diversification in consumer lending than property improvement loans.

Opportunity For Improvement Loans

The second major opportunity area relates to the rapidly increasing costs of buying a home and implications to property improvement lending.

Today, we see the post-World War II baby boom coming of age. Five or ten years ago those people would be moving by now into that second home to get that fourth bedroom or better living conditions. But look what's happened to prices and mortgage rates! They've gone out of sight and salaries have not adequately kept pace. Moving to the larger home is no longer affordable.

The alternative is improving existing property. Rather than buying the four-bedroom house, the family is adding the new bedroom or family room.

Moreover, one in every five homes today is in need of major improvements like plumbing or electrical updating, or space.

Finally, we've seen an increase in the luxury items as families seek to improve their 'quality of life.' We're seeing more swimming pools, tennis courts, and patios.

Stability and Better Bottom Line

In addition to optimum timing, let me emphasize the stability provided by property improvement loans.

The property improvement borrower is probably the most stable borrower in any loan portfolio. He is investing in his most valuable asset. Collection costs are consistently lower than on any other type of consumer loan and risk of loss is minimized. Moreover, you have the stability of the collateral. Homes are an appreciating asset while auto loans, for example, are depreciating assets.

But above and beyond all these arguments, the "clincher," is bottom-line yield. A property improvement loan generally has double the bottom-line yield of the auto loan, after deducting operating expenses and money costs.

Acquisition costs initially are not a lot different. The costs of handling the loans once they are on the books is about the same. Yet with a property improvement loan, the bottom-line yield is dramatically greater.

The lender, through use of an insured credit services plan, can insure an entire property improvement portfolio against losses. Property improvement loans truly provide the lending institutions with a risk-free profit center, and the timing couldn't be better to take advantage of this opportunity. □

THE NINTH DIGIT . . .

[Continued from page 40]

with eight digit numbers can be processed after July 1 until supplies are exhausted.

The mathematical formula for determining the ninth digit in the routing number is identified as Modulus 10, using weights of 3, 7, 1 in repetitive order and placing these numbers from left to right under the digits in the routing number, thus making two rows of eight numbers. Each column of two numbers is multiplied and the sum written below the line. All sums are added from left to right below the line. From this resulting total drop the 10's column (i.e., retain only the final digit). This digit subtracted from 10 provides the ninth number to be added to the existing routing number. BAI has provided the accompanying examples for determining the "check digit" as well as utilizing it to determine a missing MICR-coded number.

Conclusion

The value of the computer is illustrated graphically by the fact that all the above calculations are performed instantly on the computer by the software program, thus expediting check processing and reducing the costs associated with manual processing of a high level of rejects.

Example

Routing number	0	1	2	3	-	4	5	6	7
Multiplied									
by weights		x 3	7	1	3		7	1	3
Total across dropping									
10's column	0	7	2	9		28	5	18	49 = 118 (11)8
Subtract from 10							10		
							- 8		
Check digit							2		

The check digit (2, in this example) then would appear as the last digit of the routing number, with the dash deleted and become: 012345672.

To calculate a missing, unreadable digit, apply the check digit formula to the readable digits. The following example uses the same check numbers as the previous example:

Routing number	0	1	2	3	-	4	5	6	?	(2)
Weights		3	7	1	3		7	1	3	7
Total across	0	7	2	9		28	5	18	?	=(6)9
Computed check digit									10-9	= 1
Subtract known check digit										-2
										-1

Add 10 (if necessary) to get positive number

+10
9

At this point, determine what the missing digit must be so that when multiplied by its weight (in this case 7) it yields a 9. A simple arithmetic table discloses that the weight number 7 multiplied by itself is 49. Dropping the 10's column yields the 9. From this number subtract the "check digit" of 2 and the result is the missing digit being identified as 7.

WOMEN IN BANKING . . .

[Continued from page 17]

ultimate contribution. Conduct unbecoming to a professional must be avoided by both men and women. Perhaps women can be the most helpful in breaking down old traditions by helping men recognize the potential abilities in women and assisting younger women to achieve their full potential. Reality dictates that some people will never change but, each promotion is a step forward and each achievement opens the door a little wider for those who are following us.

Women are becoming known for getting the job done, following up on specific situations and dealing rationally with difficult customers. We are coming into demand to hold positions of responsibility because we do get the job done and men are encouraging us (even recommending us in some cases). Of course, being a woman, tokenism is all too real but it is a foot in the door and in spite of the jokes, etc., it is the only way to eventually achieve the level of acceptance we want.

If I had the opportunity to change any of my decisions along the way in my career, I would not. Every year has been more challenging and exciting than the previous one (or at least very different). Young people entering any job need to establish a "plan" with some objectives and a reasonable timetable. They need to get involved and interested in the assignments and accept challenges as opportunities to prove their worth. Of course, challenges will seldom be verbally expressed—they may consist of expanding knowledge by "helping out"; formulating better, more effective ways to do the job; noticing potential, new revenue sources or cost reducing efficiencies, etc.

Nineteen years ago, I did not really anticipate a career in banking but now, it is difficult to think of anything I would rather be doing. Banking is progressive and innovative with challenges at every turn. The future appears to be even more exciting and I would certainly recommend banking for anyone who is willing to assume responsibility and wants to participate in the decision-making of tomorrow.

Backs Nationwide Branches

Philip C. Jackson, member of the Federal Reserve Board of Governors, went on record at the Alabama Bankers Association last month as favoring "statewide branching by any bank organized within a state (and) we should also authorize interstate full-service operations for any bank authorized to do business in our country."

FDIC Chairman George A. LeMaistre, addressing the same convention, declined to agree with Mr. Jackson but said interstate branching restrictions on EFT operations should be lifted.

Missouri Bankers Elect

Pat Lea, chairman of the First National Bank, Sikeston, Mo., has been elected president of the Missouri Bankers Association for 1978-79 at the 88th annual convention.

Mr. Lea, who moved up from association vice president, succeeded Mills H. Anderson, chairman of the Bank of Carthage.

Named vice president for the ensuing year was S. K. Turner, president of the First National Bank, Kirksville.

Regulatory Agencies Adopt Uniform Rating

The three Federal bank regulatory agencies announced last month they have adopted a uniform interagency system for rating the condition and soundness of the nation's commercial banks.

The new rating system is being implemented by the Federal Deposit Insurance Corporation (for insured state chartered banks that are not members of the Federal Reserve System), by the Federal Reserve Board (for state chartered member banks) and by the Office of the Comptroller of the Currency (for national banks).

Two Main Elements

The new Uniform Interagency Bank Rating System has two main elements:

1. An assessment by Federal bank examiners of five critical aspects of a bank's operations and condition. These are: adequacy of the bank's capital; the quality of the bank's assets (its loans and investments); the ability of the bank's management and administration; the quantity and quality of the bank's earnings, and the level of its liquidity.

2. A combination of these basic factors into a composite—overall—rating of the bank's condition and soundness. Banks will be placed in one of five groups, ranging from banks that are sound in almost every respect to those with excessive weaknesses requiring urgent aid.

Agreement Among Agencies

The agencies agreed upon the qualitative characteristics that would place a bank in one or another of the five overall groups, with Composite Rating Group 1 being the best and Composite Rating Group 5 being the weakest.

It is expected that agreement on what factors constitute the main characteristics of a bank's condition and soundness, and on how these factors should be combined into an overall rating, will provide a basis for comparable judgments by supervisors about all Federally insured banks.

The Federal Deposit Insurance Corporation has indicated that it will continue to maintain its existing problem bank list for insurance exposure purposes.

Piper Jaffray Promotions

Piper Jaffray Incorporated, parent company of the Minneapolis-based securities firm, Piper, Jaffray & Hopwood Incorporated, has named Richard W. Perkins a senior vice president and the following people were elected vice presidents in the Minneapolis office: Robert K. Larson, Marlo G. Maki, Walter H. May, Jr., Joseph E. Meyers, Jr., Douglas V. Pool and Benjamin S. Rinkey.

William T. Kirke was elected vice president in the company's Des Moines office and Momchilo Vucenich in the Duluth office.

Thomas A. Medlin and Joyce E. Nelson were elected assistant vice presidents in the Minneapolis office.

The board accepted with regret the resignation of David S. Clayton, vice president and a director of the firm. Mr. Clayton had been with the firm since 1972 and was director of marketing. He accepted a position outside the industry.



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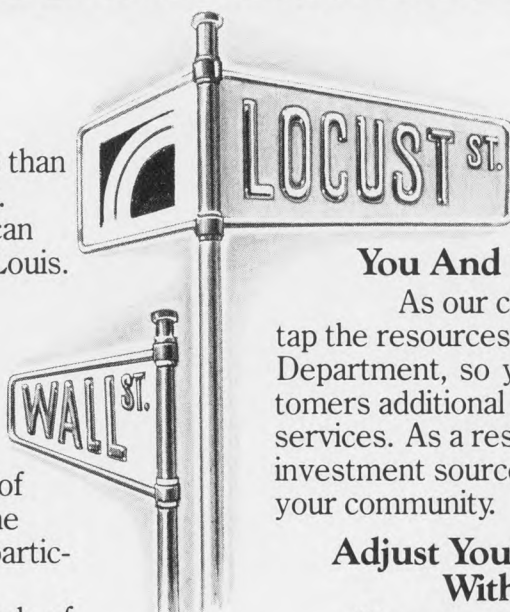
As our customer, you'll be able to tap the resources of First National's Bond Department, so you can offer your customers additional assistance and investment services. As a result, your reputation as an investment source will be enhanced in your community.

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Illinois News

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

Named EFI Chairman

Electronic Funds Illinois, Inc., has a new chairman, its third in two weeks.

He is Ray G. Livasy, president of the Millikin National Bank of Decatur, who assumed the job at the annual meeting of EFI, the industry's proposed vehicle for a statewide electronic banking system.



R. G. LIVASY

Mr. Livasy, past president of the Illinois Bankers Association, succeeded Thomas M. Rochford, who served 11 days. Mr. Rochford, president of the Bank of Illinois in Champaign, who was elected chairman at a special directors' meeting called to fill a vacancy left by the resignation of an EFI founder, Daniel N. Quigley. Mr. Quigley, executive vice president of the National Boulevard Bank of Chicago, resigned with an attack on the board's dismissal of the organization's legal counsel.

EFI directors dropped Thomas G. Lyons of Chicago as legislative counsel because of legal work his Chicago law firm did on behalf of the First National Bank of Chicago, which is not a member of EFI, and which, it has been charged, sought to undermine EFI's legislative goals on bank structure. First National denied the charge.

Mr. Rochford, the interim chairman, said he declined to stay as full-time chairman because of press of bank business. He was elected EFI treasurer. Mr. Quigley was reelected as a director.

Other new 1978-79 officers of EFI are: vice chairman and chairman of the executive committee, Harold Moe, president, Second National Bank, Danville, and secretary, Donald R. Lovett, chairman of the Dixon National Bank.



Promoted at Peoria

The promotion of John R. Ales to assistant vice president has been announced by the board of Commercial National Bank of Peoria. Mr. Ales, a 1961 graduate of St. Ambrose College in Davenport, Ia., joined the bank's dealer relations department in 1968. He was named an officer in 1971.

Lombard Bank Names Assistant Vice President

William J. Cahill has been named assistant vice president of the Bank of Yorktown, Lombard, by the bank's board. He will be responsible for the bank's business development affairs.

A finance graduate of DePaul University, Mr. Cahill formerly was a business development officer for National Boulevard Bank of Chicago. He also held a number of positions with the Federal Reserve Bank of Chicago.



W. J. CAHILL

Joins Charleston Bank

Royce Marble has joined The Charleston National Bank as assistant trust officer. Mr. Marble was graduated from Eastern Illinois University with a BS and MS degree

in business and was school business manager of the Charleston Public Schools from 1961-68. Since then he has been self-employed.

Heads IBA Trust Division

Everett W. Kassing, vice president and trust officer, First National Bank of Belleville, was elected president of the trust division of the Illinois Bankers Association recently.

Others elected for the 1978-79 term are: first vice president, James T. Cahlikis of American National Bank and Trust Co. of Chicago; second vice president, Charles H. Flanders of IAA Trust Co. in Bloomington, and secretary, Vera Kaylor of the Illinois Bankers Association.

Members at large of the division's executive committee elected for a two-year term is Lorraine Cassens of the Community Bank of East Peoria and for a three-year term is Donald Hill of the First Arlington National Bank.

Joins Jay & Associates

George Wasem, formerly president of Commercial National Management Consulting Company, has joined Jay & Associates, Peoria-based marketing agency serving banks and other clients.

Mr. Wasem joined the Commercial National Bank of Peoria in 1941 and held various management positions. He has written extensively for bank publications. His book, "Marketing Strategies for Banks," was published in 1976.

CU Drafts Offered

Merchandise National Bank of Chicago has announced a pilot share draft program to be offered to credit unions in the Chicago area in cooperation with the Midwest Association of Credit Unions.

A bank spokesman said the association has more than 80 member-credit unions. The bank reached its first tentative agreement with a federally chartered credit union having more than 4,000 accounts, he said.

Under the plan, the bank would clear and guarantee share drafts written by members of the credit union. In turn, the group must maintain a deposit at the bank

CONVENTION REPORT

The Illinois Bankers Association annual convention was underway in Peoria as this issued was being mailed. An on-the-spot report with pictures from Publisher Malcolm Free-land will appear in the next issue.

amounting to 125% of the estimated check clearings.

The Illinois Bankers Association has a suit pending against the state Director of Financial Institutions to block state-chartered credit unions from offering share draft privileges.

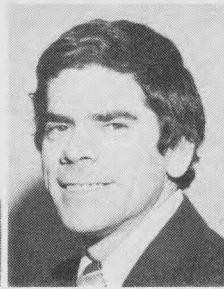
Burbank State Bank Announces Appointments

Scott D. Skoglund has been named executive vice president and James H. Olis vice president of the loan department of Burbank State Bank.

Mr. Skoglund joined the bank in 1976 as vice president from the National Bank of North Chicago where he had been vice president. He began his banking career in 1967 at the American National Bank and



S. D. SKOGLUND



J. H. OLIS

Trust Company of Chicago in the commercial loan department. In 1968 he was named assistant cashier of the Palatine National Bank and in 1970 was promoted to assistant vice president.

Prior to joining the bank, Mr. Olis was vice president of the River Forest State Bank. He began his

career at Devon Bank in Chicago in 1959. He left the bank as assistant vice president in 1970 to move to the Lakeside Bank as assistant vice president. He also has experience as an accountant with Bansley and Kierner CPAs and as second vice president at Worth Bank and Trust, Chicago.

Resigns from IBA Staff

Karen Reeves DeLee has resigned as editor of the *Illinois Banker*, published by the Illinois Bankers Association, to join Burson-Marsteller public relations firm in Chicago. She will be working with the new firm on an electronic banking account program designed to assist banks in marketing EFT to consumers.



CHICAGO City Bank and Trust Company, in connection with the Peoples Gas, Light & Coke Company, recently presented a unique display dealing with natural gas energy-savings awareness in its lobby. Visitors to the free exhibit were able to test themselves by answering numerous true-false questions on energy conservation techniques and could pick up many helpful free pamphlets on how to better utilize energy-saving measures in their home.

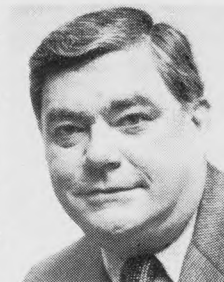
Joseph E. O'Donnell, 45, has joined the Main Bank of Chicago as

executive vice president and head of the commercial banking department.

Previously Mr. O'Donnell was senior vice president in charge of commercial lending and a director of Northwest National Bank of Chicago. Before that he was a national bank examiner for the U.S. Comptroller of the Currency in Chicago.

Roy H. Nelson, Jr., has been named manager of Merchandise National Bank of Chicago's office in the Germaine Club building at Germania Place and Clark Street in Sandburg Village. Most recently he served as assistant vice president, auditor in the auditing department.

John L. Cooley, president of Merchandise National Bank, has announced the following staff changes: **Michael D. Pryde**, manager of customer service and proof encoding; **Martin S. Fleigel**, manager, adjustment; **Charles Bruno**, assistant manager of tellers and manager of security guards; **Samella McAfee**, supervisor, proof and encoding; **Gerald A. Benton III**, assistant supervisor, proof and



J. E. O'DONNELL

encoding, and **Charles A. Fox**, supervisor, programming.

Also announced was the appointment of Elizabeth Edwards as operations officer and assistant manager of the bank's office to be located in the Germania Club. Ms. Edwards most recently served with a bank in Zion, Ill. The facility, to be open in June, will offer a 24-hour automated teller machine as well as all other banking services. It will have a turn-of-the-century decor interior and an exterior design in harmony with the architecture of the building.

Permit Issued

A permit to organize has been issued to the Bank of Lemont, 1200 South State Street, Lemont, Cook County, according to William C. Harris, Commissioner of Banks and Trust Companies.

The state bank's total capitalization of \$1,250,000 would consist of \$500,000 in capital stock; \$500,000 in surplus and \$250,000 in reserve for operating expense. There would be 50,000 shares of stock with a par value of \$10 each.

Organizers are: Thomas C. Bona, Palos Hills; Edward Lode, Sr., Worth; Gary J. Leonardo, LaGrange; Seymour R. Goldgehn, Highland Park; Joseph Pearson, Eugene J. Pulla, Lemont.

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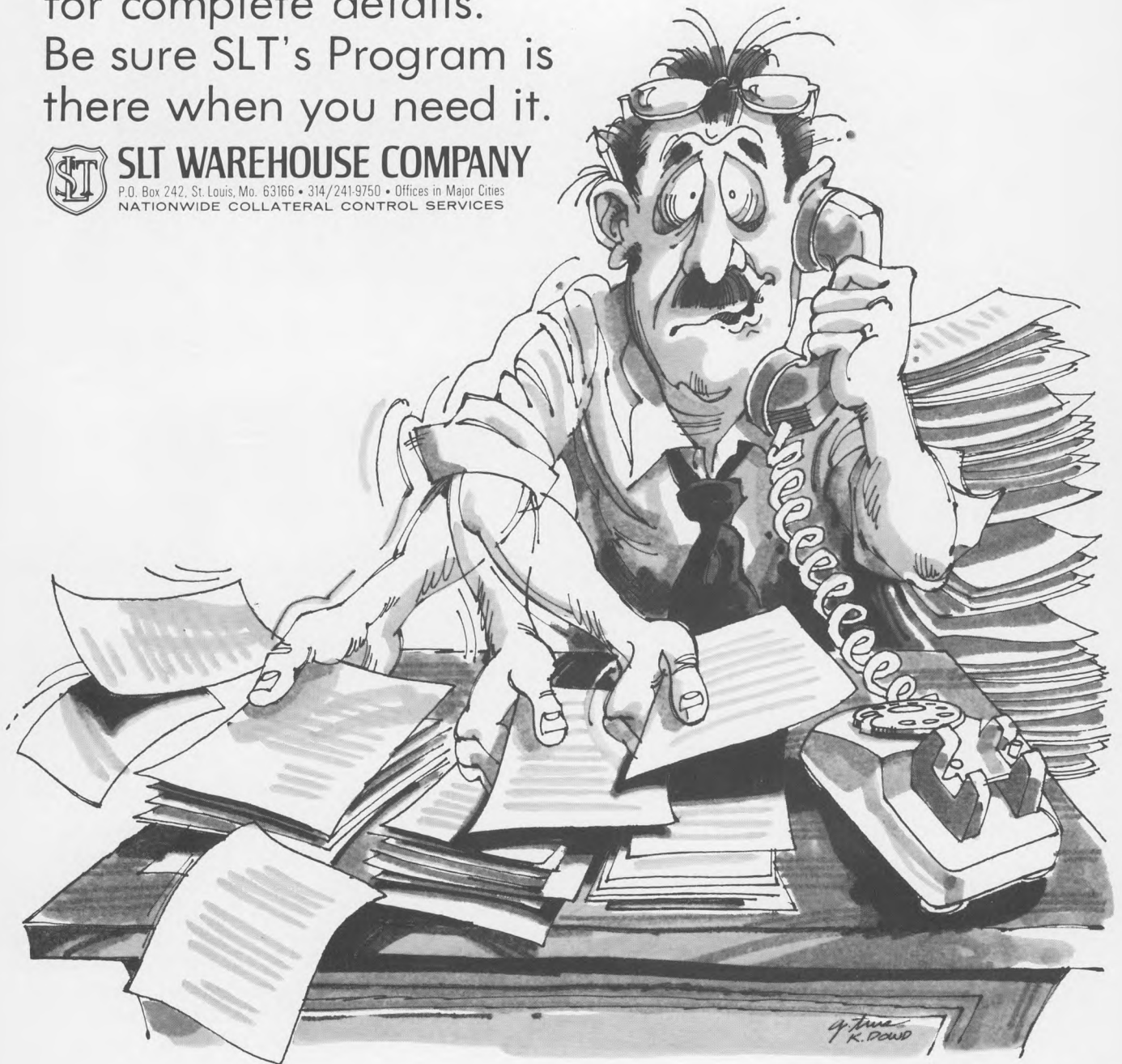
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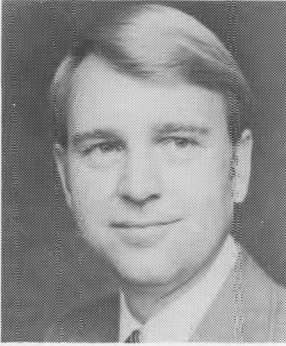


The Italian Count and the Father of Waters. Giacomo Beltrami, an Italian adventurer, set out in 1823 to explore northern Minnesota, and hopefully find the source of the Mississippi River. He named his source "Lake Julia." Believing he had made an important discovery, he published a romantic account of his travels which gained wide circulation. Unfortunately the waters of Lake Julia never reach the Mississippi, but flow into Hudson Bay.

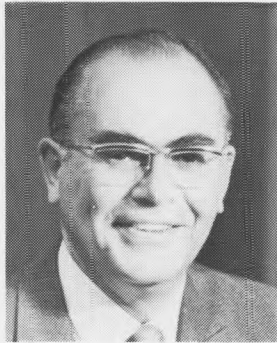
Beltrami missed Lake Itasca, but don't you miss the Minnesota Bankers Convention at the Radisson South Hotel in Bloomington, June 12-14. Your friends from Northwestern National Bank of Minneapolis will be there to greet you.

**NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

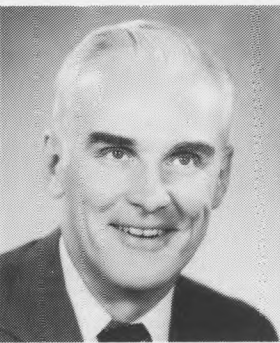
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J. T. GOWAN
Speaker



J. A. McHUGH
Speaker

Minnesota Bankers Annual Convention

**Radisson South Hotel
Minneapolis, Minn.
June 12-14, 1978**

MEMBERS of the Minnesota Bankers Association will hold their 88th annual convention June 12-14 at the Radisson South Hotel in Minneapolis. MBA President George A. Beito said that Monday, June 12, will feature the traditional golf and tennis tournaments, with business sessions slated for Tuesday and Wednesday mornings. Mr. Beito is president of the Northern State Bank, Thief River Falls. John A. McHugh, president, Northwestern National Bank, Minneapolis, is general chairman of the convention.

The complete program follows:

Monday, June 12

A.M.

8:00 Men's golf tournament. South: Honeywell Country Club, Lakeville. North: Majestic Oaks, Anoka.

Tennis tournament, Normandale Tennis Courts.

Ladies golf tournament, Hazeltine Country Club, Chaska. Irene Jacobs, National City Bank, golf chairman.

P.M.

1:00 Registration opens - Radisson South.

2:00 Hospitality rooms open (optional).

2:00 Ladies Hospitality Center open

2:00 Exhibits open

6:00 First Night Garden Party featuring "The Arbors."

9:00 Hospitality rooms reopen.

Tuesday, June 13

A.M.

7:30 Prayer breakfast. Presiding- Robert Bauer, president, Commercial State Bank, Bloomington.

Message - Jeff Seaman, Minnesota Vikings.

9:30 First business session. Presiding - G. A. Beito, president, Minnesota Bankers Association, and president, Northern State Bank, Thief River Falls.

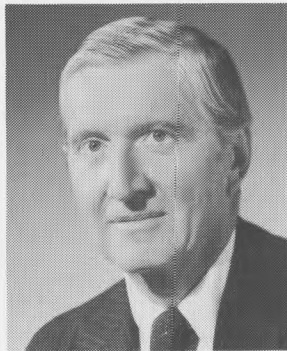
Opening ceremony.

Executive Vice President's Report - Truman A. Jeffers.

"Savings Bonds and Bankers" - John Chisholm, chairman, ABA Savings Bonds Division and president, Marquette National Bank, Rochester.



T. L. JEFFERS
Exec. V.P.



J. H. PERKINS
Speaker



A. SHESHUNOFF
Speaker



RAY BOLGER

“The Many Faces of Electronic Banking” - Virgil Dissmeyer, executive vice president, Northwestern National Bank, Minneapolis, and president, National Automated Clearinghouse Association.
 Treasurer’s Report - Richard Carlander, MBA treasurer and president, State Bank of Faribault.
 Report of nominating committee - John D. Turner, president, Mid America State Bank, Highland Park.
 Election of officers for 1978-79.
 Drawing of door prizes.
 Adjournment.

P.M.

- 12:30 Past Presidents’ and Pioneers’ luncheon.
- Banking schools luncheons.
- General luncheon for delegates.
- 6:00 Banquet, installation of officers, Ray Bolger show, dancing.

Wednesday, June 14

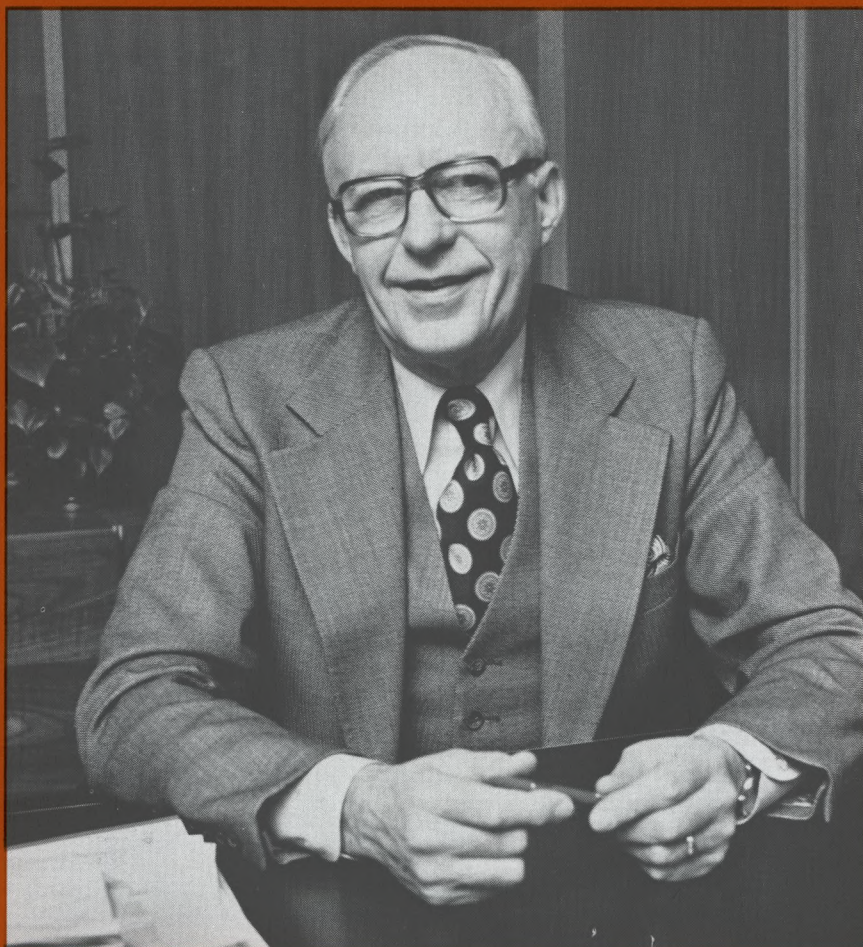
- 9:00 Second business session. - Presiding - Mr. Beito.
- Report of Resolutions - Roland Nordlund, president, Hillcrest Mid America State Bank of Maplewood.
- Adoption of resolutions and incorporation of MBA.
- “Political Realities and Federal Banking Legislation” - John Perkins, president, American Bankers Association and president, Continental Illinois National Bank & Trust Company, Chicago.
- ABA meeting - Elmwood Thronrud, ABA state vice president and president, Northwestern State Bank, Ortonville.
- MBA president’s report - Mr. Beito.
- “New Earnings from Service Charge Income ” = Alex Sheshunoff, bank analyst.
- Announcements, drawing for color-TV, and recess.

P.M.

- 12:30 Luncheon. Presiding - Mr. Beito.
- Golf and tennis awards.
- “Mood of America” - George Gallup, Jr., president, Gallup Poll, Princeton, New Jersey.
- 2:30 Convention adjourns.



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“So as often as I can, I get out to see my customers. It’s the best way for me to stay really up-to-date on what’s happening in their part of the country. I can find out which businesses they serve are growing. How the crops are doing. Who’s investing in livestock. And what part their bank is playing in all this.

“It takes a little extra digging, but it’s worth it. Because it helps me anticipate my customers’ needs. It gives me a real feeling for their business, so I can analyze situations better for them. And sometimes it enables me to propose a really unique solution for one of their problems.

“It’s part of my job, and it’s the part I like best, because I know it helps me serve my correspondent banks better. And I really believe it helps them serve their customers better.”



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You Will See Them at the Annual Minnesota Bankers Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the annual convention of the Minnesota Bankers Association in Bloomington, June 12-14.

Chicago

American National Bank: James A. Carlson, senior vice president; Ted C. Axton, vice president, and Richard E. Akin, second vice president.

Continental Bank: Bill Michael and Bill Goodyear, vice presidents, and Ernie Hodge, commercial banking officer.

First National Bank: Garth Dunn, vice president, and Bud Cross, assistant vice president.

Harris Trust & Savings Bank: J. H. Pearson, vice president, and Donna N. Smith, commercial banking representative.

Northern Trust Company, Chicago: Phil Carlson, vice president; Edwin C. Buchanan, commercial banking officer.

Duluth

First National Bank of Duluth: Dennis Dunne, president; Leonard Griffith, vice president; Timothy Burgess, assistant vice president.

Minneapolis

First National Bank: DeWalt H. Ankeny, Jr., president and chief executive officer; Robert J. Ander-

son, executive vice president; Kenneth Wales, S. R. Omlie, Richard Parnell and Raymond Johnson, vice presidents; Allen Highum, John Franklin, Michael Boncher and Jerome Larson, assistant vice presidents; Frank Brosseau and Dan Simkins, correspondent banking officers; Delores Ellis, special services representative; June Swanson, administrative assistant; Zylpha Gregerson, correspondent banking representative; Minnie Schroder, bond investment officer; Tom Trench, Larry Nelson, Barbara Johnson and Dolores Walstrom, bond investment representatives.

Marquette National Bank: Correspondent division—Bill Rosacker and Bill Addington, vice presidents; Dick Holmes and Len Erickson, assistant vice presidents, and William Klein and Pat Stotesbery, correspondent bank officers. Investment division—Jack Campion and Paul Roche, assistant vice presidents; Jim Kammerer and Dean Fordyce, investment officers, and Gene Anonsen, investment representative.

Northwestern National Bank: John Morrison, chairman; Jack McHugh, president; Peter Gillette, executive vice president; Harry Wahlquist, senior vice president, and the Minnesota correspondent banking team.

Midland National Bank: Stanley J. Peterson, vice president and Michael S. Higgins, assistant vice president.

New York

Bankers Trust Company: T. F. "Peter" Bundy, vice president and Mary Ann Lambert, assistant vice president.

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

Citibank, N.A.: Norm Gustafson, account officer.

Manufacturers Hanover Trust: David S. Tackett, vice president and Earl H. Lundin, Jr., assistant vice president.

St. Paul

American National Bank: James W. Reagan, president and chief executive officer; Robert E. Sipple, senior vice president; Art A. Haessig, Robert W. Jacobson, Donald H. Johnson and William P. Langford, vice presidents; Robert T. Knopke, Charles K. Maddux and Gary M. Omerza, assistant vice presidents; Michael M. McNeil, correspondent bank officer, and Thomas C. Olander and Jeffrey L. Paterson, investment representatives.

First National Bank: Clarence G. Frame, president; Andrew G. Sall, executive vice president; John F. Mullen, senior vice president; James T. Gowan and Richard C. Swanberg, vice presidents; Donald R. Lindeman, Jerome J. Borovansky, Clayton L. Johnson, Kit B. Svee, Robert J. Peroutka and I. James Smith, assistant vice presidents; Kenneth A. Heiser, James A. Russell and Craig B. Jones, correspondent bank officers, and Sandra Harley, bond consultant.

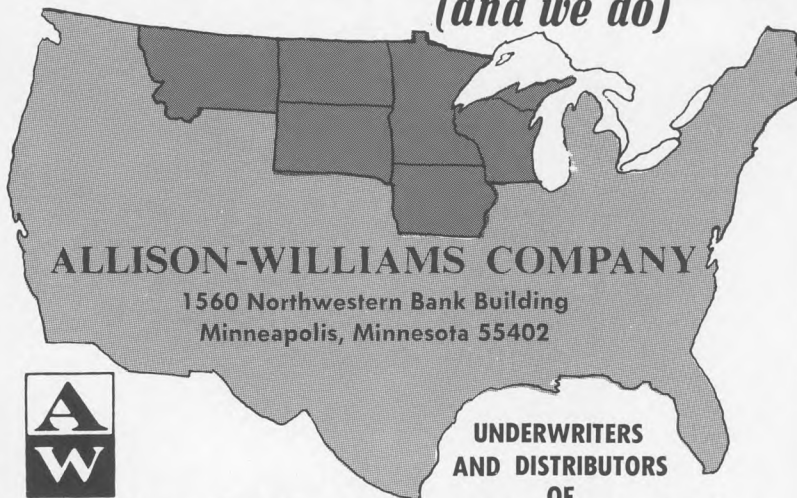
Bank Equipment and Other Firms Bank Building Corporation, St. Louis: John Ladner, consultant services manager and Phil St. Aubin, manager of sales.

Banco Financial Corporation: Clarence A. Adams, president; Lee T. Mork, senior vice president; Robert L. Olson, vice president; Paul J. Weingart, assistant vice president, and Robert L. Johnson, treasurer.

Daktronics, Inc., Brookings, South Dakota: Elmer H. Weisser, district sales manager.

Dawson Hail Insurance, Fargo, N. D.: Lyle Askerooth, senior vice president.

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ITT Life Insurance Corporation, Thorp, Wisc.: Wilbur Rogers, resident vice president and Glen Gilbertson, vice president.

Lawrence Systems, Inc., Chicago: Ken Knutson, assistant vice president.

Miller & Schroeder Municipals, Inc., Minneapolis: Gordon F. Engel, David Hendrickson and Ronald O. Olson.

Mosler Safe Company, Hamilton, Ohio: Earl Frederickson, Ray Barsness and Harvey Larson, sales

representatives; Roy Ticknor, branch service manager; Ford Campbell, regional sales manager, and Art Pisetzner, regional general manager.

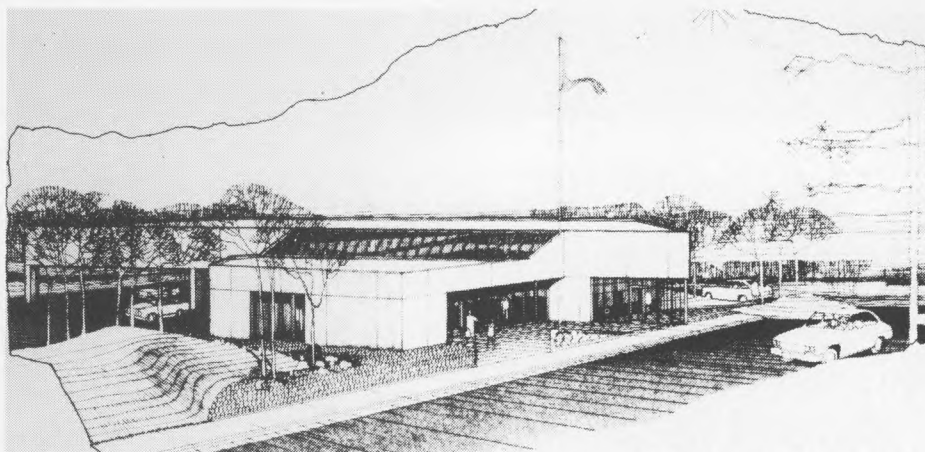
National Fidelity Life Insurance Company, Kansas City: Roger Fleming.

Omaha Financial Life Insurance Co., Bloomington, Minn.: Gabe Kuhn, regional manager; Norm Fletcher, assistant sales manager.

USLIFE Credit Life Insurance Company, Schaumburg, Ill.: Robert L. Spehr, field vice president; James E. Lee, vice president, and David K. Craig and Donald Berreman, district managers.

**IT'S
CONVENTION
TIME!**

**WE
LOOK
FORWARD
TO SEEING
ALL
OF OUR
FRIENDS.**



ARCHITECT'S sketch of the detached facility of Northwestern BankWest, Hopkins, to be located at the intersection of Valley View Road and County Road 18 in Edina.



Stan Peterson Mike Higgins

Hopkins Bank Breaks Ground For Facility

NORTHWESTERN BankWest of Hopkins officially broke ground this morning for its first detached facility to be located at the intersection of Valley View Road and County Road 18 in Edina.

The new facility is expected to be completed and open for business in early fall of this year. The structure will include 4,000 square feet of lobby area on the main floor to serve both retail and commercial customers. Five teller windows will be featured.

Also included will be an attached drive-in facility with four lanes and a 24-hour service center that will house "Instant Cash/Total Teller" machine.

Among those attending the official groundbreaking ceremonies were William Wilkening, president of Northwestern BankWest; Doug Meyer, who will manage the new

office; Del Smith, assistant manager; James Van Valkenburg, mayor; Wolfgang Penzel, mayor of Eden Prairie, and Bill Solberg, Northwestern Bancorporation.

Recently the Northwestern Bank of Hopkins announced that it had changed its name to Northwestern BankWest to better reflect the total west suburban area it serves.

Named at Fairmont

Elmer H. Rosen has been elected to the board of directors of the Fairmont National Bank. He is vice president of Rosen Livestock, Inc.

Joins Hutchinson Bank

Carol Ulrich has joined the Citizens Bank & Trust Co. of Hutchinson as a personal banking officer. She previously was with the Park Bank of Madison, Wisc., where she served in a similar capacity.

**MINNESOTA
JUNE 12-14**

**MIDLAND
NATIONAL
BANK**

Of Minneapolis
An Affiliate of Northwest Bancorporation



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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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



Named at Northfield

John Holden has been elected to the board of the Northfield National Bank, according to Harry Shearer, president. Mr. Holden is president of Holden Farms, Inc.

Retires at Grand Rapids

Ollie Young, vice president of the First Northwestern National Bank in Grand Rapids since 1971, has retired. Mr. Young was with Western Adjustment and Inspection Co. at Virginia before he joined the

First National Insurance agency as an agent in 1957. He was elected assistant vice president in 1966, vice president in 1971 and has been head of the commercial loan, marketing and advertising departments.

Joins Albert Lea Bank

David C. Siebert has joined the instalment loan department of the First Northwestern National Bank of Albert Lea, according to Carroll C. Bergerson, president.

Mr. Siebert has served with Household Finance Company of

Hayward, Calif., for one year, as manager of Industrial Credit of Albert Lea for five years, and most recently managed the Albert Lea Trades and Labor Credit Union for three years.

Luverne Bank Begins Extensive Remodeling

Northwestern State Bank of Luverne has begun an addition and extensive remodeling project, according to Jerry Wethor, president.

The addition will expand the service area by 6,400 square feet. The new facility will include three additional drive-up tellers, customer service areas, walk-up tellers and 24-hour instant cash machine. The interior will include a two-story light atrium.

Clyde V. (Loraine) Stube

Funeral services were held recently for Clyde V. (Loraine) Stube, 60. He was executive vice president and director of Western National Bank in Duluth, where he had been employed since 1946.

Midwest Banking Institute Program Announced

Midwest Banking Institute administrator, Wayne Berthiaume, has announced the curriculum for the 1978 session July 23-28 at the University of Minnesota in Morris. The institute's purpose is to meet the needs of the rural community banker involved in ag lending and farm management counseling.

The first year curriculum in the two-year program features farm enterprise analysis, sessions on corn feed grain, wheat feed grain, dairy, swine, beef-feeding, beef-cow, identifying farm management abilities, tour of the West Central Minnesota Experiment Station and farm credit analysis.

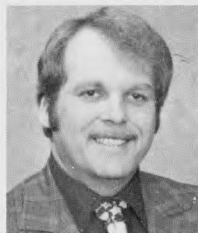
The second year includes ag and community issues, financing community business, estate planning, farm business arrangements, futures trading, crop marketing management and land value and appraisal.

Applications and information can be received from the Montana, North and South Dakota, Wisconsin and Minnesota Bankers Associations, or from the Midwest Banking Institute Registrar, 332 Baker Building, Minneapolis, Minn. 55402.

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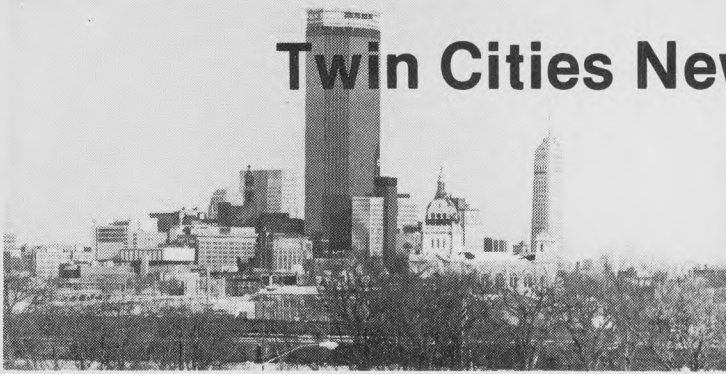
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Twin Cities News



THREE new assistant vice presidents have been appointed by the First National Bank of Minneapolis: **Doris J. Bailey, Dale R. Hoganson, and Gerald A. Kraut.**

Ms. Bailey, who joined the bank in 1951, previously served as operations officer. She is in deposit operations. Mr. Hoganson, corporate banking I department, joined the bank in 1966 as an adjuster for instalment collections. Mr. Kraut, with the bank since 1973, formerly was a money market officer in the bond department. He now is in resources management and planning.

The bank also has announced the appointment of **Dennis F. Maetzold**, assistant vice president, as manager of the St. Anthony Falls office. He succeeds **Stanton M. Jorgens**, vice president, who has been named executive vice president of First Bank-LaCrosse, LaCrosse, Wisc., an affiliate of First Bank System, Inc.

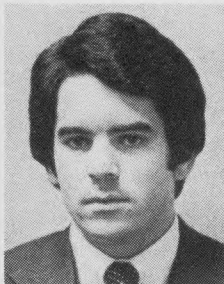
Mr. Maetzold joined the bank in 1969 as a credit analyst and served in retail banking before becoming



D. J. BAILEY



D. R. HOGANSON



G. A. KRAUT



D. MAETZOLD

assistant vice president and manager of the executive and professional banking division in 1976.

Avery G. Fick retired last month as vice president in the correspondent bank division of Marquette National Bank.

Mr. Fick joined Marquette National in April, 1960 and in January, 1961 was appointed a representative in the correspondent bank division. He was later elected an assistant vice president. At mid-year of 1968 he was advanced to vice president and named manager of the correspondent bank division.

A graduate of the University of Colorado, where he earned his degree in Business Administration, Mr. Fick joined Cargill, Inc., in Minneapolis. Prior to joining the Marquette National, he served 13 years as manager of the feeder finance department of Nutrena Mills, a division of Cargill.

Avery Fick and his wife, Eloise, developed a wide acquaintanceship among bankers in Minnesota, North Dakota, South Dakota and Montana during his extensive business travels in those states. They have moved to Texas where they will reside at 106 Whippoorwill Lane in Kerrville, Tex. 78028, while their new home in that city is being constructed.

Daniel G. Brian and **W. Joseph White** have been elected assistant vice presidents of Northwestern National Bank of Minneapolis. Mr. Brian heads the international banking department's Latin American

division. Mr. White is chief trader in the department's foreign exchange division.

Kerry K. Noyes and **Larry W. Cooke** were elected marketing officers.

Mr. Brian joined Northwestern last year as an international banking officer. He formerly was with the Chemical Bank of New York. Mr. White has been an international banking officer with Northwestern since 1976.

Ms. Noyes joined Northwestern in 1977 as advertising manager and was named director of advertising last January. Mr. Cooke is manager of non-retail marketing. Prior to joining Northwestern in 1977, he was with the San Diego Federal Savings and Loan Association.

First Bank System, Inc., has announced the appointment of **Albin S. Dubiak** as

vice president of planning and analysis. He most recently was vice president of financial information and investor relations, positions he will retain for the immediate future.

Mr. Dubiak succeeds **Terrance J. Dobson** who resigned to join the Old National Bank of Washington in Spokane as senior vice president for financial management.

With First Bank System since 1969, Mr. Dubiak joined as a security analyst at the First Trust Company of St. Paul, and later was elected assistant secretary.

Marvin L. Ellison, president of the Northwestern State Bank, St. Paul,



A. FICK



A. S. DUBIAK

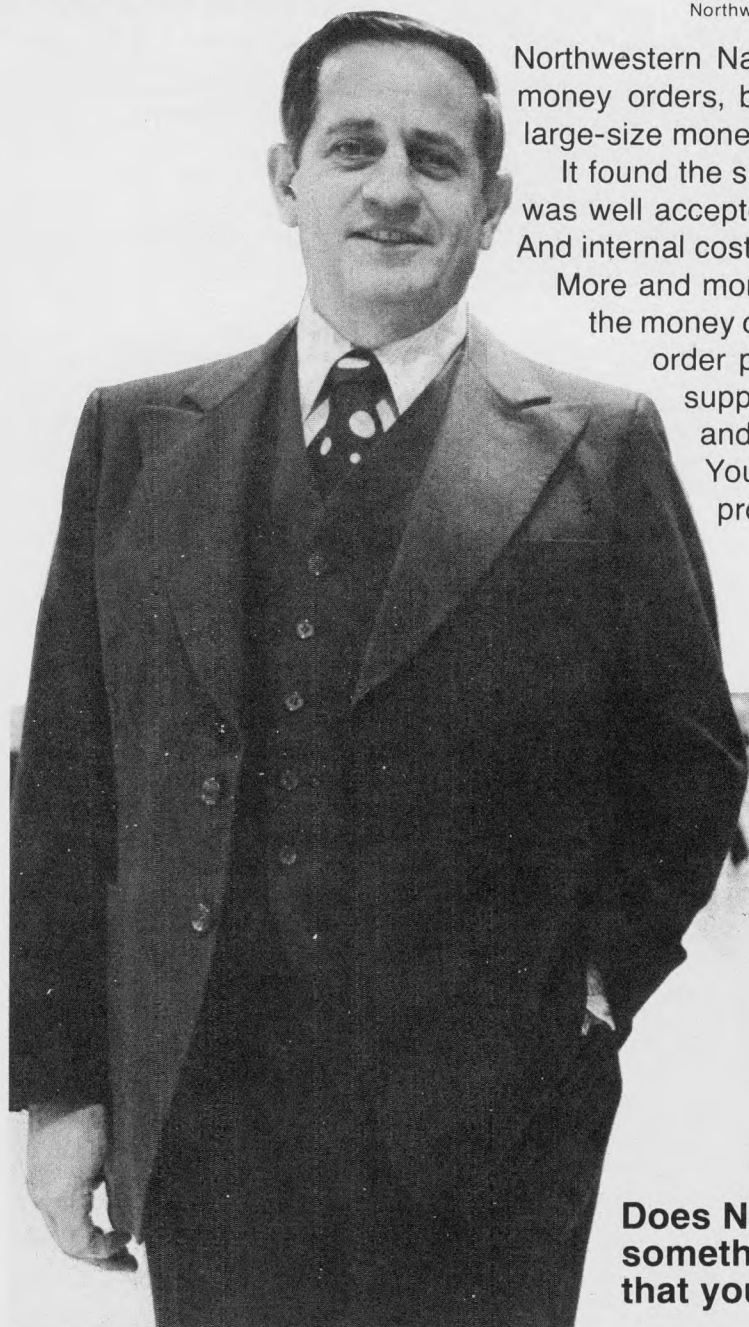
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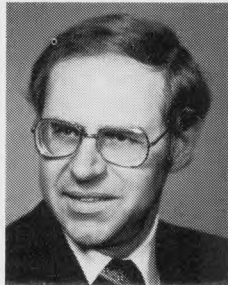
A Greyhound Subsidiary



has announced the election of **George E. Wardeberg** to the bank's board. Mr. Wardeberg is the newly-appointed general manager of the Whirlpool Corporation, St. Paul division.

Three appointments were announced recently at the National City Bank of Minneapolis. They are:

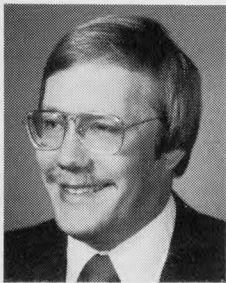
Lorne A. Lepou dre, assistant vice president, personal banking department; **Gary D. Nordquist**, investment officer, and **Michael A. Summers**, assistant



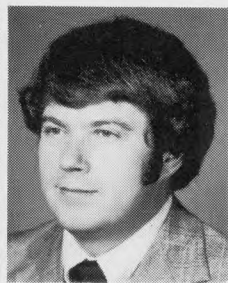
L. A. LEPOWDRE

vice president, commercial banking department, group A.

Mr. Nordquist previously was with Moore, Juran & Co. Mr. Summers received a BS degree in



G. D. NORDQUIST



M. A. SUMMERS

business administration from the University of Minnesota.

Dain, Kalman & Quail, Incorporated, Minneapolis-based regional



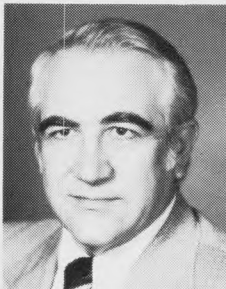
J. J. KING



C. H. FORSE, JR.



R. H. RICE



D. G. ST. ANGELO

investment banking firm, has announced two promotions in its institutional services department. **John J. King** has been named senior vice president and **Wallace N. Peters** vice president.

Also announced were the promotions of three to vice presidents in the institutional bond sales department. They are **C. Harry Forse, Jr.**, **Raymond H. Rice** and **Donald G. St. Angelo**.

First State Bank of Saint Paul recently opened its Little Canada Office and Little Canada welcomed it by naming an adjacent First Bank Drive.

The bank opened in a temporary



JOE Vitale, owner of the Venetian Inn, opens the first account at First State Bank of St. Paul's new Little Canada Office. Left to right are **Tony Dinzeo**, asst. mgr.; **Dick Nadeau**, mgr.; Mr. Vitale, and **Suzanne Parisi**, clerk.

facility at its property at 2850 Rice Street. **Dick Nadeau**, vice president and manager, said construction on the permanent building should be completed in late fall. The temporary facility has two drive-up lanes. The bank's main office is located at 1000 Payne Avenue, St. Paul.

Chairman **George A. LeMaistre** of the Federal Deposit Insurance Corporation has announced the appointment of **Robert P. Gough** to the position of regional director for the corporation's Minneapolis area. Mr. Gough will have FDIC supervisory jurisdiction over insured state nonmember banks in Montana, Minnesota, North Dakota, South Dakota and Wyoming. He succeeds regional director **Anthony S. Scalzi**, 41, who has been named regional director for the FDIC Boston region.

Mr. Gough, 43, was an assistant regional director in the Chicago region. He began his FDIC career on the bank examiner staff in the New York region in 1959. He was transferred to the Washington headquarters office of the division of bank supervision in 1966, and was chief of the mergers and consolidations review section when he accepted the Chicago appointment.

Mr. Gough is a graduate of St. Peter's College, Jersey City, N. J., the Graduate and Post Graduate School of Banking at the University of Wisconsin.

MBA Incorporates

Formal approval will be given to incorporation of the Minnesota Bankers Association during its 88th annual convention this month.

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Northwestern Banker, June 1978

St. Anthony Park Bank has announced the promotion of **Susan Jaska** to personal loan officer.

Mrs. Jaska joined the bank in August of 1977 as a loan representative. She previously was with the Caterpillar Credit Union of Illinois for five years. She holds a BS degree in psychology from Western Illinois University.



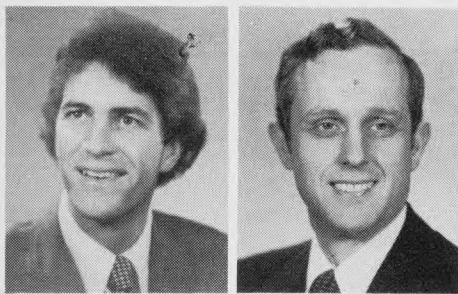
S. JASKA

Dain, Kalman & Quail Incorporated's executive vice president, **Robert Martin**, recently was elected president of Carnegie Capital Management Co., Cleveland, the investment-management arm of Liquid Capital Income. Dain shares ownership of Carnegie Capital with four regional investment banking firms.

James W. Reagan, president and chairman of the American National Bank, St. Paul, has announced several staff promotions.

Michael M. McNeil was elected assistant vice president in the correspondent bank division. He has been with the American since 1973 in various departments.

Arden J. Fetherhuff was named assistant vice president. He joined



M. MC NEIL

A. J. FETHERHUFF

the bank in 1977 and is data processing manager of St. Paul operations.

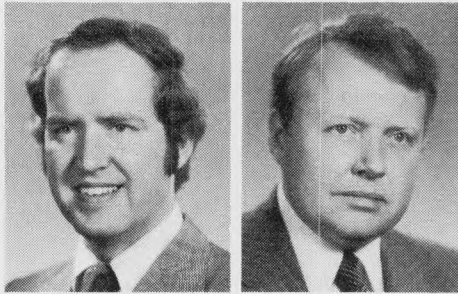
Ron L. Bailey was elected data processing officer. Mr. Bailey joined the bank in 1968 and has had various responsibilities in both St. Paul and regional data processing centers. He currently is acting regional center manager.

Thomas H. Feld was elected operations officer. Mr. Feld has held

a number of positions and is responsible for operations in data processing and currently is central operations manager.

G. Richard Slade, president of Northwestern National Bank of St. Paul, recently announced the elections of **Martin E. Krueger** to vice president and senior trust officer and **John G. Geiken** to vice president, operations support.

Prior to joining the bank, Mr.



M. E. KRUEGER

J. G. GEIKEN

Krueger was head of the investment section for the Mayo Foundation in Rochester, Minn. He holds a masters degree in business administration from the University of Wisconsin.

Mr. Geiken joins the bank from Northwest Computer Services, Inc., another affiliate of Northwest Bancorporation. He is a graduate of the University of Montana in Missoula.

Marjorie M. Jameson has been named cashier of the First National Bank of Saint Paul, according to **Clarence G. Frame**, president. She joined the bank in October, 1967, and has been working as an assistant in the staff services division.



M. M. JAMESON

Maple Grove Bank Holds Open House

ARIBBON of 69 \$1 bills — one for each year the bank has been in service — was scissored in early March to dedicate a new bank building for the Northwestern Bank Northwest in Maple Grove. The ribbon was then given as one of the bank's door prizes during its grand opening.

The event touched off a week-long public open house with daily door prizes, premium promotions, displays and entertainment. A "Golden Shovel" from the groundbreaking ceremony held in June, 1977, was displayed in the bank lobby, piled high with silver dollars. Guests were encouraged to guess how much silver the golden shovel held. The grand prize of \$305 was awarded to a local resident.

Ribbon cutters included local area officials: Richard Riemer, mayor of Maple Grove; Northwest Bancorporation Senior Vice President, Jerry Kanne and Northwestern Bank Northwest President, Jim Heig.

The Northwestern State Bank Northwest, formerly the Northwestern State Bank of Osseo, recently changed its name to reflect the expanding market area it serves.

Located on Highway 52 in Maple Grove, the building is set back from

the highway for easy access to the bank, its parking area, or the five drive-in lanes. The two-story structure has 20,000 square feet and drive-in facilities for five lanes of cars plus parking for 80 automobiles.

The vestibule houses a 24-hour total teller machine to handle deposits and withdrawals around the clock plus a night depository and after-hour walk up tellers.

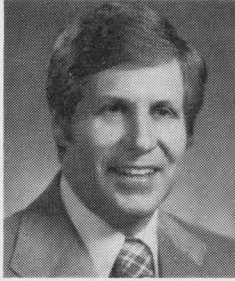
The greatly expanded teller line is bounded on both sides by officer service areas and the lobby opens to the ceiling giving a full two story effect. The Northwestern Insurance Agency also is on the first floor. The second floor contains the bookkeeping and accounting departments, a director-officer meeting room and an employee lounge.

A portion of the previous bank building in Osseo is being remodeled and maintained as a detached facility to provide banking services. Included are a 24-Hour Total Teller Machine and Night Depository.

Genevieve C. (Mickey) Barber has been elected manager of the Osseo Convenience Center. Mrs. Barber has been with the bank since 1968 and has worked in the teller area, personal banking area, and most recently in instalment loans.

To Head St. Cloud Bank

The Granite City National Bank of St. Cloud, a new bank, has elected D. Jack Robertson president and managing officer. He formerly was president and managing officer of the First State Bank of Babbitt.



D. J. ROBERTSON

The new bank, to be located near the Crossroads Shopping Center, was approved last December. An application to change the bank's name from Granite City National Bank to First Bank-St. Cloud, is pending before the U.S. Comptroller of the Currency. The bank will open in temporary quarters this summer.

Mr. Robertson began his banking career in 1965 as an adjuster in the timepay department of the First Bank of North Dakota-Grand Forks. He also has been with First Bank System and served as a personal banking officer at the St. Anthony Falls Office of the First National Bank of Minneapolis from late 1973 until his election at the Babbitt bank in 1975.

Litchfield Promotions

Roger O. DeBoer, president of the Northwestern National Bank, Litchfield, has announced the appointments of Bruce A. Pederson as agricultural loan officer and Leon J. Susa as loan officer.

Mr. Pederson, 25, has been with the First Northwestern National Bank of Marshall as an agricultural loan officer since his graduation from North Dakota State University in 1975. Mr. Susa, 35, has been with ITT Thorp Corporation for the past four years, most recently as manager of the Litchfield office.

Olivia Cashier to Head Women's Banking Group

Helen Mahnke, cashier of the Citizens State Bank of Olivia, recently was elected chairwoman of the southwestern Minnesota group of the National Association of Bank Women, Inc. She has been with the bank for 30 years as bookkeeper, teller, assistant cashier and cashier.



SHOWN is an architect's sketch of the new State Bank of Danvers presently under construction downtown.

Construction Begins at Danvers Bank

THOMAS C. Connolly, president of the State Bank of Danvers, has announced construction of new bank quarters.

The building, designed by Dykins Associates, is a 51 by 67 foot, two-level structure accented by a plan which provides a plaza approach to the entrances—one oriented to pedestrian traffic and the other to parking.

The site provides space for off-street parking, drive-up facility with potential for remote terminal stations, building expansion space and landscaped areas. The 1,350 square foot mezzanine provides space for an employe lounge, board room, storage, and future officer expansion space.

Six teller stations will be included, two of which can be shut off from the main lobby to provide after-hours service.

One of the unique aspects of the building is its design for energy efficiency. The building has earth berms on three exposures in order to reduce the heat loss in the winter and the heat gain in the summer. A clerestory provides natural lighting along with the potential for capturing solar energy.

Citizens State, Brainerd, Promotes 4 to Officers

Citizens State Bank of Brainerd, recently announced the appointment of four employes to officer positions. They are: Ron Hart and Karen Owen to real estate loan officers, and Rodney Rangen and Reed Campbell to instalment loan officers.

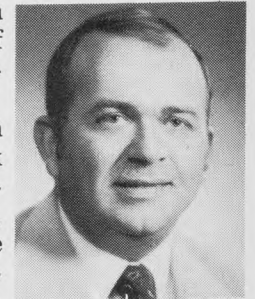
Mr. Hart joined the bank's instalment loan department in 1975. Mrs. Owen joined the bank in 1975

after five years of previous banking experience with Southern California National Bank. Mr. Rangen has been with the bank's instalment loan department since 1977 and Mr. Campbell joined the bank in 1975 and served two years as drive-in teller.

First Edina National Elects Vice President

Howard L. Weldon recently was elected vice president in the commercial loan department of First Edina National Bank.

Mr. Weldon joins the bank from North Providence, R.I., where he held the position of business development officer in



H. L. WELDON

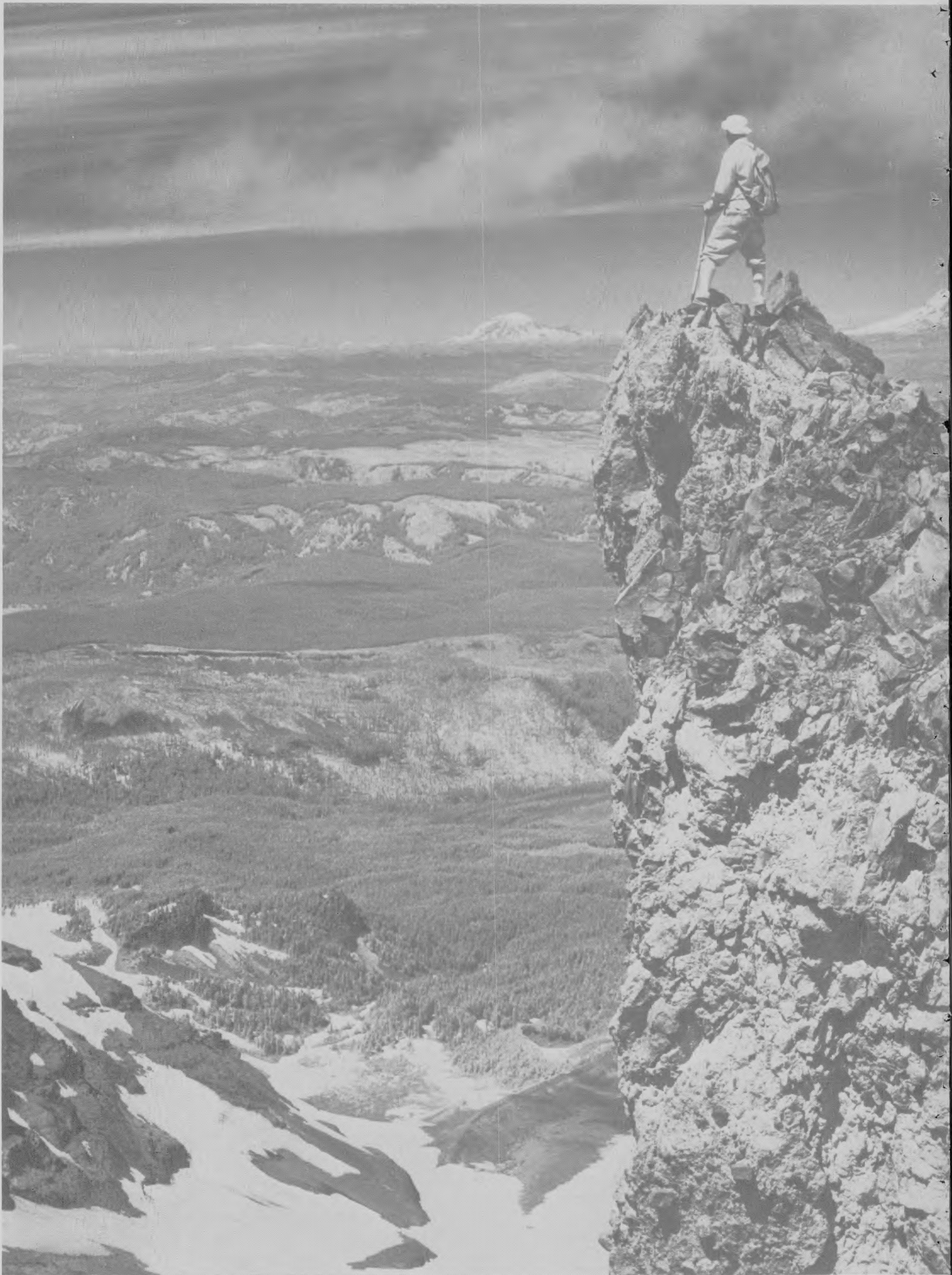
the commercial loan department of People's Bank. He attended Johnson and Wales College, Bryant College and was graduated from Williams College School of Banking in 1972.

New Building for Tracy Bank

The Northwestern State Bank of Tracy recently broke ground at the corner of Rolland and Third Streets for a new building, according to Wendell Anderson, president.

The structure will have 15,000 square feet with a full basement and a mezzanine that overlooks the main banking lobby. Three drive-up units and a customer service area with a 24 hour cash machine will be included.

Completion is planned for the first part of 1979.



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Correspondent Banking Department



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First State Bank of Babbitt Elects Hollister President

Peter L. Hollister is the new president and managing officer of the First State Bank of Babbitt. He succeeds D. Jack Robertson who has been elected president of the Granite City National Bank of St. Cloud.



P. L. HOLLISTER

Mr. Hollister most recently was vice president of The First Bank of Rolla in North Dakota. He began his career in 1968 as an adjuster at the First National Bank of Minneapolis. He had been with the Rolla bank since 1974 when he was elected assistant vice president and manager of the timepay department.

To Head St. Cloud Bank

Tim Stern is the new president of the Northwestern Bank of St. Cloud, according to Jerry Kigin, newly-elected chairman. Mr. Stern previously



T. STERN

J. KIGIN

served as president of the Northwestern National Bank of Norfolk, Nebr.

Thirty of Mr. Kigin's 35 years in banking have been spent with the St. Cloud Bank. He served as president since 1955 and was elected chairman recently.

Mr. Stern had been president of the Norfolk bank since 1974. He began his banking career at Northwestern National Bank of Sioux Falls, S.D.

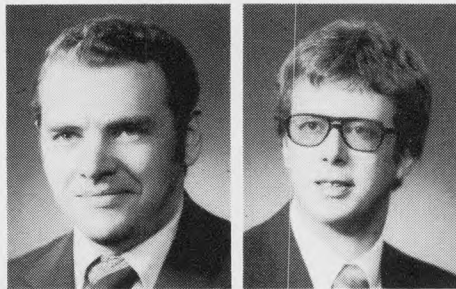
Retires at Grand Rapids

After 21 years of service, Ollie Young has retired as vice president of the First Northwestern National Bank, Grand Rapids.

Mr. Young was with Western Adjustment and Inspection Company at Virginia before joining the bank in 1957. He was elected assistant vice president in 1966 and vice president in 1971. He has served as head of the commercial loan department, marketing and advertising.

Edina Bank Elections

Duane C. Brinkman has been elected assistant vice president and manager of the sales finance department and James D. Rorvick



D. C. BRINKMAN

J. D. RORVICK

personal banking officer of the First Southdale National Bank of Edina.

Mr. Brinkman was an assistant vice president in the instalment loan department of the American National Bank of Denver, Colo., before joining the bank. Mr. Rorvick joined the bank in 1973 and has held positions in the marketing, operations and personal banking departments.

Bemidji Bank Plans Remodeling, Facility

The board of the First National Bank, Bemidji, has announced plans to remodel its present building at 502 Minnesota Avenue to provide about 7,000 square feet of additional area.

Preliminary plans call for extension of the current building to the alley with two levels including an elevator to provide access to a lower level containing the real estate and safe deposit box departments. The building will include additional walk-up teller facilities. All present departments will be enlarged by nearly 80%.

The exterior of the addition will be of the same material and design as the present building. The interior will be completely remodeled and

redecorated and the lower level will utilize natural lighting from exterior windows and a skylight.

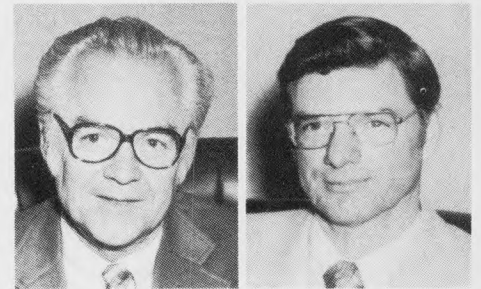
The bank also has received approval to establish a detached facility on Highway 2 West near Ash Avenue. The facility will provide for three inside tellers, two drive-up windows, night depository and space for one officer.

Tentative plans call for opening of the facility on or before July 1 and the existing building expansion for completion in early 1979.

The bank also announced the election of Robert J. Welle as chairman and E. Joseph Welle as executive vice president. Robert Welle succeeds his father, the late N. A. Welle.

Robert Welle joined the bank in 1971 as vice president. He previously had worked at the St. Cloud National Bank and Trust for 23 years where he continues to serve as director and trust department director. He is a 1948 graduate of St. John's University.

E. Joseph Welle joined the bank in 1956. He is a 1952 graduate of St.



R. J. WELLE

E. J. WELLE

John's University and also was graduated from the Central States School of Banking at the University of Wisconsin, Madison.

Northwestern of Virginia Announces 3 Promotions

Northwestern State Bank, Virginia, has announced the following three promotions: Linda Niskanen, officer and manager of the mortgage loan department; Sue Hansen, assistant operations and security officer, and Jean Beste, assistant operations officer.

Named at Luverne

Paul R. Hanson has been appointed operations supervisor at the First National Bank of Luverne. He had been with the First National Bank in Mankato since 1976.



OFFICERS of the South Dakota Bankers Association for 1978-79 are, from left: Immed. Past Pres.—**Charles T. Undlin**, pres., 1st Natl. Bank of the Black Hills, Rapid City; Pres.—**Ray L. Plowman**, pres., First State Bank, Armour; 1st Vice Pres.—**Glenn H. Waltner**, pres., 1st Natl., Freeman; 2nd Vice Pres.—**John W. Thomson**, pres., The Bank of Centerville, and Exec. Mgr.—**J. I. Milton Schwartz**, Pierre.

South Dakota Bankers Elect Ray L. Plowman as President

By **BEN HALLER, JR.**
Editor

RAY L. Plowman, president of the First State Bank in Armour, was advanced to the presidency of the South Dakota Bankers Association at the 86th annual SDBA convention last month in Rapid City. He succeeds Charles T. Undlin, president of the First National Bank of the Black Hills, Rapid City.

Glenn H. Waltner, president, First National Bank, Freeman, moved up to be first vice president, and John W. Thomson, president, The Bank of Centerville, was elected second vice president. Mr. Thomson's father, John N. Thomson, chairman of The Bank of Centerville, served as SDBA president in 1938-39. J. I.

Milton Schwartz continues as executive manager, headquartering in Pierre.

Orville L. Bonacker, vice president and cashier of The First National Bank in Sioux Falls, was elected to a two-year term on the ABA governing council. Lee L. Steele, president, Farmers & Merchants Bank, Huron, has one more year to serve on the ABA governing council and as the senior representative from South Dakota will serve during the next year also as ABA state vice president. In that position he succeeds Curtis A. Lovre, retired chairman of Northwestern National Bank, Sioux Falls, who is completing his two-year term on the governing council. All three men are past presidents of the SDBA.

All of the 670 registrants at the convention, the largest attendance ever for the annual convention in Rapid City, were greatly impressed with the beautiful new convention facilities contained in the Rapid City Civic Center. Its architectural design, both inside and out, give it an aesthetic appearance and functional use



Four convention principals were **Mark Willes**, pres., Federal Reserve Bank of Minneapolis; **Chuck Undlin**, pres. of the SDBA the past year and pres., 1st Natl. Bank of the Black Hills, Rapid City; **Tom Smith**, treas. of the ABA and pres., First Fidelity Brenton B&T, Marshalltown, Ia., and **H. P. Pat Dixon**, genl. chmn. of the convention and a.v.p.-mktg., 1st Natl. of the Black Hills, Rapid City.



Pictured leaving the ladies' luncheon are, from left: Front—**Maxine Knox**, Commercial T&S, Mitchell; **Pauline Waltner**, 1st Natl., Freeman, and **Debbie Gates**, asst. exec. mgr., SDBA, Pierre. Back—**Betsy Holdhusen**, pres., Ipswich State; **Doris Winter**, Andes State, Lake Andes; **Verna Mateer**, Pierre, and **Judy Schwartz**, SDBA, Pierre.

the equal of any similar structure. The central portion offers meeting facilities that may be expanded or divided into various size acousticed rooms to accommodate each group. A modern theater is at one end of the structure, and an arena at the other end. It was an ideal place for the convention.

Richard C. Hottelet, United Nations correspondent for CBS News, gave an in-depth review of world affairs that left a sobering picture of international politics and trade.

Mark Willes, president, Federal Reserve Bank of Minneapolis, also gave a somber note to the morning session while describing what he termed "a developing crisis." A positive result of the federal government's effort to aid the economy, he said, is that we are now in the fourth quarter of an unprecedented recovery which created four million jobs last year and one and one-half million this year. We are, in effect, at full employment, he feels, and "the only way to get it below 5½% to 6% is by structural programs."

"The warning signals of inflation are clear, however," he emphasized, "and we will find out if we have the courage to do something about it." He said the forecast a year ago for inflation was 6% and going down. "Now," he said, "it is 7% and going up," warning it will continue to rise if unimpeded.

He blames three basic reasons for rising inflation: 1. Government deficits continuing to climb, and probably will be closer to \$75 billion. 2. Special interest government legislation and rulings; e.g., farm support, consumer regulations, a 39% wage rise coal settlement. 3. The Fed let the money supply grow too fast. Instead of growing at 4½% to 6¼% it went to 7½% and was higher than that for a six-month period.

The only remedy, he stated firmly, is to reduce the size of the federal deficit, reduce expenditures, and skip the tax cut. He closed by simply stating, "We'll be lucky if we get one out of three—probably only the latter." (A few days later President Carter agreed to consider reducing the size of the tax cut.)

Thomas R. Smith, ABA treasurer, and president of First Fidelity Brenton Bank and Trust Company, Marshalltown, Ia., presented the ABA's rundown on current legislation and the association position on each bill. Most urgent at the time, he said, was the need for all voices to be heard on the Labor Reform Bill.



Tony Welder, dir., and **Barbara Welder**; **Clifton Birkeland**, dir., and **Inga Birkeland**, and **Fred Menzel**, pres., and **Shirley Menzel**, all with Farmers State, Dupree, and **Evie and Don Lindeman**, a.v.p., 1st Natl., St. Paul.



Jerry Just, v.p., and **Tom Pohlman**, corr. bkr., both with Northwestern Natl., Sioux City, Ia., visit with **Jean and Don Juffer**, pres., Commercial State, Wagner.



Royce Hackl, v.p., Bank of Hoven; **Charles Ekstrum**, pres., 1st Natl., Philip; **Steve Thompson**, corr. bkr., Northwestern Natl., Minneapolis, and **Jim Hart**, exec. v.p., Hand County State, Miller.



Larry Somer, cash., 1st Dakota Natl., Yankton; **Dan Simkins**, corr. bk. off., and **Don Bergum**, v.p., both with 1st Natl. of Minneapolis, and **David Gross**, tr. off., First Dakota Natl., Yankton.

Dr. Robert J. Samp, M.D., University of Wisconsin School of Medicine, Madison, gave his prescription for longer, more enjoyable and healthy life—stop and smell the roses, relax, solve today's problems now and face the others later.



Ray Dana, v.p., Community Bank, Hartford; **Rich Breyfogle**, v.p., and **Stan Fredericks**, v.p., both with Toy Natl., Sioux City, Ia., and **Don Whealy**, v.p.&mgr., Colton branch of Community Bank, Hartford.

Linda S. Sherman, consultant with National Solar Heating & Cooling Center, Radnor, Pa., gave a slide presentation showing various types of solar constructed business buildings and homes, pointing out efficiencies of various methods used.



Dennis Kirkeby, v.p., 1st Natl., Sioux Falls, visits with **Bob Knopke**, a.v.p., American Natl., Sioux Falls.



Dwight Bos, U. S. Check Book Co., Omaha; **Dick Storlie**, a.v.p., Northwestern Natl., Minneapolis, and **Bonnie and Jim Arend**, v.p., Security State, Emery.



Bob Sample, DeLuxe Check Printers, Inc., Sioux Falls; **Mike Clark**, v.p., Natl. Bank of South Dakota, Sioux Falls, and **Clyde McEntire**, DeLuxe Check Printers, Marshalltown, Ia.



Gene Noell, 2nd v.p., and **Dan Burnight**, credit card mktg. off., both with The Omaha Natl., Omaha, and **Joan and William Harrington**, v.p., Dakota State, Colman.



Bob Hawley, v.p. & mgr., Bristol branch, 1st Natl. of Aberdeen; **Chuck Maddux**, a.v.p., American Natl., St. Paul, and **Pat and Frank Farrar**, Britton.

Bud Weisser, regional sales manager for Daktronics, Inc., Brookings, hosted a breakfast attended by approximately 100 bankers. Daktronics manufactures time, temperature and message center electronic signs

for banks and other firms. Guest speaker at the breakfast was C. P. Buck Moore, president of the Greater South Dakota Association and president of Northwestern National Bank in Sioux Falls. □



Fearsome foursome consists of **C. P. Buck Moore**, pres., Northwestern Natl., Sioux Falls; **Curt Lovre**, retired chmn., Northwestern of Sioux Falls; **Bob Walrath**, pres., 1st Natl., Watertown, and **Morris Winter**, pres., Andes State Bank, Lake Andes.



Mike Higgins, a.v.p., and **Stan Peterson**, v.p., both with Midland Natl., Minneapolis, await tee-off time.



Gary Stevenson, v.p., 1st Natl., Sioux City, Ia.; **Walt Wintrode**, supt. of bkg., Pierre; **R. D. Clausen**, exec. v.p., Valley State, Yankton, and **Dick Taylor**, pres., 1st Natl., Sioux City.



Jeff Moran (left), corr. bk. off., and **Bill Henry** (right), v.p., both with 1st Natl. of Omaha, teamed up with **Verlon Schmidt** (center), Western State Bank, Sioux Falls.



LeRoy Erickson, pres., Langford State; **Avery Fick**, v.p., Marquette Natl., Minneapolis, who was attending his last state convention before taking early retirement last month; **Marvin Bormann**, pres., Farmers State, Stickney, and **Dick Holmes**, a.v.p., Marquette Natl., Minneapolis.



Herman Lerdal, pres., First Mitchell Natl., chats with **Curt Mateer**, retired vice chmn. of Pierre Natl.

More pictures from South Dakota Bankers convention



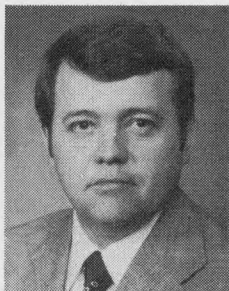
Bernie Lattyak, a.v.p., 1st Natl., Sioux City, Ia.; **Jerry Feldhaus**, sr. v.p., and **Don Tarleton**, pres., both with United Natl., Sioux Falls, and **Gary Stevenson**, v.p., 1st Natl., Sioux City.



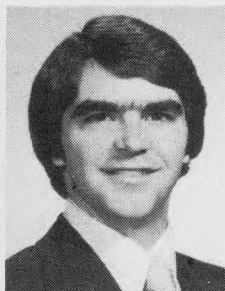
James J. Jares, v.p., and **Allan Larson**, pres., both with Farmers State, Winner, and **Larry Hansen**, v.p., U. S. Natl., Omaha.

Northwestern of Sioux Falls Announces 4 Promotions

C. P. (Buck) Moore, president of Northwestern National Bank of Sioux Falls, has announced the following four staff promotions: Charles J. Janssen to vice president and director of personnel, Robert C. Oliver to personal loan officer, Mark Wahlstrom to mortgage loan officer, and Rita Schulte, Huron Branch, from personal loan officer to auto



C. R. JANSSEN



R. C. OLIVER



M. WAHLSTROM



R. SCHULTE

bank manager and personal loan officer.

Mr. Janssen, a graduate of Augustana College, was in the bank's management training program from 1967-72 as an assistant auditor and personnel officer. He

transferred to the Banco corporate office in 1972 until moving to the Northwestern National Bank, Sioux City, Ia., in 1975 and to Sioux Falls in 1977 as personnel director.

National Bank of S.D. Elects Schmidt Controller

The board of the National Bank of South Dakota, Sioux Falls, has announced the election of Bradley J. Schmidt as controller. Mr. Schmidt, a graduate of Hamline University in St. Paul, Minn., began his banking career with First Bank System, Inc., in Minneapolis as a financial analyst. Most recently he served as a financial analysis officer in the financial division of First Bank System.

First Mitchell Bank Names Instalment Loan Officer

Elaine Groeneweg has been named instalment loan officer of First Mitchell National Bank. She has been with the bank for eight years as teller, bookkeeper, and secretary for the commercial loan and instalment loan departments. She also has been with the United Bank of California.



E. GROENEWEG

Trust Company Election

Gary Gunderson has been elected

a trust officer of First Northwestern Trust Company of South Dakota, Rapid City. The company is affiliated with the First National Bank of the Black Hills.

Mr. Gunderson, a native of Aberdeen, moved to Rapid City in 1973 to join Piper, Jaffray and Hopwood. In 1976 he joined the trust department of the First National Bank of the Black Hills, which later became a part of First Northwestern Trust Company of South Dakota.

Joins Watertown Bank

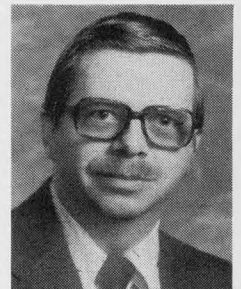
R. H. Walrath, president of the First National Bank of Watertown, has announced the addition of Dale V. Christensen as a trainee in the instalment loan department. Mr. Christensen most recently served as a sales representative for Moriarty Construction in Brookings.

Named at Sioux Falls

Donald W. Fick has been named trust officer of First Northwestern Trust Company of South Dakota, Sioux Falls.

Mr. Fick was with the First National Bank of Luverne prior to joining Northwestern National Bank of Sioux Falls in 1962 as an audit trainee.

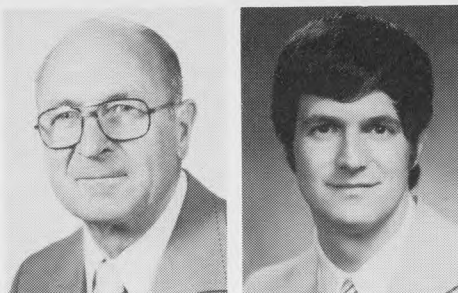
In 1963 he was assigned to the trust department.



D. W. FICK

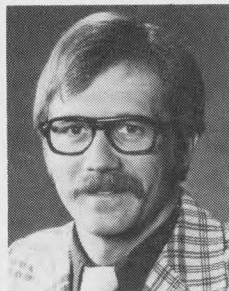
North Dakota News

WAYNE A. STROUP President Garrison
HARRY J. ARGUE Secretary Bismarck



Joins Mandan Bank

Jerry C. Rask has joined the First Northwestern National Bank of Mandan as assistant agricultural representative, according to J. E. Noonan, president.



J. C. RASK

Mr. Rask, 28, is a recent graduate of North Dakota State University, majoring in agricultural economics. He also is a graduate of Bismarck Junior College and North Dakota State School of Science. After a brief training period, he will be working with agricultural and agribusiness loans.

2 Retire at Bismarck

H. L. Thorndal, president of the Bank of North Dakota, Bismarck, has announced the retirement of Freda Rubbelke from the investment and trust department and Thelma Mannel from the student loan department.

Mrs. Rubbelke is retiring after 19 years and 10 months of service to the bank. She worked in the loan department, mineral trust department, and the investment and trust department. Mrs. Rubbelke was named an assistant cashier on December 30, 1975, by the North Dakota Industrial Commission.

Thelma Mannel joined the bank on October 25, 1967, and has retired after 10½ continuing years of service. Mrs. Mannel began working in the operations department and transferred to the repayment section of the student loan department in 1970.

Joins First National, Oakes

Greg C. Weber has joined the First National Bank of Oakes as an

assistant vice president in the loan department.

A native of Cleveland, Mr. Weber joined the First Bank of North Dakota, Jamestown, four years ago, and has worked in instalment and ag lending. He has attended an ag credit school sponsored by First Bank System, Minneapolis.

CONVENTION REPORT

The North Dakota Bankers Association annual convention was in progress in Minot as this issue was being printed. An on-the-spot report with pictures from Editor Ben Haller, Jr., will appear in the next issue.

Banks To Cosponsor Football Telecasts

The American Bankers Association (ABA) announced recently that it will again cosponsor football telecasts — including the NFL Championships and the Super Bowl — on CBS and NBC this fall.

Sandra J. McLaughlin, chairman of the Association's communications council, said the ABA commercials will be aired during telecasts of 22 of the 31 pro football games scheduled for 1978. The line-up covers the prime games for the season, with peak audiences expected.

The commercial spots will highlight full service banks, and the ways they benefit communities and affect individuals' lives. Extensive tie-in material will be available for individual local banks from Full Service Bank Productions, Inc. (a division of Christmas Club Corporation).

Ms. McLaughlin, who is vice president of Mellon Bank, N.A., Pittsburgh, also announced the ABA's prime-time summer advertis-

ing schedule. The banking industry's sponsorship will include: the NBC evening news during the week of July 10, the Saturday Movie on July 15, Black Sheep on July 19 and 26, UFO on July 23, the Rockford Files on July 28, and the Tuesday Big Event on August 8. All of the summer programs will appear on NBC network affiliates.

Saul Elected Instalment Lending Division Chairman

J. Donald Saul, vice president at the First National Bank of Cincinnati, has been elected chairman of the instalment lending division of the American Bankers Association (ABA). He will begin his one-year term in October, 1978.

Salomon Brothers Sees Higher Bank Earnings

The earnings of commercial banks this year are expected to post gains which will eclipse any previous year in recent memory, according to a major study by Salomon Brothers' bank stock department in New York.

Entitled "A Profile of Commercial Banking in the United States," the report covering 30 major banking companies was written by Warren R. Marcus, general partner; Thomas H. Hanley, vice president, and Jeffrey L. Cohn, bank stock analyst.

They are projecting a composite earnings increase for these 30 banking companies ranging from 14% to 16% for 1978. This would compare with an actual gain of 11.7% in 1977.

The authors' expectation of an exceptional year in bank earnings is strongly supported by very good first quarter 1978 results. For the 30 company group, they note, first quarter earnings "totaled \$788 million, up 23.1% from the \$640 million in the comparable 1978 period." However, they do not anticipate that the 1978 first quarter rate of gain will be maintained over the full year since generation of earnings was progressively stronger with each quarter last year.

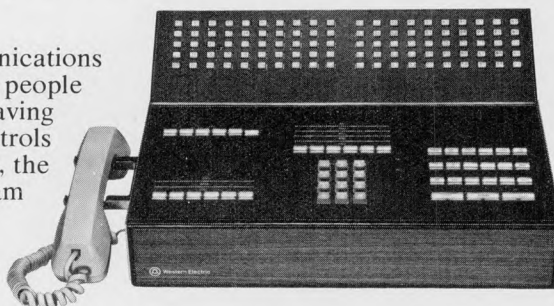
This year's anticipated record expansion in earning power, the report states, will be fueled mainly by substantial growth in loan assets, together with stable to slightly higher net interest margins.

Five new ways to talk business.

Talk about progress: Northwestern Bell has made significant improvements in business communications equipment over the past few years. By talking to people like you. Finding out

how we could make the telephone into an even more powerful business tool. And then doing it. Some of the results are shown here. Look them over. Then let's talk.

The Dimension® PBX. This is the ultimate in business communications equipment. Designed specifically with the needs of business people in mind, Dimension includes a host of time-saving, money-saving features—including a programmable memory bank that controls the system. Highly flexible and adaptable to changing needs, the stored program can be updated simply by changing a program tape. Plug-in modules can be added as needed.



Com Key Service. The business "push button" telephone system that does just about everything but take coffee breaks (like provide your customers with music on hold; lets you set up your own instant conference calls). A family of small and medium sized communications systems designed to meet the needs of many different businesses.



The AutoMatic TelePhone®. It answers your calls when you can't with your own personal recorded message. Then records up to 20 minutes worth of your callers' messages. Easily incorporated with either TouchTone® or rotary phones so you can be in two places at once!



The Dataspeed® 40 Data Terminal. It talks to computers and other data terminals. Easy preparation and editing of text. Information is displayed on a CRT where it can be easily changed, using simple controls. Modular design lets you select the capabilities you need and add others later.



The Touch-a-matic® Telephone. Simple programming allows this remarkable phone to "remember" up to 31 local and long distance phone numbers. Calling any of those numbers is as easy as pushing a button. Business people

who frequently call regular customers and suppliers will find the Touch-a-matic phone to be a welcome and hard-working business partner.

Let's talk now.

Call Northwestern Bell now and ask your Account Executive for more information about improving your business communications system. Or mail the coupon.

Tell me more about the following:

- AutoMatic TelePhone Com Key Service **NB 678**
 The Dataspeed 40 Data Terminal The Touch-a-matic Telephone
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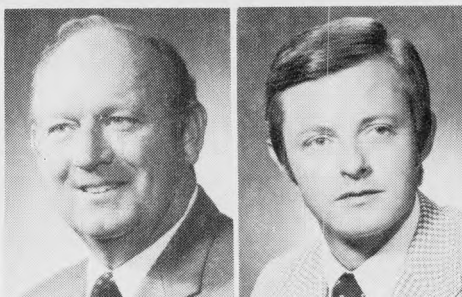
Mail to: Northwestern Bell, 100 South 19th Street, Suite 702,
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Northwestern Bell

Colorado News

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



Denver President Named

Bruce W. Hulbert was elected president and chief executive officer of the American National Bank of Denver recently. He succeeds Robert J. Frank, who was fired for allegedly not reporting loans he had taken out at other banks.



B. W. HULBERT

Mr. Hulbert was senior vice president at United California Bank in Los Angeles and administrator of the largest of the bank's six operating regions in California. He has been in banking for 16 years.

Both United California and American National are subsidiaries of Western Bancorporation.

Central Bank of Denver Markets Executive Account

A service for executives that features an unsecured personal line of credit of up to \$25,000 is being introduced by Central Bank of Denver after an 18-month marketing trial.

Executive Chextra is offered to executives and professionals who have a minimum annual salary of \$30,000, a record of good credit and substantial net worth, according to Donald D. Hoffman, president.

The product offers substantial interest savings — the interest rate is only 2% above the bank's prime rate — and it is convenient, Mr. Hoffman explained. Bank clients participating in the program can activate their line of credit, which ranges from \$5,000 to a maximum of \$25,000, simply by filling out a form similar to a check.

Central Bank opened its first Executive Chextra account in the fall of 1976 and marketed the service primarily through direct mail and

personal contact with existing and potential customers.

The borrower doesn't need to specify the purpose for the funds or even come to the bank to make the transaction, according to Linda Finch, Executive Chextra manager.

The funds requested are deposited to the customer's VISA, Chextra account, the guaranteed checking account, which carries an additional line of credit for overdraft protection. Mr. Hoffman said the bank doesn't plan to begin advertising the service until later this year.

Account holders, whose minimum draw against the account is \$1,000, have a wide range of options for repayment, including monthly or quarterly charges against their checking accounts.

CONVENTION REPORT

The Colorado Bankers Association annual convention was underway in Colorado Springs as this issue was being mailed. An on-the-spot report with pictures from Editor Ben Haller, Jr., will appear in the next issue.

Cherry Creek National Announces Appointments

The Cherry Creek National Bank, Denver, has announced the following appointments: Thomas J. Flanagan, vice president, corporate bank lending; James R. Moss, vice president, commercial loans; Bruce M. Basham, commercial loan officer, and Beverly Ann Crow, marketing officer.

Mr. Flanagan comes to the bank from Oakland, where he was a vice president for Union Bank. Mr. Moss previously was with the First National Bank of Southglenn while Mr. Basham came from the Twin

City Bank of North Little Rock, Ark., and Ms. Crow from United Banks of Colorado.

United Bank Names 3 To Vice Presidents

United Bank of Denver has announced the appointments of Neil E. Allen, Alan D. Linton and Faris D. Weber to vice presidents.

Mr. Allen a member of the agribusiness market, joined the bank in October of 1973 as an agribusiness representative. He was named commercial banking officer in 1974 and assistant vice president in 1976. Mr. Linton, manager of the enterprise market, joined the bank in 1972. Mr. Weber manages the Master Charge department. He joined UBD in 1969 as a loan adjuster, was named personal banking officer in 1973 and assistant vice president in 1976.

Other new appointments include W. Nicholas V. Mathers and Lawrence J. Ricketts to assistant vice presidents; Karen U. Ellis, operations officer; Frances W. Allen, personal banking officer, and Ann C. Thacker, trust operations officer.

First of Denver Installs ATM at Sears Store

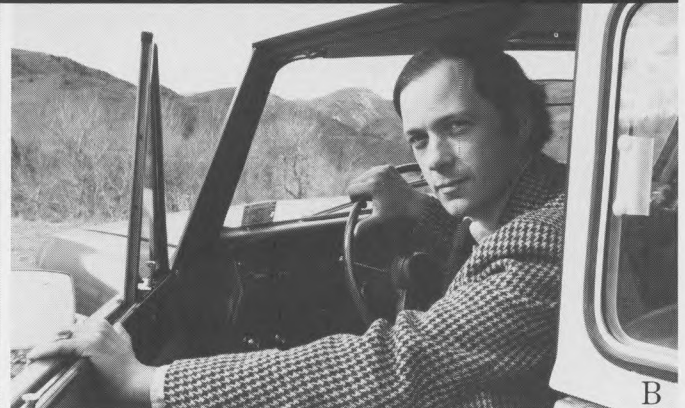
The First National Bank of Denver has announced plans to install an automated teller machine (ATM) on space leased from Sears, Roebuck and Co. at its Sears/Cherry Creek location. The installation is scheduled for mid-summer operation.

The planned ATM location is still subject to approval by regulatory authorities.

Phillip J. Hogue, bank executive vice president, in making the announcement, stressed that the ATM will not be owned or operated by Sears. Rather, he said, it will be the first TransAction bank located off bank premises. Such off-premise ATMs are now permitted by The Colorado Bank Electronic Funds Act.

The new site will allow customers of First of Denver, as well as five other First National Bancorporation affiliates and six correspondent banks, to utilize automated banking at Cherry Creek. Another location, at First of Denver Civic Center, was opened recently.

We make big ideas happen.



With specialists who know your territory.

When you bring your correspondent needs to Colorado National Bank, you'll be working with people who understand the problems and recognize the opportunities in your territory.

Our specialists have the authority to make decisions fast — and provide the innovative service that you have to have in money markets that change every day.

Whether you need an overline, a loan to start a new bank or acquire one, trust service, cash letter analysis or daily cash management assistance — give our specialists a call.

- A. Tobie Safer, Administrative Assistant.
- B. Bill MacMillan, Assistant Vice President, Eastern Colorado.
- C. Dave Fowler (l.), Correspondent Officer,

Wyoming and other financial institutions; Jon Clark, Correspondent Officer, New Mexico and Western Colorado.

D. Lance Johnson, Vice President and Manager.

You'll find our correspondent team backed by top management commitment — to channel the full resources of Colorado National Bank — to make your ideas come to life.

Give us a call at (303) 893-1862.

We make big ideas happen in correspondent banking.

Member FDIC





HASKELL H. Croy, a.v.p., retail lending, Central Bank of Denver, spoke on adjustments.

70 Attend Denver Bank's Correspondent Seminar

Bankers from throughout Colorado participated in the recent Central Bank of Denver seminar, "How to Get the Most for Your Money from Your Correspondent Bank," at the Brown Palace Hotel in Denver.

Donald H. Echtermeyer, senior vice president, correspondent banking division, said the half-day seminar offered "something new for every participant." Seventy bankers from Central's correspondent banks met with Central Bank officers to discuss recent developments in such areas as commercial support lending, individual retirement accounts, municipal leasing, automated teller machine sharing and new products and services available to correspondent banks.

The seminar also included discussion of regulation compliance, availability schedules, teller training and equal employment opportunity and affirmative action programs.

To Head Fort Collins Bank

Wes G. Johnsen recently was named president and a director of the United Bank of Fort Collins. He replaces Bob Dunn, who resigned as president but will remain as chairman.

Mr. Johnsen most recently was president and chief executive officer of the United Bank of Littleton. He joined the bank 20 years ago as a

cashier and one of the original directors.

Sign Revolving Credit Agreement for Housing

A \$20 million revolving credit agreement has been reached which will finance the construction and renovation of rental developments for low-and moderate-income elderly people and families in Colorado.

The agreement was signed May 3 by Colorado Housing Finance Authority Executive Director David W. Herlinger and is between CHFA and a consortium of banks formed by The First National Bank of Denver.

The agreement extends an original credit agreement reached in 1976 which thus far has resulted in providing approximately 1800 apartment-type units.

Other members of the lending consortium are Colorado National Bank, Chemical Bank (New York), Continental Illinois Bank (Chicago) and American Security Bank (Washington, D.C.).

John Evans, Sr.

One of Colorado's most distinguished citizens, John Evans, Sr., died recently at his home in Denver following a brief illness. He was 93.

Mr. Evans, the grandson of Colorado's second territorial governor, was graduated as an electrical engineer from the Massachusetts Institute of Technology in 1907. In 1916, Mr. Evans was named president of the International Trust Co., serving in this capacity until 1932.

In 1928, he also was named president of The First National Bank of Denver. He held the office for the next 31 years, until 1959, when he retired and became honorary board chairman, a post he held until his death.

United Bank of Denver Announces Appointments

United Bank of Denver has announced the appointments of Katherine Jeter to personal trust officer and Barbara Kay Case and Leonard M. Jenkens to personal banking officers.

Ms. Jeter joined UBD in October, 1977, as a trust account manager.

She is a graduate of the University of Michigan with a BA degree in economics and received a MS degree in judicial administration from the University of Denver Law School.

Ms. Case, who attended Louisiana State University, joined United Bank of Denver in 1973. She has held the positions of business information supervisor, personal banker, and junior executive banker.

Mr. Jenkins received his AA degree in finance from Arapahoe Community College. He joined UBD in 1969 as a loan adjuster in master charge. He also has served as a senior credit adjuster, credit approval supervisor and personal banker.

Name Changes

The following banks have changed their names: Castle Rock National Bank, to Firstbank of Castle Road, N.A., Castle Rock; First Westland National Bank, Lakewood, to Firstbank of Westland, N.A.; Westland National Bank, Longmont, to First bank of North Longmont, N.A., and Wheat Ridge National Bank, to Firstbank of Wheat Ridge, N.A.

AIG Earnings Up 26%

American International Group, Inc., New York, reported that consolidated income from operations after income taxes reached a record \$36,800,000 or \$1.16 per share, an increase of 26.1% from the \$0.92 or \$29,000,000 achieved last year. These figures exclude net realized capital gains of \$300,000 or \$0.01 per share in each period. At March 31 consolidated assets and capital funds approximated \$3.2 billion and \$636 million respectively.

General insurance net premiums written surged 23.1% in the quarter to \$343,800,000. The combined underwriting ratio was 92.58, compared to 91.72 recorded in 1977. Net investment income was \$25,200,000, up 35.8%, reflecting extraordinarily strong domestic cash flow and investment income from the \$60,000,000 borrowed in the first quarter of 1977.

The company's life insurance operations were ahead of objectives with premium income up 26.7% to \$40,900,000 and operating income of \$4,000,000, an increase of 26.4%.



In to lunch.

No one likes to miss lunch.
And that includes our correspondent bankers.

Only thing is, they try to work it so their lunch hour isn't the same as your lunch hour.
Or they may eat in.

So that when you call for assistance, you'll always find someone here to help you.

Whether you want to talk about a loan to help buy a bank or start a new one.

Or would like us to participate with you in a good sized loan to one of your good sized customers.

Whether you need assistance with managing your liquidity through Treasury bills or Federal fund transactions.

Or have need for one or more of the specialized services we offer. Like data processing. Or our new VISA® card programs.

Whatever your need, we invite you to call us at 893-3456 in Denver.

Any time.
Even during lunch.

You'll find we've added a whole new dimension to bankers' hours. Because we're hungry for your business.

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Equal Housing Lender Member FDIC
FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

Montana News

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



Fossil Butte Bank Names Executive Vice President

William J. Kvenild of Riverton has been named executive vice president and chief operating officer of the Fossil Butte National Bank, Kemmerer. He replaces Robert Callis who resigned several months ago to return to the midwest.

Mr. Kvenild has been with the Bank of Laramie and the American National Bank of Riverton since graduation from the University of Wyoming in 1971. He is a native of Big Piney.

Joins Worland Bank

James R. Hinkle has joined the Stockgrowers State Bank in Worland as a vice president.

Mr. Hinkle was graduated from the University of Wyoming in 1967 with a degree in agricultural business and spent two years doing graduate work in ag economics. In 1969 he joined the Metropolitan Life Insurance Co. as a field representative in farm mortgages in southwest Kansas. In 1974 he joined the Fidelity State Bank in Garden City, Kan., as a farm representative.

Wilbur R. Holt

Funeral services were held recently for Wilbur R. Holt, 95, Buffalo banker.

Mr. Holt joined the First National Bank as a janitor in 1903 and rose to the office of bank president, chairman and at the time of his death, was honorary chairman of the board.

Joins Hamilton Bank

Weston Rhodes has joined the Citizens State Bank, Hamilton, as assistant cashier, real estate and agricultural loan officer.

Mr. Rhodes, a business adminis-

tration graduate of the University of Montana, ranched for 15 years at Stevensville. He also operated a registered Hereford Ranch there in partnership with his father-in-law. For the past six and a half years, Mr. Rhodes has been a bank examiner with the state.

Red Lodge Bank Names Executive Vice President

Richard Powell has joined the Montana Bank of Red Lodge, N.A., as executive vice president. He comes from Glendive, where he was vice president and agricultural representative with the First National Bank since 1966.

Mr. Powell was born and raised on a livestock ranch near Whitehall. He was graduated from Montana State University in 1959 with a degree in agriculture.

Billings Bank Appoints Assistant Vice President

Richard A. Kjoss, president and chief executive officer of Security Bank, N.A., Billings, has announced the recent appointment of John P. Thomas as assistant vice president and director of marketing.

Prior to joining the bank, Mr. Thomas served as marketing director at the Exchange National Bank of Colorado Springs, Colo., and also as marketing officer with the First National Bank of Denver. He earned his marketing degree from the University of Denver.

Butte Bank Promotions

First Metals Bank & Trust Company, Butte, has announced the following three officer promotions: Jack R. Shipley, assistant vice president and assistant manager of the timepay department, to manager of the personal banking department; James W. Dougan, instalment loan

officer, to assistant manager, timepay department, and Shirley Prue, to instalment loan officer, timepay department.

Mr. Shipley has been with the bank for over 10 years in all capacities in the timepay department. He is a graduate of Montana State University. Mr. Dougan also is a Montana State University graduate. Mrs. Prue joined the bank's timepay department in 1960.

First of Livingston Names Vice President

Malcolm Adams, president of the First National Park Bank, Livingston, has announced the appointment of Keith Armstrong to vice president.

Mr. Armstrong began his career with First Bank System in 1971, as a trainee at the Midland National Bank in Billings. In 1972 he was transferred to the First National Bank, Lewistown, and was promoted to instalment loan officer. In 1973 he was transferred to the First Bank of Langdon, N.D., and was promoted to assistant vice president. He joined the Livingston bank in 1976 as assistant vice president and manager of the real estate department.

Miles City Bank Hosts Teacher-Banker Seminar

First National Bank in Miles City made arrangements and served as host for a Teacher-Banker Seminar held at Miles Community College recently. The seminar, conducted by the Federal Reserve Bank of Minneapolis, provided an opportunity for bankers and teachers to meet in a workshop affair and to play "The Bankers Game."

Tom Kleinschmit from the Fed and Richard McConnen headed the program. Mr. McConnen is head of the economics department at Montana State University and is economic advisor to the Federal Reserve Bank of Helena.

Teachers and bankers were invited from throughout southeastern Montana. Twenty-five participated.

In the morning an economics values game was played and used as a mixer for the group. Then participants met in smaller groups where they played "The Bankers Game."

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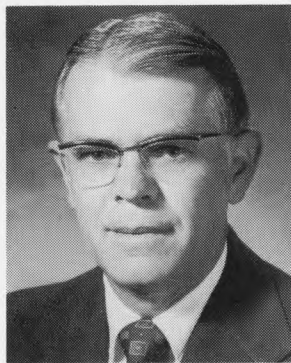
Since then, Security Pacific Bank and California have come a long way. Today we're the second largest branch banking system in the United States. The quality and range of our services are such that 90 of the top 100 corporations in the United States are doing business with Security Pacific Bank. We have offices or affiliates in the major financial centers of the world. Our computerized business services are second to none. And should you need a bank to handle the lion's share of your loan syndication, we can do that too.

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Security Pacific Bank.



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O. GEESEY
President

Wyoming Bankers Association

70th Annual Convention

**Jackson Lake Lodge
June 14-16**



M. C. MUNDELL
Exec. Secy.

THE seventieth Wyoming Bankers Association Convention will be held June 14-16 at the Jackson Lake Lodge, according to President Orin G. Geesey, president, First Wyoming Bank, N.A.-Kemmerer. Registration will be held in the lobby as follows: Tuesday, 3-5 p.m.; Wednesday, 1:30-5 p.m., and Thursday, 8-9:30 a.m.

Speakers will include Ed Herschler, governor of Wyoming; John Heimann, U.S. Comptroller of the Currency; Jordan J. Crouch, former bank president and now executive vice president of the Nevada Bankers Association, and Stanley K. Hathaway, former governor of Wyoming.

Serving with Mr. Geesey this year as officers of the WBA are: first vice president, E. J. Haines, president, First National Bank of Laramie; second vice president, George W. McIlvaine, president, Saratoga State Bank, and executive director M. Clare Mundell, Laramie.

The program follows:

Wednesday, June 14

A.M.

- 8-4 Annual fishing derby for men and women.
Chairman: Dean K. Bark, Jackson State Bank.
- 9-3 Men's annual golf tournament.
Co-chairmen: Lloyd Fordyce, First National Bank of Casper, and John Edmiston, Security National Bank, Denver.
- 9 Second annual tennis games for men and women (probably a tournament).
Co-chairmen: Richard Nelson, First National Bank of Powell; Rick Fleming, First National Bank, Denver, Colo., and Bill Gifford, First Wyoming Bank, Casper.

P.M.

- 5:45 Social hour on the Terrace.
- 7:15 Indoor picnic in the Explorer's Room. Serving will begin at 7, bar will close at 7:15. Entertainment followed by dancing music by "Brass Beat for the 70s" from Denver, Colo.

Thursday, June 15

A.M.

- 9 Ladies' annual golf tournament.
- 9:30 First general session.
Call to order: Orin G. Geesey, WBA president and president, First Wyoming Bank, N.A., Kemmerer.
Pledge of Allegiance.
Invocation: Father Charles Bartek, pastor, Our Lady of the Mountain Church, Jackson.



E. J. HAINES
1st Vice Pres.



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United Bank of Denver
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National Association, Member FDIC



B. C. WEBER
Speaker

Address: Honorable Ed Herschler, governor of Wyoming, Cheyenne.
President's report: Mr. Geesey.

Address: Honorable John Heimann, U.S. Comptroller of the
Currency, Washington, D.C.

SBA Award: Jerry S. King, district director, Small Business
Administration.

Report of the nominating committee: Kenneth C. Naramore, commit-
tee chairman and president, Stockmens Bank and Trust Co. of
Gillette.

Election and introduction of state association officers.

Report of the governing council of the American Bankers Association:
B. R. Weber, council member and president, First National Bank
and Trust Company of Wyoming, Cheyenne.

Report of the government relations council of the ABA: R. S. Allen,
council member and president, Shoshone-First National Bank,
Cody.

Report on the Washington, D.C., legislative visit: H. K. (Bert)
Harris, president, First National Bank of Greybull.

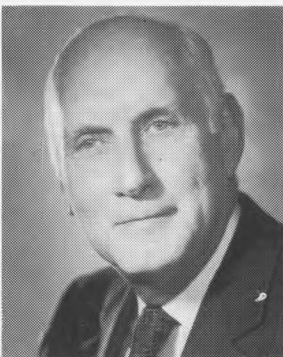
P.M.

12 Announcements and adjournment for luncheon for men and women.

1:30 Free time to shop, fish, golf or play tennis.

5:45 Social hour on the Terrace. Seating for the banquet will begin at 7
p.m., bar closes at 7:15.

7:15 Banquet in the Explorer's Room. Golfing, fishing and tennis prizes
will be awarded. Entertainment and dance music by "Brass-Beat
for the 70s."



J. J. CROUCH
Speaker

Friday, June 16

A.M.

8 Past Presidents Breakfast in Conference Room 2 or 3.

9:30 Second general session in the Explorer's Room.

Call to order: E. J. (Woody) Haines, WBA first vice president, and
president, First National Bank of Laramie.

Address: Jordan J. Crouch, executive vice president, Nevada Bankers
Association, Reno.

Address: Stanley K. Hathaway, lawyer and former governor of
Wyoming, Cheyenne.

Special report on Wyoming bonds: Honorable Edwin J. Witzzen-
burger, state treasurer of Wyoming, Cheyenne.

Business meeting, committee reports.

Resolutions committee: Henry A. Hitch, president, First National
Bank of Casper.

Legislative committee: Robert W. Miracle, president, Wyoming
National Bank of Casper.

Agriculture committee: Dick Van Pelt, senior vice president, Bank of
Laramie.

Audit committee: Beverly Sheen, vice president and cashier, Bank of
Laramie.

Education committee: William A. Gifford, executive vice president,
First Wyoming Bank of Casper.

Installment loan committee: John Martin, assistant vice president,
First Wyoming Bank, N.A.-Rawlins.

Trust committee: Robert J. Wyatt, vice president and trust officer,
Bank of Commerce, Sheridan.

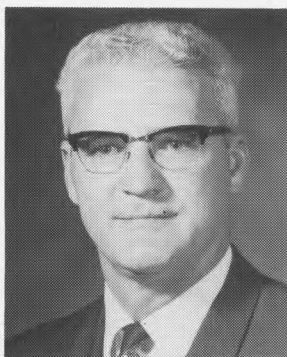
Advisory committee to the State Treasurer: Clifford E. Kirk, senior
vice president, and cashier, First National Bank of Casper.

Credit conference committee: Paul A. Christensen, senior vice presi-
dent, Wyoming National Bank of Casper.

State council for economic education: N. P. Van Maren, Jr.,
president, Hilltop National Bank, Casper.

Adjournment.

12:30 Luncheon: officers of WBA, members of executive council, committee
chairmen. Hosted by newly-elected president of WBA, E. J.
Haines.



R. S. ALLEN
Speaker

The image of a correspondent banker.

Image, the way we present ourselves to the world, is important. Others know us by the character we project. How often have you heard it said: *He is the image of health*; or, *He is the picture of professionalism*. The important things, the things that give the image value, however, are behind the picture.

Behind *the image of a correspondent banker* should be qualities such as experience, expertise and efficiency. If those are the qualities you demand in a correspondent banker, we'd like the chance to show you what it means when a correspondent banker's output matches his image.



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John A. Edmiston



Steve Sheridan

You Will See Them at the Annual Wyoming Bankers Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the 1977 Wyoming Bankers Association Convention in Moran, June 14-16.

Billings

Security Bank: Richard Kjoss, president, and Eugene E. Coombs, vice president.

Chicago

Continental Bank: Pat Conway, commercial banking associate.

First National Bank: Bud Cross, assistant vice president.

Denver

American National Bank: Roger Reiling, vice president, and Larry Pisacka, assistant vice president.

Central Bank & Trust Company: Don Echtermeyer, senior vice president, and Bill Tumelty, assistant vice president.

Colorado National Bank: L. Lance Johnson and William J. Fleming,

vice presidents, and David W. Fowler, correspondent bank officer.

Security National Bank: John A. Edmiston, senior vice president.

Lincoln

First National Lincoln: William C. Smith, president, and Charles R. Leffler and Gary Bieck, vice presidents.

New York

Bankers Trust Company: T. F. "Peter" Bundy, vice president, and Penny Huff Jones, assistant treasurer.

Chemical Bank: Malvern Hill, Jr., vice president, and C. Randal Adam, assistant secretary.

Manufacturers Hanover Trust: E. Danson Perin, vice president, and Robert M. Surdam, Jr., representative.

Omaha

First National Bank: Bill Henry and Don Ostrand, vice presidents.

Omaha National Bank: F. Donald Lewis, Lawrence Comine, Jr. and Jack Babcock, vice presidents, and

John D. Clements, second vice president.

United States National Bank: Robert A. Krane, president; Jay F. Bordewick, vice president-manager, correspondent bank department, and Howard W. Nielsen, vice president-correspondent bank department.

Bank Equipment and Other Firms

Bank Building Corporation, St. Louis: Jim Petersen, consultant services manager.

Chiles, Heider, & Co., Omaha: Fred Douglas.

Lawrence Systems, Inc., Chicago: Robert Junk, vice president and regional manager, Denver.

Mosler Safe Company, Hamilton, Ohio: Jerry Stites, regional sales manager, and John Tharp, sales representative.

United States Check Book Company, Omaha: Richard A. Dick, vice president, and Loren Anderson, sales representative.

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Bank of Laramie Plans Convenience Center

The Bank of Laramie has announced plans for a Convenience Banking Center in conjunction with the present banking facilities, according to J. A. Guthrie, Jr., president.

The center will be located at the corner of Third and Garfield. All teller services found in the main bank will be available in the Convenience Center. Six tellers will be on duty at seven drive-up windows, one of which is for commercial customers. The center will be attached to the main bank building through a pneumatic tube system.

First National of Worland Elects Gee to Board

J. Owen Evert, chairman of the First National Bank in Worland, has announced the election of Tom W. Gee to the bank's board of directors. Mr. Gee has been owner-operator of the Washakie Hotel and Grill for a number of years, and he and his wife, Christiana, own the Sun Valley Motel in Worland.

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and information, transit
items, excess loans and
all correspondent
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**First National Bank
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Wyoming Trust Purchased

The Omaha National Corporation has purchased a 50% interest in the Wyoming Trust and Management Company of Gillette, John D. Woods, chairman, announced.

The Omaha National Corporation is holding company for The Omaha National Bank and other financial subsidiaries.

Thomas N. Moore, executive vice president in charge of the bank's estate and trust division, will serve as board chairman and president of Wyoming Trust and Management. The 50% interest was purchased from local investors in the Gillette area. The purchase price was not disclosed.

Initially Wyoming Trust will maintain a single office in Gillette, Mr. Moore said. All record-keeping and the safekeeping of assets will be handled in Omaha.

The purchase of the 50% interest has been approved by the Federal Reserve Board of Governors and by the state.

Named at Cheyenne

John C. Macleod has been elected executive vice president and chief operations officer at the American National Bank in Cheyenne. A native of Casper, Mr. Macleod is a veteran of 30 years of banking experience, beginning in Casper. He most recently was president of Guaranty Bank and Trust in Denver, Colo.

Master Charge Midwest Volume Tops \$200 Million

The dollar volume of Master Charge transactions in the midwest trade area increased 13% during the first quarter of 1978, compared with the first three months of 1977.

A record \$203,526,000 in retail purchases and bank cash advances was generated by Master Charge cardholders, according to Credit Systems Incorporated. CSI is the operating center for Master Charge in the five-state area of Missouri, Kansas, Iowa, Illinois, and western Kentucky.


It was the first time in the area's history that first quarter business on the Master Charge card exceeded \$200-million.

The total number of area Master Charge transactions also increased 13%, to 7,758,000 from 6,891,000 last year.

10th Fed Bank Offers Guidelines to Services

A new series of publications for Tenth District banks has been introduced by the Federal Reserve Bank of Kansas City. The series, called Guidelines, provides complete plain-language explanations for transactions between the Reserve Bank and District banks. The new series also is accompanied by a functional directory listing the names and phone number of Kansas City Fed officers and staff members.

The publications are free to Tenth



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District member and non-member banks by contacting the Bank Relations and Public Information Department, Federal Reserve Bank, Kansas City, Mo. (64198).

Minneapolis Economist Sees Benefit in Western Coal

The Upper Midwest may be in for an energy crunch because of a regional petroleum shortage occurring in the next several years, according to Dr. Sung Won Son, senior vice president and chief economist of Northwestern National Bank of Minneapolis. But in the long run the area's consumption patterns, the completion of the oil pipelines and development of substantial coal resources point to an energy future somewhat brighter than the nation's as a whole, he said.

In discussing western coal, Dr. Son said, "The benefits of coal development to the Upper Midwest are substantial. Landowners receive typically a \$1,500/acre royalty for strip-mining rights and a \$300/acre surface damage fee--a considerable profit on land that sold for \$50/acre before development began.

"Tax revenues of state and local governments would jump significantly. According to a recent USDA study, taxes paid by large-scale mines in Montana would generate \$55,000 in additional tax revenue annually per new mine employe based on 1976 tax laws. The same mine in North Dakota or Wyoming would produce about \$18,000 per new mine employe.

"The coal transportation required will be a big plus for the regional railroad industry. The U. S. Department of Transportation has recommended railroads for coal transportatrion over alternate modes of transportation such as slurry pipelines. However, the agency estimates that an investment of over \$10 billion will be required by the U. S. railroad industry in order to meet the demand, and this will provide an additional boost to the economy.

"In a conservative scenario, North Dakota coal production would increase enough to meet increasing regional demand. Based on this assumption one projection estimates that in the western part of North Dakota, gross business volume would increase 20 percent and population would increase 10 percent by the year 2000. The benefits in

Montana would probably be even greater. Further increasing production in order to aid national energy independence, which is likely, would increase these benefits even more.

"The potential of western coal is so great that one study estimates that Wyoming could become the leading coal-producing state in the nation. Montana could be second, competing with Kentucky and West Virginia, the two major producing states at present. North Dakota would be a little further down the list, competing with Illinois, Ohio and Pennsylvania, the other leading coal-producing states. Although the benefits of coal development are substantial, the costs involved are also significant. There are the 'private' mining costs, of course: wages, equipment, land, etc. But there are also many 'public' costs which may or may not be incorporated into the market price of coal. For example, the strip-mining

could affect air and water quality miles from the mine site. The market price of coal would have to be high enough to pay for pollution prevention or compensate those who are hurt.

"While state and local tax revenues would jump, the demand for public services such as education, water and sewer facilities, and police and fire protection could grow at a much faster rate, straining local finances despite increased revenues. A boom own environment could develop as the demand for housing and other necessities grows at an extremely rapid pace.

"Despite the substantial private and public costs associated with coal development in the Upper Midwest, the benefits should outweigh the costs...The Upper Midwest is in a good position to take advantage of this development, but must do so on a realistic basis."

\$200,000,000

Wyoming National Bank is proud to be the first bank in Wyoming to reach \$200,000,000 in deposits!

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Wyoming National Bank

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relationships more valuable; to maintain your bank's identity as a leader in your market; and to compete more effectively, call a U.S. National Correspondent Banker today at 402/536-2072.

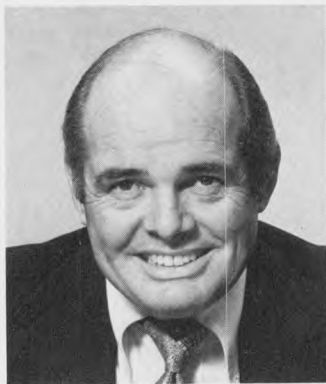
Jay Bordewick



Lee Bachand



Howard Nielsen



John Lewis



Larry Hansen

**US NATIONAL
BANK** of Omaha

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OFFICERS of the Nebraska Bankers Association for 1978-79 are, from left: **Robert E. Harris**, exec. v.p. of the NBA, Lincoln; **Harold E. Larmon**, immed. past pres. and pres. of 1st Natl., McCook; **Karl E. Dickinson**, new pres. of NBA and pres., Gateway B&T, Lincoln, and **James W. McBride**, pres.-elect of NBA and pres., 1st Natl., Aurora.

New NBA President Karl E. Dickinson Challenges All Bankers to Involvement

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

“**I**NVOLVEMENT” was a key word that surfaced in many of the speeches delivered at the 81st annual convention of the Nebraska Bankers Association last month at the Omaha Hilton in Omaha. Newly-elected NBA President Karl E. Dickinson, president of Gateway Bank and Trust Co., Lincoln, heavily stressed the need for individual banker involvement in community leadership, in support of industry activities, and in legislative matters.

Mr. Dickinson was advanced to

the presidency to succeed Harold E. Larmon, president, First National Bank, McCook. Mr. Larmon continues on the NBA governing council as immediate past president and also was elected to a two-year term on the ABA governing council.

The nominating committee's slate for president-elect and for two and three year terms on the executive council (presented in the May issue) was adopted unanimously. As the new president-elect, James W. McBride is in line to follow Mr. Dickinson as president at the 1979 convention. In addition to the list published last month, Harold Stuckey was appointed to the

executive council to complete Mr. McBride's term, which expires in 1979. He is president of the Lexington State Bank & Trust Co., Lexington.

Acceptance Address

In his acceptance address, Mr. Dickinson zeroed in on the determined effort being made by the savings and loan institutions to outnumber and outflank the banking industry statewide in order to drain off every possible deposit dollar from banks into the s&ls. Their inroads are continually being felt, he said, in view of their ability to branch with almost unlimited power (one institution wants 300 branches in Nebraska) and their tenacity in being able to hang onto the savings rate differential through Congressional approval while obtaining expanding powers to become more like banks. To assist Nebraska banks in this competitive struggle, Mr. Dickinson said “here's what we have planned:

“1. An aggressive new series of television commercials which attack the limited services of s&ls compared to commercial banks. (These were shown during the convention.)

“2. We're in the process of developing a model opposition package which member banks may obtain from the NBA office. This will be a 'how to do it' kit if you wish to protest a branch application in your community.

“3. You will shortly receive a new report on s&l deposits by branch offices which tracks growth from 1973 through the most recent reporting period...to get each of you alarmed about this situation and to watch the branch growth in your community.

“4. We've provided a framework through implementation of NETs for



Bill Riley, Nebraska dir. of bkg., Lincoln; **Rep. John Cavanaugh** (D., Neb.); **Bob Harris**, exec. v.p. of the NBA, and **Harold Larmon**, retiring pres. of the NBA and pres., 1st Natl., McCook.



Harold Roe, chmn., Bank of Bennington; **Chuck Leffler**, v.p., First Natl. Lincoln, and **Bob Burkley**, chmn., First Natl., Fairbury.



F. P. Giltner, pres., First Natl., Omaha; **Clarke A. Wenke**, pres., Pender State; **J. W. Henry**, v.p., First Natl., Omaha.



Merv Aegerter, 1st Natl., Omaha; **Lois** and **Bob Conrad**, pres., Sidney Natl., and **Don Ostrand**, v.p., 1st Natl., Omaha.

you to extend your bank geographically and your hours of operation. I encourage you to take advantage of your investment and use it to enhance your competitive position.

"5. We will begin to speak publicly about the problem we face in financing agriculture in this state if the drain of deposits from banks to s&l is allowed to continue."

Mr. Dickinson said the whole job can't be done by the association but requires involvement by each banker. He suggested attacking the rate differential on the basis of it being a poor investment, writing Congressmen and regulators about the impact of the differential and inability to meet loan demand if relief isn't granted soon, speaking candidly to customers about the effect on the community when they shift funds from the bank to a s&l, earning a fair profit on requests to process s&l bill paying drafts, being innovative in working for the community, and being positive about the great job

banks are doing in financing all segments of housing (not only mortgage loans).

President's Address

In his president's report to the convention, Mr. Larmon reviewed briefly the great strides made by NBA during the past year in representing the membership in legislative matters and in providing new services for Nebraska banks. The most notable of the legislative bills were LB 258, the state funds bill, which injected more than \$150 million deposits into Nebraska banks; LB 259, which greatly restricts chartering and branching of industrial loan and investment companies, and LB 385 (defeated), which would have permitted multi-bank holding companies to operate in the state. Other so-called pro-consumer bills that would have added more layers of regulation also were defeated, he said.

Mr. Larmon recounted the great

success with moving NBA executive council meetings out around the state, in lieu of having them only in Omaha and Lincoln. With abandonment of the old type group meetings, these executive council sessions have allowed for more grass roots input.

He referred also to the new kit to aid commercial banks in opposing s&l branch applications, strengthening of the advertising program with the new 30-second TV commercials referred to above, and formulation of two new political action committees—one for federal and one for state elections.

Mr. Larmon also emphasized strongly the part NBA is taking actively in federal lobbying. This is being accomplished in great measure through visits to Washington about every three weeks, he said, by NBA Executive Vice President Robert E. Harris, who has worked closely with ABA personnel, as well as with members of the Nebraska Congressional delegation.



Wes Bowen, sr. v.p., Packers Natl., Omaha, and **Adele** and **Leonard Hassenstab**, exec. v.p., Farmers State, Humphrey.



Gary Stevenson, v.p., 1st Natl., Sioux City, and **Larry Liebers**, chmn., Crofton State.

Pictures taken at Nebraska Bankers convention



Earl Lundin, a.v.p., Manufacturers Hanover Trust Co., New York; **Dick Adkins**, pres., Osmond State; **John Woods**, chmn. & pres., Omaha Natl.; **Hank Kosman**, chmn., Scottsbluff Natl. B&T, Scottsbluff, and **Del Olson**, v.p., Omaha Natl.



Front—**Bob Isham**, chmn., 1st Natl., Gordon; **Dave Johnson**, pres., Commercial Natl., Grand Island, and **Roy Dinsdale**, Palmer, chmn. of 17 Nebraska banks. Back—**Jim Allen**, v.p.; **John Clements**, 2nd v.p., and **Don Lewis**, v.p., all with Omaha Natl.



Jim Nissen, pres., Natl. Bank of Commerce, Lincoln; **John Burt**, reg. adm. of natl. banks, Kansas City and his wife, **Sally**; **Wilbur Baack**, sr. v.p., Natl. Bank of Commerce, Lincoln, and **Bob Anderson**, sr. v.p., 1st Natl., Minneapolis.



Bob Deahn, v.p., Natl. Bk. of Commerce, Lincoln; **Elbert Loewenstein**, pres., Stamford Bank; **Russ Morgan**, pres., 1st Natl., Elwood, and **Duane Nelson**, v.p., NBC, Lincoln.



Val Beavers, chmn. & pres., 1st Natl. of Tekamah and Stanton; **Don Murphy**, chmn. & c.e.o., U. S. Natl., Omaha; **John Peck**, exec. v.p., 1st Natl., Columbus, and **Larry Hansen**, v.p., and **John Lewis**, corr. bk. off., both with U. S. Natl.



Bill Brandt, v.p., 1st Natl., Unadilla, and NBA counsel and lobbyist; **Howard Nielsen**, v.p., U. S. Natl., Omaha; **Roberta** and **Chuck Hilderbrand**, pres., 1st Natl., Ogallala, and **Jay Bordewick**, v.p., U. S. Natl., Omaha.



Mitzi and Jim Fox, pres., 1st Natl., Albion; **Ellen Ann Qualsett**, pres., 1st Natl., Schuyler; **Jan and Dave Schweitz**, corresp. bkr., First Natl. Lincoln.



Bob Hankins, North Side Bank, Omaha; **Bob Friend**, Modern Banking Systems, Omaha, discuss new data processing equipment.

The compliance handbook being prepared by NBA for member banks use in complying with the multitude of new regulations will soon be ready, Mr. Larmon advised.

NETS Report

S. N. Wolbach, chairman and chief executive officer of First National Bank of Grand Island, reported on the recommendation of the NETS board, of which he is president, following that group's meeting on Sunday as the convention was getting underway. He said, "I wish I could stand up here and state that things are just great, but they aren't, and you should all realize that the situation is really a crisis."

Mr. Wolbach referred to the fact that after NETs resolved its problem with threatened antitrust action from the Justice Department, the switch became operable January 17, 1978, but only three of the original five processing banks remained as members of NETS and among those three all the necessary sharing agreements had not yet been signed. He called for unity among Nebraska banks so that solid support of the system can make it a statewide reality and effective tool in dealing with competitive financial firms.

Referring to the Sunday afternoon NETS meeting, Mr. Wolbach said, the result of the discussion was a unanimous action to investigate every questionable EFT operation and file a formal complaint with the Nebraska department of banking and finance against any institution which unlawfully discriminates in a

manner which we think violates the intent of the law.

"Now for the fighting words. I now openly call for our banks to resolve their difficulties so that we as an industry can get on with the business of competing with the savings and loans and making a success of EFT in Nebraska. I ask all



S. N. Wolbach, chmn. & c.e.o. of 1st Natl., Grand Island, delivers his report as pres. of NETS.

of you to do your part in helping: Go to your correspondent, ask for information on how to become involved. Also, ask if your customers will be able to share with all other banks in Nebraska. If not, find out why. EFT is here—let's make it work for us instead of against us. Let's act now!"

ABA Official Speaks

Another call for involvement and action was made by ABA President-Elect **John H. Perkins**, president of Continental Bank, Chicago. He reminded his audience "it is important to recognize that the pace of change does not let up, but even intensifies with each day." This

stresses further, he added, the importance of developing strong relationships with elected representatives in Washington. He commended the NBA highly for the excellent work it has done in this regard, especially through the frequent visits to Washington of Bob Harris.

He referred to the new hands at the helm of many agencies and bureaus in Washington—"the doers and movers"—including Fed Chairman Miller and Comptroller Heilmann. He said the Fed was concerned at that time in early May with developing its policy on EFT, with parity a large question. Further, Chairman Miller, Mr. Perkins stated, is committed to the Fed paying interest on reserves as part of the package to stem erosion of Fed membership and even rebuild it. Mr. Miller has set a tight timetable on such action. He expects to make general comments public by June 30, with comments on the proposal to be received during a six-month period ending December 31, and new regulations published by June 30, 1979.

Mr. Perkins said Chairman Miller also is well aware of the need for fair pricing of Fed services so non-Fed processors can compete on equal terms.

On other matters, Mr. Perkins said it is essential that the Safe Banking Act, as drawn, be set aside to avoid over-reaction by Congress to selected events. On the EFT front, after reading the Greenbrier statement, he reminded his audience, "It is important to remember that in EFT we're caught up in a process, not an event."

Pictures taken at Nebraska Bankers convention



John Dean III, Los Angeles, author and former White House figure and concluding speaker at the NBA convention, with **Robert E. Harris**, NBA exec. v.p.



Orrin A. Wilson, v.p., The Northern Trust Co., Chicago; **Richard E. Adkins, Jr.**, v.p., Security Natl., Laurel, and wife **Joanie**.



Fred Douglas, Chiles, Heider & Co., Inc.; **Rachel and Oscar Clarke**, v.p. & t.o., Natl. Bank of Commerce, Lincoln; **Stephen Beachler**, v.p., investments, First Natl., Grand Island.



A. M. Schmid, s.v.p., Bank of Papillion; **Richard Dick**, U.S. Checkbook; **Diana & Ron Bielenberg**, v.p., Platte Valley State B&T, Kearney.



John Frenking, First Mid America, Omaha; **Jim Gray, Sr.**, chmn. & pres., Coleridge Natl.; **Gary Fenster**, First Mid America, Omaha, and **G. E. Gunderson**, pres., Commercial State, Wausa.



Ed Lewis, v.p., Commerce Bank, Kansas City; **Norm Schmidt**, pres., Ravenna Bank; **Steve Hats**, corr. bk. off., and **Jim Hongslo**, v.p., both with Security Natl., Sioux City.

Other Speakers

Rich Bailey, of Bailey-Lewis Associates, a Lincoln advertising agency handling the NBA statewide program, displayed the three new 30-second TV commercials now being aired in Nebraska. The TV campaign is segmented by weeks and will continue throughout the year.

Mr. Harris explained the new dues program. Under an amendment adopted to the articles of incorporation, dues now will be set by the executive council, the council is expanded from 23 to 24 members, and uneven staggering of offices has been corrected.

Gallup Reports on Polls

At the Monday night annual banquet, **George Gallup, Jr.**, president of The Gallup Poll, Princetown, N. J., said his firm's research shows one of every four Americans worries constantly about making ends meet, while two of every three in developing nations have a similar worry. Americans universally expect higher prices. The average American citizen is not an economic expert, he said, but more often is on target than bureaucrats. Some of his findings from the most recent monthly poll were these:

1. The public feels that a balanced federal budget is highly important and we should have a law to that effect.
2. By a 9-1 vote, those interviewed feel beating inflation is more important than a tax cut.
3. Four of 10 Americans thought the energy situation was serious 12



George Gallup, Jr., pres. of The Gallup Poll, Princeton, N.J.

months ago, and the same margin prevails now, showing that Americans do not understand that we must import oil to meet our demands.

The out-of-office party traditionally picks up 33-37 seats, he noted. The most Republican pickup this year would be in the midwest where Democrat margins were the slimmest in the past election. The current Gallup Poll shows Democrats would win 47% to 43% over Republicans. Working in favor of the Republicans is the inflation problem, the energy crisis, and a President whose approval falls below the 55% mark and causes his party to lose seats. President Carter's popularity now is down to 39%, he said.

Banking received some of the highest marks from the public among all businesses and professions listed in a recent Gallup Poll.

Ag Speaker

Edward Harshbarger, economist with the Federal Reserve Bank of Kansas City, made these points about prospects for the period ahead in agriculture:

1. We will see continued improvement in both the cash flow positions of farmers and the liquidity positions of banks.
2. I remain confident that we will be able to hold most of these gains (in recent farm prices), especially those in the livestock sector.
3. If indeed prices do remain strong, cash receipts from farm marketing could increase \$10 billion or so over last year's level of \$95 billion.
4. Some recently defeated farm legislation in the House does not mean that farmers will not be receiving benefits in 1978. Benefits from the government could amount to \$8-\$9 billion in 1978, roughly double what they were in 1977. In fact, considering how generous the farm payments currently are, it's incredible to me that some farmers are asking for more, and the public would be outraged if it really knew what these totals are.


5. Although we have not solved the income problem in agriculture, a problem which remains quite vulnerable to the ravage of inflation, we at least are beginning to make some progress.

Concluding Talk

John Dean, III, author and lecturer, Los Angeles, and a central figure in the White House Watergate scandal, was the concluding speaker, recounting from his memory and research various events that triggered and figured in the bizarre case leading to the resignation of President Nixon.

At various times throughout the convention, each of the five candidates for the office of Governor of Nebraska was given an opportunity to address the audience for a brief presentation of their view of that office and give their qualifications.

The convention opened with a rousing two-hour stage show by Doc Severinsen and "Today's Children" orchestra. Especially notable was the fact that Doc Severinsen remained on stage, playing his famous trumpet and leading the music and singing throughout the entire show, for which he received a standing ovation. □



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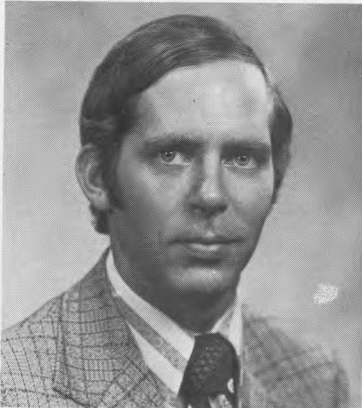
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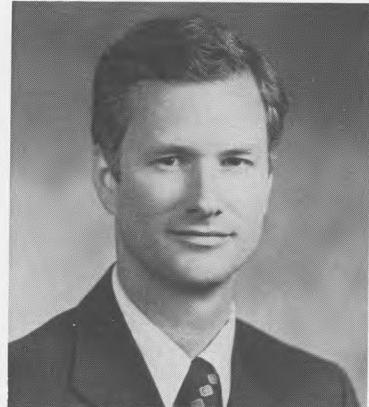
CHUCK LEFFLER



GARY BIECK



BILL EDGECOMB



CRAIG WANAMAKER



STEVE ANDERSON



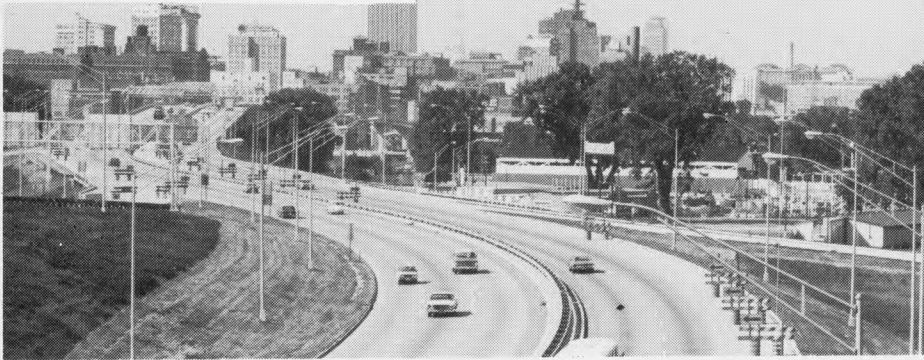
DAVE SCHWEITZ



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Omaha News



THOMAS H. ALLEN has been named president of The Omaha National Bank, Board Chairman **John D. Woods** announced May 8.

Mr. Woods, who has carried the title of president will continue as chairman and chief executive officer of the bank and will remain chairman and president of the bank's holding company, the Omaha National Corporation.

Mr. Allen, 51, has been executive vice president of the Idaho First National Bank in Boise, Idaho. He is to join Omaha National early this summer. Initially he will concentrate his efforts in the general banking area, which includes commercial, agricultural and consumer banking.

Mr. Woods noted that Mr. Allen has a wealth of experience as a senior officer of a major bank heavily involved in agriculture, as Omaha National is. He also has a strong background in lending and marketing.

The Omaha National, largest bank in Nebraska, has total deposits of \$495 million. Idaho First's deposits total \$1.1 billion.

Born in Ogden, Utah, and raised in Salt Lake City, Mr. Allen received a degree in banking and finance from the University of Utah in 1949. He took a position as a national bank examiner and worked in Salt Lake City, Boise, Portland, Ore., and San Francisco, Calif., before being named manager of the Boise office, which coordinated examinations in Idaho and several surrounding states.

He left that position in 1959 to



T. H. ALLEN

become assistant vice president and a lending officer at Idaho First. He was promoted to vice president in 1960 and established a loan review system for the bank.

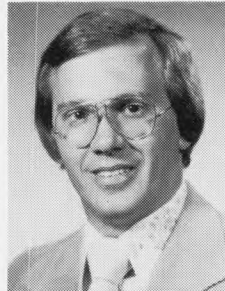
In 1966, Mr. Allen was put in charge of the bank's Boise branches and two years later was named a senior vice president. He became manager of all branch operations in 1972 and in 1974 took on the task of organizing and heading a new marketing department for Idaho First. Responsibilities included public relations, advertising, consumer affairs, sales and marketing training and product research and development.

Last year Mr. Allen was named executive vice president, asset and liability management.

Mr. Allen and his wife, Millie, have three grown children.

The First National Bank of Omaha has announced the promotion of **Scott D. Bradley** to loan officer.

Prior to joining the bank, Mr. Bradley was a vice president at the Nebraska State Bank of South Sioux City. He attended Morningside College in Sioux City, Ia. Mr. Bradley is a member of the American Bankers Association advisory board for instalment lending.



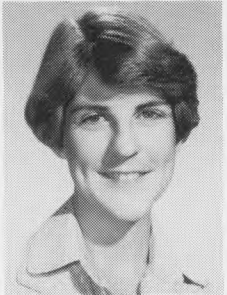
S. D. BRADLEY

Mimi Waldbaum has been elected to the board of the U.S. National Bank.

She is chairman of the Nebraska Accountability and Disclosure Com-



M. WALDBAUM

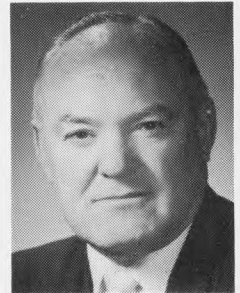


D. A. ASHFORD

mission and former state president of the League of Women Voters. She is a director and officer of the Milton G. Waldbaum Co. of Wakefield, Neb., an egg processing company.

The bank also announced the promotion of **Denise A. Ashford** to commercial loan officer. Ms. Ashford, 25, joined the bank in 1976 as a credit analyst.

Marvin R. Werve, 64, senior vice president of The Omaha National Bank, died of cancer recently after an illness of several months. In recognition of his years of civic work in Omaha and his leadership as national Democrat committeeman for Nebraska, special services were held in Courtroom 1 of the Douglas County Court House, followed by interment services in Vail, Ia.



M. R. WERVE

A native of Kenosha, Wis., Mr. Werve was one of six Kenosha athletes who went to Creighton University in Omaha in the mid-1930s on athletic scholarships. He was a standout football player at Creighton for three years. After earning his law degree at Creighton he worked in the instalment loan business in Chicago.

In 1946 Mr. Werve joined the Old Livestock National Bank in Omaha, becoming an officer in 1950. When that bank merged with Omaha National in August, 1954, he continued in the loan department.

Mr. Werve formerly headed the Omaha Chapter of the National Alliance of Businessmen, an organization dedicated to reducing unemployment, and served on the national board. He was elected a director of the Omaha Public Power District in



Ralph Peterson

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1966 but resigned that post in 1968 when OPPD decided to use Omaha National as a depository for its employees' pension fund, to avoid conflict of interest.

Mrs. Werve died one year ago.

Named at Broken Bow

Ted Forsyth, C. A. Owens and Lloyd Ruff have resigned as directors of Nebraska State Bank and Trust Company, Broken Bow, and a holding company which owns the bank, First Central Nebraska Company, according to Ted Armbruster, bank president.

The holding company has purchased the shares of these men and those of the late Leonard Girardin, who was a director of the holding company. Russell Adams, Jr., and Glen Govier, members of the holding company, have been elected to the board.

Named at Scottsbluff

Stoney R. Nelson has been appointed vice president of Western National Bank, Scottsbluff, succeeding Jack J. Moss, who recently moved to Casper, Wyo.

Prior to joining the bank, Mr. Nelson was with the J. F. Fenimore Agency. He is a business administration graduate of Kearney State College and served as a national bank examiner for seven years.

De Lay First National, Norfolk, Announcements

Charles S. Cuttell has been elected vice president, commercial and agricultural loan officer of The De Lay First National Bank & Trust Company, Norfolk. Mr. Cuttell formerly was vice president of the Rock Rapids State Bank, Rock Rapids, Ia., and before that was with the Iowa Department of Banking.



C. S. CUTTELL

The bank also has announced the following promotions: James R. Mangels, instalment loan officer; Marlene Peters, manager, credit administration, and Lois M. Ahlman, new accounts officer.

The bank also has announced the following promotions: James R. Mangels, instalment loan officer; Marlene Peters, manager, credit administration, and Lois M. Ahlman, new accounts officer.

NABW Elects Officers

Dorothy Oldfield was elected president of the Nebraska Group of the National Association of Bank Women, Inc., at its recent annual meeting in Grand Island. She is cashier of the American Exchange Bank of Elmwood.

Other officers elected are: vice president, Betty Walline, assistant vice president, Platte Valley State Bank and Trust, Kearney; secretary,

Rose Stotts, manager of word processing center, First National Bank, Lincoln; and treasurer, LaVonne Ohlson, assistant vice president, First National Bank of McCook. The women will take office in October. Bernice Glass, assistant vice president, First National Bank of Grand Island, is the current president.

The annual meeting for 1979 will be held in Lincoln.

Retires from Abbott Banks

Paul M. Hefti, chairman, president and director of The Guardian State Bank and Trust Co., Alliance, has announced his retirement from the position with all Abbott banks, effective December 31, 1978.

In making the announcement, Mr. Hefti said, "With my recent illness I feel it necessary at this time to proceed to select my successor so that I may orient and train him for the management position." A search committee has been named to recommend and interview candidates for the chief executive officer for all Abbott banks.

Named at North Platte

The First National Bank and Trust Company, North Platte, has announced the appointment of John Frame to assistant data processing manager. Mr. Frame, who has been with the bank for six years, will assume additional responsibilities as the officer in charge of computer operations.

Wausa Banker Retires

Linnea Nordstrom recently retired from the Commercial State Bank, Wausa, after 25 years of service.


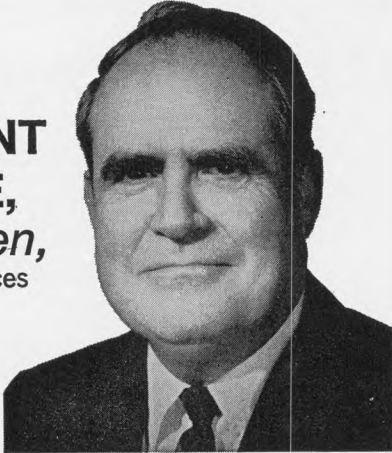
Mrs. Nordstrom joined the bank in 1953 and has worked as vice president and cashier. She is a graduate of Lutheran Bible Institute of Minneapolis and is a member of the National Association of Bank Women, Inc.

Joins Valparaiso Bank

Robert J. Schmucker will join the Oak Creek Valley Bank in Valparaiso during the summer at which time he will also assume duties as an agent with the Valparaiso Insurance Agency. He has been a teacher in the

for alert

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Central Public School System for the past 10 years and also has been an agent and adjuster for the Homestead Insurance Company.

Sutherland Bank Names New Officer and Director

Roy Bischoff of Omaha has joined the First Security Bank of Sutherland, and Mike Kelly, former bank assistant vice president, has been elected to the bank's board.

Mr. Bischoff replaces Mr. Kelly, who resigned earlier this year to manage his family's ranching operations. He had worked for Dial Finance in Omaha for the past year. Mr. Kelly had been with the bank for four years.

State Fund Deposit Seen As Lending Aid

More than 300 Nebraska financial institutions have taken advantage of a new state law requiring the deposit of idle state funds in Nebraska.

A total of \$48.6 million was deposited in 285 banks and 39 s&ls in May, according to State Investment Officer Donald Mathes.

It isn't the first time state funds have been invested in Nebraska Institutions, but the 1978 law, sponsored by Bellwood Sen. Loran Schmit, made the practice mandatory instead of optional.

Mr. Schmit and others said in the Legislature that such a law would help address a credit crunch in which farmers, prospective home buyers and businessmen haven't had access to the loan capital they needed. State funds will be offered monthly for deposit as they become available.

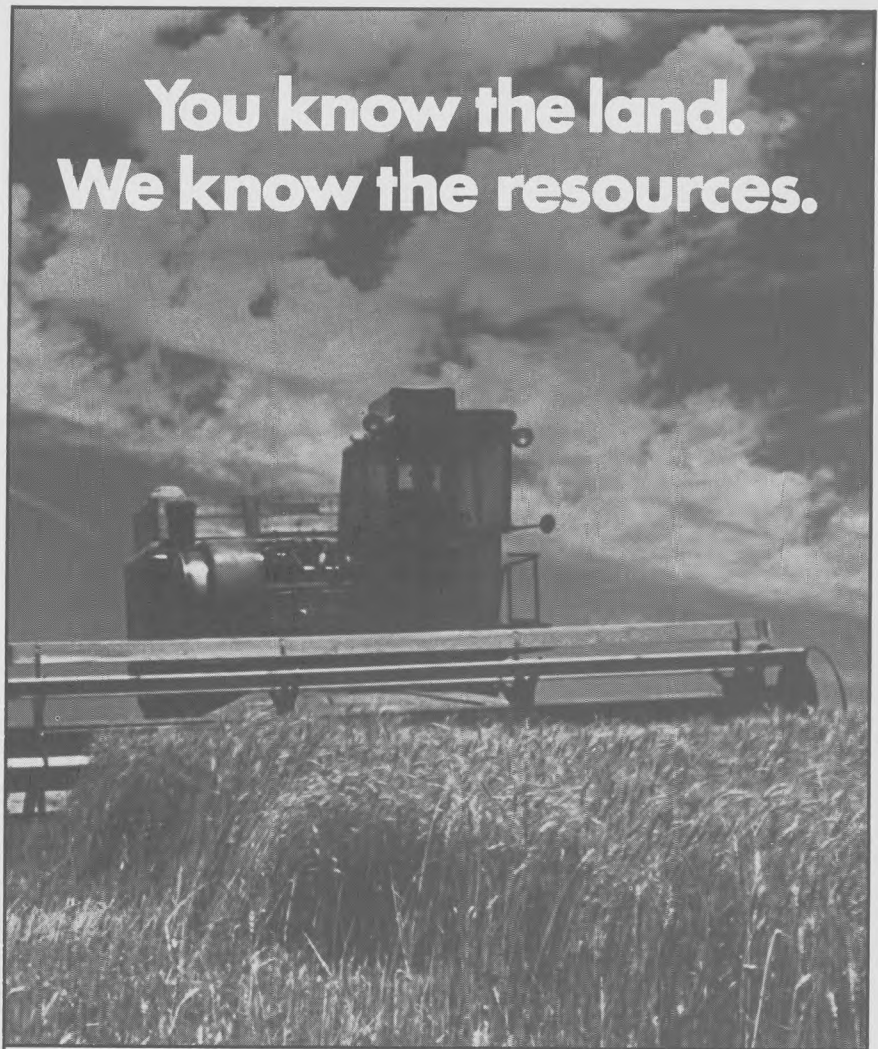
The financial institutions that accept the deposits pay the state an interest rate that, by law, cannot be less than an average of rates the state could obtain from certain other investments.

For May, Mr. Mathes said, the deposits earned a 7.43% interest rate for the state treasury.

Officers Named at Columbus

First National Bank and Trust Company, Columbus, has announced the appointment of three officers. They are: Donald Schupbach, senior vice president of commercial lending; Paulette Mrzlak, personnel officer, and Wayne Gracheck, trust officer.

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Lincoln News



STOCKHOLDERS of NBC Co. and affiliated bank holding companies held annual meetings in Lincoln, Fremont and Kearney and approved a corporate name change last month. The holding companies, which own eleven banks in eight Nebraska communities, will now be known as Commerce Group CG.

According to James Stuart, Jr. of Lincoln, president of the holding companies involved, "We have been seeking a name that will be more representative of our basic interest: banking and finance, and one name that can suggest the affiliate relationship from company to company."

Corresponding logotypes and signature typefaces will be adopted to further augment the continuity between companies. "Our size dictates the need for more regional recognition, this name consolidation seemed important to that end," Mr. Stuart commented.

Effective immediately the corpor-

ate name Commerce Group will be applied to each of the holding companies. Individual bank names will not be affected. The recommended holding company name changes were presented to the stockholders in

Commerce Group CG

their proxy statements for a vote. At the individual annual stockholders meetings, a presentation was made describing the rationale for the name change and its benefits.

After much consideration the word "Group" was agreed upon as the most appropriate term to express the relationships involved. Mr. Stuart said the holding companies are involved in other businesses and new subsidiary relationships will likely develop, so the word Commerce was selected as the logical and most positive choice, he said.

Commerce Group replaces the phrase "The Wonderful World of Banking" which has been used in recent years as a collective banner for the affiliate system.

The new name will offer much more continuity throughout the organization. It will allow for more convenient reference and will allow all the companies to be listed together alphabetically in stock listings and other directory pieces, Mr. Stuart stated.

Listed below are the former holding company names, the new holding company names and the subsidiaries of each:

NBC Co., now Commerce Group, Inc. CG: National Bank of Commerce, Lincoln, which owns Robert E. Schweser Company, Inc., and Peterson Building Corporation; Mutual Savings Company, Lincoln; Mutual Savings Company, Omaha; Nebraska Savings Company, Scottsbluff, and NBC Leasing Co.

Fremont First National Co., now Commerce Group National Fremont, Inc. CG: First National Bank & Trust Co. Fremont.

Fremont First State Co., now Commerce Group State Fremont, Inc. CG: First State Bank, Fremont,

Grand Island Overland Co., now Commerce Group Grand Island, Inc. CG: Overland National Bank, Grand Island.

Hastings City National Co., now Commerce Group Hastings, Inc. CG: City National Bank & Trust Co., Hastings.

Kearney First National Co., now Commerce Group Kearney, Inc. CG: First National Bank & Trust Co., Kearney.

LBE Co., now Commerce Group Lincoln East, Inc. CG: Lincoln Bank East, Lincoln.

North Platte State Co., now Commerce Group North Platte, Inc. CG: North Platte State Bank, North Platte.

West Point First National Co., now Commerce Group West Point, Inc. CG: First National Bank, West Point.



Steve W. Sutton
Vice President

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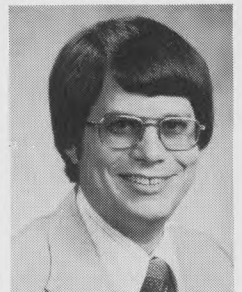
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Correction!

The election of Tom Stuckey to vice president in the correspondent bank division at National Bank of Commerce was reported in last month's issue. However, the picture identified with his name was incorrect. Tom Stuckey's photo appears here. The picture used last month was that of Harold P. Stuckey who was formerly in the correspondent department at NBC, but now is president of Lexington State Bank & Trust, Lexington.



T. STUCKEY

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Clockwise from center: Alex Sheshunoff, President, Alex Sheshunoff & Co. with the following NBC Bank Officers: Wilbur Baack, Senior Vice President; James F. Nissen, President; Roy Otte, Vice President; Jerry Thornton, Vice President; William Norris, Vice President; Dennis Stelzer, Vice President; Herman Brockmeier, Executive Vice President.

Alex Sheshunoff is conducting today's most thought provoking, beneficial sessions for profit minded bankers. NBC is bringing Sheshunoff to bankers for three seminars in July: Kearney, July 18; Ogallala, July 19 and Omaha, July 20. Sheshunoff offers the kind of solid, specific information you can take home and put to work. And the same goes for NBC's Correspondent and Information Services Bankers. They're here to help you make more money from what you learn.

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Iowa News

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NEIL MILNER Exec. V.P. Des Moines

IBA Announces Highlights Of 92nd Annual Convention

September 24-26 are the dates of the 92nd annual Iowa Bankers Association Convention at Veterans Memorial Auditorium in Des Moines. The IBA recently released some of the highlights:

- Carnival Party Sunday evening on the lower level of Veterans Auditorium.
- 30th Annual Agricultural Breakfast.
- Business sessions at the auditorium will include such speakers as Dr. Norman Vincent Peale, noted author and minister of Marble Collegiate Church, New York; Shirley Chisholm, U.S. congresswoman; Orion Samuelson, vice president, WGN Continental Broadcasting Co., director, ag services for WGN Radio and TV; Ray Brady, business correspondent for CBS News; Lane Palmer, editor, Farm Journal magazine; William Ford, chief economist, Wells Fargo Bank, San Francisco; John Chisholm, chairman, ABA savings bonds committee and president, Marquette Bank & Trust Co., Rochester, Minn., and John Perkins, president-elect, American Bankers Association and president, Continental Bank of Chicago.
- Monday Night Dance at Veterans Auditorium with entertainment by The Arbors.
- Theater Party on Tuesday evening at C.Y. Stephens Auditorium in Ames featuring Tennessee Ernie Ford and the Brothers and Sisters.
- Spouse activities will include luncheons and style shows at Younkers Tea Room, luncheon matinee at Charlie's Showplace and homes tour.

Green Mountain Bank Names Becker Director

The Producer Savings Bank of Green Mountain has named Bob



Becker to its board of directors. Mr. Becker is corporate vice president of Marshalltown Trowell Co.

Clear Lake Bank and Trust Names Vice President

Ray Hewitt, president of Clear Lake Bank and Trust, has announced the appointment of Robert (Bob) Fountain as the new vice president of the loan department.

Mr. Fountain comes to Clear Lake from seven and a half years in Neenah, Wisc., where he was vice president in charge of commercial loans for Marine National Bank. Prior experience includes periods in the loan department of the First American National Bank in Wausau, Wisc., and as installment loan department manager of the Austin State Bank, Austin, Minn.



R. FOUNTAIN

Iowa ACH Elects Officers

Harry J. Lavigne, senior vice president of Central National Bank and Trust Company, Des Moines, was elected president of Iowa Automated Clearing House Association at the conclusion of the recent annual membership meeting. Other officers elected are: John M. Sagers, president and chief executive officer, Peoples Bank and Trust Company, Cedar Rapids, vice president; John A. Sikkink, senior vice president, Iowa-Des Moines National Bank, Des Moines, secretary and Harold Gandy, senior vice president, Bankers Trust Company, Des Moines, treasurer.

The Automated Clearing House was created in 1975 to help reduce the ever growing number of checks in the payment system and for the convenience of the banking customers.

Fed Approves Acquisition Of Washington Bank

The Federal Reserve Board has announced its approval of the acquisition of The National Bank of Washington by Hawkeye Bancorporation, Des Moines-based bank holding company. The bank, which has offices in Washington and Ainsworth, has assets of \$30 million and will bring total assets of Hawkeye to the \$700 million level.

Hawkeye will have 18 banks in 45 locations after consummation of the acquisition.

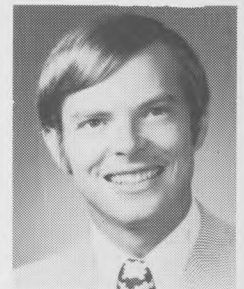
Marshalltown Bank Names Senior Vice President

Joe W. Ludley has been named senior vice president and trust officer of the Fidelity Brenton Bank and Trust Company, Marshalltown. Previously, Mr. Ludley headed the marketing division, real estate and loan department, and served as operations officer.

Elected at Grinnell

Douglas R. Hill, vice president and trust officer of the Poweshiek County National Bank, Grinnell, has been named to the bank's board, according to Max A. Smith, president.

Mr. Douglas, who joined the bank in 1973, received his BBA degree from the University of Iowa in 1969 and his BMA degree from the University of Wisconsin in 1971. He joined the bank as a real estate officer.



D. R. HILL

Pomeroy Bank Unveils Plans for New Building

The Pomeroy State Bank will erect a new bank building at the corner of Second and Main in downtown Pomeroy, according to J. M. Bride, executive vice president.

The new bank is being designed and constructed by Structural Design, Inc., of Holstein. It will include a drive-up window, night depository and parking area. It will be of brick and frame construction.

"The Business Of Banking"

—theme of NABW Meeting in Waterloo

By LINDA RHEIN
Associate Editor



Pictured are the scholarship recipients from left to right: **Beth McGeough**, Warren County Brenton Bank and Trust Co., who received the Helen Rhinehart Award given to someone who is not a member of NAWB and **Connie A. Rathgeber**, asst. personnel off., First Natl., Sioux City, and **Wanda Spainhower**, a.c., Hampton State, who received NABW Scholarships.



Mary F. Holstad (left), commissioner, Ia. State Commerce Commission, Des Moines, chats with **Kaye F. Fulrath**, NABW regional v.p. & v.p., Merchants Natl. Cedar Rapids.



Marne Bond, v.p., Davis County Sav., Bloomfield; **Carol Stone**, t.o., Central Natl., Des Moines; **Lois Irvin**, p.r. officer, Davis County Sav., Bloomfield and **Lou Ann Sandburg**, asst. investment officer, Central Natl., Des Moines.



Arnold Schultz, pres., and **Sara Lee Yoder**, cash., Grundy Natl., Grundy Center.

THE Iowa Group of the National Association of Bank Women, Inc., has expanded its scholarship program to include the Betty L. Steele Award. Mrs. Steele is a past national president of NABW and is vice president and secretary of Brenton Banks, Inc., Des Moines. She has been instrumental in the development of the NABW educational program.

The \$500 award will go to an association member for attending the NABW Management Series Seminars. It joins two other awards the group presents each year. (The recipients of these awards are pictured with this article.)

Announcement of the new award was made at the group's recent annual meeting at the Ramada Inn, Waterloo. Sarah Lee Yoder, north central group chairman and cashier, The Grundy National Bank, Grundy Center, presided at the meeting.

Speakers

The 157 registrants heard from speakers on a variety of subjects. Kaye F. Fulrath, regional vice president of NABW and vice president, Merchants National Bank, Cedar Rapids, gave an update on news from the national association and showed a film illustrating the association's comprehensive educational program.

During a forum, Margaret Hough, assistant vice president, Merchants National Bank, Cedar Rapids, discussed her bank's personal banker program.

The program "emphasizes the advantages of having a large bank but being as friendly as a small bank," she commented. "It eliminates the need for departmentalization and the customers like it."

Mary Doak, marketing director, The Grundy National Bank, Grundy Center, talked about her bank's marketing efforts. In establishing an image for the bank, they decided to use Huggy Bear, who says the bank "is a honey of a bank." Huggy appears at the bank regularly and is well known to all customers. She



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Pictured are panelists (from left to right): **Marilyn Hurley Ash**, v.p., Natl. Bank of Des Moines; **Mary Doak**, marketing dir., Grundy Natl., Grundy Center; and **Margaret Hough**, a.v.p., Merchants Natl., Cedar Rapids.



Richard Jung, v.p., Natl. Bank of Waterloo, with **Inez McCarville**, v.p. & cash. and **Frances Rittgers**, a.c., Iowa Svgs., Dike.

told how the bank incorporates Huggy into its advertising and promotional campaigns.

For effective communication, Ms. Doak said a bank must know its image, listen to and appreciate its customers.

Marilyn Hurley Ash, vice president, National Bank of Des Moines, spoke about her career and told registrants "you need strategy and goals to get where you want to go in your career."

She also explained her bank's officer calling program in which each officer is assigned so many calls to make a year. "Go to them," she said. "It's easier to make them feel important. There is no such thing as a bad call. They can't help but be flattered that a banker has come to them."

Other panel speakers included R. Scott Fetner, president, The National Bank of Waterloo; R. K. Severdahl, president, Peoples Bank & Trust Co., Waterloo, and Arnold Schultz, president, The Grundy National Bank, Grundy Center. Mary F. Holstad, commissioner, Iowa State Commerce Commission, Des

Moines, spoke about her work. She is a former group chairman and officer of Central National Bank and Trust Company in Des Moines.

"Are you Growing?" was the title of a talk given by Bernard McKinley, CLU, district agency manager, The Prudential Life Insurance Company, Waterloo. He cited growth in knowledge, attitude, skills and habits.

Knowledge must be continuous and specialized, he said. "Be around people who know more about your business than you do."

About attitudes, he commented "Make something positive out of every negative situation. Remember the enthusiasm of a little child. Stay away from negative people.

"Be proud of what you do (your skills) or get out of it," Mr. McKinley told the audience.

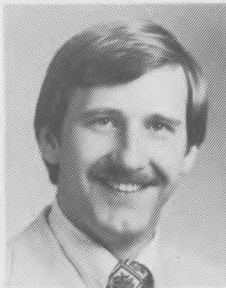
"You're a sum total of your habits. Change your habits, change yourself." He said the three most important habits are physical fitness, integrity and faith.

The 1979 convention will be held in Davenport. □

Sioux City Bank Elects Investment Officer

William O. Wogstad has been elected bank investment officer of the Security National Bank, Sioux City.

Mr. Wogstad, who joined the bank in January, comes from Omaha, Nebr., where he was associated as a broker in security sales with the international banking organization of White Weld. Prior to that he worked for seven years as manager of corporate progress in planning and finance for Underwriters' Laboratories in Illinois.



W. O. WOGSTAD

Capital Increases

The following Iowa banks have increased their capital accounts:

First Central State Bank, DeWitt, sold 1,650 shares for \$167 each totaling \$275,550. Distribution—\$99,000 to capital, and \$176,550 to surplus. Capital now totals \$399,000.

Iowa Trust and Savings Bank, Estherville, sold 500 shares for \$500 each totaling \$250,000. Distribution—\$50,000 to both capital and surplus and \$150,000 to undivided profits. Capital now totals \$450,000.

Goldfield State Bank, sold 200 shares for \$500 each totaling \$100,000. Distribution—\$20,000 to capital; \$30,000 to surplus and \$50,000 to undivided profits. Capital now totals \$120,000.

Warren County Brenton Bank & Trust, Indianola, sold 1,040 shares

for \$270 each totaling \$280,800. Distribution—\$104,000 to capital; \$175,000 to surplus and \$1,800 to undivided profits. Capital now totals \$390,000.

The Decatur County State Bank, Leon, sold 2,000 shares for \$1,000 each totaling \$200,000. Distribution—\$100,000 to both capital and surplus. Capital now totals \$400,000.

Peoples Savings Bank, Wellsburg, 100% stock dividend by transferring \$125,000 from undivided profits to common capital. Capital now totals \$250,000.

Charles Gibbons

Funeral services were held recently for Charles Gibbons, 65, director of the Tipton State Bank since 1965. He was a long-time Tipton retail merchant, having retired in 1975.

Our idea of correspondent banking:

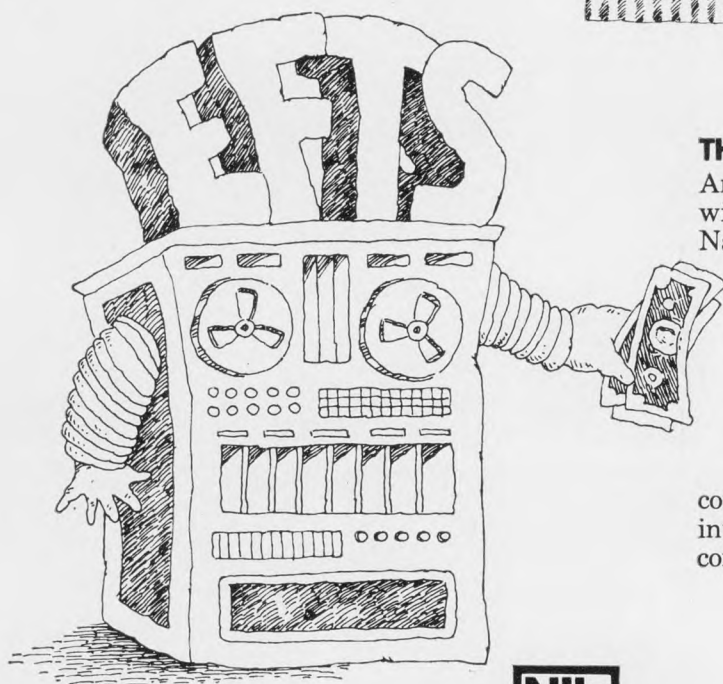


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Our people are real, live, experienced correspondent professionals, with years of correspondent banking behind them. They aren't management trainees or just goodwill ambassadors, so they can okay loans or services — like our new EFTS services — on the spot. Without going through unwieldy, time-wasting committees.

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And now our individualized services will be better than ever, because National Boulevard is ready for EFTS.

Electronic Funds Transfer Systems. For instance, our Central Information File is capable of transmitting information to correspondent banks. Soon, checking and savings accounts will be on line. Then, step-by-step, every correspondent service will be fully integrated into the system for more convenient, better banking.



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Focus on Washington

From left: **Ed Tubbs**, pres., Maquoketa State and IBA treas.; **Christy Armstrong**, pres., American T&S, Dubuque and IBA pres.; **Rand Petersen**, pres., Shelby County State, Harlan and IBA v.p., with **Willis Alexander**, exec. v.p., ABA, Washington, D.C.



FIFTY FIVE Iowa bankers and their spouses participated in the recent trip to Washington, D.C., sponsored annually by the Iowa Bankers Association. The trip was closely coordinated and assisted by the American Bankers Association headquarters staff in the nation's capital. It included briefing sessions with officials of the Federal Reserve System, FDIC, Comptroller of the Currency, Small Business Administration, Department of Energy and Conference

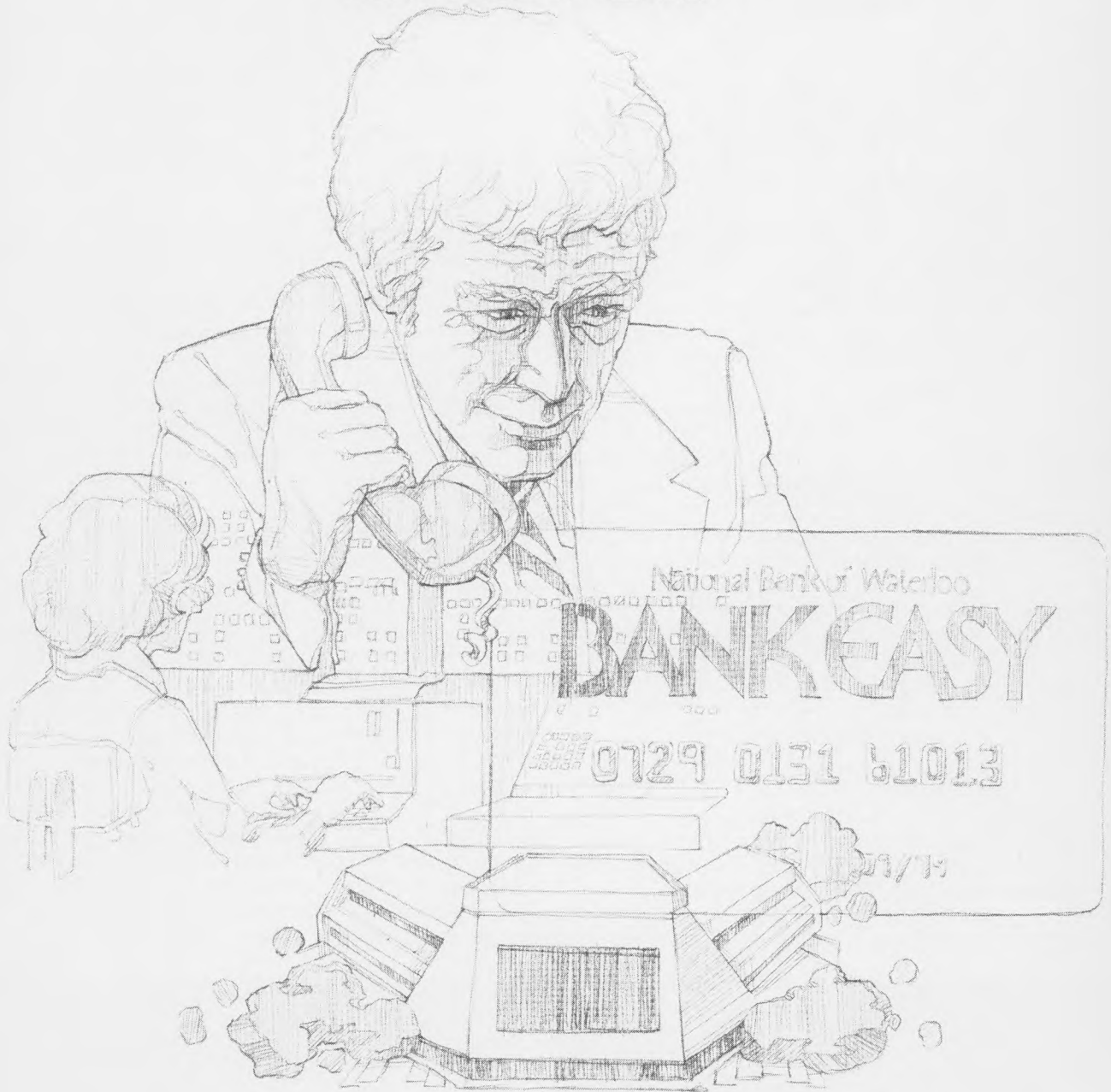
of State Bank Supervisors.

The principal goal of the annual trip is making personal contact with Iowa's two United States Senators and six Representatives, all of whom were invited to a reception and dinner hosted by the IBA. Other guests at the dinner included representatives from the three regulatory agencies, legislative staff members, ABA officials, representatives from other government agencies and members of the press.

PICTURES below were taken at reception and dinner, from left to right. Top row: (Left) **Rep. Tom Harkin** listens to **Tom Dunlap**, pres., South Story B&T, Slater. (Right) **Derl Derr**, dir. of ABA ag bkrs. div., and **Oliver Hansen**, pres., Liberty T&S, Durant, hear a point clarified by **Rep. Neal Smith**. Bottom row: (Left) **Rep. Charles Grassley** visits with **Scott Fetner**, pres., Natl. Bank of Waterloo. In background is **Adrian Rademaker**, chmn. & pres., Farmers Savings, West Union. (Center) **Dave McNichols**, exec. dir. of the IBA and **Alex Neale**, v.p. and dir. of federal legisl., CSBS, Washington. (Right) ABA's Exec. V.P. **Willis Alexander** chats with **Neil Milner**, exec. v.p. of the IBA.



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Groups Discuss Legislative Proposals; Receive Optimistic ITS Report

By MALCOLM FREELAND
Publisher

It is time the bankers of Iowa become active participants in the political arena - rather than critical observers."

This was the suggestion made by Christy F. Armstrong, president, Iowa Bankers Association, at last month's series of eight annual group meetings. Mr. Armstrong appealed to bankers to become more politically involved on the local level before they become "an endangered species," a term he used in his acceptance speech following his election as IBA president last fall.

Pending legislation on increasing the usury rate on home mortgages and a proposed reduction in the revolving credit rate were on the minds of delegates during the first week of meetings. Executive Secretary Neil Milner kept in touch with senators and representatives, rather than attend the Group 8, 4, 7 and 2 meetings. No action was taken on either issue, and the legislature recessed with a plan of returning in late June.

ITS Report

Dale Dooley, executive director of the Iowa Transfer System, gave IBA members some optimistic news when he predicted that if transactions growth continues in 1978 as projected, ITS will have a positive

cash flow in March, 1979. ITS has substantially reduced its costs and plans to reduce costs even further when NCR computer system will be installed in February, 1979. Mid-America Financial Services of Bettendorf will operate the system for ITS. It is intended for ITS to assume full operating responsibility of the switch in February, 1980, and the system will support both switch-in-front and switch-behind.

Switched transactions increased from 5,870 in March, 1977, to over 52,000 in March, 1978. One participating bank reported that more than 20,000 pieces of paper are being replaced weekly. Another statistic reported by Mr. Dooley showed that the ratio of dollar deposits to dollars withdrawn is about two to one.

ITS has received a formal request from the Credit Union League to use the system. The ITS board of directors is investigating the legal, economical, and mechanical issues of this request.

Huston Report

Turnover of examiners within the state department of banking is still a critical problem, according to Tom Huston, superintendent of banking. Mr. Huston has recently organized a

state school for examiners, and 19 examiners recently completed a three week course at Camp Dodge. Seven FDIC instructors were present, and surrounding states have indicated interest in the innovative plan. It is reported to be the first of its kind in America. Details on the school will be reported in the July Northwestern Banker.

Group 8, meeting in Davenport, elected as chairman Robert C. Wede, president, Goose Lake Savings Bank. Clark Houghton, president of the First National Bank, Iowa City, was elected secretary.

Group 4, meeting in Dubuque, advanced Churchill Williams as chairman. He is chairman of the Oelwein State Bank. A new secretary will be chosen by mail ballot.

Group 6, meeting in Des Moines, elected Don Bolton, executive vice president of the Union State Bank, Winterset, as chairman. Robert Chittenden, vice president and cashier of the Farmers Savings Bank, Mitchellville, was elected secretary.

Report from Headquarters

Dave McNichols, executive director of IBA gave a comprehensive report on IBA activities. New plans call for a seminar for directors this fall, an upcoming security school, and a session on formation of one-bank holding companies. Nearly 9,000 Iowa bankers participated in various educational sessions held in 16 communities during the past year.

A further report with pictures will appear in the July Northwestern Banker, covering the meetings of Group 5, 12, 2 and 3.



AG PANEL at Gp. 4 consisted of **Alan Tubbs**, e.v.p., First Central St., DeWitt; **Ed Tubbs**, pres., Maquoketa St.; **Stephen and Mary Garst**, Coon Rapids. **RIGHT** - **Dale DeKoster**, pres., Waterloo Sav. Bk.; **Mary Louise Petersen**, Shelby Co. Natl., Harlan; **Barbara Armstrong**, American T & S., Dubuque, and **Margaret DeKoster**, Waterloo Sav. Bk.

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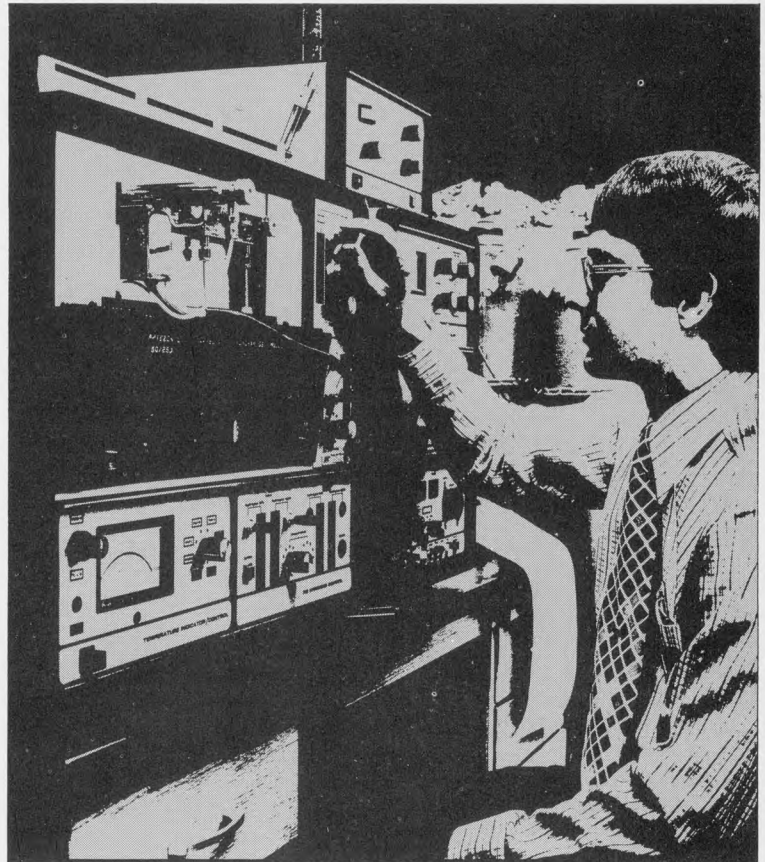
Or helping a firm with a truck safety program.

Or making water flow tests for fire protection.

These are just some of the services Employers Mutual Companies offers its policyholders. We have our own specialists to perform them, and our own environmental health laboratory located in our Home Office building.

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We write insurance, yes.
And do much more.



Employers Mutual Companies

DES MOINES IOWA

IIB Announces Convention Highlights

A PROGRAM featuring a host of well-known speakers has been announced for the 7th annual convention of the Iowa Independent Bankers scheduled for Lake Okoboji, July 20-22, according to Gordon L. Mennen, president of IIB and president of



G. L. MENNEN

the LeMars Savings Bank. Headquarters will be the New Inn.

Headliners will include: Carol Foreman, assistant secretary of agriculture; Lute Olson, Iowa basketball coach; Alex Sheshunoff, well-known bank analyst, and Maurice Barringer, treasurer of Iowa.

Planned as a family convention, the IIB has special activities scheduled for young people, as well as adults. The annual couple's golf tourney will take place on Thursday,

July 20. The men's golf tourney will be on Friday afternoon, July 21. General business sessions will be on Friday and Saturday mornings. The convention will conclude with the social hour and barbeque on the New Inn beach on Saturday evening.

400 Attend Bank's Seminar For Women in Sioux City

More than 400 northwestern Iowa women and a few men recently attended a special women's financial seminar, "The Joy of Money," sponsored by the Security National Bank, Sioux City.

The seminar, designed for and by Sioux City area women, featured Paula Nelson, businesswoman, national financial consultant and author of "The Joy of Money," a guide to financial freedom for women. Ms. Nelson led the day-long seminar through such topics as building your financial pyramid, women and credit, insurance and estate planning.

The cost of the seminar and luncheon was \$10, which included a copy of Ms. Nelson's book and attendance at any or all of three in-depth financial workshops held in April and May, according to Susy Robinette, Security National's director for the seminar and workshops. The three workshops covered investments, credit and trusts and wills.

Iowa Valley AIB Chapter Installs New Officers

Barb Atha, trust officer of Security Savings Bank, Marshalltown, recently was installed as president of the Iowa Valley Chapter of the American Institute of Banking.

Other officers installed are: first vice president, John Stull, vice president and assistant trust officer, First State Bank, Conrad; second vice president, Roger Cramer, farm representative, Producers Savings Bank, Green Mountain, and secretary-treasurer, Richard McMullin, vice president and agricultural representative, State Bank of Toledo.



JOIN the KING and QUEEN

Iowa Independent Bankers 7th Annual Convention July 20-22, Lake Okoboji

Special events

July 20, couples
golf tournament

July 21, mens
golf tournament

Special guests

Carol Foreman
asst. sec. of agriculture

Lute Olson
Iowa basketball coach

Alex Sheshunoff
bank analyst

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First of Ames Celebrates 75th Year with Construction Activity at 3 Locations

CONSTRUCTION activities at three locations are highlighting the 75th anniversary year for First National Bank of Ames.

The bank recently opened its North Grand Office in Randall's Food Store, according to Patricia Seastrond, manager. Located at the front entrance in the northeast corner of the store, the office includes a full-size vault door, two conventional teller stations and other standard bank furniture and equipment. It also is equipped with burglar alarms, police call buttons and other security devices. The vault includes safe deposit boxes.

The First Bank 24 automatic teller service, in the store since 1976, has

been moved to an outside wall. A night deposit and customer envelope drop also have been added.

A 16,000 square foot office building is under construction adjacent to the bank's University Office. The bank will occupy about half of this space. The remainder will be available for shops and offices. A First Bank 24 automatic teller machine also will be installed here.

The bank also is constructing a 4,000 square foot addition to its main building at Fifth and Burnett. The project, involving contracts totaling \$230,000, also will increase the drive-up lanes from three to four including two manned and two visual auto tellers.

Max Roy Retires From LaSalle National Bank

Max Roy, vice president of LaSalle National Bank, Chicago, has elected to take early retirement. He has been a member of the bank's correspondent department for the past 19 years, serving banks in Iowa, Illinois, and Southern Minnesota.



M. ROY

When Mr. Roy started with LaSalle, the bank had one correspondent account in Iowa. Today, the Hawkeye state is a major factor in the bank's correspondent network.

Mr. Roy is a graduate of Iowa State University, Ames. He started his financial career with Merrill Lynch, and later spent five years in the correspondent department of the Iowa Des Moines National Bank.

Mr. Roy and his wife, Lillian, plan to make their home at Crystal River, Fla. During his years with LaSalle, the family lived in Iowa City.

Promoted at Waterloo

Deon Senchina has been promoted to consumer loan officer at the Waterloo Savings Bank. She joined the bank in 1973 as an instalment loan teller. Since then she has been in new accounts and most recently was an officer trainee in the instalment loan department.

Named at Cedar Rapids

United State Bank, Cedar Rapids, has announced the appointment of Richard Rheinschmidt as auditor, according to Charles Cebuhar, president and chairman.

Mr. Rheinschmidt is a certified public accountant, who was previously with McGladrey, Hansen and Dunn, a Cedar Rapids accounting firm. He is a graduate of Coe College.



R. RHEINSCHMIDT

Princeton, Le Claire Banks Name G. Waters President

Glen H. Suiter announced last month that Gerald R. Waters, 44, has been elected president and director of the Farmers Savings Bank in Princeton and Le Claire State Bank in Le Claire. He will assume his new duties July 1. Mr. Suiter, 55, who has been president of both banks, will continue actively as chairman of the board of the two banks.

Mr. Waters is resigning from Davenport Bank and Trust Company in nearby Davenport as senior vice president in charge of correspondent banks and marketing to accept the new position. He was graduated from St. Ambrose College in



G. H. SUITER

G. R. WATERS



D. L. STOLK

R. R. HORST



L. BUCHHEIT

D. A. COLE

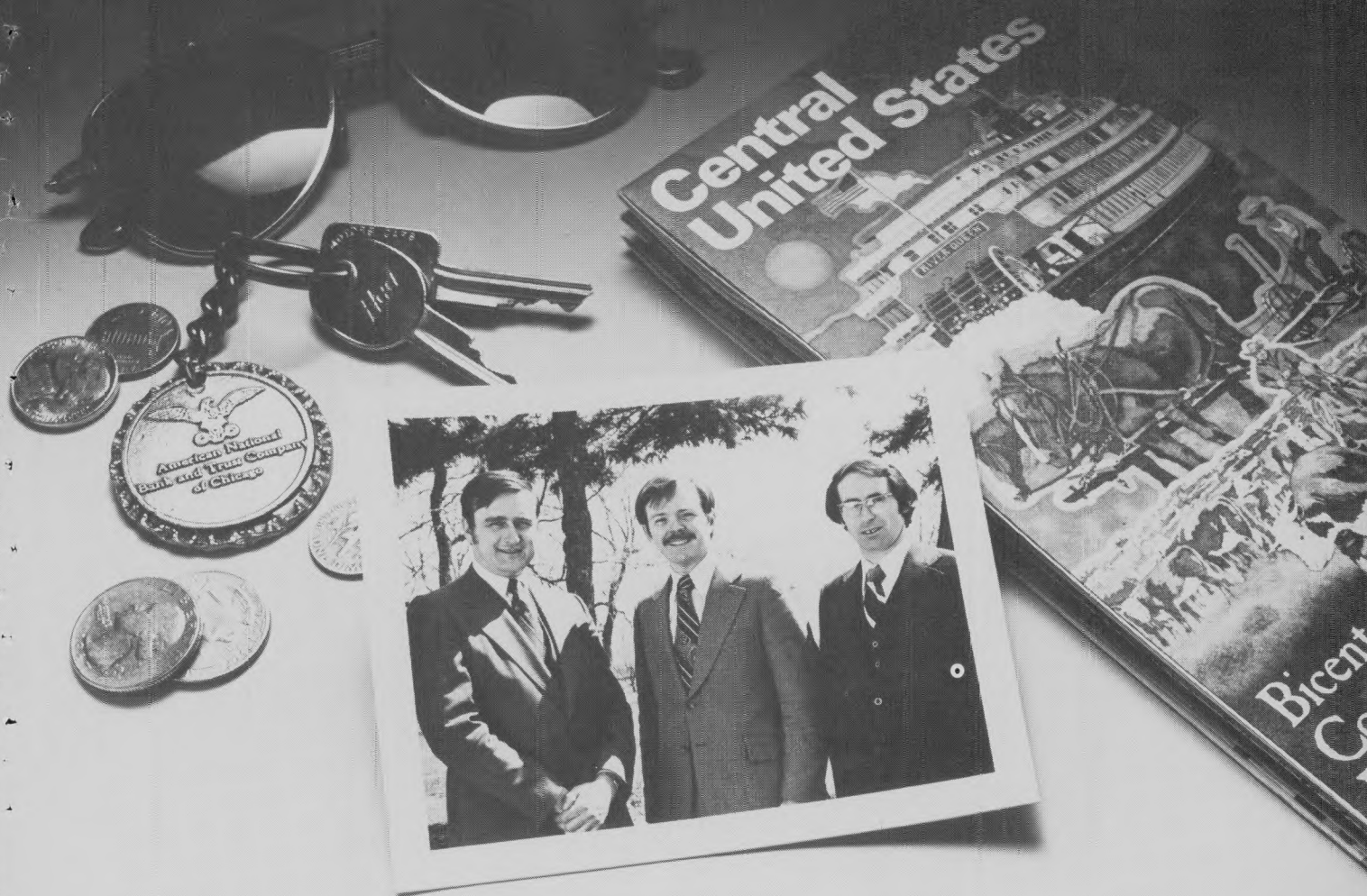
Davenport in 1955 with a B.A. degree, joined Burroughs Corp. following graduation and remained with that firm until joining Davenport Bank in 1965.

As chairman of the two banks, Mr. Suiter succeeds Wesley C. Schmalz, who retired last month and was honored for his 35 years of service on the bank boards.

Mr. Suiter also announced several promotions of staff members at the two banks, following the decision earlier this year by Eugene R. Holst to resign as executive vice president.

Dennis L. Stolk, cashier at Le Claire State Bank, assumes the additional duties of executive vice president. Richard R. Horst, cashier and farm rep at Farmers Savings in Princeton, will assume the duties of executive vice president at that bank.

Loretta Buchheit moves up from assistant cashier to assistant vice president at Le Claire. Dorothy Ann Cole received a similar promotion from her former position as assistant cashier and will continue at Princeton.



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So if you're a bank in the Midwest that wants more from its correspondent relationship, call Ted, Rich or Mike. At American National Bank.



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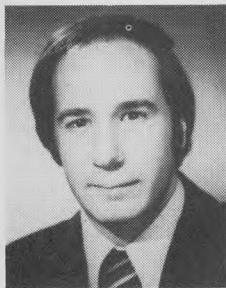
33 North La Salle / La Salle at Wacker 60690 / Phone (312) 661-5000



Des Moines News

THE Iowa-Des Moines National Bank has announced the promotions of **Peter F. Faletti** to vice president and controller and **James Ornat** to assistant controller.

Mr. Faletti, a graduate of St. Louis University, received his BBA in 1969 and MBA in 1975. He joined the bank as controller in 1977 after



P. F. FALETTI

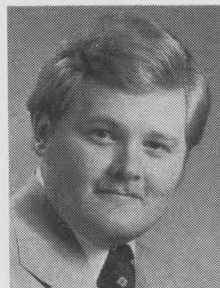


J. ORNAT

serving as assistant controller for the Mercantile Bancorporation in St. Louis. Mr. Ornat joined the bank in February after serving as profit planning director at the Fidelity Bank in Oklahoma City, Okla. He is an accounting graduate of California State University.

Lewis D. Downard has been elected managing officer of the West Des Moines Office of Capital City State Bank.

A graduate of Grandview Junior College, Mr. Downard has attended Drake University and the American Institute of Banking. He comes to Capital City Bank from the Des



L. D. DOWNARD

Moines Savings and Loan Association. Other experience includes an association with the Iowa-Des Moines National Bank.

The National Bank of Des Moines has announced that it has changed its name to Brenton National Bank of Des Moines, effective June 1.

William H. Brenton, chairman, also has announced the promotion of **Edward W. Stern** to assistant vice president and manager, Valley West Mall. Mr. Stern, a graduate of Morningside College in Sioux City, has been with the bank for five years.

David L. Miller, president of the West Des Moines State Bank, recently was elected to the additional position of chairman. He succeeds the late **Hal Chase II**.

Mr. Miller, president of the bank since 1968, joined West Bank in 1961. He is a native of Davenport and a business administration graduate of the University of Iowa, Iowa City.

Robert E. Young has joined Bankers Trust as commercial loan officer. A graduate of Iowa State University, he was previously associated with Northwest Bancorporation and Iowa-Des Moines National Bank. His responsibilities at Bankers Trust will initially

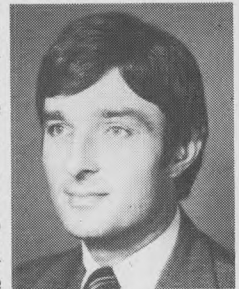


D. L. MILLER

involve commercial lending and business development.

Orville Lowe has been named a director of West Des Moines State Bank, according to **David L. Miller**, president. Mr. Lowe is owner and president of Orville Lowe Mid-town Motors.

John R. Fitzgibbon, chairman, president, and chief executive officer of the Iowa-Des Moines National Bank, and **Daniel A. Leclerc**, president of Lease Northwest, Inc., Minneapolis, Minn., have announced plans to open a regional office of Lease Northwest, Inc. in Des Moines.



J. D. SHEEDY

James D. Sheedy has been named manager of the office, to be located at the Iowa-Des Moines National Bank in the Financial Center. He will initially be responsible for coverage of the central and eastern portions of Iowa, and assisting other Northwest Bancorporation affiliates in this area. Mr. Sheedy is a graduate of Mankato State College in Mankato, Minn., where he received a Bachelors Degree in economics in 1965.

The Iowa-Des Moines National Bank and Lease Northwest, Inc. are affiliated through Northwest Bancorporation. Currently Lease Northwest, Inc., also has offices in Omaha and Minneapolis. The financial services offered by Lease Northwest include the full range of equipment financing: true tax oriented leasing, lease-purchase programs and installment sales contracts.

Joins Crawfordsville Bank

Richard S. Dare will join the Peoples Savings Bank of Crawfordsville as vice president after harvest this fall, according to **Wm. R. Bernau**, president. Mr. Dare became a partner in the Stephens and Dare farming partnership in 1955 and has been an active member and cattle feeder since that time.

In other staff changes, **John White**, who had been with the bank since 1952, retired as vice president and cashier.



Donald W. Wright, Exec. Vice Pres.
Oakland Savings Bank, Oakland, Ia.

“Thanks to our friends at the Big “C”, we have been able to assist the expansion programs of our large farm customers.”



Banker Donald Wright discusses agri-business financing with the Muller brothers of Griswold, Iowa. Central National Bank is eager to help correspondent banks with large loans for family farm operations such as the Mullers!

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Banking and Barbering in St. Lucas

WHERE can you get a shave, haircut, a check cashed and a loan made all in the same place? A unique barbering and banking combination located in St. Lucas, Ia., at the branch of First National Bank of West Union, that's where. And the barber is 87 year-old John Mihm, a well-liked and respected citizen of St. Lucas.

Mr. Mihm has been barbering at this bank ever since he bought the building when the bank went defunct during the depression. The bank served as his barber shop for over the next 40 years until the First National Bank of West Union bought the building in recent months from Mr. Mihm. First National then gave Mr. Mihm a lifetime lease for \$1 on a space in the bank for his barber shop. During the years Mr. Mihm owned the building, he stored gum and candy in the old vault for the local drugstore and cashed checks for local residents.

When First National took over the building, it decided to remodel the interior and called upon Bank Building Corporation to handle the job. It decided to retain the 1930s look of the interior by keeping many of the original fixtures including brass chandeliers, a quarry tile floor, and a pressed metal ceiling. On the exterior, the existing red brick was kept and awnings, wrought



ROBERT J. Ralston, pres., First Natl. Bank of West Union, takes his turn in the barber chair of **John C. Mihm**.

iron railings, and handrails were added along with a new wooden sign.

The remodeling of the one-story building on a corner lot is now complete, and the bank and Mr. Mihm are open for business. So whether you need a haircut or money, stop by the St. Lucas branch of the First National Bank of West Union.

John Kortman Killed

C. John Kortman, 32, assistant cashier and farm representative at the First State Bank in Mapleton, was killed in an auto accident April 22. While stopped at a highway intersection, his car was struck by another vehicle that reportedly ran the stop sign, and the Kortman car was thrown in the path of an oncoming pickup truck which struck it broadside. The driver of the other auto also was killed.

Mr. Kortman has worked at First State Bank for five years and prior to that had been in extension service work. He was a native of Charter Oak, where he was buried.

Mason City Bank Names Correspondent Officer

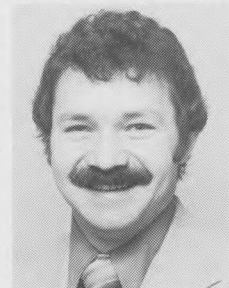
The First National Bank of Mason City has announced the election of Gerald C. Niemeyer as correspondent banking officer.

Mr. Niemeyer brings to his new position a strong computer background in operations and servicing of bank applications. He began his career in 1969 with Northwest Computer Services, Inc., at Rochester, Minn. He transferred to Sioux Falls, S.D., where he served as

marketing and service representative from 1976-77, later transferring to Minneapolis and serving as senior service representative from 1977-78.

Cedar Rapids Bank Names Director, Promotes Six

Clare I. Rice has been elected to the board of directors of the Merchants National Bank, Cedar Rapids. He is president of the avionics and missiles group of Rockwell International and senior executive for the Collins groups in Cedar Rapids.



S. R. FARMER

The bank also announced the following promotions: Marlette Jensen, Patricia A. Jennings and Thomas J. Watson, from assistant cashiers to assistant vice presidents, and Stanley R. Farmer, Rudy O. W. Frey and James A. Koenig to assistant cashiers.

Mr. Farmer is in the correspondent department and is well known to Iowa bankers.

Changes at Donnellson

Citizens State Bank, Donnellson, has announced that Jerry Harkins has been elected president and director. The bank also announced that Daniel E. Jessen, vice president and trust officer, and Greg A. Mohr, vice president and cashier, have been elected to the board of directors. Mr. Mohr recently was promoted from cashier to vice president and cashier.

Appointed Savings Bonds Chairman in Jones County

Richard J. Moore, vice president and trust officer of the Monticello State Bank, Monticello, has been appointed volunteer chairman for the United States Savings Bonds program in Jones County by Jay E. Tone, Jr., state chairman for Savings Bonds activities.

Mr. Moore succeeds H. M. Jones, publisher of the MONTICELLO EXPRESS who was associated with the bond program since August, 1973.



Iowa Investment Bankers Hold Annual Field Day in Des Moines May 17-18



Officers for 1978 are (left to right): Pres., **Gene Strandberg**, Carleton D. Beh Co.; Secy.-Treas., **Jim Weiser**, Central National B&T Co.; Golf Tournament Chmn., **Bob Kirkendall**, First Mid America; 1st V.P., **Tom Wormley**, Shaw-McDermott & Co.; Tennis Tournament Chmn., **Art Reynolds**, Carleton D. Beh Co.; not pictured, 2nd V.P., **Bill Goodwin**, R. G. Dickinson & Co.



Discussing the golf tournament results are **Ron Stegh**, a.v.p. Carleton D. Beh Co.; **Dennis Young**, Dial Financial Corp.; **Robert Beh**, pres., Carleton D. Beh Co.

Banks of Iowa 1st Quarter Earnings Hit Record Level

Banks of Iowa, Inc., Cedar Rapids-based multi-bank holding company, reported record operating income, net income and earnings per share for the first quarter of 1978. F. Forbes Olberg, chairman and president of B of I, reported to stockholders that total resources on March 31 were \$961,877,775, up from the first quarter 1977 figure of \$886,820,711.

Capital accounts increased by 9.4% to \$71,511,365 from \$65,396,506 reported a year earlier. Book value per share rose from \$33.98 at first quarter 1977 to \$37.24 in 1978.

Mr. Olberg said warnings and

dividends continued the yearly increase they have registered since 1967. At B of I, compound earnings have increased 12% per year while dividends have increased 11%.

Operating income at the end of the first quarter was \$17,908,272, up from \$15,524,937 a year earlier. Net income rose from \$1,833,268 to \$2,212,988, and earnings per share rose from 93 cents per share to \$1.15.

Elected at Waterloo

The National Bank of Waterloo has announced the elections of Craig W. Shirey and Dr. William C. Drier to its board of directors. Mr. Shirey is president of C. W. Shirey Co. Dr. Drier began his practice in Waterloo in 1946.

Iowa Bank Opens Foreign Branch

John R. Fitzgibbon, chairman, president and chief executive officer of the Iowa-Des Moines National Bank has announced plans to open a foreign branch in Georgetown, Grand Cayman, in the British West Indies. Having received approval by the Board of Governors of the Federal Reserve, the bank is planning a July opening subject to final approval by the Cayman Island government.

Mr. Fitzgibbon states, "This is a milestone for the State of Iowa and its economy. It will enhance Iowa's image and ability to attract companies involved in international business while better serving the banking needs of Iowa manufacturers currently involved in importing and exporting."

David L. Tremmel, vice president and manager of the bank's international banking department, stated that the new foreign branch will have a direct impact on Iowa firms doing business abroad. Although basic international banking services have been offered in the State, Iowa firms requiring foreign affiliate financing and export financing based on Euro currency markets have had to go outside our State for these services.

Williamsburg Bank Names President

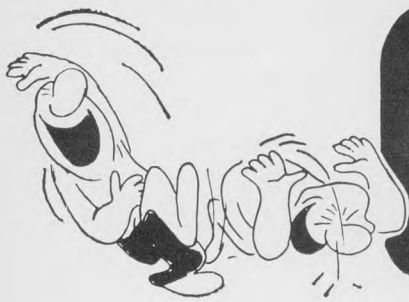
The promotions of Robert J. Coulter to chairman and R. James Coulter, Jr., to president and chief executive officer of the Security Savings Bank, Williamsburg, have been announced. Both will remain in the bank full-time.

Mr. Coulter, Jr., is a 1968 graduate of the University of Iowa, Iowa City. He joined the bank in 1972 and has served as executive vice president since that time.

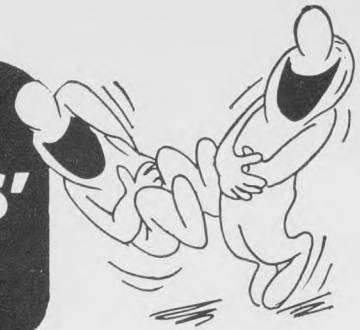
Michael B. Yanney, who purchased the majority interest in the bank earlier this year, was named to the bank's board.

Named at Centerville

Cathy Couchman has been promoted to cashier of Centerville National Bank. She served as accounting officer and assistant trust officer.



In the DIRECTORS' ROOM



Profit Motive

Joe: "But, if it costs \$20 to make these watches and you sell them for \$20, where does your profit come in?"

Moe: "From repairing them."

Calm Under Fire

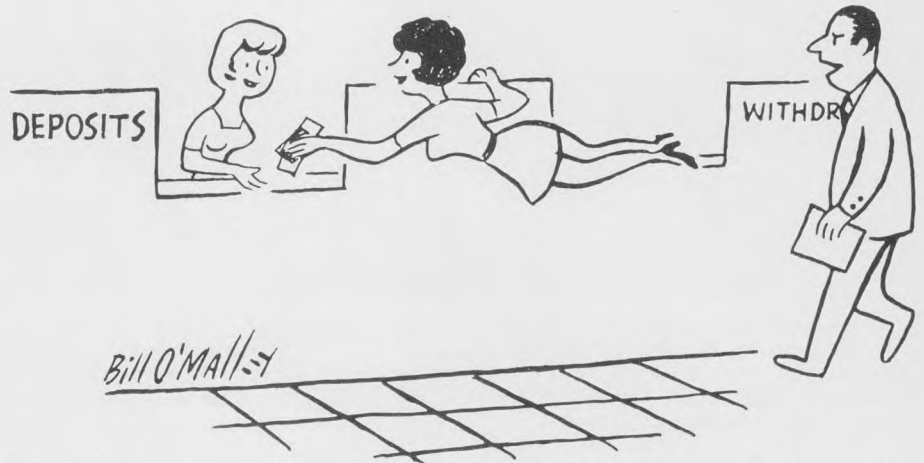
An airline was conducting a training flight for new personnel. During the takeoff, the trainee flight engineer noticed suddenly that one of the engines was on fire. With the wrench he had in his hand, he touched the pilot's shoulder and said, "We're on fire."

The pilot soon had the plane safely back on the ground. The green engineer was explaining to the ground crew how calmly he had spotted the trouble, how quietly he had called the pilot's attention to it without panic or excitement.

As he was talking, he saw the pilot being carried from the plane on a stretcher.

"What's the matter with him?" the trainee engineer asked.

"Broken shoulder," someone explained.



"Miss Green, please make your personal bank deposits during your lunch hour hereafter."

Faisies

The three-year-old was absolutely fascinated with his grandfather's false teeth. After staring transfixed while they were removed for brushing and replaced, he asked to have the process repeated. The obliging grandfather did it several times for the youngster, then asked, "Now what?"

The child's eyes shifted momentarily and he said, "Take off your nose."

Cheer Yourself Up

When you are down in the dumps and want to climb out again, do this: praise somebody. Find some excuse to say something nice to somebody who isn't expecting it. This simple formula really works! And the astonishing thing about it is that it will not only lift your spirits, it will perform a minor miracle in the disposition of the person you are praising.

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We at the Iowa-Des Moines pride ourselves in having a Correspondent Banking team that is committed to providing total service to Iowa Bankers. With knowledgeable and experienced people like Lynn Horak, the Iowa-Des Moines is able to live up to that commitment — that now extends to over 400 banks.

Because Lynn was manager of our largest office he understands, from experience, what your banking needs are and how to tailor the services of the Iowa-Des Moines to meet them. This perspective has helped him provide the type of advice many bankers have come to appreciate. And, if you need assistance in fulfilling the borrowing needs of your large commercial customers, Lynn's expertise in financial statement analysis can be helpful.

With correspondent bankers like Lynn Horak, the Iowa-Des Moines can fulfill its commitment of prompt, attentive service to its correspondents. It is that commitment which you can rely on to get a lot of help for your money, from all of us.



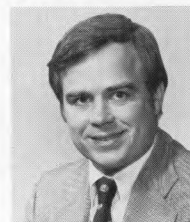
George Milligan



Bernie Kersey



Bob Bueneke



Lance Davenport



Dorothea Wolfe



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