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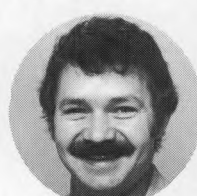
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Convention Calendar

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

May 6-8—Nebraska Bankers Association 82nd Annual Convention, Omaha Hilton.

May 6-9—ABA National Marketing Conference, Hyatt Regency, Atlanta.

May 9-11—NABW Iowa Convention, Jumer's Castle Lodge, Bettendorf.

May 13-19—ABA Executive Seminar on Retail Banking, Harrison Conference Center, Lake Bluff, Ill.

May 14-15—South Dakota Bankers Association 87th Annual Convention, Downtown Convention Center, Sioux Falls.

May 16-17—Independent Community Banks of Illinois Annual Convention, Forum 30, Springfield, Ill.

May 20-22—ABA Corporate Trust Conference, Hyatt Regency O'Hare, Chicago.

May 20-23—ABA National Operations/Automation Conference, Disneyland Hotel, Anaheim, Calif.

May 21-22—North Dakota Association, 95th Annual Convention, Grand Forks.

May 27-30—AIB Annual Convention, Philadelphia Marriott, Philadelphia.

June 6-8—Illinois Bankers Association Annual Convention, Marriott Hotel, Chicago.

June 6-8—Association of Bank Holding Companies 21st Annual Convention, Pfister Hotel, Milwaukee.

June 7-9—Colorado Bankers Association 78th Annual Convention, Broadmoor Hotel, Colorado Springs.

June 10-22—ABA Stonier Graduate School of Banking, Rutgers University, New Brunswick, N.J.

June 11-13—89th Annual Minnesota Bankers Convention, St. Paul Radisson.

June 20-22—Wyoming Bankers Association 71st Annual Convention, Jackson Lake Lodge, near Moran, Wyo.

June 27-29—Montana Bankers Association Annual Convention, Sun Valley, Idaho.

July 19-21—Iowa Independent Bankers Annual Convention, New Inn, Lake Okoboji, Ia.

Aug. 12-25—The Graduate School of Banking, University of Wisconsin-Madison, Wis.

Aug. 13-24—ABA National Trust School/Nat'l Graduate Trust School, Northwestern University, Evanston, Ill.

Aug. 19-31—Pacific Coast Banking School, University of Washington, Seattle.

Sept. 11-14—ABA Annual Bank Card Convention, Century Plaza, Los Angeles.

Sept. 16-19—ABA National Personnel Conference, Capitol Hilton, Washington, D.C.

Sept. 16-28—ABA National Instalment Credit School, University of Oklahoma, Norman.

Sept. 23-25—Iowa Bankers Association 93rd Annual Convention, Civic Center, Des Moines.

Sept. 30-Oct. 3—NABW 57th Annual Convention, New Orleans Hilton.

Oct. 6-10—American Bankers Convention, New Orleans.

Oct. 21-Nov. 1—ABA National Commercial Lending School, Norman, Okla.

Nov. 11-14—ABA Ag Credit Conference, Hotel Utah, Salt Lake City.

Nov. 18-20—ABA National Correspondent Banking Conference, Fairmont Hotel & Tower, San Francisco.

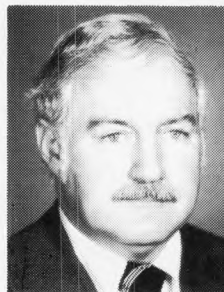
DQK Tops Regional Firms in 1978 Underwriting

Dain, Kalman & Quail, Inc. and its Bosworth Sullivan division ranked first among regional investment firms in managed and co-managed municipal bond underwriting during 1978. The rankings were released by the Public Securities Association, a New York-based national trade association representing the public finance industry.

The total value of all municipal bond offerings in which DKQ-Bosworth participated during 1978 was approximately \$12.2 billion. This sum represents 26.6% of the national total, or better than one fourth of the value of all tax-exempt bond offerings brought to market in the United States in 1978.

Of the 483 issues participated in by the firm, 189 were managed or co-managed offerings. All figures represented a new record for the firm in the field of public finance.

DKQ, as senior manager of the \$55.2 million Minneapolis Housing & Redevelopment Authority, received national recognition for bringing to



R.R. MARTIN

market what has become known as the "model program" in the mortgage backed tax-exempt bond sector. The largest public purpose issue managed by the firm during 1978 was a \$300 million offering of the Nebraska Public Power District, which serves the electric needs of 85 of Nebraska's 93 counties and portions of the rest.

According to Robert Martin, executive vice president in charge of the DKQ-Bosworth fixed income department, the department has grown over the last decade from less than ten to more than sixty professional employees operating out of four strategic locations—Minneapolis, Davenport, Omaha and Denver. In commenting on DKQ's exceptional 1978 municipal bond underwriting, Mr. Martin stated, "We see continued growth in the area of tax-free financing. The use of municipal bonds is becoming an ever-increasing vehicle to raise funds for such important public needs such as housing, health care and power."

Fed Approves Foreign Bank Purchase

The takeover by foreign banks of three major United States banks, including New York's Marine Midland Bank, was approved recently by the Federal Reserve Board.

The action clears the way for the London-based Standard Chartered Bank Ltd. to acquire Union Bank of Los Angeles, the 25th largest American Bank.

The sale of two New York banks, Marine Midland and National Bank of North America, still needs approval by the New York State superintendent.

Grad School "Sold Out"

The Graduate School of Banking at the University of Wisconsin-Madison, largest graduate banking school in the nation, has reached its maximum enrollment for the 1979 session announced Janet A. Primus, Registrar.

The School, whose 1979 session will be held August 12-25, is sponsored by the sixteen-state bankers associations comprising the Central States Conference of Bankers Associations.

Official enrollment figures for the 1979 session already total 1,554 — 579 freshmen, 501 juniors and 474 seniors.

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

American National Bank & Trust Company, Chicago: Three new officers have been elected. They are: Michael E. King, trust officer; Gregory S. Kobus, loan review officer, and David J. Steinman, trust investment officer.

Mr. King joined the bank in January as a probate administrator after gaining three years experience in trust administration.

Mr. Kobus, who has five years commercial lending experience, joined American earlier this year.

Mr. Steinman joined the bank in July, 1978, after spending two years with another major Chicago bank.

Commerce Bank of Kansas City: Ed Lewis, vice president in the correspondent division, has resigned to become president of the Commerce Bank of Brunswick, Mo., a town located about 100 miles east of Kansas City.

Mr. Lewis had traveled the Iowa and Nebraska area for Commerce during his six years with the bank. He was previously with Oppenheimer Industries and Swift & Company.

Thomas E. Bishop, Jr. has joined the correspondent bank division. He has served as a correspondent division officer specializing in agri-business for American Fletcher National Bank, Indianapolis.

The bank also elected a new director. He is John F. Anderson, president and chief executive officer of Farmland Industries, Inc. He succeeds Ernest T. Lindsey, retired president of Farmland, who has served on the Commerce Bank board since 1974.

Continental Bank, Chicago: Four employees in the corporate financial services department have been promoted. They are: Daniel S. Shook, to second vice president; Mark J. Mickey, to auditing officer, and Richard J. DuSold and John C. Kent, to banking officers.

First National Bank of Chicago: Frank W. Considine, president and chief executive officer of National Can Corporation, has been nominated to the board of directors. He will replace Lee L. Morgan, chairman and chief executive officer of Caterpillar

Tractor Company, who will continue as a member of the bank's international advisory committee.

Harris Bank, Chicago: Nine vice presidents have been elected by the Harris Bank. They are: David J. Blears, Richard C. Caldwell, Michael I. McCowin, Lance Morgan, and Martha T. Russell, all in the trust department. Mrs. Russell serves in the bank's Scottsdale, Ariz., office.

Elected a vice president in the banking department was James Ortega, manager of the bank's office in Sao Paulo, Brazil.

James A. Grabsky, checking account services division, was elected, as were David K. Harmon and James T. Kinsella, both of the municipal bond division.

Mercantile Bancorporation, St. Louis: Earl K. Dille, executive vice president, Union Electric Company; William C. Heckman, chairman and chief executive officer, Arch Mineral Corporation, and Neal J. Farrell, president, Mercantile Trust Company, N.A. have been nominated to serve as directors. The three men now serve as directors of the Mercantile Trust Company.

United Missouri Bancshares, Inc., Kansas City: R. Crosby Kemper, chairman and chief executive officer, announced that Walter Beck will join the holding company as executive vice president. He will assist in loan administration and business development, concentrating on expansion of new business in the region served by member banks of the holding company.

Mr. Beck previously was executive vice president of the First National Bank of Kansas City, where he directed the national and metropolitan calling programs in the bank's commercial division. He has over 18 years experience in credit origination, documentation and administration for mortgage and capital equipment investments by major commercial and industrial clients.

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ON THE COVER

The Automated Teller Terminal pictured on the cover, has been operated for some time by Bankers Trust Company of Des Moines as its lobby teller just outside the main bank doors in the lobby of the Ruan Building in downtown Des Moines. Last month it was converted to a shared terminal, making it available now to all bank customer cardholders of the 560 member banks of the Iowa Transfer System. This move is typical of the great strides being made in EFT in north central and mountain states, as described in the special articles listed below.

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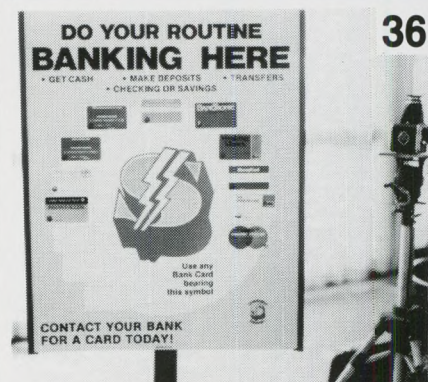
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In 1970, when interest rates were almost as high as they are today, we were the first to recognize a need by bank trust departments, bank customers, broker/dealers, investment advisers and others to buy government securities in odd-lot denominations. To fill this gap, CM&M was formed to provide professional odd-lot services as a primary function and not as an afterthought.

Thus, we became THE odd-lot firm, and frankly, we still are. When you call us about odd lots, we give instant competitive prices, usually without fees, prompt and accurate settlements, as fast as "next day" if need be, and quick and courteous service.

In addition, we have a sophisticated knowledge of the government securities market because we specialize in it. Based on these qualifications, we can boast that no other firm can handle odd-lot transactions better than CM&M. Although many firms may claim they can or might try to copy our methods, we are the originators! Of course, we are flattered that many firms want to imitate our style.

So, when you are trading odd lots, doesn't it make more sense to deal with THE original odd-lot firm, CM&M, than an imitator?

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ARTIST'S rendering for American's expansion in Chicago.

Major Expansion for Chicago Bank

AMERICAN National Bank of Chicago is undergoing a major expansion of its operations into the One North LaSalle building.

The building, which is just south of the bank's main location at 33 North LaSalle Street, will undergo remodeling of its 13,000 square foot ground level in addition to remodeling of the lower level as well as the second floor.

Michael E. Tobin, chairman, indicated that the project will include the addition of nineteen new teller stations as well as new retail banking and customer service facilities. Plans call for the renovation to be in the same Colonial Williamsburg motif that American National currently has which includes extensive internal use of bronze, walnut paneling, slate flooring, and colonial chandeliers. Externally, the bank will duplicate its Williamsburg style windows at the One North location.

Customers will have access to the new facilities through entrances on both Madison and LaSalle Streets in addition to the entrance on Washington Street. American National will also continue its present retail operations in its main building. When the remodeling is completed in

mid-1980, the bank will occupy the first five floors of the One North LaSalle building plus the lower level. It also has options for the sixth and seventh floors.

United Guaranty Offers Aid to Mortgage Lenders

United Guaranty Residential Insurance Company, Greensboro, N. C., is now distributing to lenders across the country "A Guide to Obtaining Funds from The Mortgage Corporation." This booklet, when used in conjunction with United's bi-weekly Marketscan/Planning Guide, will help lenders establish a bid close to the minimum accepted net yield for Mortgage Corporation weekly auctions.

Correctly establishing a competitive FHLMC bid is imperative for lenders to successfully participate in the secondary market. If lenders bid too far above the minimum accepted net yield, they can lose money on the loans originated or be required to make a yield so high that it will keep them out of the market. On the other hand, if lenders do not bid high enough to obtain funds from The Mortgage Corporation, they can be kept out of the market due to lack of funds.

Lenders need to estimate the weekly change in the minimum required net yield. While the process is not an exact science, quite accurate projections can be made based on trends suggested by selected market

data. However, up-to-the-minute market data plus a well established and proven calculation method are a must.

United Guaranty's Marketscan/Planning Guide provides a track record of the data which will help lenders realistically calculate for competitive bids. Current, as well as one and two month old figures on FHLMC and FNMA yields, money and capital markets and housing markets are supplied.

"A Guide to Obtaining Funds from The Mortgage Corporation" explains how to put the Planning Guide to work to determine the who, what, when and how of competitive bidding.

To receive "A Guide to Obtaining Funds" or to be added to the Marketscan/Planning Guide mailing list write United Guaranty, 823 N. Elm Street, Greensboro, N.C. 27401.

Real Estate Finance Update

An annual update on real estate lending, and a timely look at the year ahead will be provided participants at the up-coming National Conference on Real Estate Finance. The ABA meeting will be held May 13-16 at the Hyatt Regency Hotel in Phoenix. Topics to be covered include: how to live with federal compliance requirements, construction lending and urban development/recycling, the secondary mortgage market, and income property financing. Featured speakers will include ABA President John H. Perkins, Mortgage Bankers Association President Claude Pope, and the president-elect of the U.S. League of Savings and Loan Associations, Edwin Brooks. For more information, contact the Housing and Real Estate Finance Division, or call (202) 467-4223.

Heads Commercial Lending Division

Charles J. Kane, chairman of the Third National Bank in Nashville, has been elected chairman of the American Bankers Association's (ABA) Commercial Lending Division.

For the past year, Mr. Kane has served as the division's vice chairman and chairman of the division's Government Relations Committee. He succeeds Richard F. Ford, current division chairman and president of First National Bank in St. Louis.





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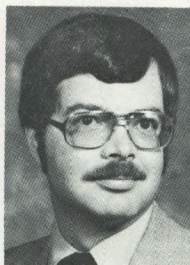
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OUTLOOK for instalment lending was discussed at a press conference by **J. Donald Saul**, chmn. of ABA div.; **John Perkins**, ABA pres., and **Luther G. French**, vice chmn. of ABA div.

"Consumer Debt in Balance"

CONSUMER debt, while continuing to rise, is in reasonable balance if the economy doesn't turn down."

This was the comment made by John H. Perkins, president of the American Bankers Association and president of Continental Bank, Chicago, before the 30th annual ABA instalment credit conference held in Chicago last month.

Mr. Perkins indicated that the delinquency ratio at his own bank "is no different than it has been the last several years." He said that banks should continue to re-examine their costs in the instalment loan areas, as well as for other banking services, so they are compensated properly.

J. Donald Saul, chairman of the ABA's instalment lending division, and vice president of the First National Bank of Cincinnati, told delegates that chargeoff experiences are "below past years" and are generally "not out of line." He added that bankers are doing more debt counseling now.

Luther G. French, Jr., senior vice president, North Carolina National Bank, Greensboro, advanced to chairman of the ABA instalment lending committee, succeeding Mr. Saul. Election was held during the final session of the conference.

In a key speech, U.S. Rep. Chalmers P. Wylie, R., Ohio, predicted that legislation is forthcoming to simplify truth-in-lending. He described the present regulations as "a nightmare for lenders and borrowers."

Rep. Wylie suggested that there will be more restrictive legislation ahead, including credit card redlining, a privacy bill and truth-in-savings. The latter will be termed

"Financial Services Disclosure Act." Rep. Wylie said that most of the laws and regulations should be labeled "lawyers' protective act," because "there are lots of lawyers and they need the work."

"Truth-in-Savings" Bill Planned

Mandatory disclosure of the cost and conditions of consumer banking services will be sought in legislation to be introduced by Chairman Frank Annunzio (D-Ill.) of the House Consumer Affairs Subcommittee.

He says his bill would set guidelines for advertising interest on savings accounts, and require other disclosures when an account is opened or when requested by the customer.

It would not specify any method of paying interest, but would require institutions that do not pay on the basis of day-of-deposit to day-of-withdrawal to state in their advertising the annual percentage rate paid, the frequency of compounding and the method used to calculate the balance on which interest is paid.

He would also forbid banks to advertise "free" checking accounts if there is a charge for checks, for any accounting services, or a required minimum balance.

Annunzio's bill would also require a complete accounting of all charges made against an account. Delays in access to funds resulting from check holds would have to be disclosed. Notification would have to be given to customers 30 days before account charges are increased or earnings decreased. False and misleading advertising of account terms and

conditions would be banned.

All disclosures would have to be made "in language that is readily understandable by a consumer."

Retail Banking Seminar

An executive seminar on retail banking will be held May 13-19 at the Harrison Conference Center in Lake Bluff, Illinois.

Participants will learn how to measure performance and management control, how to assess their banks' potential for retail services, and how to implement the retail function.

Since it will deal with management of the retail function, participants will be drawn from upper management positions of banks presently involved in or considering more extensive involvement in the retail function. Cost is \$675. For more information, contact Ann Siegel, Instalment Lending Division, or call (202) 467-4864.

Teller to Hawaii

Debbie Carter, a senior teller employed by Hagan's Helpers, North Kansas City, Mo., has won a free trip to Hawaii.

The firm provides Kansas City area banks with experienced tellers on a temporary basis. Debbie won the one-week vacation in the sun through a drawing made among 35 senior tellers at Hagan. A new contest started April 1, and the entire staff will work toward a chance to win in October, according to Linda Blue Smith, President.

Hagan's Helpers is a division of Tom Hagan & Associates, prominent personnel placement firm.

Relax IRS Ruling On CD Interest

In a move welcomed by financial institutions the Internal Revenue Service has relaxed its February 12 rule declaring that persons who purchased six-month certificates during 1978 were to declare as income the interest earned on those CD's last year - even if they wouldn't receive the money until the CD's matured in 1979.

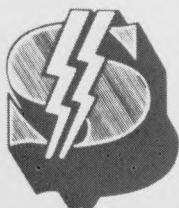
Under the new announcement the IRS said that financial institutions would not have to comply with the February 12 rule if in the past they reported interest on such certificates only at maturity.



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COMPTROLLER of the Currency John G. Heimann recently stated that interstate banking in the United States is, for all practical purposes, a reality. He said the current marketplace is evidence that many of the existing statutes and regulations aimed at defining financial institutions' geographic and product markets have been eroded "by the solvent of the competition."

Reaffirming his strong belief in the benefits of free and open competition, the Comptroller stressed that "governmental intervention in the marketplace should be tolerated only where clearly warranted." He added that legal constraints on geographical bank expansion in the United States may serve "to create what in effect are monopolistic or oligopolistic effects in certain markets."



J. G. HEIMANN

Mr. Heimann emphasized that those geographical barriers should be removed gradually, in an orderly and equitable fashion, and acknowledged that "as we permit free and open competition we must be careful to avoid the concentrations of power that often go with size."

Mr. Heimann suggested the following options for eliminating branching restrictions:

- Congress might consider permitting Federally chartered institutions to branch within natural market areas (such as metropolitan areas).
- The Douglas Amendment to the Bank Holding Company Act might be modified to allow a phasing in of interstate banking through multi-bank holding companies.
- Congress might enact legislation to override state law and allow *de novo* entry wherever it is demonstrated that customers in restricted markets are disadvantaged.

The Comptroller expressed his support for a free and open banking system on the international, as well as the national level. He noted that non-U.S. banks have become a competitive force in the United States, and that they now account for about 20% of all domestic commer-

cial and industrial loans made by the 300 largest U.S. banks.

Visa Sets New Records

Visa's worldwide dollar volume rose a record 44.3 percent to \$29.1 billion in 1978, the international bank card system reported. This compared with the growth in volume to \$20.1 billion in 1977, up 32.4% from the year before.

The card's strong growth in 1978 was also evident in the United States where dollar volume soared 47.1% to \$22.1 billion from \$15.0 billion the year before, also a record increase.

In the United States, the number of cardholders climbed to 56.6 million at December 31, 1978, an increase of 27.7%. The year also saw the number of merchant outlets accepting Visa domestically expand by nearly 19% to 1.97 million.

- The average sales ticket was \$30.54, up from \$27.97 the year

before. The average cash advance was \$120.09, compared with the year earlier \$101.32.

- Outstandings rose to \$12.6 billion at the end of 1978, an increase of \$3.8 billion or 42.5% from a year earlier.

New Savings Instruments

Proposal by Federal regulators of new types of savings instruments for small savers is expected soon.

After they act, public comment will be solicited.

In brief outline, the regulators are expected to propose:

- A passbook account bearing a premium interest rate, perhaps 0.5% over the Reg. Q ceiling, for funds on deposit for more than a year.

- A rising rate CD with a 5-year term, and starting rate of 6% or thereabouts.

- A 4-year CD linked to—but with lower yields than—the 4-year Treasury bond, with the differential favoring of thrifts retained.

- Lower minimum deposit requirements for CDs with terms of 4 years or less.

"Final" Regs On Executive Loans

THE Federal Reserve Board has issued a final regulation implementing new section 22(h) of the Federal Reserve Act, a part of Title I of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). The regulation applies to all member banks of the Federal Reserve System, including all national banks.

The Board said that because the final regulation differs in some important respects from the proposed regulation issued for public comment December 28, 1978, an additional 60-day comment period will be allowed.

Section 22(h) applies to loans by a member bank to the executive officers, directors and principal shareholders (1) of the member bank, (2) the members bank's parent bank holding company, and (3) any other subsidiaries of the parent bank holding company. A "principal shareholder" of the bank is defined as any individual or company that controls more than 10% of any class of voting shares of the bank (18% in certain circumstances). Section 22(h) also applies to related interests of bank officials. Related interests are companies controlled by, and political or campaign committees con-

trolled by or benefiting, bank officials.

Section 22(h) establishes the following four requirements for loans by member banks to bank officials or their related interests:

1. An aggregate lending limit of 10% of the bank's capital and surplus on loans (subject to certain exceptions) to any of its executive officers or principal shareholders and their related interests.

2. Prohibition of payment by the bank of an overdraft by an executive officer or director.

3. A requirement that every extension of credit by the bank to a bank official or to a related interest be made on substantially the same terms as those prevailing at the time for comparable transactions with other persons not associated with the bank, and not involve more than the normal risk of repayment or present other unfavorable features.

4. A requirement that every extension of credit by the bank to a bank official or any related interest, that would exceed \$25,000 in the aggregate be approved in advance by a majority of the bank's entire board of directors, with the interested party abstaining.



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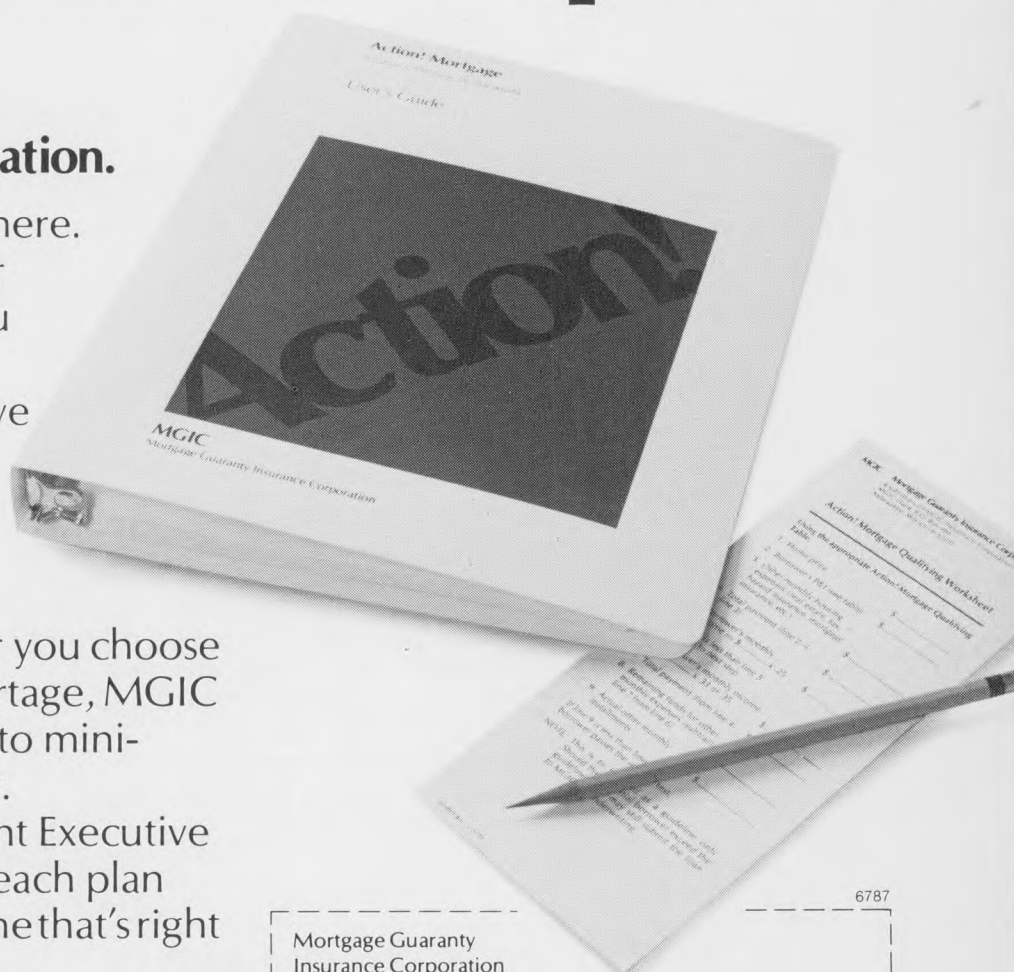
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Announce Graduated Mortgage Plan

A new graduated payment mortgage (GPM) plan aimed at helping qualify more people for home loans is being introduced by Mortgage Guaranty Insurance Corporation (MGIC), Milwaukee, Wisc.

Known as ACTION! Mortgage, the program was initially developed by Cheshire County Savings Bank of Keene, New Hampshire. The plan, which enables mortgage lenders to schedule reduced monthly payments for the borrower during the early years of a mortgage, marks the first entry of a private mortgage insurer into the GPM field.

Under the ACTION! plan, MGIC mortgage guaranty insurance is used, allowing the home buyer to purchase a home with as little as 10% down payment. Then, a graduated payment mortgage schedule is constructed that allows for a percentage of the down payment to be applied directly to the purchase price of the home.

With ACTION!, the balance of the downpayment is placed in a pledged savings account. Principal and interest is then used to supplement

monthly mortgage payments. As the savings account is slowly depleted, the borrower's out-of-pocket expense increases at a fixed yearly amount. This increase is based on the best possible estimate of the borrower's potential annual income increase. In about the sixth year, the mortgage payments level off and remain unchanged for the duration of the loan.

After approving the loan, MGIC returns a commitment certificate, along with a customized printout and loan amortization schedule for the borrower, based on the lender's specifications. The program can also be given to local realtors and builders so they can pre-qualify customers for mortgage financing.

ATS Affects Money Supply

The introduction of automatic transfer services (ATS) at commercial banks has affected the traditional measures of the nation's money supply and could make it more difficult during the transition period

to interpret the effects of monetary growth on the economy, according to economists John A. Tatom and Richard W. Lang.

In the current Federal Reserve Bank of St. Louis *Review*, Messrs. Tatom and Lang provide a framework for analyzing the effects of the adoption of ATS on the behavior of the monetary aggregates (measures of the money supply).

During the shift to ATS, say Messrs. Tatom and Lang, the nation's money stock M1 (currency and demand deposits of the non-bank public) will grow more slowly than in the past, while broader measures of monetary aggregates, such as M2, will grow slightly faster. The magnitude of the effects on these monetary aggregates, according to the authors, will depend upon the extent to which depositors elect to use the new ATS savings accounts as a way to hold checkable balances.

Simplified Pensions

"Simplified pensions" for employees were authorized under the 1978 Tax Reform Act. But don't rush into the new program until the Internal Revenue Service treads over it with regulations, warns Harris Bank trust officer John W. Cooper, of Chicago. The new law lets companies set up tax-deferred individual retirement accounts (IRAs) for employees and make contributions to the IRAs of up to \$7,500 a year. Presently, an individual employee may set up his own IRA only if he is not covered by a company pension or profit sharing plan, and he may contribute up to \$1,500 per year.

Under the new law, if the company's contribution falls below \$1,500 for an employee in any year, the employee can make up the difference with a deductible contribution in his name to the company IRA account.

Cooper said Congress intended the new company IRA to get around much of the red-tape of pension plans governed by the Employee Retirement Income Security Act (ERISA). But he expects the IRS to levy regulations on the law that may "end up with the same kind of animal." The IRS is expected to bar employers from discriminating in who gets into the company IRA, Cooper said.

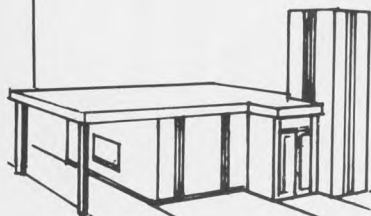
Cooper said IRS regulations on the new law would be out by June at the earliest.

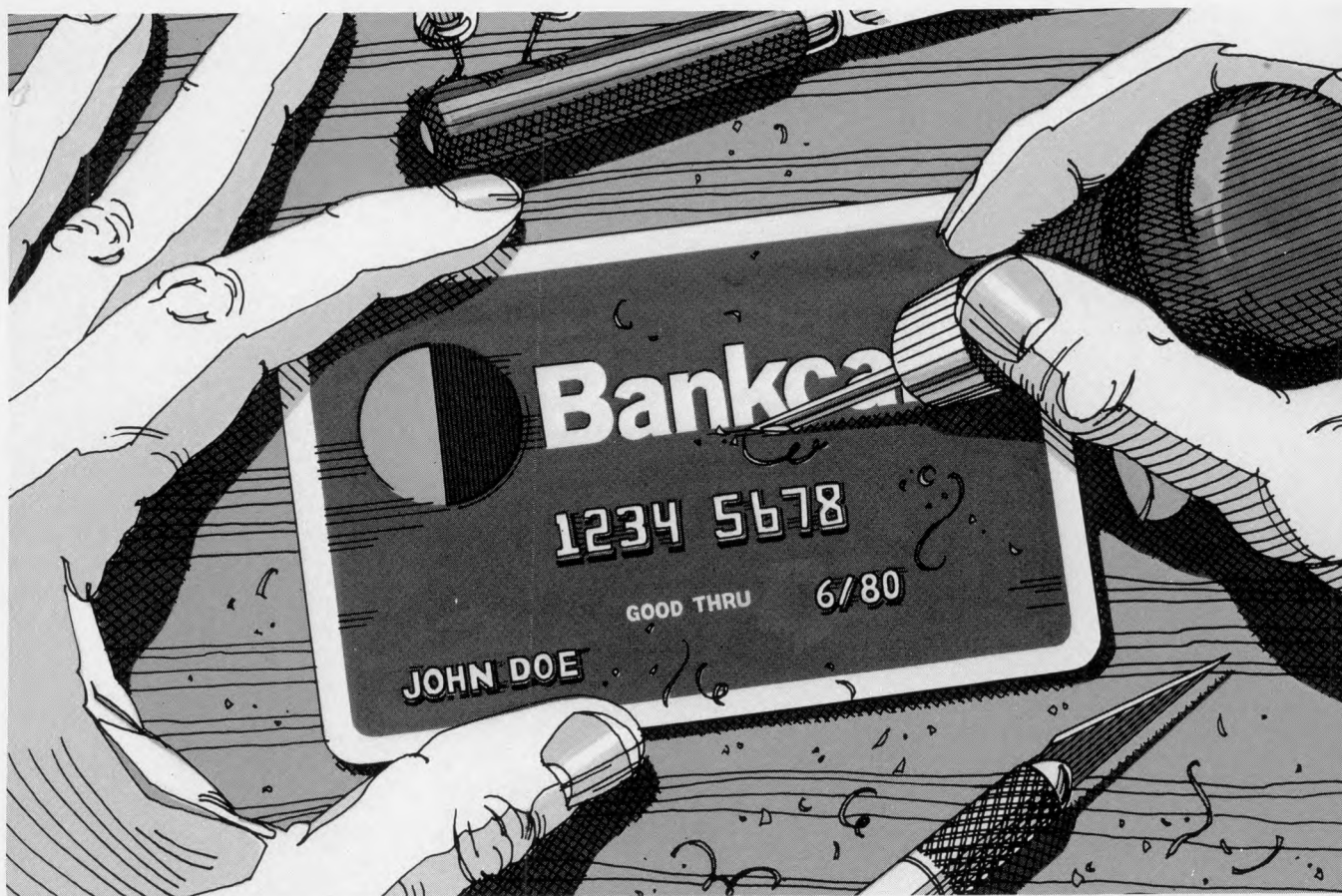


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New Program To Process Reports

THE Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) have jointly announced a new coordinated program to edit and process major banking reports as a means of improving regulatory efficiency.

The FDIC Board voted to authorize its chairman, Irvine H. Sprague, to enter into an agreement with Comptroller of the Currency John G. Heimann, also a member of the Board, under which the FDIC will

receive and process the Reports of Income and Reports of Condition from 4,573 national banks, and the Trust Department Annual Reports from 1,962 national banks supervised by the Comptroller. The reports will be received, edited and processed at the FDIC to prepare information used by both agencies. The FDIC will continue to receive, edit and process equivalent reports from the institutions it supervises — 8,827 state banks not members of the Federal Reserve.

In addition, the board of directors of the FDIC has agreed to participate with the OCC in funding a contract with the firm of Deloitte, Haskins and Sells to study the feasibility of the FDIC providing electronic data processing services to the OCC. The contractor will evaluate alternative forms of managing such an effort. After the contractor's report is received, staffs of the two agencies will review the report and make recommendations.

Financial Firms to Add to Investment in Housing

Investment in housing by financial institutions will increase significantly over the next decade, according to Leon Kendall, president of Mortgage Guaranty Insurance Corp., Milwaukee, the nation's oldest and largest private mortgage insurer.

"Financial institutions buy the kind of assets the economy makes available. If there's a war, they will buy government bonds; a consumer durables boom, instalment paper; a housing boom, such as we are now experiencing, home mortgage debt," noted Mr. Kendall. "Returns on investments are highest in relation to the risk present in those markets creating the greatest supply of new debt. Housing will be such a high growth area for a decade or more."

In 1972, there were 27 million people between 25-34 years of age—the key first-time home buying bracket. By 1978, the number had risen to 34 million. First-time homebuyers are projected to increase

to 35 million next year and continue upward to 41 million by 1990. "The number in the prime homebuying age group does not decrease until the year 2000," Mr. Kendall stated. While total population only increased a modest 5% between 1970 and 1976, the number of households increased 15%, Mr. Kendall pointed out.

FNMAE Changes

The Federal National Mortgage Association has announced that its short term notes will be available in both discount and interest bearing form. The notes were previously sold in discount form only.

Both note forms will provide investors with the same effective yield.

Despite Losses, Farmers Mutual Hail Posts Gains

All officers and two directors of Farmers Mutual Hail Insurance Company of Iowa were re-elected last month at the company's 86th annual meeting held in the firm's home office, 2323 Grand Avenue, Des Moines, Ia.

Directors re-elected were Albert Rutledge and David Rutledge. Officers re-elected were Albert Rutledge, president; Donald D. Bockelman, David Rutledge and James E. Streepy, vice presidents; Perry Rutledge, vice president and secretary; Dale Den Hartog, treasurer; Ray S. Olson, assistant secretary and Albert Carter, assistant treasurer.

Mr. Rutledge reported that in spite of a catastrophic year for crop hail insurance in Iowa, where over 100% of the year's premium was returned to losses, the overall operation of the company was profitable. Total premium written exceeded \$59 million, with \$1.295 billion of crop hail insurance coverage in force. He said \$1.8 million was added to policyholder surplus, for a total of \$38 million surplus.

In addition to Iowa, there was adverse crop hail experience in Illinois, South Dakota and Wisconsin. Satisfactory experience in other states and in the reinsurance and poultry departments was sufficient to offset the exceptionally heavy hail damage in these states.

Farmers Mutual Hail writes crop hail coverage in nine midwestern states in addition to poultry insurance and reinsurance nationally.



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Summary of International Banking Act

LAST fall the President signed the International Banking Act of 1978 (IBA)—a major step toward equal treatment of U.S. offices of domestic and foreign banks. The act provides for federal chartering of foreign bank offices in the United States, limited interstate branching, and FDIC insurance of domestic deposits. It also expands the activities of Edge Act corporations and gives the Fed authority to impose reserve requirements on U.S. offices of foreign banks. The Federal Reserve, the FDIC and the Comptroller of the Currency have primary responsibility for implementing the act and are now drafting new regulations and revising existing ones to carry out the intent of the act.

Supervision

The IBA grants the three federal banking agencies certain responsibilities for supervising and regulating U.S. offices of foreign banks. Previously, this responsibility was left solely to state banking agencies. Foreign banks that engage in both banking and nonbanking activities

will be subject to the Bank Holding Company Act. The International Banking Act subjects federally chartered U.S. branches and agencies of foreign banks with total assets of \$1 billion or more to Federal Reserve reserve requirements and interest rate limitations and gives the Fed authority to impose reserve requirements and interest rate limitations on state-chartered branches and agencies. The Federal Reserve has been meeting with state banking agencies to discuss issues related to the supervision and regulation of foreign banking offices in the United States as well as the question of access to Fed services such as check clearing, wire transfer and the "discount window." The act also allows foreign banks to establish branches in states where foreign branches or agencies are permitted by state law.

Registration

The International Banking Act requires U.S. branches and agencies of foreign banks to register with the Federal Reserve. Registration procedures are being developed and forms will be available at the Reserve Banks. Representative offices of foreign banks should have registered with the Treasury Department by March 17.

Edge Act Corporations

In addition to governing activities of foreign banks in the United States, the International Banking Act is intended to eliminate or modify competitive disadvantages of Edge Act corporations versus foreign banks in the United States. (Edge Act corporations—or Edges—are special banking subsidiaries, separately capitalized and operated by U.S. banks, chartered by the Federal Reserve to engage in international banking and finance operations.) The act eliminates the 10% minimum reserve requirement on domestic deposits of Edge Act corporations effective last November, thus setting reserve requirements on such deposits the same as those for member banks.

In order to carry out the provisions of the act that affect Edge Act corporations, the Federal Reserve has proposed several revisions to its Reg. K. The Board has proposed to broaden the scope of Edge activity to include financing the production of goods for export as well as their

shipment and storage. The Board's proposal would create a new class of customer whose deposit and loan business would be presumed to be for international business purposes. (Under the current rules, each debit or credit must be directly related to an international transaction.)

The International Banking Act requires the Board to have regulations governing the expanded activities of Edge Act corporations by June 15.

Profit Guidelines For Banks

An "alternative profit standard" has been set for financial institutions by the Council on Wage and Price Stability.

Special provisions are required for banks because of the close links between interest rates, which aren't controlled and which are a major force in monetary policy—and bank profits. Compliance requires banks to limit their rate of return on either assets or equity during 1979 to no more than the average of the best 3 of the last 5 years.

Banks that cannot meet the voluntary profit guidelines will be considered in compliance if, during the 12 months following March 15, 1979, they:

- Limit annual increases in dividend payments to 7%.
- Refrain from raising the noninterest charges to their customers.

The Council notes that "the dividend restriction will foster financial stability by increasing capitalization ratios."

The Council recognizes that the range of actions that can be taken to achieve compliance with the profit standard is limited by monetary policies and existing regulations. It believes that "public policy ought to work toward the ultimate abolition of Reg. Q and similar ceiling restrictions on deposit interest rates."

Council Director Barry Bosworth told ABA's National Credit Conference that about 30% of U.S. banks (mostly smaller ones) will not be able to meet the standard and will need to use the alternatives for compliance.

He also said the Administration has "absolutely no intention" of subjecting lenders to credit controls.

Bankers with questions about the profit standard should address them to Charles Hoffman at ABA, 202/467-4014.

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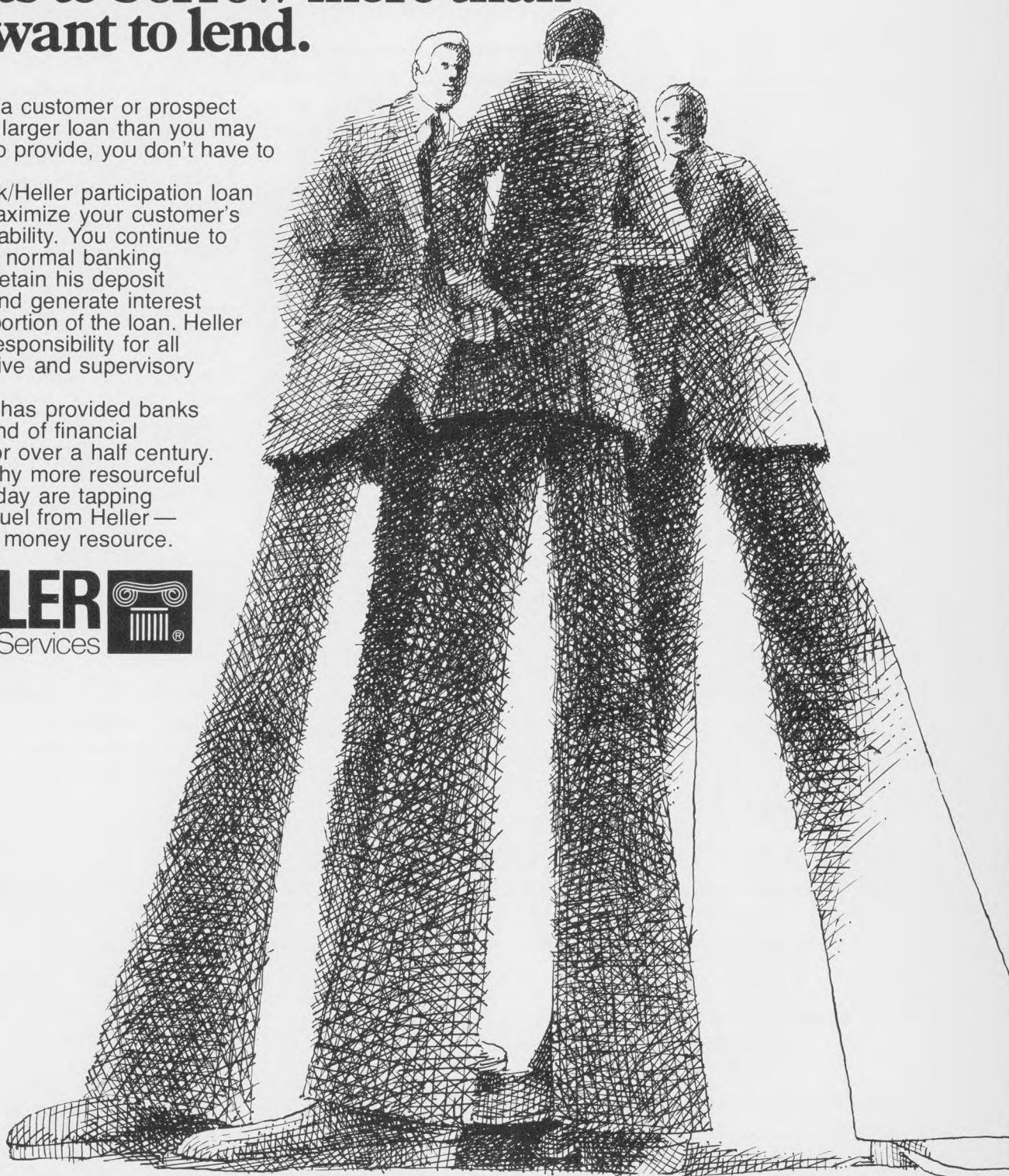
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New Type Debt Offering

CONTINENTAL Illinois Corporation, Chicago, announced a proposed public offering of \$100 million of eight-year floating-rate notes which may be converted into 8½% debentures at the option of the holders.

The corporation, which filed the offering with the Securities and Exchange Commission, said it believes this is the first time there has been a public offering in the U.S. market of a debt security, including a floating rate note, which is convertible into another debt security. Debt offerings, if convertible, are usually convertible into equity issues.

Managing the underwriting group are Blyth Eastman Dillon & Co., Goldman, Sachs & Co., and Merrill Lynch White Weld Capital Markets Group.

The net proceeds from the sale of the proposed notes will be added to the general funds of the corporation.

Interest on the notes, which mature on May 1, 1987, will be paid semi-annually and will float above the then-current interest yield equivalent of the market discount rate for six-month U.S. Treasury bills. The notes will be non-callable prior to May 1, 1986.

The notes will be convertible, at the option of the holder any time prior to May 1, 1986, into an equivalent principal amount of 8½% debentures

due 2004. The debentures will be non-callable prior to May 1, 1991 and will be entitled to a mandatory annual sinking fund beginning in 1991 designed to retire 91% of the issue prior to maturity.

Manufacturers President Addresses Japanese Bankers

Addressing the Regional Banks Association in Tokyo last month, John F. McGillicuddy, president of Manufacturers

Hanover Trust Company of New York, stated, "Close relations that have developed between Japanese and U.S. banks in past years are likely to become closer still as the global market offers more opportunities for cooperation."

Mr. McGillicuddy pointed to the working relationships enjoyed by Manufacturers Hanover with Japanese banks in their country, as well as in the United States. He also noted that foreign banks are opening offices in New York at the rate of about one a week. This entry by foreign banks is welcome, Mr.



J. F. MCGILLICUDDY

McGillicuddy stated, for two reasons. First, they add to the city's prestige as a world financial capital, and second they are good customers for MHT.

Other foreign operations of Manufacturers Hanover were expanded further last month with the opening of a representative office in Bombay, India, the bank's first office in that country. Also, Manufacturers Hanover Leasing Canada Limited, a subsidiary of Manufacturers Hanover Leasing Corporation, has opened a branch office in Vancouver, B.C., and has appointed Mannie Druker as regional manager.

Plan Anti-Crime Seminars

The Mosler Anti-Crime Bureau will present three additional two-day Anti-Crime Seminars for crime prevention professionals in banking, commerce, industry, law enforcement, insurance, local, state and federal agencies and other fields. The schedule includes St. Louis (May 23-24), Boston (Sept. 12-13), and San Francisco (October 24-25).

More information concerning dates and fees for the seminars may be obtained by writing or calling Robert Rosberg, Mosler Anti-Crime Bureau, Hamilton, Ohio 45012. Telephone: 513-867-4336.

"New Political Awareness"

There is a new political awareness that government policies of stimulating demand and throwing money at a problem until it goes away are not working in today's world, John H. Perkins, president of the American Bankers Association (ABA), told the Economic Club of Detroit recently.

"We are witnessing a growing public consciousness of such fundamental problems as massive and repeated federal budget deficits, disproportionate government spending, excessive money creation that subverts purchasing power, and the outrageous cost of unnecessary government regulation," said Perkins.

Mr. Perkins, who also is president of Continental Illinois National Bank and Trust Company of Chicago, said that inflation and overregulation were at the epicenter of an upheaval of attitudes toward the conduct and direction of the entire governmental apparatus.

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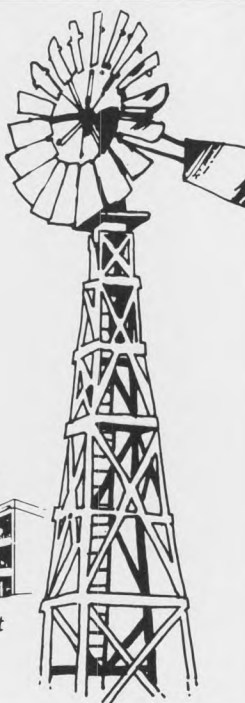
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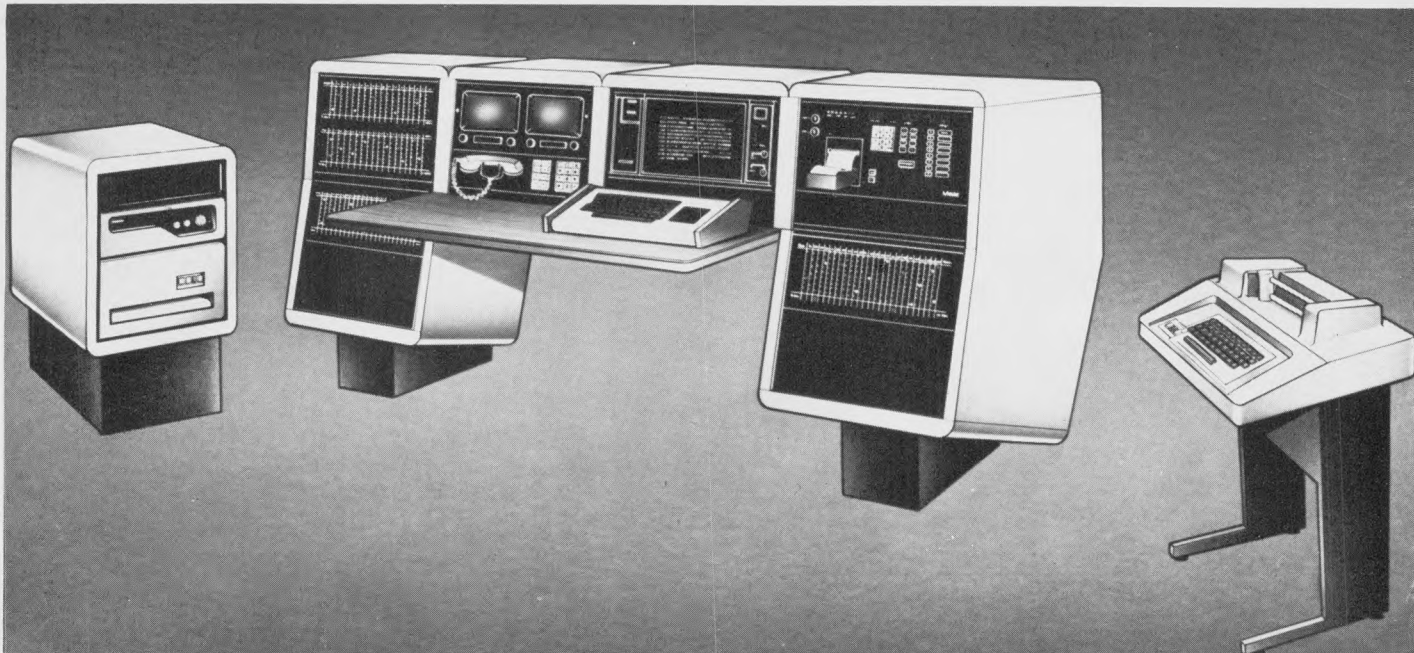
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MODULAR BRM-2 unit which provides unparalleled line security and two-way monitoring for as many as 256 branches or as few as one. Shown is a system using a teleprinter, computer and disc, and a BRM-2 console.

New Two-Way Branch Monitoring System

WITH the same spirit that pioneered them into the branch reporting market in 1966, the Mosler Safe Company of Hamilton, Ohio, has introduced BRM-2, the state-of-the-art in advanced two-way proprietary branch monitoring systems. BRM-2 uses a unique combination of multiplexing (which offers reduction in the use of telephone lines) and high line security.

According to product manager John Kondel, "We've been conducting extensive research on methods to solve our customers' complex security problems. We believe the modular, two-way BRM-2 system is the answer for big and small banks." With the versatile modular design, a customer can start out small with one branch and make economical additions, as needs arise, all the way up to 256 branches monitored from the Central Monitoring Unit (CMU). Two-way communications are now available with BRM-2 as now security commands can be sent to the monitored branch. A console guard can call for a status check any time from any monitored area. Amazingly, the complete scan time for a 256 branch system is a mere 8½ seconds.

Solid State

Operating from multiple micro-processors, BRM-2 has impressive systems benefits such as superior line security; has built-in reliability; and is less expensive than some other

systems on the market. It's solid-state all the way — consuming very low power — and can interface with most data networks using dual channel modems.

BRM-2 can monitor any point desired . . . from a vault, fire reporting systems, to whether or not the heating and air conditioning systems are operating, to controlling the inside and outside lights. Operation of BRM-2, both at the CMU and at the branch level, is secure, simple and meets the mandates as set up by Underwriters' Laboratories.

The CMU communicates via readily available telephone line networks. In the case of a malfunctioning telephone line, that line is isolated from the rest of the system until service is restored. When the problem is corrected, the system will report and record any changes of status while the branch was disconnected. Mosler's BRM-2 is the only system on the market which affords this capability. Unique also with BRM-2 is the auto-disconnect which is activated if a Remote Terminal Unit (RTU) fails to communicate with the CMU. Should this happen, a digital communicator back-up mode is available to transmit the alarm to the control console. And the use of complicated algorithms and random code generators lends additional security. The codes are

changed automatically and very frequently. And BRM-2 is equipped with an "ambush" set-up to give added protection from terrorists to management personnel.

Three Levels

Three levels of line security are offered within the branch. Two levels of line supervision are available from the RTU to reporting devices within the branch, and Mosler's Internal Line Security, which is a very high degree of line security usually attached to the most vulnerable points in a financial institution.

Total turnkey operation is offered with BRM-2 from initial contact, to quoting, specifying, installation and turn-on. Even throughout servicing, one group of people can handle it all from start to finish.

For further information about the Mosler BRM-2 system, write Mosler, Department PR-167, 1561 Grand Blvd., Hamilton, Ohio 45012. □

United Guaranty Names W.L. Hemphill C.E.O.

United Guaranty Corporation, the mortgage insurer headquartered in Greensboro, N.C., has announced that W. L. Hemphill, president since 1972, has been elected president and chief executive officer.

Marvin L. Legare will continue as chairman and will concentrate his efforts in the business development area.

There's a lot to be said for the Safekeeping Service of Manufacturers Hanover.

Like:

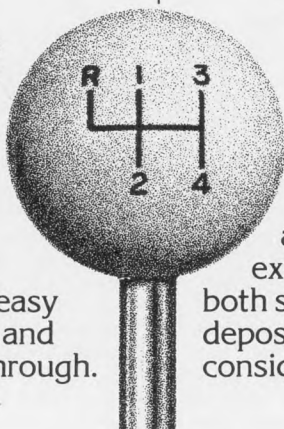


We wear all the safekeeping hats.

Manufacturers Hanover Trust has the sophisticated systems to assume the roles of processor, guardian, handler of trades, clearance agent, executor of repos, facilitator of pledging, depository monitor—and more—for all securities.

We're geared to move fast.

To make your funds available as soon as possible, MHT is one of the few New York banks to publish deadlines for receipt of your instructions. And we're organized for easy access, sure control and immediate follow-through.



We have the touch for keeping in touch.

Through one automated means or another, we give you a daily wrap-up of all your securities activity. You can get it via MHT's TRANSEND Securities System, a time-sharing facility, or you can communicate directly with MHT's mainframe for I.D. trades.

Our pledge edge.

Unlike most New York banks, MHT consolidates all your pledged securities in a single account—for example, collateral for both state and municipal deposits. The savings are considerable.

We know the depository ropes.

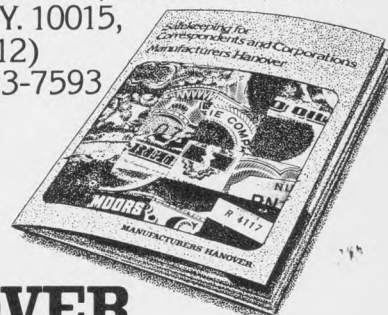
An early advocate of certificate-less electronic processing, MHT uses both the Depository Trust Company and the Federal Reserve book-entry system.

For added savings, our long position at DTC entitles you to lower rates without the usual participant's fee.



We wrote the book.

For a copy of our safekeeping brochure, contact your National Division representative, or Brian V. Carty, Vice President, 350 Park Ave., N.Y., N.Y. 10022, (212) 350-4658, or Louis V. Segalini, Vice President, 40 Wall St., N.Y., N.Y. 10015, (212) 623-7593.



MANUFACTURERS HANOVER



New Dollar Coin Poses Problems

WHEN Susan Brownell Anthony was in her prime as leader of the Women's Suffragist Movement a century ago she caused plenty of trouble for the establishment. Her notable success in leading the fight for American women to have the right to vote is being recognized by the United States Treasury with the issuance at mid-year of a new silver dollar bearing her likeness. Ironically, that recognition in the form of a new size of dollar coin will give her one last shot at being a headache to the establishment.

The ramifications of her arrival at bank teller windows and money rooms, and in coin bags from vendors, bottlers, toll road and bridge authorities, churches, amusement parks, piggy bank savers, department stores, supermarkets, armored car carriers as well as correspondent banks, are worthy of special note. A half billion coins will enter the system all at once—a

decision made by Washington officials to diminish the effect of coin collectors hoarding them.

Industry Response

Brandt, Inc., the oldest and largest manufacturer of money handling equipment, responded to the ramifications immediately following President Carter's signature on the \$1 coin legislation by announcing alternatives for bankers using coin handling machines. The firm is currently producing four models of coin sorter/counters and three modified coin packagers with six-coin capability, and offers a conversion program through Brandt service operations nationally for the majority of machines presently in use.

Previous Brandt equipment, and that of some other manufacturers, can handle just five coins — the penny, nickel, dime, quarter and half-dollar — for financial institutions requiring high-speed sorting

and counting. "Severe headaches" is the way the company describes the effect of a sixth coin on bankers who fail to prepare for its arrival.

Charles J. Wallman, Brandt's executive vice president who led the firm's involvement in the new coin's progress in Washington since its conception nearly four years ago, points to the biggest problem of all — the "dirty tricks" the new dollar will play on existing machines.

"The new coin," he says, "almost certainly will mis-sort either as a half-dollar or as a quarter. And, as a direct result of mis-sorting, it will cause a miscount."

Leads to Inefficiency

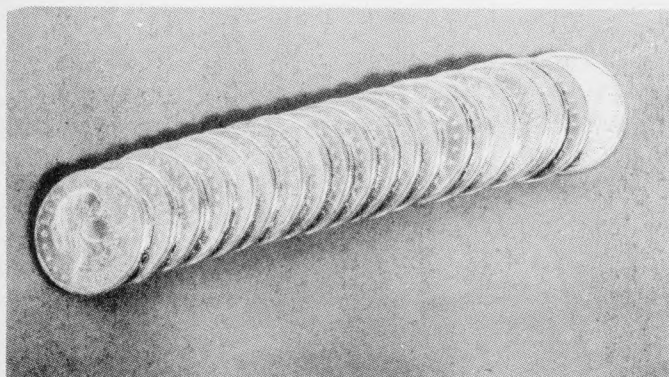
For the banker, Mr. Wallman emphasizes, all this leads to teller inefficiency. "Someone has to find where the counting error occurred and unravel the problem, and this uses up precious, costly time of bank staff," he points out.

Customer dissatisfaction also is the result of such errors and inefficiency, says Mr. Wallman, since any wrong count would be under, not over. "There's nothing," he states, "like having an angry customer who's been short-changed by his own bank."

If present equipment is older the new coin might well cause a jam, possibly damaging the machine, says the Brandt executive. If the equipment is a newer model with a totalizing mechanism, the total as well as the denominational counts will be inaccurate.

"Perhaps the major argument for having proper equipment to accommodate the new coin is the need to render the same service to customers as in the past," Mr. Wallman adds. "It simply will not be possible

NEW DOLLAR COIN . . .
[Turn to page 102, please]



THE HONOREE—Susan Brownell Anthony was born in 1820 and early in her career as a school teacher became noted as a reformer and leader in the Women's Suffrage Movement. Throughout her life she was instrumental, as well, in the temperance movement. In that capacity she organized the Women's State Temperance Society of New York. During her lifetime she lectured on temperance, slavery and women's rights. From 1860-1870 she edited a publication titled *Revolution*, geared to Women's Right to Vote, and in pursuit of her convictions was arrested in 1872 for voting. Her movement gained partial success in 1869 when Territorial Governors granted women the right to vote. She died in 1906 without seeing her personal campaign reach the pinnacle of success that was to come later. An amendment to the Constitution offered to Congress in 1917 during World War I was adopted by that body in 1919 and was ratified in 1920 by the necessary 36 states, thus becoming the 19th Amendment to the United States Constitution.

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The ins and outs of the agricultural lending market.



W. Eckman



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

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We'll find a way.



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Continental Illinois National Bank and Trust Company of Chicago.



"Hired-hand for a day"



Dean Hicks climbs into tractor to chop cornstalks.

Clay Miller gets experience with barn cleaning.

Harlan Sterk sets out in truck with a load of beans.

Paul Johnson helps clean out livestock building.

DOING farm chores may not have been what ag officers at Jefferson State Bank in Jefferson, Ia., had in mind when they started working for the bank, but that's what four of them were assigned in a recent bank project.

It was all part of Jefferson State Bank's "Hired-Hand-for-a-Day" contest. A member of the Brenton Banks, Inc., Jefferson State Bank has been deeply involved in Greene County agriculture ever since the bank was founded in 1926. To emphasize its commitment to agriculture and promote interaction between rural and city segments of Greene County, the bank sponsored this unique contest. All farmers in the county were eligible to register and more than 100 participated. The four lucky winners selected a day of their choice to have one of the ag officers work at any chores assigned them on the winner's farm.

Ag Vice President Dean Hicks was "won" by David and Martha Ganoe, who farm west of Jefferson. Dean helped haul grain to the elevator and chop cornstalks.

Senior Vice President Harlan Sterk wound up on the Tom Paulson farm near the little community of Dana (pop. 123) where Jefferson State has an office. Harlan sorted hogs and hauled beans. He says the highlight of his day was the noon meal prepared by Eleanore Paulson, with all the food on the menu home-grown.

Ag Representative Paul Johnson was awarded to Corrine and Vernon Bancroft of Paton. Well, actually Corrine won Paul in the drawing but she gave her "prize" to her husband as a present! Paul was put to

work sorting sheep, watering horses, and helping clean out and renovate a livestock building.

Farm Management Representative Clay Miller was "bonded" for the day to Larry Thomsen of Jefferson and he acquired first hand information on swine confinement management. His other duties included cleaning out barns and helping winterize buildings around the Thomsen farmstead.

Carole Custer, marketing director for Jefferson State, relates that the program was adapted from a similar one initiated by the Citizens Central Bank of Arcade, N.Y.

She also comments that "our ag officers say they still have many farmers comment about the program and they are planning to enter again this year." For their part, the four participating ag bankers from the host bank say they wish they could go back to their farm bosses and work one more day finishing up the projects they had started! They'll get their chance in the 1979 drawing.

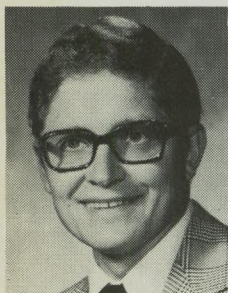
The four lucky winners all agree that the "Hired-Hand-for-a-Day" project gave them a chance to explain the complexities of today's agriculture. The only obligation on the part of the winning farmer was to supply a real farm breakfast and lunch.

The meals will be remembered for a long time by the four Jefferson State ag officers, as well as some muscles they'd forgotten about until they were involved in their 12-hour stint as part of the "Hired-Hand-for-a-Day."

In any event, they sighed, as they stretched their aching muscles, "it was good, clean (???) fun." □



ATM now successful operating tool



A NORTHWESTERN BANKER interview
JOHN A. SIKKINK
Senior Vice President and Cashier
Iowa-Des Moines National Bank
Des Moines, Ia.

A DISTINCT change in attitude toward the function of automated teller terminals is creating a change in strategy on the part of many Iowa banks, according to John A. Sikkink, senior vice president and cashier at the Iowa-Des Moines National Bank in Des Moines.

"ATMs originally were conceived as a marketing tool," Mr. Sikkink states, "to gain a greater market share in competition with other banks and financial institutions. This is still true for banks versus other financial institutions, and if we can provide more convenience we will maintain our market share and possibly gain."

Change in Attitude

"But the big change in attitude toward ATMs, as I see it, is the perception by banks of the ATM as a successful operating tool. Customers now are becoming proficient and comfortable in using ATMs and they are now performing functions electronically that were formerly done by the bank staff."

"This is a change on our part," Mr. Sikkink emphasizes, "because we all thought the customers would come running and clamoring for this new service. However, we have learned that people are satisfied with the present paper system which has served them well, so it is a long-term marketing function to change this attitude. At the same time, banks have a growing percentage of customers who find it convenient also to use ATMs in conjunction with their use of paper checks."

Mr. Sikkink and his bank, along with other major correspondent banks in the state, participated in the research and development several years ago that led to formation of the Iowa Transfer System, the nation's first statewide electronic funds transfer system (see accompanying report on ITS). Growth of ITS was slow when the on-line system for ATMs and point-of-sale terminals was initiated but it accelerated very favorably in the past 12 months after many customers became accustomed to using the terminals as a convenience.

40% Have Used Cards

At Iowa-Des Moines National, Mr. Sikkink says, two-thirds of the bank's retail customers have transaction cards and 40% of the cardholders have used their cards one or more times. "In 1979 and the future," he notes, "we will make a real effort to increase this. The more usage given cards by customers, the lower our transaction costs become due to the fact that fewer tellers and back room personnel are needed for those particular transactions."

"This means we can adapt to growth," he emphasizes, "without a corresponding increase in staff, which means we all become more productive. In addition this could very well mean a limitation on our need for physical growth. With construction costs mounting, this could be a substantial savings."

Looking ahead to an expanded card base by banks and the potential they represent, Mr. Sikkink provides these comments, "In the future, the value of a transaction card will be in giving customers more convenience by making it easy to use it in other locations. Hence, the value of the ability to communicate with other banks by way of the Iowa Transfer System, for example, will assure this convenience for customers."

Study Equipment Carefully

Because of the need for this ability to communicate through a system with other banks, Mr. Sikkink says "it is vital that small banks looking at mini computers should make sure they can tie in with the central switching system so they can communicate with that system when they put out ATMs or POS units. I think it would be a mistake to invest a lot of dollars today in equipment that doesn't have this kind of capability for the future."

Mr. Sikkink also discussed one other area of importance to community banks — the Automated Clearing House Associations. Like ITS, Mr. Sikkink's bank and other major Iowa banks helped form the Iowa Automated Clearing House Association. When it went into operation a couple of years ago, IACHA became the first clearing house nationwide to have all banks in the state as members.

Mr. Sikkink stresses the importance of the ACH by saying, "If you don't have the capability of receiving data transmission or handling tapes, you then create more work load, so you need the capability of receiving data communications by tape or data transmission. There is a lack of this equipment for data transmission in most banks not using data service at their correspondent bank or some other center."

"This is why it's imperative for bankers spending

CHANGE IN ATTITUDE . . .
[Turn to page 58, please]

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Because now your Automatic Teller Machine (ATM) can be adapted to do all the work for you. 24 hours a day, seven days a week. All you have to do is sign up for the "Volume Plus" program from American Express and you can sell American Express® Travelers Cheques around the clock without lifting a hand.

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Not only that, but travelers cheques sales can require a lot less back-room settlement work than ever before. And,

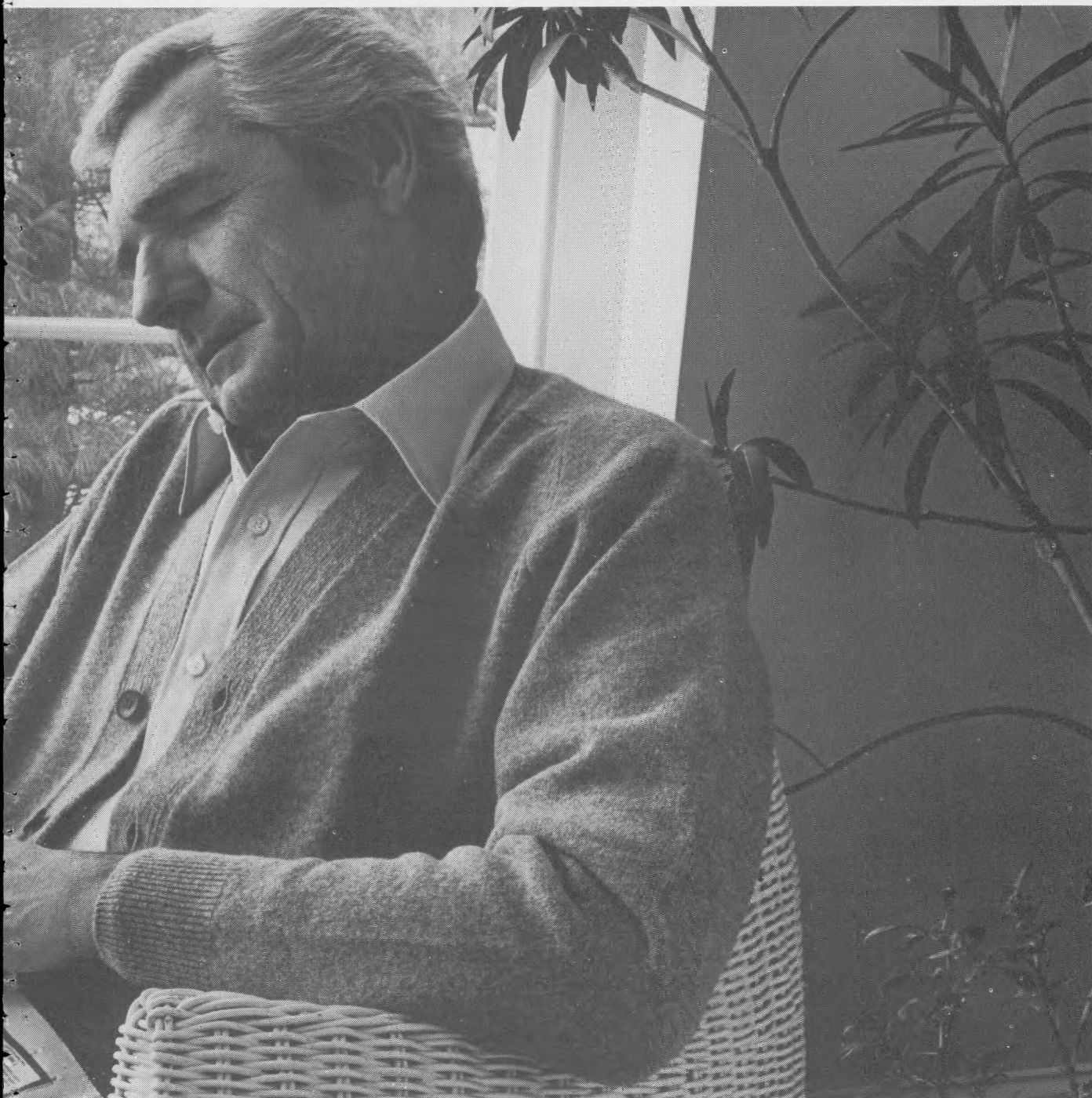
at the same time, they can be extended to 24 hours a day, seven days a week for maximum customer convenience. Just one more way to a satisfied customer.

What Else Does "Volume Plus" Mean?

It can mean a lot of beneficial things to your institution. Pluses like:

- Additional volume through your ATM
- Increased revenue from new sales
- Additional customer service and convenience





cheques in your sleep.

- Further justification for the cost of your ATM
- Reduction in back-room settlement time

American Express will provide the software to make your hardware system more of an asset than ever.

If "Volume Plus" sounds like an exciting proposition, it's easy to find out more. To get all the additional information you need to be convinced, just call Mr. Gil Rosenwald, Vice-President, Sales Development, at (212) 480-3226. Or clip the coupon at right and mail it today.


Then wait and see how pleased your customers will be when they can buy American Express Travelers Cheques 24 hours a day, seven days a week.

And how nice it is to have a sales system so automated

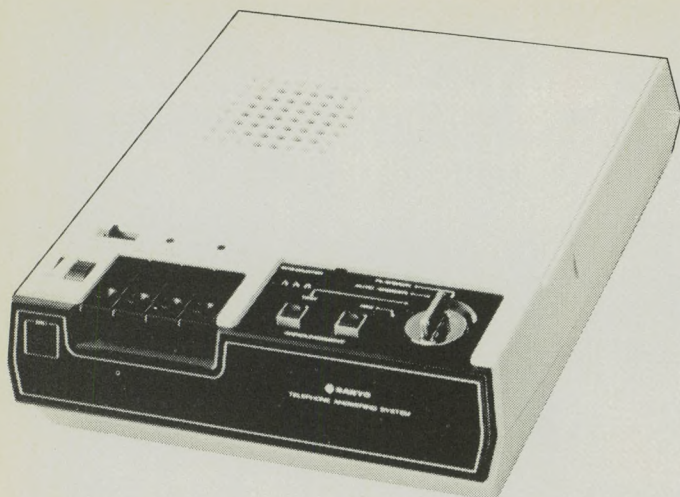
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Institution _____		
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City _____	State _____	Zip _____



Northwestern Banker, May 1979



TELLER-PHONE

A NORTHWESTERN BANKER Interview With
CLARK H. MATTSON, President
 Diversified Communications CO., Inc.
 Omaha, Nebr.

ONE phenomenon in the world of automation, as financial institutions have sought new ways to retain old business and obtain new accounts, has been development of a low-cost, efficient, profitable Bank-by-Phone service.

This development of recent years, pioneered for the most part and used very successfully by savings and loan associations, has been accelerated dramatically in the past few months since Congress authorized financial institutions to offer an Automatic Transfer Service. ATS permits a customer to retain funds in a savings account drawing interest until those funds are needed, then transfer the amount needed to a checking account for payment.

Automatic Phone Service Offered

An Omaha marketing organization, Diversified Communications Co., Inc., which specializes in telephone accessory products, recognized early in 1978 the trend for banks and savings and loans to examine every alternative in their search for 24-hour funds transfer systems. At that time, some banks began using DCC voice activated answering machines that ask questions to lead the customer through the transfer steps. These machines are installed on a separate telephone line from a bank's main phone system so that they are used exclusively for Automatic Telephone Banking.

This permits customers to call their banks 24 hours a day, seven days a week to transfer funds from savings to checking, checking to savings, make loan payments and, in some cases, make credit card or utility payments. In most cases, these are internal funds transfers.

To meet the potential demand among financial institutions for this type of service, DCC partners Clark H. Mattson, president, and John O. Robb, Jr., vice president, expanded their sales force to cover Nebraska, Iowa, Kansas, Minnesota and Wisconsin. "We've been at it for a year now," says Clark Mattson, "and we've sold our program to about 200 financial institutions, mostly banks. We enjoy calling on bankers and the

positive response by the industry has been great. Bankers are really feeling the competition from savings and loans and other banks and, as a result, feel the need to offer more service."

Mr. Mattson says the experience of his firm is that "Nebraska alone, with the bill paying services offered by savings and loan associations, is probably the most competitive market for bankers today." Savings and Loans, for example, had 149 branches statewide in September, 1978, compared to 54 branches in March, 1974. Banks in Nebraska had 104 detached facilities, all within their own cities, compared to 87 such facilities in 1975.

Positive Marketing Approach

DCC has responded to that competition and in other states in its area with low-cost equipment that offers a positive marketing approach.

"We can make a bank a 24-hour telephone bank for about \$1,600 to \$2,100," Mr. Mattson states. "This one-time charge is particularly attractive to rural community bankers who wish to offer new services, but can't afford the more expensive programs that larger metropolitan banks offer."

The ATB program of DCC offers several main points, he says:

1. It is a complete, inexpensive total system that can be used permanently within any bank, to complement other services or stand alone.
2. Competitively with other financial institutions, it offers banks an easy, quick method for maintaining customers by offering them interest on savings, with the ready availability of transfer to checking as funds are needed, regardless of whether the bank is open or not.
3. With the telephone machine and the customer performing initial stages of the service, the transaction is completed in normal bookkeeping routine.
4. Tape storage is economical and offers the bank and customers alike the opportunity to review the tapes at any time should there be such a need.

Regarded As Permanent Service

Mr. Robb, vice president and sales manager for DCC,

Consider the result. Docutel did.



That's why our new Total Teller 2300 will perform even if the communications network falls down on the job.

Most ATM manufacturers use an on-line communications network of one type or another. That means that if a problem develops anywhere in the network, their ATM is down.

The more network variables, the more chances of failure. We still believe simplicity is the key to reliability. That's why we use a communications system with stand alone, off-line fallback right in the ATM, itself.

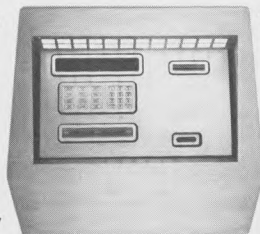
Without its own intelligence, an ATM is susceptible to network variables. For instance, the host computer is a multitude of complex variables that could spell trouble: everything from computer hardware and software to the possibility of a power failure or an operator's error.

There are several more variables in each communications line and more in the ATM, itself.

Some networks use a controller, which acts as a middleman between the host computer and the ATM. It adds even more variables which increase the odds against the ATM's availability to your customers.

It all adds up to trouble. A typical on-line network has 16 different variables. The comparable on-line, controller-based network has 23. The Docutel system with its off-line fallback at the ATM has two. Which would you rather rely on?

920 very angry customers every month. Could you tolerate that? A system with 23 variables each up 99½% of the time would be operating only 88½% of the time, overall. If an ATM in this network averages 8,000 transactions per month,



you're turning away 920 customers from that ATM. If you have 20 ATM's in this system, you're turning away 18,400 customers.

With the Docutel stand alone system, if each variable is up 99½% of the time, your ATM is up 99%. That means just 80 out of 8,000 customers would be turned away.

Naturally, not all installations will achieve 99% customer availability all of the time. But why not get a jump on that goal with the odds in your favor?

The ATM for tomorrow's high transaction volumes. We were the pioneer of the ATM market, and now we're the first to make major advances in ATM reliability. Every component in the all new TT 2300 is designed to give your customers more availability for your dollar. It's a state-of-the-art ATM built to withstand today's and tomorrow's high transaction volumes.

It also comes in a retrofit unit called the TT 2300R that fits Total Teller 300 installations. That's just another example of how we're thinking ahead.

Call Bill Moody today at (214) 438-1818. He'll tell you more about the TT 2300 and arrange for you to see it for yourself. We think you'll be impressed with the way we stand up for reliability. Docutel Corporation/P. O. Box 222306/Dallas, Texas 75222/TWX 910-860-5928/(214) 438-1818

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reliability through experience

AN IMPORTANT MESSAGE TO ABA MEMBER BANKS

The ad on the opposite page will appear in May or June issues of:

National Geographic, Time, Newsweek, U.S. News & World Report, Sports Illustrated, Money, Scientific American. Also in Airline In-Flight magazines on: American,

Allegheny, Continental, Eastern, PSA, Delta, Hughes Airwest, Ozark, Pan Am, Southern, Texas International, United, Northwest, Frontier, National.

New ABA advertising campaign

The ads kick off ABA's new advertising campaign. This program is designed to help member banks compete against our aggressive

competition—savings banks, savings and loans, credit unions and the growing list of other competitors offering "bank-like" services.

Heavy network TV support

Accompanying the magazine phase of the program will be your new ABA TV commercials with heavy network exposure. In May and June, ABA will be a

participant sponsor of golf tournaments on CBS and NBC. In addition, our commercials will appear on evening and weekend news telecasts on ABC and NBC.

New, "more competitive" commercials

The purpose of these commercials is to help build core deposits from the personal banking sector. However, the customer inquiry

they will generate will also enhance cross-selling opportunities for all services offered by A FULL SERVICE BANK.

"We've Got The Answers"

Dramatized in the commercials will be typical confusing questions customers ask of financial institutions and friends. We encourage people to bring such questions to A FULL SERVICE BANK because "We've Got The Answers." This selling theme was selected rather than

presenting individual services because it universally applies to all member banks, whereas services vary from bank to bank and state to state. Its appeal taps the well-established public belief in the commercial banker's expertise and integrity.

Tie-in materials available

A window decal featuring the registered trademark, A FULL SERVICE BANK, is available to member banks exclusively. In addition, offered to member banks only, are a host of tie-in materials including lobby displays, advertising material for print and radio, mailing stuffers, premiums, plus selling and training programs and more. These materials are offered by

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BANK BY PHONE

said, "We are selling a system to a bank, not just equipment. Banks which have followed our systems approved for implementing and sustaining our Automatic Telephone Banking program with the proper marketing and internal administration, are successful by our standards. We have seen some banks do a brief marketing program, then months later you wouldn't know they are still offering it. Ours is a permanent service that needs to be marketed constantly to customers."

Another DCC official, Kay Orner, regional sales manager headquartered in Minneapolis, points to the competitive value of ATB as 24-hour telephone banking. "It boils down to the battle of the quarter percent between savings and loans and the banks and who offers the best services. People no longer keep most of their money in non-interest bearing checking accounts. They are getting smart, keeping their money in savings accounts at interest and transferring to their checking accounts as funds are needed. They will keep that money in the institution that gives them a convenient transfer system. Telephone transfer is the easiest."

"Savings and loans in Minneapolis and St. Paul were the first financial institutions in our area to recognize the battle of the quarter percent and exploit it. They were also the first ones to see the need for 24-hour funds transfer. Virtually 99% of the Twin Cities savings and loans now have 24-hour funds transfer. The percentage of banks in the Twin Cities which have it is about 55%. Customers, once they get used to the system, like the 24-hour funds transfer system. We find most of the transfers come in during the evenings and on weekends, especially Sunday, and, of course, these are the times when banks usually are closed."

Use Phone As Marketing Tool

Mr. Mattson says that until recently most banks seemed to consider the ATB a necessary operational headache and have overlooked its use as a marketing tool. "With our system," Mr. Mattson maintains, "the Q & A machine takes the customer through a funds transfer by asking all the necessary questions. The bookkeeping department needs only to process the transactions once or twice a day because they are all on tape." This is similar to what banks do who process transactions through Automated Teller Machines which are not on-line. Tapes from those machines are processed within the bank once or twice a day to update accounts.

Mr. Mattson also notes that banks using the Bank-by-Phone system store tapes for 60 to 90 days, going beyond the usual statement period, which gives customers or bank staff an opportunity to review the tapes if there is any question about a transaction. ATB

thus provides an added dimension to any live transactions conducted by telephone by furnishing an exact tape for referral.

For further security, Mr. Mattson notes, most banks will do two things if a transaction calls for transfer to another account. A bank staffer will call back the account holder to verify the instructions received, or, such a transaction will not be permitted by ATB but be required in writing — which means a check might just as well be written. No personal identification number (PIN) is required by most banks (as needed for card access to ATMs) but at most savings and loans, where so many transfers are from savings to bank checking accounts or third parties, PINs are used. A bank, for example, offering a bill paying service, Mr. Mattson points out, probably would want to build the PIN into his ATB system.

What Bankers Say About ATB

How do bankers view DCC's Automatic Telephone Banking service? Here are comments from a few of them:

Carol Ulrich, marketing and personnel officer, Citizens Bank & Trust Co., Hutchinson, Minn.: "CB&T decided to offer the 24-hour service to give our customers the extra convenience of telephone banking so they don't always have to come to the bank. We are marketing our program via the newspaper, radio, statement stuffers sent through the mail and conspicuously displayed in the lobby."

Bill Dodgen, vice president, First National Bank, Humboldt, Ia.: "We have had our system for about two years and we feel it is an important marketing tool to encourage and keep customers saving with us. It is also an efficient means of handling telephone transfers because our people don't have to do the transactions personally all day long."

John McLaughlin, vice president, Gateway Bank & Trust, Lincoln, Nebr.: "We installed the Question and Answer 24-hour funds transfer program to simplify the handling of the many telephone transfers we were already getting. This system met our needs without a large cash investment and it is simple, trouble-free and easy to use."

Jay Peters, president, York State Bank and Trust Co., York, Nebr.: "We have the 24-hour funds transfer system in our bank. Our holding company opened an industrial loan company a year ago in York, First York Savings Co. We pay 6.25% on passbook accounts. We are going to install the 24-hour funds transfer program there, also, and advertise the ease of transfer and the 24-hour accessibility. We feel this will help us get new customers."

Phone System Fits Any Size Bank

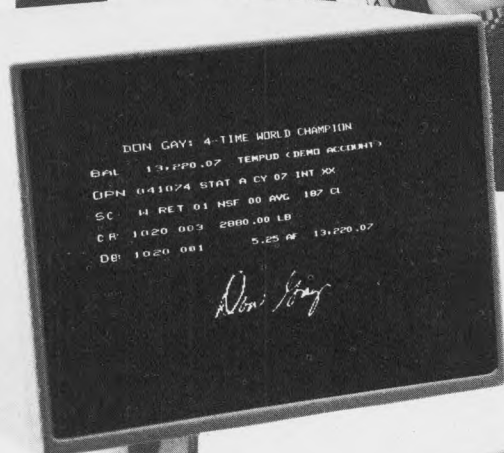
Mr. Mattson says the Automatic Funds Transfer authority granted in November, 1978, to banks has generated a great deal of customer interest in funds transfer. "We sold several banks our equipment," he recalls, "because banks felt our program was less expensive and all customers could participate without setting up the required special accounts. We find that many banks are starting to make a service charge for telephone funds transfers. The appealing thing to many banks about our ATB system is that no special computer programs are needed. This system will fit into any bank, no matter what type of processing system it has. The cost is a one-time charge and there are no monthly service charges." □



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Northwestern Banker, May 1979



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EFT roundup in 9-state area

A NORTHWESTERN BANKER SURVEY

EXPANSION of electronic funds transfer systems in the area served by the NORTHWESTERN BANKER has been in the forefront of EFT development nationwide. Placement of Automatic Teller Machines has been especially heavy in these states.

Nationally, the American Bankers Association reports, there are between 15 and 20 million debit cards in use in almost 12,000 ATMs which are operated by about 2,000 banks for an average use of approximately 4,000 transactions per month.

Following is a roundup of current activity by individual banks, networks and legislatures:

Iowa

Iowa Transfer System was incorporated in March, 1976, went live February 14, 1977, and converted to an in-house switch at Iowa Bankers Association headquarters February 26, 1979. Dale Dooley is executive director. ITS has 560 of Iowa's 657 banks as members. At present, there are 59 participating banks active in 29 Iowa communities. Six of the banks are data processing centers through which terminal activity is funneled. The six are Bankers Trust Company, Brenco Automation, Inc., Central National Bank & Trust Company, and Iowa-Des Moines National Bank, all of Des Moines; Banks of Iowa Computer Services, Inc., Cedar Rapids, and Davenport Bank & Trust.

They have 132 terminals in these 29 Iowa communities with 70 of them operated in stores as courtesy counter terminals. Customers may make deposits, withdrawals from savings or checking, or transfer funds between savings and checking. There are 47 on-premise ATMs, and 15 off-premise ATMs, all of which are shared with other banks and their customers.

At their December, 1977, meeting ITS directors voted to give DPCs the option of operating in a switch-in-front or switch-behind mode. The switch now operated in-office by ITS is an NCR 8450 Criterion small computer. It stores no customer files, but acts only as a switch among the banks for customer activated transactions at the 132 terminals. Fees have been adopted by agreement among members and the ITS board.

In March, 1979, total transactions statewide through 131 terminals (one on-premise ATM became shared in April) was approximately 280,000. Of this total, 75,500 were switch transfers, and the other 204,500 transactions were on-us items. The courtesy counter terminals, Mr. Dooley stated, average about 1,500 transactions per month; the 46 on-premise terminals about 2,000 transactions per month, and the 15 off-premise terminals about 6,000 transactions per month.

Iowa-Des Moines National Bank,

Des Moines, the largest bank in the state, plans to add 15 off-premise terminals in the metropolitan area in June.

Nebraska

The Nebraska Electronic Transfer System (NETS) switch has been in operation 18 months. It interfaces with three data processing centers in the state. These three are United States National Bank of Omaha, First National Lincoln and National Bank of Commerce, both in Lincoln. The switch is operated by MICOR. First National Bank of Omaha and The Omaha National Bank, although dues paying members of NETS, presently operate independently of the system, each with its own system and terminals. The conflict results from a U.S. Attorney General's opinion challenging validity of Nebraska's mandatory sharing law.

Nebraska Director of Banking Paul Amen called a hearing for May 11 to review regulations he has proposed to resolve the differences and to define what is sharing and discrimination. All parties have been invited to present their viewpoints.

Switching activity from the three active DPCs has been disappointingly low, mainly due to the lack of participation by the two other major banks in Omaha. National Bank of Commerce and First National Lincoln last month resolved some technical problems they had exper-

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Northwestern Banker, May 1979



enced in Lincoln and they jointly announced last month their terminals around Lincoln now can be shared by customers of both banks. This will be the first genuine test of community sharing in the state.

Gateway Bank & Trust Co. in Lincoln has a shared terminal in the University of Nebraska Student Memorial Union, in connection with the bank's detached facility there. The ATM is available through the lobby 24 hours per day and has been used extensively by outstate students. Karl E. Dickinson, president of the bank and president of the Nebraska Bankers Association, gave the *NORTHWESTERN BANKER* these figures for the first three months of 1979 at the Memorial Union shared ATM: January — 4,300 transactions; February — 6,329 transactions; March — 10,653 transactions!

First National Lincoln is the DPC for Gateway Bank and received 8,400 of these March transactions for Gateway processing and 1125 from its own customers for processing. The other 1,128 transactions went through the switch to NBC and U.S. National for their customers or customer banks. Several outstate banks joined the system in March to help swell the previous total transactions. Gateway's on-premise shared ATM at the main bank also had 5,524 March transactions compared to 2,667 a month earlier. It is also open 24 hours a day. Mr. Dickinson says, "You get people accustomed to coming to your bank and eventually they will want your other services."

The Omaha National Bank announced last month the placement of seven additional CBCT units in the metropolitan area.

Colorado

The state has had legislature approval for EFT since 1977. It requires sharing with other banks of all terminals that are off-premise. If an owner bank chooses to share with another financial institution, then it must also share with all other similar type of financial institutions which wish to use the terminal, assuming the new entrant pays a reasonable and just cost for the sharing. The state has no central switch at this time. The principal correspondent banks and holding companies operate competing EFT systems, but the big mover so far in placement of customer terminals appears to be VISA, which is operated in the area by Rocky Mountain Bank Card Association. There are approximately 125 terminals in use from all sources.

Illinois

There is no EFT enabling law as yet in Illinois, but opposing factions currently are sponsoring in the state legislature some bills that would get EFT off the ground at an early date.

The Illinois Electronic Funds Transfer Commission earlier announced its proposal to authorize any bank to install automatic teller machines throughout its home and adjoining counties to the extent of four per year.

At a recent press conference in Chicago, opponents of the Commission bill, the Illinois Bankers Association and the Independent Community Banks of Illinois announced public backing for two bills being proposed at the same press conference by State Sen. Vince Demuzio (D. Carlinville), chairman of the Illinois Senate finance commit-

tee. His bills would give approval for EFT on a much more limited basis. One of his bills would authorize each Illinois bank to establish two unmanned teller machines starting January 1, 1980. If within 3,500 yards of the main bank they could be solely owned and operated; if further than that distance they would have to be shared with other banks. Chicago banks could place theirs anywhere within the city limits or within five miles of their main office, whichever is greater. Banks outside Chicago could install their machines up to 25 miles from the bank. These installations would have to be shared.

The POS terminals, located in retail stores, would have to be available for use by no less than 100 banks in the state, plus an unlimited number of savings and loans and credit unions. Initially they would be limited in function to check verification but could be expanded later to a debit function. The state commissioner of banks and trust companies would be empowered by Sen. Demuzio's bill to regulate the establishment and operation of the ATMs and POS units, a feature not in the Illinois EFT study Commission proposal.

Minnesota

EFT has been authorized in Minnesota for some time and there are basically three separate systems up and running at this time. They do not interface since there is no state central switch. The three systems are operated by Northwest Bancorporation and its affiliated banks in Minnesota, Iowa, Wisconsin, North Dakota, South Dakota and Montana; First Bank System in the same states except Iowa, and POSSI, Inc., a subsidiary of Twin City Federal Savings and Loan Association, Minneapolis, operating in Minnesota.

Banco's system operates with the "Instant Cash" card. All its terminals are shared with 87 member banks and correspondent banks using the "Instant Cash" card for their customers. About 80-85% of items at this time in the six-state area are being cleared on-line, according to Jerry DeLand, vice president for card services at Northwestern National Bank. Remaining banks are expected to be on-line this year.

EFT ROUNDUP . . .

[Turn to page 88, please]

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Bank Seminars "Plan for the '80's"

By **MALCOLM FREELAND**
Publisher

INTEREST rates will peak or hit a plateau in the third or fourth quarter of 1979."

This was the prediction made by Robert D. McKnew, vice president of bond and money market services for Continental Illinois National Bank and Trust Company, Chicago, during his bank's series of six regional seminars for correspondents recently.

The executive forums concentrated on "Planning for the '80s." Emphasis was placed on portfolio management, capital planning, and personnel policies.

Mr. McKnew suggested that community banks watch statistics in five critical areas, as follows: (1) the impact of external shock to the economy; such as OPEC decisions; (2) consumer health, such as the rate of savings; (3) reactions to consumer trends by business; (4) capital spending, and (5) monetary behavior.

Mr. McKnew said that Continental Bank's investment portfolio was at a low level and that accumulations are starting to be made in longer-term municipals now. No real increases are being made in the government portfolio until the bank's management feels peaks in interest rates have been reached. He emphasized that the bank would rather miss the first 10 or 20 basis points than to go into the market too early.

Economic Outlook

Appearing with Mr. McKnew, Edward A. Treichel, second vice president in Continental's economic research area, told guests that interest rates will be at about the same level at year-end as they were when 1979 started. He said that credit demands from the Treasury, state and local governments will ease somewhat, while corporate needs will increase. He sees no recession in 1979, and the rate of inflation coming down to 8.8%.

Capital Planning

With capital planning for banks

meeting an impending crunch, special attention was devoted to a presentation made by Michael F. Foley, vice president in Continental's corporate finance division.

Mr. Foley stressed that capital deterioration has intensified among all deposit groups, and the implications will be: (1) increased regulatory intervention, (2) increased competition for capital funds, (3) increased depositor scrutiny, and (4) increased competitive advantage resulting from greater capitalization.

Looking ahead, Mr. Foley suggested that banks establish a capital plan by defining capital capacity, by determining capital alternatives, by evaluating debt vs. equity financing, and by determining appropriate timing. He said that objectives of a capital plan should include maximizing shareholders wealth, building confidence among depositors, and minimizing the cost of regulatory compliance. He emphasized that capital timing is normally right when the need is not apparent, and warned guests not to relinquish capital planning to their regulators.

Personnel

"The hard side of the business" - personnel planning was discussed by Charles E. Becker, vice president in Continental's corporate personnel services division. He covered compensation, benefits, staffing, and affirmative action, based on his department's experience in screening some 10,000 annual job applications. He advised that each department manager should rank each job by grade, salary, and time in grade. Plans were described for establishing insurance and other fringe benefits. Details may be obtained through Mr. Becker in Chicago.

Fed Issue

Federal Reserve policy alternatives were explained by Robert E. Walker, vice president and corporate counsel of Continental Bank. His comments appear in detail in this issue. □



PRESIDING — John B. Tingleff, v.p., host bank.



HOSTS — Michael Foley, v.p.; Larry Frowick, v.p., and J. Michael Baird, bk. off.



INVESTMENTS were discussed by Ed Treichel, 2nd v.p., and Robert D. McGrew, v.p.



PERSONNEL management was discussed by Charles E. Becker, v.p.

MOST of us are generally familiar with the basic tenets for the need for Fed membership, which Chairman Arthur Burns set out before Congress in 1977, but let us review them for a moment:

1. As membership declines, the links between bank reserves and the money supply are loosened, and thus the Fed's precision of control over monetary policy is lessened. (Membership attrition has now brought deposits subject to reserves to below 70%. The Fed claims it needs around 72-75% to effect monetary policy.)
2. The Fed's open market operations are weakened in controlling bank deposits, and this in turn affects their control over credit availability.
3. There is a basic structural weakening of the nation's banking system as an increasing number of banks no longer have access to the Fed as a lender of last resort. This, in turn, means that there is no safety valve to relieve the pressure from sudden over-tightening of the money supply, or from economic cyclical pressure.

Independence

One of the least understood problems which some of the legislative proposals have inherent in them is the very serious danger that the Fed's independence may be compromised or eventually threatened by the new banking structures that would evolve from the proposed changes.

When one talks about the Reuss or Proxmire bills which would establish universal reserves with bank exemptions you really establish two classes of banks. Under these proposals, approximately 95% of all banks in the United States would be exempt and 5% would belong. That demarcation would be clearly along big banks—small banks lines. The concern is that this would stigmatize the Fed as a "big banks" club, and consequently compromise the Fed's independence and flexibility.

Secondly, if 95% of the banks are outside the Fed System, the grass roots structure of the Fed's political base would be wiped out. And frankly, the remaining 5% will not be able to hold the tide against the potential political encroachments. Thirdly, Congress would see this as an opportunity to effect social goals,

Are Reserves Critical to Controlling the Money Supply?

By **ROBERT E. WALKER**,
Vice President/Corporate Counsel
Chicago, Ill.

i.e. credit allocation, by requiring Fed members to implement new policies. In time, these would apply to all the banks under the guise that if one group of banks must abide by the social legislation, so therefore should all the banks. The rule of "divide and conquer" would be fully operable for the entire industry, and both member and non-member banks would suffer.

One has to look at what power means in Washington to fully appreciate the fear that many feel over this big bank-small bank threat. The Fed in its independence represents a vacuum in the nation's capital, in that no one can directly control it. In a town like Washington, that situation constantly draws power-seekers to the Fed's doorstep to become the door-keeper of the Fed's power. Over the years, this has attracted Presidents, Congressmen, and one can even say Secretaries of the Treasury. The first Chairman of Board of Governors was William G. McAdoo. Where did he come from? Directly from his job as Secretary of the Treasury. And the "pegging" problem and the Treasury-Federal

Reserve Accord which we will discuss a little later is another example of Treasury's interest in the Fed.

Monetary Policy

Both the Fed and Chairman Burns (isn't it amazing how those two seem synonymous?) have said for years that reserves were critical to tuning the money supply and thus the monetary policy. But is it really? And does the Fed really pay that close attention to money supply which reserves are supposed to affect, or does it really attempt to control the interest rates as the bell-ringer on monetary policy?

It appears that, outside of the Fed, in the academic world and in the professional economists' circles, there is almost total agreement that reserves are not critical to controlling the money supply. Even the Fed economists in some of the regional Reserve banks in highly academic and little circulated papers have developed evidence that clearly points to this; but they have stopped short of drawing that conclusion.

In reality, the Fed has used reserves maybe 2 to 4 times in this decade to control money supply and thus affect monetary policy. Their principal tool, as you know, has been the Open Market Committee and its action of selling or buying government securities to effect changes in the money supply.

Another important tool, and one which many say is really the Fed's principal goal, is the controlling of interest rates to affect monetary policy. Not too much has been said or written of this very salient point, but



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"The administration and the Treasury are staking a claim to Fed revenues"

lately this activity is receiving much more publicity.

For a while now, the Fed neither politically nor policywise has wanted to disturb money supply to any great extent. This is due to the uneven way that tightening of money cuts across the economy, causing inequitable reactions in the nation's business. The current approach is to allow the economy a bountiful money turkey, but controlling its appetite by making each slice a very expensive bite. This is the approach, they have recently publicly endorsed it, and that, together with the Open Market action, is how monetary policy is being tuned — simply stated.

But despite the polarized viewpoint of the necessity of reserves, it is clear that Congress thinks it is necessary and that is where the battles are being fought. And I suppose there is a gut feeling in all of us that reserves are still a factor in establishing monetary policy. But what is more than a gut feeling is how the Treasury looks at reserves and the revenues they produce.

The Treasury

The real passed-over linchpin in the equation of the membership solution is the revenue the Treasury receives from the Fed. The Administration and the Treasury are staking a claim of a vested right to these Fed revenues; and this, in turn, cuts down the flexibility or options for the Fed membership solution.

But do they have a basis for a claim?

Let us go back in history. Along about 1917, the Federal Reserve Act was amended and for the first time all reserves of member banks had to be kept at the Fed in non-interest bearing accounts. In 1913, roughly 50% of the reserves of member banks had to be kept at the Fed and the remainder could be held at reserve banks—banks in major cities—which as you will recall were paying around 2% interest on the deposits. At the time the Fed was established in 1913, the reserves held at the Fed did not pay any interest. The earnings which the Fed would earn from the investment of those monies were earmarked to pay for the check-clear-

ing services provided to member banks and to pay the 6% dividend promised on the Fed's stock. Let me repeat that. The Fed never paid any interest on the reserves because the earnings from those monies were expected to pay for the check-clearing services and to pay the 6% dividend on the Fed's stock. Nowhere in the Federal Reserve Act is there even a hint that the Fed was to generate revenues for the U.S. Treasury.

But those revenues are important to the Treasury. In 1977, the Fed turned over almost \$6 billion to them. In 1947, those same revenues were \$75 million. And in 1967, they jumped to almost \$2 billion in revenues. In 10 years, they have tripled. And there is no question that with today's budgetary problems for the Administration, those revenues are important for the budget objectives.

But is that a function of the Fed? Another question behind all this: What does this imply for the monetary policy of this country? How can the Fed, as an independent agency which means they must be free from outside governmental influences, be able to conduct monetary policy with its needs for flexibility and timely decisions if it is expected, or must supply, revenues to the United States Treasury—a Treasury that tells both the Fed and the Congress that it cannot allow 8% of the Fed revenues to be used to pay interest on member reserves and thus attack the membership erosion which the Fed says is endangering its ability to effect the nation's monetary policy.

But could the Treasury's insistence, or dominance over the revenues from the Fed in any way affect the Fed's behavior in using its tools to implement monetary policy?

This is an uncomfortable question and to look at it, let us turn to a historical perspective. Those of you who recall your government bond history will recall that during World War II, the prices of U.S. government securities were "pegged"—they were maintained—by the Federal Reserve to encourage banks and investors to purchase and hold these securities at

low interest rates. This was an obligation that the Fed took on at the insistence or request of the Treasury and this policy was maintained until 1951. The "pegging" policy fueled an excessive expansion in the money supply after World War II, with the result that the Fed lost control of the reserve base of the banking system. In turn, this fanned the inflationary fires that began to burn in 1947-1948 and again in 1950.

Serious Problem

It quickly became apparent that "pegging" was a serious problem; but rather than leave the government securities market to flounder on the increasing interest rates of the marketplace, the Fed and Treasury decided on an "even keel" approach and "pegging" was maintained. But a more important consideration was afoot. As Charlie Haywood, a highly respected consulting economist, has observed, "The reason for the continuation of the policy beyond 1947 was to hold down the cost of managing the Federal debt. The government's fiscal considerations thus came to dominate the monetary policy. The result was that the Federal Reserve was unable to effectuate measures to combat inflation . . ." Finally, in 1951, an agreement was reached to stop "pegging" and the **Treasury-Federal Reserve Accord** released the Fed from any further obligation to maintain the prices of U.S. government securities. However, it took the Fed until 1953 to escape from this shackle.

The rationale for beginning the "pegging" policy can be defended by the emergencies of World War II. But the fact that it was continued after the war, and that it had a dominating effect on the monetary policy can hardly be defended today.

And it argues that Treasury policy should not again dominate the Fed's role and responsibility.

This is an issue that has to be taken to the Treasury and fought out as a policy matter. Not only can this be important in providing more flexible options for the Fed membership problem, but it obviously has broader policy ramifications on which bankers must speak out and make their opinions known. It is understandable

FED ISSUE . . .

[Turn to page 73, please]

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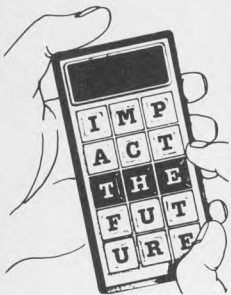


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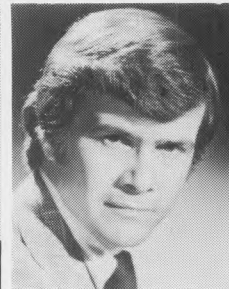
H. SIDEY



G. GALLUP



P. S. NADLER



T. BROKAW

ABA Operations & Automation Conference Will Feature Noted Speakers, 90 Sessions

ADVANCE publicity for the ABA National Operations & Automation Conference May 20-23 in Anaheim, Cal., bills it as the finest such conference ever to be held. A review of the program shows it would be difficult to dispute that claim. The conference will feature 90 separate program sessions and hundreds of exhibits displaying the latest in banking services and systems.

Norman J. Tice, chairman of the ABA Operations and Automation Division, says the conference will address such key issues as:

- What will consumer banking services be like in the 1980's?
- What is the future of the new electronic banking services?
- What improvements will techno-

logy bring to banking services?

- What is the future role of the Federal Reserve System?

In addition to the various smaller sessions scheduled, delegates will hear several prominent speakers at general sessions. Willis W. Alexander, executive vice president of the ABA, will deliver the keynote address at the first general session Monday morning, May 21. He will be joined on the platform at later general and luncheon sessions by Hugh Sidey, Washington bureau chief of TIME magazine; well-known pollster George Gallup; Dr. Paul S. Nadler, professor of business administration at Rutgers University, and Tom Brokaw, host of the TODAY show.

Concurrent sessions are scheduled

Monday on eight subjects of prime interest: two areas of EFTS, item processing, two areas of bank operations, two in data processing, and community banks. There will be five series of sessions in each of these specialty areas, for a total of 40 concurrent sessions.

In addition, 30 special interest sessions will be presented Tuesday afternoon and repeated again that day before adjournment.

Following Dr. Nadler's opening general session address on Wednesday morning, registrants will participate in five workshop sessions. Topics will be: Linking operations and corporate banking, self-service banking, management and creative thinking, customer service quality — the ultimate challenge, and the Fed issue — great debate of the seventies.

The conference will conclude with the Wednesday noon luncheon, addressed by Mr. Brokaw. □

CHANGE IN ATTITUDE . . .

[Continued from page 36]

money for equipment to ask questions of the vendor to determine if his equipment will be able to perform a communications function. They should be sure that they understand and know the limitations of any equipment purchased."



This logo appears on all bank cards, terminals, advertising and other promotional literature used in connection with the Iowa Transfer System, making it easy for Iowans to identify electronic teller equipment for their banking convenience.

Optimistic About Future

What's the future for EFT in Iowa? Mr. Sikkink is optimistic. He says:

"Most Iowa banks are forward looking as evidenced by the support of ITS, in which we have 560 of the state's 657 banks as members. However, most of them don't want to become involved in the technical side but prefer to leave that to their correspondent banks and other data service center and equipment manufacturers."

In summarizing his thoughts on automated teller terminals, Mr. Sikkink concludes, "Prior to now, everyone used new business or marketing share as the justification for installing ATMs. As I mentioned earlier, we perceive ATMs now as a successful operating tool. In support of this belief, we will be adding 18 additional ATMs in the metropolitan Des Moines area this summer as part of a major effort. Iowa is ahead of other states in this regard because other states, by not installing shared ATMs via the ITS, for example, are not using these terminals as an operating advantage, but rather are trying to justify them by the marketing and new business standard. They are not gaining any advantage versus other financial institutions.

"Even operationally I don't believe other areas will get the volume we have until they get a shared, on-line system like ITS, which offers widespread convenience to all bank customers." □

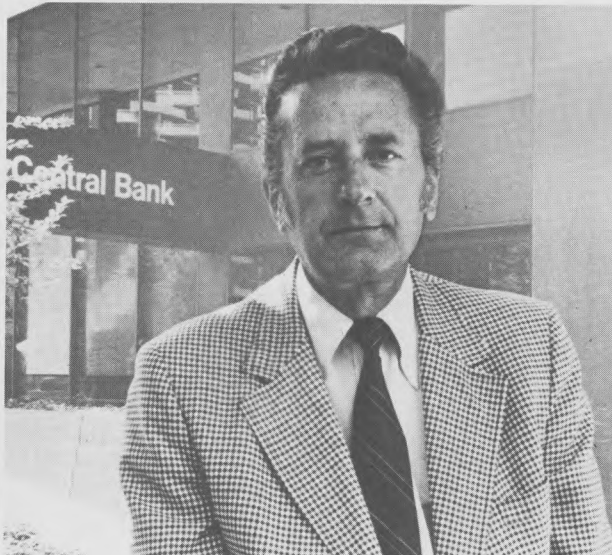
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Express money orders*



Marianne Parssinen



Bernice M. Smith



Ben Gibson



John R. Bryan

**"We get excellent service from the
Travelers Express people..."** Marianne Parssinen, Manager,
Interstate Federal Savings and Loan Assoc., Washington, D.C.

**"We have been delighted with the public
acceptance..."** Bernice M. Smith, Vice President and Treasurer, Heritage
Federal Savings and Loan, Daytona Beach, Florida

**"With Travelers Express money orders we
don't spend time on reconciling..."**
Ben Gibson, Senior Vice President, Central Bank of Denver, Colorado

**"We like the simplified reporting system
and other backroom economies..."** John R. Bryan,
Vice President, Correspondent Banking Department, The Mississippi Bank, Jackson, MS

More and more financial institutions are turning to Travelers Express for money orders. Because much of our business involves transferring money electronically, millions of times a year, we have become extremely efficient at it. Easy-to-use forms and simplified reporting are also part of our story. We handle all the "backroom" operations. And, we do it less expensively than you can do it yourself.

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Predicts Lower Rates Next Year

ONE year from now, both short-term and long-term rates should be well below current levels."

This was the prediction made by Dr. Robert G. Dederick, senior vice president of The Northern Trust Company, Chicago, at its 60th correspondent bank symposium attended by bankers from seven midwestern states.

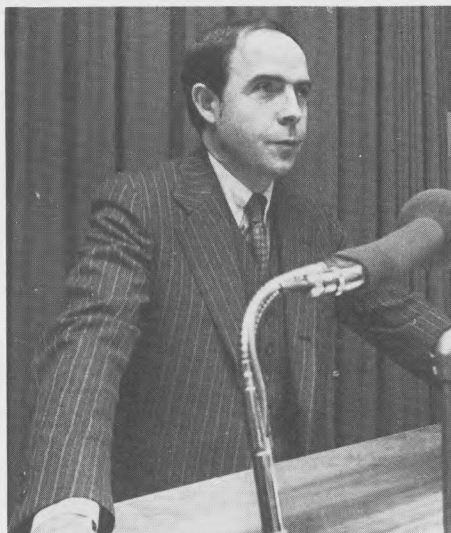
According to Dr. Dederick, the economy probably will experience a mild recession, starting this summer or fall and ending six to nine months later. "Household - related spending already has started to fray around the edges, and after a lull, business spending should soften as well," he stated.

Herbert B. Gofman, vice president, trust, said, "Based on the economic outlook and continuing expectations for rising inflation and continuing high interest rates, the stock market has been extremely erratic over the last 12-15 months. As a result many institutional investors have raised large amounts of cash reserves that are now on the sidelines waiting for reinvestment. At the same time, well-known 'bad news' has brought the market down to very attractive levels for long-term investors.

"Since we believe the fundamentals will begin to improve later in the year, we consider this a good time for long-term investors to accumulate equities. The major areas we prefer are in the recession resistant type industries or those with excellent longer term prospects such as the health care and drug industries, office equipment, the capital goods industry, and exploration companies."

Harold J. Wiaduck, Jr., second vice president, banking, and Nancy L. Johnson, personal banking officer in the marketing division provided a discussion of "ASTS and NOW Accounts."

A Bank Presidents' Panel was chaired by Charles H. Barrow, senior executive vice president, and included the following guest participants: Merl B. Highland, president, Kalamazoo County State Bank, Schoolcraft, Michigan; Willis K. Loof, president, West Chicago State Bank, West Chicago, Illinois; Dick Willard, chairman and president, Farmers & Merchants National Bank, Benton Harbor, Michigan; and David D.



INTEREST RATES will rise only a bit further before starting downward, according to **Dr. Robert G. Dederick, sr. v.p.,** The Northern Tr. Co., Chicago.

Baer, executive vice president, United Financial Service Corp., Rockford, Illinois.

New FmHA Plan

FmHA and FCS agreement allows Federal Land Banks and Production

Credit Associations to perform the role of banks in making certain types of FmHA guaranteed loans.

Both organizations have worked on the agreement for some time, trying to surmount problems of variable interest rates used in some FCS loans.

The new pact allows FmHA to guarantee FLB and PCA loans in the general areas of farm ownership, farm operations, economic emergencies, soil and water development, and livestock emergencies.

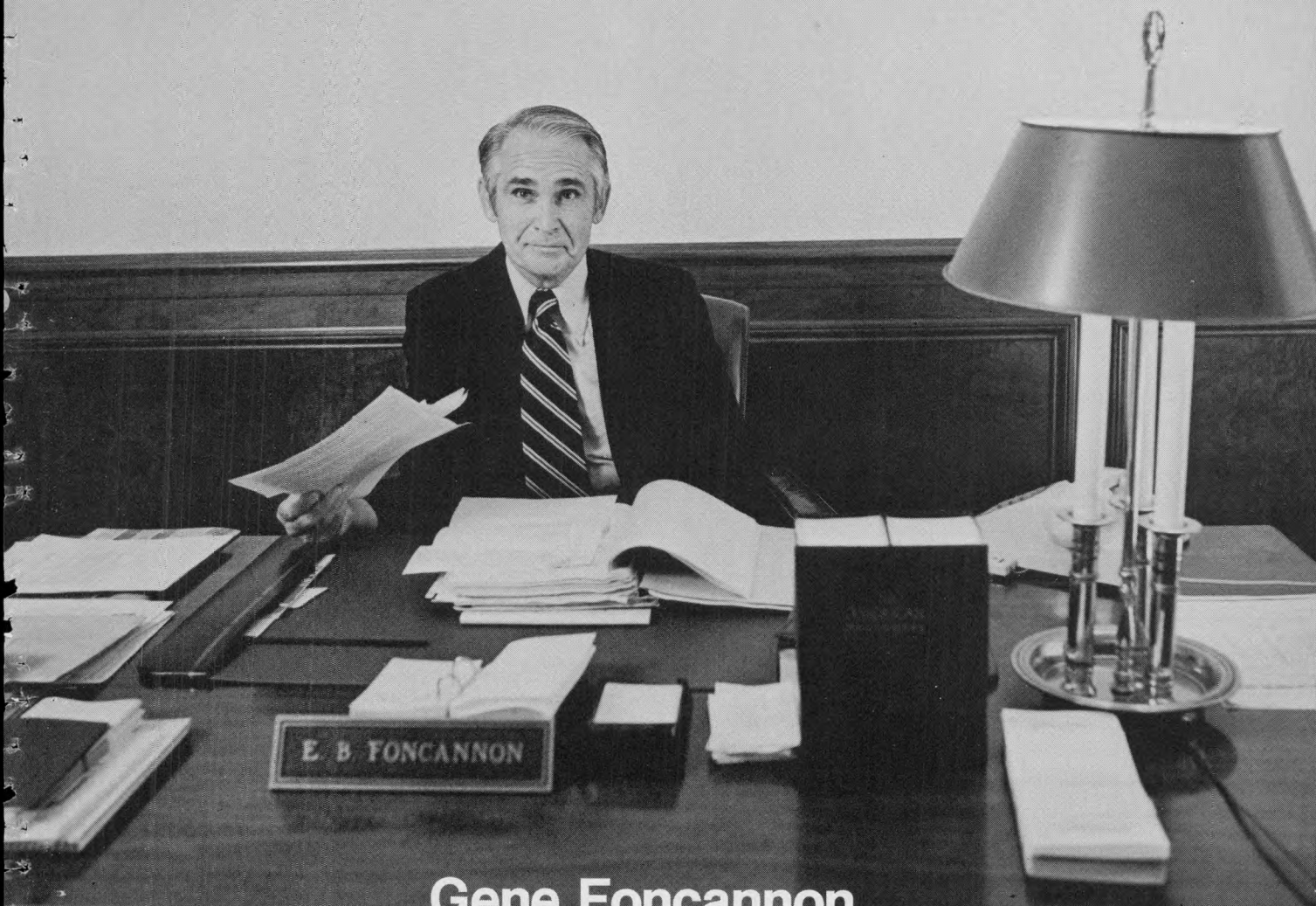
Investment Forums Planned at Champaign

ABA's National School of Bank Investments and Graduate School of Bank Investments are both coming up June 3-9 at the University of Illinois in Urbana-Champaign. The National School provides students with quality training in the fundamentals of portfolio management, and the Graduate School presents more advanced concepts of asset/liability management and bank investments. Although the application deadline was April 1, further applications will be accepted up until May 15 if room is still available.

Missouri Bank Installs Message Center



THE Bethany Trust Company of Bethany, Mo., has installed a 2-Sided message and information center, pictured above. The display is mounted on a corner location creating visibility from all four approaches to the intersection. The message and information center, which was manufactured and installed by **Daktronics, Inc.** of Brookings, S.D., features community information and announcements as well as time and temperature in both Celsius and Fahrenheit. Programming is done from a keyboard entry within the bank, giving it immediate entry. Capability is enhanced by an 8,000 plus character memory system.



Gene Foncannon. Livestock loan specialist.

Gene Foncannon has spent his lifetime as a professional in agricultural pursuits.

He will be more than happy to work with you on livestock participations, consultations, or other agriculturally-oriented problems in your bank.

The other Correspondent Division

specialists are George Dudley, John Fowler, Bill Dexter, John O'Connor, Bill Weis, Dean Howard, Don LacKamp, Bob Shultz and Paul Ward.

They will be happy to help you with transit, securities, loan participations, credit inquiries, money market transactions, grain drafts and collections.


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Corporate News

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

Brandt, Inc., Watertown, Wisc.: Ronald J. Cooper has been named director of financial planning, a new position at Brandt, Inc., it was announced by E. J. Quirk.

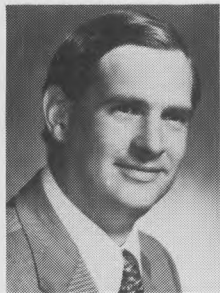
Mr. Cooper formerly was corporate manager of financial planning and control at the Allen-Bradley Company. Before joining the Milwaukee firm in 1974 as controller of Allen-Bradley Electronic S.A. de C.V., Juarez, Mexico, he was assistant controller at American Appraisal Associates and a supervising senior public accountant with Peat, Marwick, Mitchell and Company.

Diebold, Inc., Canton, Ohio: Harry O. Seitzinger has been named vice president, controller and assistant treasurer, and Donald F. Bartoo has been named director of communications.

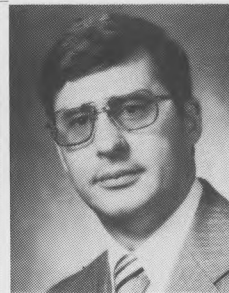
Mr. Seitzinger joined the company in 1966 as assistant controller and assistant treasurer. He has served most recently as controller and assistant treasurer.



H. D. SEITZINGER



D. F. BARTOO



F. D'ANGELO

Mr. Bartoo has had the responsibility for directing all advertising and public relations activities of the Bank/Systems Division. He joined the company in 1973 as manager, sales recruitment, a position which he held along with other duties including TABS (Total Automatic Banking Systems) marketing, until January, 1977, when he was appointed director of marketing services. Prior to

joining Diebold, he was with Burroughs.

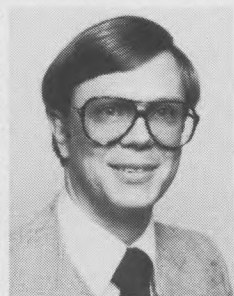
Frank D'Angelo has been named general manager of Automatic Banking Systems Services. This is a newly-created position in which Mr. D'Angelo will be responsible for and direct all software development, production and overall technical support within the company's Automatic Banking Systems product group. For the past 10 years, he has held various management positions with Burroughs.

LeFebure Corporation, Cedar Rapids: Gerald W. Schaaf has been named sales engineer, and he will headquarter in Minneapolis. He will work in a 26-county area south and west of the city, including Rochester, Mankato, Austin and Willmar. He has been active in the banking equipment field in the Twin Cities area.



G. SCHAAF

SLT Warehouse Company, St. Louis: David Miller has been promoted to the position of district manager in the Minneapolis office. He was previously in the Kansas City office of SLT. The company operates collateral control services throughout the United States. Mr. Miller's mailing address is P.O. Box 29213, Minneapolis 55429.

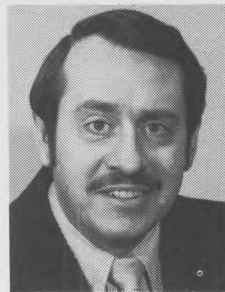


D. MILLER

Scarborough and Company, Chicago: John P. Heupel, a company underwriting manager, has been advanced to assistant vice president, underwriting. He has been with the company for 13 years, servicing the western area of the nation.

Michael Chovancak, Julie Miller and Paul A. Snead have been added to the company's staff as account executives.

Mr. Chovancak and Ms. Miller



J. P. HEUPEL



P. A. SNEAD



M. CHOVANCAK

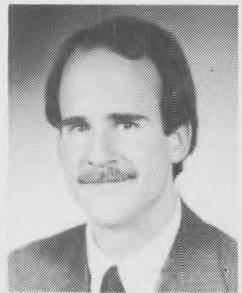


J. MILLER

have been examiners for the Federal Reserve Bank of Chicago. Mr. Snead has been in sales and service with State Mutual Life.

North Central Companies: Bruce C. Sanborn has been named vice president and assistant to the president and elected to the board of directors, it was announced by Theodore Sanborn, president.

Bruce joined North Central in 1977. Prior to his recent appointment, he served in the legal department, as a director of long-range planning, and worked in the field as an ordinary life agent. An honor graduate of Dartmouth, Bruce is the third generation of Sanborns to serve on the company's board.



B. C. SANBORN

United Guaranty Residential Insurance Company, Greensboro, N.C.: Robert J. Hearn has been advanced to vice president - marketing. Prior to his new appointment, he served as marketing coordinator and regional vice president for Illinois. He will reside in Greensboro.

The company also announced the promotion of Clifford E. Busse II as vice president, mortgage backed securities. Mr. Busse joined the company in January, 1975, as regional representative for southern Ohio, northern Kentucky, and West Virginia.

What's New

LeFEBURE Corporation, Cedar Rapids, has introduced a new Closed Circuit TV System for drive-up application. It combines separate video pictures of a customer and his auto license plate into a composite split image on the monitor screen. The time and date are also displayed on the screen to produce a complete documentation of each transaction. It is automatically recorded on video tape.



For verifying signatures, LeFEBURE will demonstrate both signature cards and microfiche display, transmitted within the booth, and from across the country. Banks may use a WheelDEX 8001 mechanized file in conjunction with the equipment.

UNITED Guaranty Residential Mortgage Insurance Company, a subsidiary of United Guaranty Corporation, Greensboro, N.C., is now distributing throughout the United States the free brochure "Standard and Poor's Guidelines in Evaluating Mortgage Insurers."

"Standard and Poor's Guidelines in Evaluating Mortgage Insurers" explains how an independent agency evaluates mortgage insurers to arrive at a rating. By understanding Standard and Poor's analysis lenders, mortgage bankers, stock brokers and other interested financial executives can better evaluate private insurers.

Major considerations listed by Standard and Poor's as rating factors are underwriting record, distribution of risk, investment practices, adequacy of capital, age of mortgage insurer and management. Each of these factors are discussed in detail.

To receive United Guaranty's free brochure on Standard and Poor's rating call 800-553-1161 or in Iowa 800-292-0047. Or, write United Guaranty, 2700 Middle Road, Bettendorf, Iowa 52722.

A 12 page brochure discussing their line of bullet resistive products has been published by Mosler.

Crime statistics are given and the brochure shows some of Mosler's efforts to combat those crimes. All Mosler bullet resistive equipment is fabricated from UL listed materials and constructed to meet or exceed requirements of Underwriters Laboratories Standard for Safety UL 752 and its equivalent American National Standards Institute ANSI SE4.6-1973. Categories for ballistic levels are also defined.

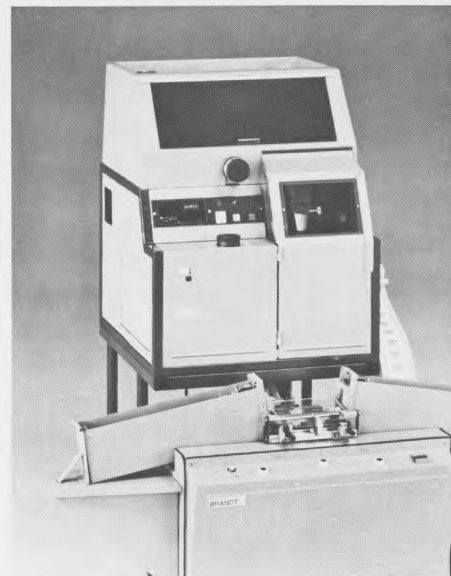
A variety of Mosler bullet resistive products, including doors, windows, package receivers, etc. are described pictorially in the brochure.

For your free copy, write Mosler, Department PR-162, 1561 Grand Boulevard, Hamilton, Ohio 45012. Mosler is an American-Standard Company.

McGLADREY Hendrickson & Co. has recently published a brochure for users of financial statements titled "AUDITOR'S AND ACCOUNTANT'S REPORTS: An Invitation to Greater Understanding". The brochure describes the three levels of services provided by CPAs with particular emphasis on the new compilation and review reports. The brochure should be particularly useful to bankers and their customers. Copies may be obtained free of charge from any McGladrey Hendrickson & Co. office.

BRANDT, Inc., manufacturer of money processing equipment, has announced a new automatic coin wrapper with six-coin capability to handle the new \$1 coin entering the U.S. monetary system in 1979.

The Brandt Model 1791, with a new electronic counter and built on a roll-about stand for easy mobility, produces up to 24 wraps of coin per minute for large-volume money handlers. It is equipped to wrap 25 dollar coins to the roll, and also can



BRANDT'S Model 1791 automatic coin wrapper with optional equipment.

handle .650-inch and .900-inch tokens with the same ease and speed.

For further information about the new coin wrapper, contact Brandt, Inc., Watertown, Wisconsin 53094.

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ONLY THEY
WRAP IT UP FOR YOU
IN NICE RED RIBBON.
MILES AND MILES OF IT.**



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Ad Council A Public Service of This Magazine & The Advertising Council

We wanted to run an ad to convince you we were nice guys with good ideas who wanted to get to know you better at the IBA Convention.

Our agency said, "Don't run an ad. Just show them what you look like; tell them who you are and where you'll be."



*What we
look like*

*Where
we'll be*

Who we are

from left:
Ronalee Covington*
Pat Barron
Cliff Michael
Brock Hessing
Dorothy Newlin*
Art Hipple

*Ronalee and Dorothy are
not nice guys.

The
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of Chicago
Hospitality Suite



the Human Interest bank

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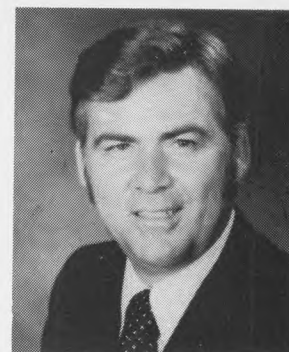
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President



G. WEIR
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2nd Vice President



R. C. BURROUGHS
Treasurer



C. C. HOPE, JR.



W. W. LEBECK



S. B. CHASE, JR.

88th Annual

Illinois Bankers Association Convention

June 6-8
Mariott Hotel—Chicago

OVER 1000 bankers will discuss "Banking Strategies for the '80's" at the 88th Annual Illinois Bankers Association (IBA) Convention, June 6-8 at the Chicago Marriott Hotel.

"Providing bankers with a better understanding of the various issues within the economy and the political arena which have direct bearing upon banking and the financial industry were our main concerns in developing the program for the 1979 convention," said IBA President B. F. "Chip" Backlund, president, Bartonville Bank.

"Current legislation, competition, the economy and agriculture will be among the topics covered by our distinguished speakers," Mr. Backlund continued.

Cong. Henry S. Reuss (D-WI), chairman of the House Committee on Banking, Finance and Urban Affairs will deliver an update on current federal legislation.

C. C. Hope, Jr., president-elect of the American Bankers Association (ABA) and vice chairman, First Union National Bank of North Carolina, Charlotte, will present an ABA update.

Warren W. Lebeck, senior executive vice president, Chicago Board of Trade will discuss "The Implications of Illinois Agricultural Exports and The U.S. Trade Balance."

Samuel B. Chase Jr., managing associate, Golembe & Associates Inc., Washington, D.C., will talk on the "Future Prospects for Competition Among Depository Institutions."

James F. Bell, general counsel, Conference of State Bank Supervisors (CSBS) and **C. F. Muckenfuss III**, Deputy Comptroller of the Currency for Policy, will discuss the pros and cons affecting the McFadden Act.

Also a part of the regular convention program will be the IBA Annual Business Meeting and Election of officers for 1979-80. Nominated at ABA Group Meetings this Spring were: for president, Gavin Weir, chairman of the board and president, Chicago City Bank and Trust Company; for first vice president, Jack D. Lemmerman, president, National Bank of Monmouth; for second vice president, James A. Fitch, president, South Chicago Savings Bank and for treasurer, Charles N. Finson, president, National Bank of Monticello.

You Will See Them at the 88th Annual Illinois Bankers Convention June 6-8

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the Illinois Bankers Association's 88th annual convention in Chicago, June 6-8.

Chicago

American National Bank: Michael E. Tobin, chairman; Keene H. Addington, president; Ronald J. Grayheck, senior executive vice president; James A. Carlson, senior vice president; Richard E. Akin, George G. Stump and Benson R. Culver, second vice president; and Timothy S. Johnstone, Michael W. Jump and Joseph E. Hasten, correspondent banking officer.

Central National Bank: Jackson W. Smart, Jr., chairman and chief executive officer; W. K. Smith, vice chairman; Andre' J. Bial, executive vice president; J. P. Morrow, senior vice president, and S. Michael Polanski, vice president.

Drovers National Bank: Sidney Taylor, chairman; Frank Bauder, president; Jim Carmody, executive vice president; Bob Corey, executive vice president; John Crotty, senior vice president, and Andy Ruments, assistant vice president.

National Boulevard Bank of Chicago: Henry K. Gardner, president; Daniel N. Quigley, executive vice president; George L. Dearborn and H. Peter DeRosier, vice president; Louis E. Avery, assistant vice president, and Kay E. Schlueter, correspondent banking officer.

Peoria

Commercial National Bank: David E. Conner, president; Robert T. Stevenson, Jr., senior vice president; Brock Hessing and Clifford A. Michael, Jr., vice president, and Pat Barron, correspondent bank officer.

St. Louis

First National Bank: Clarence C. Barksdale, chairman and chief executive officer; Richard F. Ford, president and chief operating officer; T. Barton French, senior vice president; John Rowe, vice president; and Mike Flier and Chuck Mountz, assistant vice president.

Mercantile Trust Co.: Dan Jasper, vice president, and Jerry Fleischner, assistant vice president.

Bank Equipment and Other Firms Bank Building Corporation, St. Louis, Mo.: Bill Miner, manager of sales; John Setear, Richard Alt and Richard Engstrom, consultant services manager.

W. M. Dalton & Associates, Newtown, Pa.: Monroe W. Abels.

Daktronics, Inc., Brookings, S. D.: Ed Weninger, region manager, and Jack Bauer, district sales manager.

Illinois Bank Building Corporation, Olympia Fields, Ill.: John K. Van Scheltema, president; Kelly Crofoot, executive vice president; Ted Kirby, assistant vice president; and Richard A. Van Scheltema and A. N. Van Stavern, vice president.

Mosler Safe Company, Hamilton Ohio: Ford Campbell, regional sales manager; and Art Snyder, Tony Guintoli, Check Hagman, Kathy Crooks and Gary Penovich, account executive.

Omaha Financial Life Insurance Company, St. Paul, Minn.: Ione Williams, Illinois regional manager,

and Bill Wright, assistant general sales manager.

Saint Louis Terminal Warehouse Company, St. Louis, Mo.: Chuck Staley, district manager, and Robert Dolan, vice president.

Scarborough and Company, Chicago, Ill.: Robert Foys, Robert Marshman, George Ballantine, Walter Sawkiw and Richard Benjamin, vice president.

Verex Corporation, Madison, Wis.: Dennis Oliver, Ken Booster, Curt Ketcham and Jim Jun.

B. C. Ziegler and Company, West Bend, Wis.: Eugene H. Rudnicki, vice president-compliance, and Vernon C. Van Vooren, vice president-corporate finance.

Promoted at Decatur

Edmond J. Arseneault, president of Soy Capital Bank and Trust Co., Decatur, has announced the promotion of Paul K. Reynolds to assistant cashier.

Mr. Reynolds is a graduate of Kaskaskia College and Eastern Illinois University with a BS degree in business finance. Prior to attending college, he served with the Army for two years in the Office of the Adjutant General. He joined Soy Capital Bank in 1977 as administrative assistant and is presently in charge of student loans and assists in consumer lending.

To Test IBA Legislative Policy

THE Illinois Bankers Association (IBA) will face an internal test of their legislative policy on regional multi-bank holding companies. This according to James Oberwortmann, vice chairman of the board of the Union National Bank and Trust Company of Joliet, who is an IBA member.

"Petitions are circulating and significant numbers of IBA banks are demanding a vote at the annual convention on the issue," said Mr. Oberwortmann. "Multi-bank holding companies in my view offer the best chance for banks of all sizes to remain in the competition from credit unions and savings and loan associations."

A June, 1978, survey completed by the professional market research firm, Market Facts, for the Illinois Bankers Association shows 45% of IBA member banks either "favor now" or "could accept" some form of

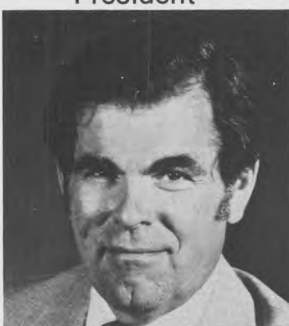
multi-bank holding company legislation. "We believe the actual number is a clear majority when taken on the issue of regional multi-bank holding companies," commented the Joliet banker.

The resolution which is being circulated among IBA members statewide asks the IBA to maintain its opposition to statewide bank holding companies, but support the concept of "multi-bank holding companies limited to specific geographic regions."

"We are optimistic this is the year for the Illinois Bankers Association to change their old position and adopt a progressive, new policy," said Mr. Oberwortmann. "I am confident that in light of the advantageous laws for savings and loan associations and credit unions, IBA will be in favor of the legitimate needs of Illinois banks for some modest structure flexibility."



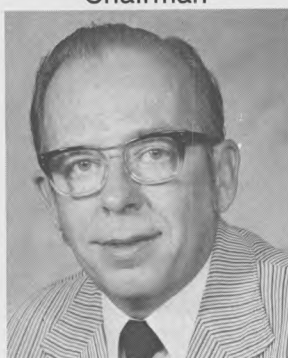
Frank Bauder
President



John Crotty
Sr. Vice Pres.



Sid Taylor
Chairman



Bob Corey
Exec. Vice Pres.



Jim Carmody
Exec. Vice Pres.



Andy Ruments
Asst. Vice Pres.

Chicago—It's Our Kind of Town!

The bankers from "Drovers Country" welcome you to the 88th Annual Illinois Bankers Convention here in the Windy City.

Our full team will be joining you . . . starting right at the top. We hope to tell you a little about how "Drovers Country" bankers have put their know-how together for Illinois bankers like yourself. That's "THE DROVERS DIFFERENCE." It can work greater profits for you.



Drovers Bank of Chicago

47th Street & Ashland Avenue, Chicago, IL 60609 (312) 927-7000

Member: F.D.I.C., Federal Reserve System

Former President Ford Will Address Illinois Independent Bankers Convention

FORMER President Gerald R. Ford will deliver the keynote address May 16 at the fifth annual convention of the Independent Community Banks in Illinois. He will be the dinner speaker on the opening day of the convention, which will be held in Springfield.

ICBI President Gene Kirk, executive vice president of the First State Bank in Calumet City, has announced a program that includes several prominent state and national figures. Exhibitors from bank service companies will have displays available throughout the convention. A special program for spouses also has been arranged. A reception open to all registrants prior to the banquet and address by President Ford will be sponsored by Diebold, Inc., Scarborough & Co., and Financial Insurance Service, Inc.



G. R. FORD

Other officers serving with Mr. Kirk are:

1st V.P.: James Winningham, president, State Bank of Arthur.

Treas.: W. Gerard Huiskamp, president, Blackhawk State Bank, Milan.

Exec. Dir.: Robert J. Wingert, ICBI headquarters, Springfield.

No. Ill. V.P.: Fred Lamkey, assistant vice president, Citizens First State Bank, Walnut.

So. Ill. V.P.: Don Nolen, executive vice president, First Community Bank, West Frankfort.

Central Ill. V.P.: Jack Marantz, president, Bank of Springfield.

Cook Co. V.P.: Mason Loundy, chairman, Devon Bank of Chicago.

Other directors include the following: David Coombs, v.p., First National in Taylorville; Lloyd Henderson, exec. v.p., Carterville State & Savings; Charles Hurst, exec. v.p., Land of Lincoln Bank, Springfield; Gerald Meyers, Pres., Riverside National; Wayne Miller, pres., State Bank of Huntley; James I. McGrath, cash., First National of Manhattan; Robert Schertz, pres., First National of Metamora; Gerald

Stapel, pres., State Bank of Toulon; James Tobin, v.p., Farmer City State Bank; Paul Skala, chmn., Berwyn National; Emmett McCarthy, pres., First National of Hinsdale, and Harry Merkel (retired), Bank of O'Fallon.

Northbrook Bank Tells of Officer Appointments

Harry V. Armstrong, president of the Northbrook Trust & Savings Bank, has announced the appointment of Robert D. Sorenson as vice president and cashier.

Mr. Sorenson joined the bank from Pioneer Bank & Trust Co. of Chicago where he was a vice president. He previously was the principal systems analyst with the Bank Administration Institute in Park Ridge. Mr. Sorenson has a BS degree in marketing from Northern Illinois University and an MBA from Loyola Graduate School of Business with a major in finance.

Other recent appointments include Lavonne Blaha and Martha Huhta, operations officer, and Christina Pike, real estate loan officer. Ms. Blaha was formerly auditor and Ms. Huhta was the bank's head teller. Ms. Pike was formerly a mortgage loan administrator.

FIFTH ANNUAL CONVENTION SCHEDULE

WEDNESDAY, MAY 16

10:30 a.m.
ICBI Annual Golf Tourney
Rail Golf Club

12:00 p.m. to 8:00 p.m.
Registration
Mezzanine Level

3:00 p.m. to 9:30 p.m.
Exhibits Open
Mezzanine Level

6:30 p.m. to 7:30 p.m.
Grand Reception
Apollo Room
Music by Lee Pondell Trio

7:30 p.m.
Grand Dinner
Apollo Room
Invocation by the Right Reverend Albert W. Hillestad,
Bishop of Springfield Episcopal Diocese
KEYNOTE ADDRESS: The Honorable Gerald R. Ford,
38th President of the United States

9:15 p.m.
Adjournment

THURSDAY, MAY 17

8:00 a.m. to 1:30 p.m.
Registration
Mezzanine Level
Exhibits Open

8:30 a.m.
ICBI Group Meetings
Plaza Room
Ladies Program
Main Lobby
Travel to Lincoln Memorial Gardens at Lake Springfield for Nature Walk and Handicraft Workshop

8:50 a.m. to 11:45 a.m.
General Business Session
Apollo Room

8:50 a.m. Call to Order, President Gene L. Kirk

8:55 a.m. Voting on Resolutions and Constitutional Amendments

9:10 a.m. Election Results and Introduction of New Officers

9:15 a.m. Staff Reports:
Robert J. Wingert, Executive Director
M. Beth Awerkamp, Assistant Director
Quentin M. Lambert, General Consultant
Rolland F. Tipword, Legislative Consultant

9:40 a.m. Address by the Honorable William C. Harris,
Illinois Commissioner of Banks & Trust Companies

10:05 a.m. Coffee Break
Mezzanine Level

10:20 a.m. Legislative Update

Federal Report:
Raymond D. Campbell, IBAA President from Oberlin, Ohio
Terrence Klasky, IBAA Legislative Counsel

State Report:
The Honorable Senator Vince Demuzio, Chairman, Senate Finance & Credit Regulations Committee

11:15 a.m. Address by H. Samuel Forrer, President of the Grant County State Bank in Ulysses, Kansas

11:45 a.m. Adjournment
Ladies Return

12:00 p.m.
Grand Luncheon
Plaza Room
Announcements and Door Prize Drawing
Special Address: Carl Schmitt, Former California Superintendent of Banks

1:30 p.m.
Convention Adjournment

His banker has to recognize the big potential in a small business.

Every successful bank has a few of them—the very big, very loyal customers who started small and stayed with the same banker. Stayed because they got much-needed help when they were big only in potential.

It takes extraordinary vision and a serious commitment to the community to be the banker who gets in on the ground floor. And it's easier when your correspondent bankers have the same kind of vision.

At American National, we started long-term relationships with some of our best

and biggest customers by looking hard to find the bright side. We're as hard-nosed as the next guy about getting a sound deal, with all the necessary information. But we won't back away from good companies just because they're small companies.

We spend almost all our time on business banking. And we've got the experience it takes to help you help a small venture grow. Shake hands with American National. The bank for business.



American National Bank

33 North La Salle / La Salle at Wacker 60690 / Phone (312) 661-5000

We're the bank for business.



THE Mid-City National Bank of Chicago has signed a long-term lease to occupy over 5,000 square feet of space on the concourse level of the 28-story Three Illinois Center office building now under construction at 303 E. Wacker Drive.

With main offices at Madison and Halsted streets, Mid-City Bank is the first announced commercial tenant on the concourse level and will use the space to establish a remote banking facility. The facility, which will be Mid-City Bank's first, will open in early 1980.

The move to Three Illinois Center represents a major expansion of services by Mid-City Bank. The remote banking facility will serve the entire 83-acre Illinois Center complex and surrounding business community. The facility will offer a full range of consumer banking services, including checking, savings and all

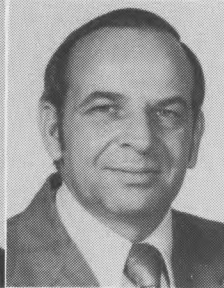
other services currently permitted by law.

Metropolitan Structures is the leasing agent and developer of Three Illinois Center.

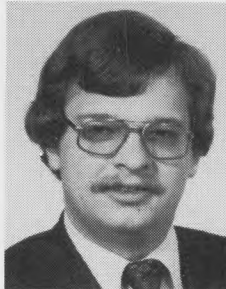
Emory Williams, chairman and chief executive officer of the Sears Bank and Trust Company, has



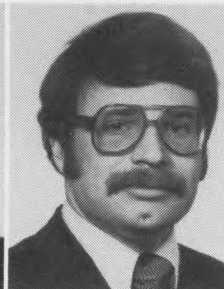
J. J. GRAHAM



R. J. JAGODZINSKI



M. F. KRIZEK



G. A. PLEICKHARDT

announced the following promotions: **Jerry J. Graham**, second vice president; **Richard J. Jagodzinski** and **Michael F. Krizek**, data processing officer, and **Gary A. Pleickhardt**, audit manager.

Commercial National Bank of Chicago honored their founder **Fred B. Snite** at a reception in March. A bronze bas-relief bust of Mr. Snite

was installed in the main lobby of the bank. The plaque commemorates his belief in the Lincoln Square community and its residents.

Mr. Snite died in 1977 after spending the majority of his 93 years in enterprising, philanthropy and service to the community centered around Lincoln, Lawrence, and Western Avenues.

The Snite Memorial Reception was well attended by Chicago bankers, Lincoln Square business people and other dignitaries. **Burton Noah**, president of the bank, welcomed guests to the dedication ceremony. **Terrence Dillon**, chairman of the board, and **Mary Loretto Dillon**, Mr. Snite's only daughter, each gave personal perspectives on the entrepreneur's life. Vice chairman **Robert Jewson** offered remarks on the financial institution to conclude the evening.

Robert E. Jolliff has been elected senior vice president of the First Security Bank of Chicago, according to an announcement by **Vernon S. Hoesch**, president.

Mr. Jolliff joined the bank in 1976. He has assumed his new duties and continues as a chief lending officer for the bank.

Norman L. Pelhank was elected cashier. Prior to joining First Security, he was with the First National Bank of Normal. Mr. Pelhank has extensive experience in bank operations.

Joseph Sher has been elected to the board of directors. Mr. Sher is vice president and general sales manager of Morand Bros., Inc. of Chicago.

Ernestine Poe has been elected teller operations officer for Michigan Avenue National Bank, according to **Lawrence W. Nortrup**, president and chief executive officer.

Jacoby Dickens has been elected to the board of directors of Seaway National Bank of Chicago, it was announced by **Ernest T. Collins**, chairman of the board.

Cathy A. Beimford has been elected a trust investment officer by the board of directors of American National Bank and Trust Company of Chicago.



PRESENT for Mid-City National's lease signing were (from left): **Ronald D. Santostefano**, sr. v.p. & secy.; **Samuel M. Budwig Jr.**, partner, Metropolitan Structures; **Kenneth A. Skopec**, pres., and **Stephen J. Tinsley**, Metropolitan Structures.

Rock Falls National Plans New Addition



GROUND BREAKING for the new facility for Rock Falls National Bank was held recently. Pictured welding shovels in the foreground are **Gil Moothart**, pres., (left) and **Dale J. Humphrey**, chmn. Others attending were city officials, bank directors and officers and building firm representatives.

GROUND BREAKING ceremonies were held recently to launch the Rock Falls National Bank into another phase of development. They will be moving into new quarters sometime late this year.

The structure, which will stand on the south end of the present location, will little resemble the present structure. The new facility will be two stories high, in a modified contemporary design. The first floor of the building will house the customer service and reception area, teller windows, the main vault, safe deposit area, customer coupon booths and executive and commercial loan offices.

An innovation in the new bank will

be sit-down teller desks where customers may transact various banking affairs, including opening accounts and discussing problems.

The entire area of the new building will be 16,000 square feet, 8,000 of which will be on the second floor. This floor will contain the operation offices, bookkeeping department, proof area, employee lounge, rest rooms and space for expansion.

Greenery will be used extensively throughout the entire bank along with colorful contemporary furniture and fixtures. The new safe deposit vault will be equipped with an additional 400 new safe deposit boxes. A new time and temperature sign is to be installed outside.

AMBI Pushes For Multi-Office Banking

The results of the Illinois Bankers Association membership vote on additional limited service facilities demonstrates a growing recognition among all bankers of the need for multi-office banking, according to James B. Watt, executive vice president of the Association for Modern Banking in Illinois.

"The virtual deadlock in the IBA membership ranks means the long standing debate on whether we should have multi-office banking is becoming a mute point," commented Mr. Watt. "The discussion is now being centered around not whether we need change, but how much change we need. That's a major milestone."

A vote by IBA members released recently revealed 225 IBA banks were for more facilities and 237 IBA banks were against more facilities; 141

ballots were spoiled. AMBI endorsed legislation introduced by Sen. Jerry Joyce (D-Essex) and Rep. Jim McPike (D-Alton) calls for the addition of three limited service facilities and the authorization of regional multi-bank holding companies.

"If you add together the AMBI member banks and the IBA banks who supported this change, you find a clear majority of those banks expressing an opinion now favor multi-office banking," concluded Mr. Watt. "This is a landmark day in our struggle for greater competition in Illinois banking."

New Drive-Up Opens, Features 7-Day Banking

March 26 was the opening day for seven-day banking at the new drive-up facility of First Security Bank of Fox Valley, Aurora.

Residents, commuters and shop-

pers can use the new facility, located at Route 59 & Fox Valley Center, Sunday from noon until 5 p.m.; Monday through Friday, 8 a.m. until 8 p.m., and Saturday, 8 a.m. until 5 p.m.

"Banks today must design hours to serve the needs of the community," said Gerald P. Czuba, executive vice president. "At First Security, this means we remain open long after 4 p.m. and on Sundays to serve Fox Valley residents."

Bank of Waukegan Has New President, Promotions

Charles E. Offenloch, who has served as executive vice president and director of the Bank of Waukegan, has been elected president by the board of directors.

Mr. Offenloch joined the bank as a management trainee in 1965 after completing work for his bachelors degree in business administration at the University of Wisconsin. During his employment at the bank he received his masters degree in finance from the University of Chicago.

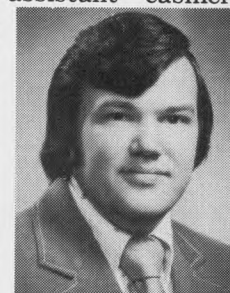
Other advancements of bank personnel announced include: Bradley A. Nickerson and Joseph B. Panek, formerly assistant vice presidents, were made full vice presidents; Roy Clark, formerly loan officer, was made assistant vice president, and Kerry J. Biegay, formerly assistant cashier, was made cashier.

Promoted at Farmer City

Stuart B. Drake was recently promoted from assistant cashier to assistant vice president at the Farmer City State Bank. He is a law student at Southern Illinois University, Carbondale, and will be re-joining the bank staff in mid-May for the summer break. He has been employed by banks in Farmer City and Champaign on a part-time basis since his sophomore year in high school.



C. E. OFFENLOCH



S. B. DRAKE

Bank Addition Opens Despite Mother Nature



OFFICIATING at the ribbon cutting ceremony for York State B&T, Elmhurst, were (from left): **John Jordan**, Elmhurst Chamber of Commerce exec. dir.; mayor **Abner Ganet**; **George F. Hammerschmidt**, chmn., Elmhurst Chicago Stone Co.; **William L. Johnson**, dir.; **William C. Gooch Jr.**, pres.; **James C. Dawson**, dir.; **Norman Peterson**, Illinois Bankers Assn. asst. secy.; **Robert Palmer**, city mgr., and **George F. Hammersmith**, dir.

THE "Blizzard of '79" tried to do its worst to York State Bank and Trust Co., Elmhurst. The bank's scheduled grand opening of its expanded and remodeled main facility was dealt a double blow by the weather.

First, a section of the building's original roof, constructed in 1951, buckled under the weight of the

20-inch snowfall of January 13.

Then on January 24, the day before the bank's scheduled ribbon-cutting ceremony, Mother Nature delivered another low blow—eight more inches of snow.

Despite those setbacks, the three-day grand opening turned out to be a well-attended success.

Tops \$100 Million Mark, Announces Appointments

Roselle State Bank & Trust Company shareholders attending the annual meeting in March were informed by Eugene C. Ernsting, chairman and president, that total assets had exceeded \$100 million at year-end for the first time in the history of the bank.

Four new appointments were also announced. Joseph P. Ternavan, who recently joined the bank, was named vice president, computer information services. Patricia Hattendorf Hanks was appointed commercial loan officer, Ruth I. Mayerhofer was

appointed assistant trust officer, and David O. Franzen was promoted to vice president of operations in addition to serving as cashier.

Robert B. Leeper, a director since 1975, was elected to the position of vice chairman of the board.

Central National, Sterling Announces Appointments

The board of directors of the Central National Bank of Sterling recently announced the promotion of eight employees.

Robert D. Eversman, vice president and investment officer, is responsible for individual financial planning and investments of all types.

Wayne P. Andreas, assistant vice president/cashier, is responsible for teller operations, customer service and new accounts, safe deposit operations and the automatic teller banking division.

Stephen M. Bryan, trust officer, was formerly associated with the First National Bank & Trust

Company of Centralia. His new duties include administration of personal trust, pension & profit sharing plans and estate accounts.

Russell E. Thorpe, trust officer, has been associated with the bank since 1969. He will be responsible for real estate and farm management.

Willard C. Brenner, mortgage loan officer, was formerly with First Federal Savings of Crystal Lake. He will handle all phases of processing of home loan mortgages.

Verla L. McCormick, assistant cashier and administrative officer, has been associated with Central National Bank since 1966. Her new duties include payroll and employee records.

Onnadine C. Hosler, assistant cashier, started her career in 1964 in the bookkeeping department. Her current responsibilities will include customer accounting, proof transit and cash items.

Bank of Clarendon Hills Appoints VP, New AVP

George C. Mottier has been appointed vice president of the Bank of Clarendon Hills. In his new position Mr. Mottier will be responsible for commercial lending and business development, according to Neal A. Anderson, president.

Mr. Mottier was previously second vice president of the Central National Bank of Chicago, where his responsibilities included loans and correspondent banking.

He received a BA degree from Denison University, Granville, Ohio, and has completed additional MBA work.

Craig J. Fahrner has joined the bank as assistant vice president. He will be responsible for all phases of operations.

Previously Mr. Fahrner was an assistant vice president at Madison Bank of Chicago. He has also held positions with the Upper Avenue National Bank of Chicago and the National Bank of Joliet.

Elected New Director

The First National Bank and Trust Company of Rockford has announced the election of J. F. Gambino as a new director. Mr. Gambino is president of the F. M. Gambino Agency, Inc. and is a member of the Rockford Home Builders Association, Rockford Board of Realtors and the Illinois Realtors Capital Club.



J. P. TERNAVEN

R. B. LEEPER

Montana News

P. D. CARUSO	President	Helena
J. T. CADBY	Secretary	Helena



Missoula Banks Change Names Adding "First"

The names of the Western Montana National Bank of Missoula, and the Southside National Bank of Missoula, have been changed to First Bank-Western Montana Missoula, and First Bank-Southside Missoula.

The name changes were announced jointly last month at a press conference by Western Montana National's president George M. Leland, and Robert G. Henry, president of Southside National.

Both banks are affiliated with First Bank System, Inc. Of the 16 First Bank System affiliates in Montana, all but one will now have the word "First" in their name, and that remaining bank will be changing its name later this year.

Montana cities served by First Bank System banks, in addition to Missoula, are Billings, Bozeman, Butte, Forsyth, Fort Benton, Great Falls, Havre, Helena, Lewistown, Livingston and Miles City.

Montana Bank of Billings Opens With Staff of 11

The newly-chartered Montana Bank of Billings has opened for business downtown at 201 N. Broadway with a staff of 11 and the appointment of 11 members to the board of directors.

Officers include David Calahan, chairman and chief executive officer; Randolph Jacobs, Jr., president; Verland Thomas, vice president and cashier, and William Coteles, assistant vice president.

In addition to Mr. Calahan and Mr. Jacobs, board members are Bruce B. Ellis, Eldon E. Kuhns, Earl R. Kunn, Malcolm G. Long, William R. Lowe, David McNally and James W. Reger, all of Billings, and Paul Foster, Great Falls.

Mr. Calahan was recently a vice president at Security Bank, N.A. in Billings, where he was in charge of the commercial and agribusiness loan departments as well as the marketing

and correspondent banking functions. He is a graduate of St. Olaf College and the University of Denver.

Mr. Jacobs recently was the senior vice president of the First Enterprise Bank of San Francisco, Calif. Prior to that, he was employed by United California Bank. He graduated from the University of Montana School of Law.

Mr. Thomas was recently cashier at the First Northwestern National Bank. He began his banking career in 1959 with the Billings State Bank, which later merged into the First Northwestern.

Mr. Coteles was formerly associated with First Security Bank of Bozeman as vice president in charge of real estate loans. Prior to that he was at the Northwestern Bank of Helena. He attended Great Falls College and the University of Montana.

Two Promoted in Havre

Gordon Clarke, president of the First National Bank in Havre, has announced the promotion of Karen Miller and Robert Nystuen to assistant vice president.

Mrs. Miller joined the bank in 1956 as a bookkeeper. She was named instalment loan officer in 1973 and assistant manager of the timepay department in 1974.

Mr. Nystuen joined the bank in 1977 as an agricultural loan officer and was named commercial loan officer the following year. A graduate of North Dakota State University with a BS degree in agriculture, he was formerly with the First Bank-Wahpeton, N.D.

Security Bank, Billings Announces Promotions

Richard A. Kjos, president of Security Bank, N.A., Billings, has announced the promotion of three officers. William G. Wilson, vice president and controller, was named secretary to the board of directors; Darrell Ferreira was promoted to vice

president, data processing department, and Daniel Murray was named an instalment loan officer.

Mr. Wilson joined the bank in 1973 as data processing manager and was named controller four years later. He received bachelors and masters degrees in engineering science from Stanford University.

Mr. Ferreira joined Security in 1977 as systems and programs manager in the data processing department. He has over 20 years of industrial and financial data processing experience.

Mr. Murray graduated from the University of Utah.

Professors Become Students

Seventy five college professors will be returning this summer to school. For three days the instructors will become the students—improving their knowledge of banking and finance at The Graduate School of Banking at the University of Wisconsin-Madison.

Because of its tremendous success last year, the Banking Seminar for College Faculty is being offered a second time on August 15-17. The conference is designed for teachers of banking and related subjects and will acquaint them with current commercial bank management practices and aid them in developing more effective banking courses.

FED ISSUE . . .

[Continued from page 56]

that under the present-day budgetary restraints, Treasury would want to protect projected revenues. But this should not ripen into a "claim" on Fed revenues which is what one hears when Bob Carswell of Treasury talks about this, or when Senator Proxmire states that any use of these revenues for membership needs is a welfare for the bankers.

This is a very real and dangerous development and the history of the **Treasury-Federal Reserve Accord** clearly demonstrates that dominance does happen; and it equally teaches what will be the results.

Where will we be tomorrow on the membership issue? Your guess is as good as mine. There undoubtedly will be some things we can live with and some things that will hurt in the final solution. If the banking industry doesn't stay together, I am afraid that there is the potential for harm and the room for livability will become much, much narrower. □



**"Part of my job is to
answer to you."**

Donald R. Lindeman, Assistant Vice President
Southwestern Minnesota, South Dakota, & Montana
(612) 291-5583

"Answers are one of the most valuable things I can offer my correspondent banks. When one of my customers asks a question, it's up to me to get the right answer — as fast as I can. Because questions usually mean that important business decisions are hanging in the balance. A prompt answer can often help my customer serve his customer better.

"So an important part of my job is keeping abreast of the frequent changes in banking. I need up-to-the-minute market and economic information. In short, I have to know where to find facts fast. And how to apply those facts to answer my customer's question.

"If I do a good job, I'll have the pleasure of knowing that I've made my customer's job a little easier. And that's where answering to you, my customer, can be very satisfying indeed."



**Correspondent
Bank Division**

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

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

Minnesota News

LESLIE W. PETERSON Pres. Trimont
T. L. JEFFERS Exec. V.P. Minneapolis



Minnesota News 75

Minnesota NABW Holds Annual Conference

THE annual spring conference of the Minnesota Group National Association of Bank Women was held at the Holiday Inn, St. Cloud, March 30 - April 1 with the Central Lakes chapter acting as hostess. There were more than 80 members present.

Welcoming was presented Friday evening with the St. Cloud Chamber Music Group providing entertainment.

Al Loehr, St. Cloud mayor, gave everyone a hearty welcome to St. Cloud on Saturday morning to start off the festivities. A NABW Management Series Module on non-verbal communications was presented and coordinated by Bonnie Niehaus of the Northwestern National Bank of Minneapolis. Assisting with the module were: Janet Taber, First National Bank of Long Prairie; Shirley Kehm, First National Bank of Rochester; Betty Rickerman, First National Bank of Pipestone, and Patricia Larson, Northwestern BankWest, Hopkins.

Olive Bernard from Ireland provided luncheon entertainment with her harp and singing in Gaelic and English.

Following lunch, Bernice Johnson, North Central Regional vice president, spoke on the duties of being a regional vice president. Patricia Piper, director of the Christian Education Center, Austin, enlightened everyone with her talk on "Motivating the Special You." Margaret Hedeon, executive director of the Upper Midwest Automated Clearing House Association, spoke on the "Perspectives on the Automated Clearing House."

The Saturday evening banquet was highlighted by guest speaker Ann Harstad, commercial loan officer of Central Northwestern National Bank, Minneapolis. Ms. Harstad spoke on "Banks Compliance with Consumer Legislation." Following the banquet, the play "Fallen Angels" was presented.

Sunday's program started with worship services at St. John's University Church and Abbey, Collegeville. After the services a tour of the Abbey was held. Rev. Gervase Soukup, professor of economics at St. John's University, spoke on "Monetary Policy in Inflationary Times" for the Sunday luncheon.

Karlene Discher, Northwestern BankWest, Hopkins, coordinated the event. Plans are underway for the 1980 spring conference to be held in Marshall.

MBA Board Names New 1st VP, 2nd VP

The Minnesota Bankers Association board of directors has named James T. Gowan first vice president of the organization, and Richard E. Gandrud second vice president, according to an announcement by MBA president Leslie W. Peterson.

The MBA governing board elected the two to their new positions following the resignation of 1978-79

first vice president John M. Owens, president of the Northwestern Bank of Commerce, Duluth. Mr. Owens resigned due to managerial time demands in his bank.

Both Mr. Gowan and Mr. Gandrud will serve the balance of the terms to which they were elected, which conclude in June, 1979, at the association convention.

New first vice president Gowan is vice president of the First National Bank of St. Paul, and has been second vice president of the association since June, 1978. He was endorsed for MBA 1979-80 first vice president at September district meetings, and it is anticipated that the nominating committee will consider him for MBA president when it meets prior to the annual June convention.

Mr. Gandrud, president of the Pope County State Bank, Glenwood, had been endorsed for 1979-80 second vice president. With his election to that post, the nominating committee might be expected to consider him as a candidate for first vice president in June. Mr. Gandrud has also served a two-year term as MBA treasurer.

Heads Klein Bancorporation

Daniel G. Klein, president of the Victoria State Bank, has been elected chairman of the board of the Klein Bancorporation. He succeeds his father, George C. Klein, 59, former chairman, who died in February at Chaska.

MBA Sponsors 4-H Convention Delegates



FOR the 31st consecutive year, the Minnesota Bankers Association sponsored four Minnesota 4-H delegates attending the National 4-H Conference. This years conference was held March 31-April 6 at the National 4-H Center in Washington, D.C. Pictured from left are: Wayne F. Berthiaume, MBA admin. v.p.; Beth Bielen, Springfield; Charles Horsager, Verndale; Brenda Swenson, Atwater, and Truman L. Jeffers, MBA e.v.p. Not pictured: Brad Mitteness, Benson.

Twin Cities News



NORTHWESTERN National Bank of Minneapolis is offering a new checking/savings package for consumers called "The Reward Account." The account "rewards" customers who maintain a balance of \$2,000 or more in an Instant Interest savings account.

In addition to 5% interest on savings, Reward Account holders receive no-charge checking with no required minimum balance and their choice of any style of personalized checks at no cost. Other benefits include travelers checks, notary service and an Instant Cash card, all at no cost.

Customers maintaining \$3,000 or more in a savings account are eligible for all of the above, plus a Master Charge or Visa card with no annual fee for the first year, and a free regular-size safe deposit box, or a \$6 credit on a larger box, subject to availability.

George Howes has joined St. Anthony Park Bank, St. Paul, as vice president in charge of all lending functions, announced **W. Andrew Boss**, president.

Mr. Howes has 25 years experience



G. HOWES



C. MARKUSON

in lending. He previously served as credit manager at Marquette National Bank handling commercial loans, and as vice president of loan operations at Capital City Bank.

Three officers have assumed new responsibilities. **Marvin Chapple** has been named personal banking officer

with responsibilities in instalment and home improvement lending. **Phyllis Johnson** has been appointed mortgage loan officer. **E. L. Steiner** has assumed responsibility as assistant auditor and compliance officer.

Cliff Markuson, manager of the American Dairy Association, has been elected to the board of directors. He has been with the ADA for 25 years, including the last 15 years as its manager.

John R. Danielson has been elected vice president of the corporate planning division of First National Bank of Minneapolis. His duties will include overall responsibility for annual and long-range planning processes, as well as coordination of the bank's resources management strategies.



J. R. DANIELSON

Mr. Danielson had been assistant vice president in the resource management and planning department. He joined the bank in 1972 and is a graduate of Carlton College.

Dr. Larry J. Wipf has joined the Northwestern National Bank of Minneapolis as senior economist and will have responsibility for Upper Midwest economics with specific emphasis on agriculture.

Prior to joining Northwestern, Dr. Wipf was senior economist for the U.S. Department of Labor in the Bureau of International Affairs. He provided economic analyses of international trade policy issues and represented the department on task forces preparing for multilateral trade negotiations.

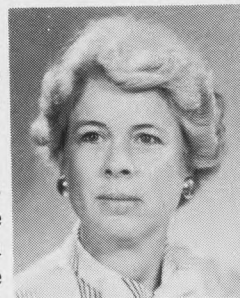
Dr. Wipf was assistant professor at Ohio State University's department of economics from 1969-1974. He has a Ph.D. in economics from the University of Wisconsin, a masters degree in agricultural economics and a bachelors degree in agricultural business administration from the University of Minnesota.

National City Bank of Minneapolis recently named **James R. Carlson** a personal banking officer, according to **C. Bernard Jacobs**, chairman and chief executive officer.

Mr. Carlson, who joined National City in 1973, served in various capacities within the proof transit and banking divisions prior to this appointment.

Marvin L. Ellison, president of the Northwestern State Bank, St. Paul, has announced the election of **Hella Mears Hueg** to the board of directors.

Mrs. Hueg is chairman of the Sibley Co., a trustee of the Mounds-Midway Hospitals, and a board member of both the St. Paul Area Chamber of Commerce and the United Way of the St. Paul area.



H. M. HUEG

Richard M. Joseph, vice president and manager of the originations department, has been promoted to senior vice president of Dain, Kalman & Quail, Inc.

The originations department originates tax-exempt financing for public and private projects. Mr. Joseph has been with DKQ since 1975 as a public finance buyer and was



The Western Meadow Lark, state bird of North Dakota, as painted by nationally-known wildlife artist, Louis Raymer.

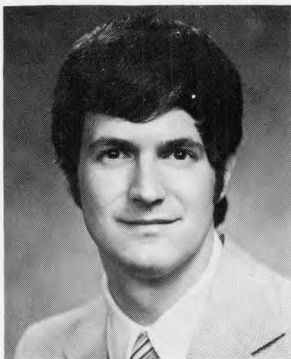
For a free full-size (15" x 17") print, just ask one of your Correspondent Bankers from Northwestern National Bank of Minneapolis. They'll be seeing you at the North Dakota State Banker's Convention, May 21-22 in Grand Forks.

We're on your side.

 **NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

Member FDIC

Northwestern Banker, May 1979



HARRY J. ARGUE
Exec. Dir.

P.M.

- 12:00 Delegates' Luncheon (Ramada Inn).
Presentation of Golf, Tennis, Bowling and Racquetball Awards.
Recognition of NDBA committee chairmen.
Address — James H. Metzger, president, FINCOM, Inc., Topeka, Kan.
- 2:00 General Session (Ramada Inn).
NDBA Annual Meeting
- Presidents Report.
 - Nominating Committee Report — Henry N. Ness, chairman, NDBA nominating committee.

- Election of 1979-80 NDBA officers.
- Remarks by 1979-80 NDBA president.
- Other business.

ABA Session — Edward L. Olson, ABA state vice president for North Dakota, presiding.

- Election of ABA Governing Council member from North Dakota for 1979-81 term.

- "Consensus" audio/visual presentation.

- "Consensus" audio/visual presentation.

- "BankPac" audio/visual presentation.

- Other Business.

"Federal Legislative Outlook" — James B. Cash, legislative director, American Bankers Association, Washington, D.C.

3:15 Coffee Break.

3:35 General Session resumes.

"A Look Back at the North Dakota Legislature for 1979 and Its Impact on Banking" — a panel discussion by North Dakota state senators and representatives.

4:30 Recess.

6:00 Social Hour (Ramada Inn).

7:00 Convention Banquet (Ramada Inn).

Presentation of 40 and 50 Year Banker Awards.
Introduction of new NDBA officers and executive councilmen.

Recognition of North Dakota's 10 oldest banks.

Address — Rocky Bleier, Pittsburgh Steelers.

Dance — Myron Sommerfeld and the Bon Bon Brass.

You Will See Them at the 94th Annual N.D. Bankers Association Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the North Dakota Bankers Association Convention in Grand Forks, May 21-22.

Chicago

Continental Bank: Mary Cloonan, banking officer.

First National Bank: Catherine D. Saccany, loan representative.

Minneapolis

First National Bank: Kenneth Wales and S. R. Omlie, vice president; Frank Brosseau, correspondent banking officer; Dolores Walstrom, bond investment officer; Ray Book, bond investment representative; Roger Raina, cash management officer; Howard Richards, bank financial analyst, and David Johnson, application manager.

Marquette National Bank: Bill Addington, vice president; Jack Campion, assistant vice president, and Bill Klein, correspondent bank officer.

Midland National Bank: Stanley J.

Peterson, vice president, and Michael S. Higgins, assistant vice president.

Northwestern National Bank: Harry Wahlquist, senior vice president; Jim Laird, assistant vice president, and Curt Robbins, correspondent banking representative.

St. Paul

American National Bank: Robert W. Jacobson and Donald H. Johnson, vice president; Steven E. Rykkeli, assistant vice president, and Bruce C. Bennett, bond investment representative.

First National Bank: Jim Gowan, vice president; Bruce Hebel, assistant vice president, and Richard M. Carey, correspondent bank representative.

Bank Equipment and Other Firms

Brandt, Inc.: Ronald E. Doll, branch manager, and Warren O. Wenzel, sales representative.

Dain, Kalman & Quail, Inc., Minneapolis: William L. Hough, vice president, institutional bond department.

Daktronics, Inc., Brookings, S.D.:

Elmer H. "Bud" Weisser, district sales manager.

Dawson Hail Insurance Co., Fargo: Jim Dawson, president, and Chuck Fosberg, secretary.

Guardsman Life Insurance Company, West Des Moines, Ia.: Gary Ocker and Ron Davis.

ITT Life Insurance Corporation, Minneapolis: Glen Gilbertson.

J. T. Miller Company, Minneapolis: Russ Bennett, field manager, and Dirk Miller, partner.

Mosler Safe Company, Hamilton, Ohio: Larry Odegard, account executive, and Ford Campbell, regional sales manager.

North Central Life Insurance Company, St. Paul: Lynn Seward.

Omaha Financial Life Insurance Company, St. Paul: Bob Geiger, North Dakota regional manager.

Verex Corporation, Madison, Wis.: Craig Johnson and Dennis Oliver.

Bank Displays Art

The Bank of North Dakota, Bismarck, recently displayed oils, acrylics, watercolors, pencils and photographs from the 10th annual Religious Arts Festival. The public was invited to view the art in the main lobby through the month of April.

Welcome to Grand Forks
for the
95th Annual Convention
of the
North Dakota Bankers Association
May 21-22, 1979

"We look forward to being your hosts"



FIRST *National Bank*
IN GRAND FORKS

Main Office: 4th & DeMers, Downtown Grand Forks



**VALLEY BANK &
 Trust Company**

200 FIRST AVENUE NORTH
 DOWNTOWN
 GRAND FORKS, N. D. 58201

First Bank of North Dakota
Grand Forks 401 DeMers Avenue • 795-6100

**Community
 National Bank**
OF GRAND FORKS

Two Convenient Banking Locations:

1616 South Washington 2712 South Columbia Road

Remodeling Completed at Mandan Bank



PICTURED above is the newly remodeled and expanded First Northwestern National Bank of Mandan.

FIRST Northwestern National Bank of Mandan recently held an open house attended by nearly 2,500 persons commemorating its recent remodeling and expansion. The new facility provided approximately 8,000 additional square feet to the present banking quarters.

The new main floor area provided space for the commercial and agricultural loan departments in addition to two enclosed after-hour walk-up teller windows, two loan payment windows and a new cash vault.

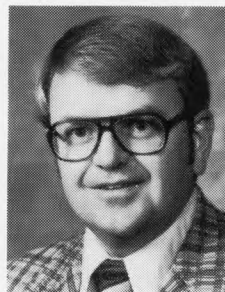
The second floor provided more space for bookkeeping and processing, plus a large employee lounge, kitchen, lockers, two offices and a large, modern directors room.

The existing structure was completely remodeled to blend in with the new addition. Construction began in April, 1978.

J. E. Noonan, president, also announced that Gary A. Flaa was promoted to senior vice president at a recent board meeting.

Mr. Flaa joined the bank in 1976 after spending 2½ years in Northfield, Minn. He began his banking career in 1961 as a management trainee at the Grafton National Bank. In 1964 he transferred to the Silver Bay (Minn.) State Bank as cashier and served in that position until 1970 when he moved to Northfield.

Mr. Flaa attended the North Dakota State School of Science and graduated from the University of North Dakota in 1961.



G. A. FLAA

that first. Setting such standards will require all of us now operating systems to get together and agree.

Mark Harris, who has responsibility for bank cards at First Bank System, said his firm's primary card is VISA, although Master Charge also is handled. These cards can withdraw money based only on the loan limit of the card and the capabilities of the machines used. Docutel and IBM machines are used in all participating banks.

Jim Secora has responsibility for off-premise banking at First Bank System and reports they have 60 ATMs, all on-line with First Computer Corporation subsidiary in St. Paul. There are 22 on-premise in the Twin Cities area and First Bank will have four more by the end of summer, he said. He reports high volume at 9,000 transactions per month. All but one of the terminals are accessible 24 hours per day.

In addition, First Bank System has 35 POS terminals in upper midwest stores and one off-premise ATM. Three of these are in Lewis drug stores in Sioux Falls, the rest are in supermarkets in Minnesota, Montana, North Dakota, South Dakota and Wisconsin.

Jerry Hayes, vice president and director of POS service for POSSI, Inc., a subsidiary of Twin City Federal Savings and Loan in Minneapolis, said that company has 500,000 cards out around the state among its various issuers. POSSI maintains both customer operated and merchant operated terminals. There are 135 POS terminals in the state, all in merchant locations. He said cards now are being issued by Marquette National Bank and its six other affiliated banks, and Marquette expects to be "live" on the POSSI system by July 1. There are five other banks also in the firm's system. All savings and loans in the state use POSSI.

Mr. Hayes said POSSI utilizes an IBM mini-computer. The only availability for interchange with the other two systems at this time, he stated, is tape exchange.

He said his company's second phase "is to develop an ATM network to complement our POS system. We hope to install this about the third quarter with about 10 in the Twin Cities area at first."

Mr. Hayes said POSSI's volume ran "about 100,000 transactions last month (March)."

Promoted at Bismarck Bank

Two employees of the State Bank of Burleigh County Trust Company, Bismarck, have been promoted.

Richard Hurdelbrink, formerly vice president and ag representative, has been promoted to senior vice president and ag representative. Mr. Hurdelbrink joined the bank in 1976 and was previously employed by the First National Bank of Bowbells.

Virginia Flemmer, formerly assistant manager at the Kirkwood Station, was promoted to manager and assistant cashier of the bank's new auto bank facility to be located on Highway 83 North. Prior to joining State Bank of Burleigh County, Ms. Flemmer was employed at the First National Bank of Great Falls, Mont.

EFT ROUNDUP . . .

[Continued from page 50]

Northwestern National installed its first off-premise facility in early April in the Southdale Shopping Center, the biggest pedestrian traffic center in the metropolitan area, according to Mr. DeLand. He said they expect to reach 9,000 transactions per month there soon. Since this terminal is off-premise, it is shared with any other financial institutions wishing to use it and who conform to the standards needed.

Regarding lack of a central switch, Mr. DeLand stated, "At present we've all developed a delivery system to meet our own needs, but we've not gotten together for setting of intercommunication standards. With UMACHA, we got together and did



BISMARCK, NORTH DAKOTA 58505

Statement of Condition

March 31, 1979

RESOURCES

Cash and Due from Banks	\$ 34,323,766.62
U. S. Government Securities	113,293,756.32
Federal Agencies Securities	56,173,585.81
Bankers Acceptances & Other Investments	30,043,639.76
State & Municipal Securities	15,500,102.03
Federal Funds Sold	56,415,000.00

Loans:

Farmers Home Administration Notes	\$ 349,424.86
Federally Insured Student Loans	38,642,022.23
FHA and GI Home Loans	94,989,415.27
Farm R. E. Loans	15,758,092.02
R. E. Contracts	315,341.39
Loans to State Institutions	44,777.85
Bank Stock Loans	2,971,514.81
SBA Participation Loans	16,086,629.62
N. D. Bank Participation Loans	105,823,284.68
Other Loans	993,298.97
	<u>275,973,801.70</u>
Accrued Interest Receivable	7,968,180.89
Unamortized Bond Issue Costs	602,447.22
Bank Building & Equipment	1,401,597.14
TOTAL RESOURCES	<u>\$591,695,877.49</u>

LIABILITIES

Demand Deposits:

Individuals, Partnerships & Corporations	\$ 6,061,734.17
Deposits of Banks	17,890,810.23
State & Political Sub-divisions	76,440,786.09
Official Checks, etc.	<u>1,436,994.81</u>
	101,830,325.30

Time and Savings Deposits:

Individuals, Partnerships & Corporations	\$ 17,050,725.54
State & Political Sub-divisions	<u>275,530,635.05</u>
	292,581,360.59
TOTAL DEPOSITS	394,411,685.89

Long Term Debt - Mortgage Backed Bonds	50,000,000.00
Federal Funds Purchased & Securities Sold	
Under Agreement to Repurchase	96,255,886.44
Accrued Interest Payable	6,229,824.11
Other Liabilities	6,241,439.86
Reserves	\$ 3,500,000.00
Capital	12,000,000.00
Surplus	12,000,000.00
Undivided Profits	<u>11,057,041.19</u>
	38,557,041.19

TOTAL LIABILITIES, RESERVE & CAPITAL **\$591,695,877.49**

South Dakota pride.



Fat cattle. Slender wheat.
 Small cities. Big sunsets.
 And a simple, honest sense of good business.
 Bankers in South Dakota make it happen.
 We salute you.

Member FDIC



**First
 Minneapolis**
 We'll be there.

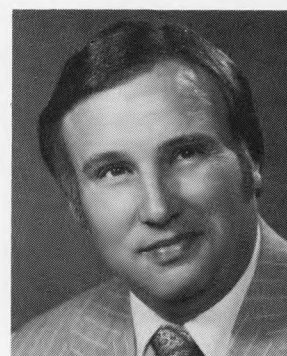
First National Bank of Minneapolis,
 120 South Sixth Street,
 Minneapolis, Minn. 55402
 Phone: 612/370-4167



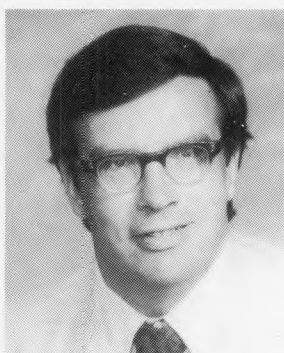
R. L. PLOWMAN
President



G. H. WALTNER
1st Vice Pres



J. M. SCHWARTZ
Exec. Mgr.



P. H. MCGRAW
Conference Chmn.



W. COLBY



C. C. HOPE

87th Annual

South Dakota Bankers Association Convention

May 13-15

Downtown Holiday Inn & Convention Center
Sioux Falls

THE theme "Working Together" will be carried out at the 87th annual South Dakota Bankers Association Convention May 13-15 at the Sioux Falls Convention Center and Downtown Holiday Inn. Several noted speakers from across the country will be addressing registrants during the Tuesday sessions. Among them are keynote speaker Bill Colby, former director of the CIA; C. C. Hope, American Bankers Association president-elect; FDIC director William Isaac, J. N. "Chris" Christianson and Minnesota Viking Bobby Bryant.

Two new events will be featured during the convention—a prayer breakfast and a historical home tour and wine tasting party. The prayer breakfast will open Tuesday's schedule with guest speaker Dr. Curtis W. Tarr, vice president of John Deere & Co., Moline, Ill. The historical home tour will feature the cathedral area of Sioux Falls and the Pettigrew Museum followed by a wine tasting party at the Holiday Inn.

Entertainment and recreation will also highlight the annual event. "Show Time" Tuesday evening will feature Danny Davis and the Nashville Brass in the convention center's theatre. Tournaments for golf, tennis and bowling for the men and ladies will be held Monday. An exhibit hall will also be featured throughout the convention. The program follows:

Sunday, May 13

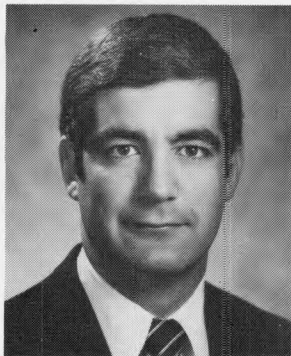
P.M.

- 4:00 Registration Desk opens, Downtown Holiday Inn.
Golf, tennis, bowling and tour information available.
- 10:00 Registration Desk closes, Downtown Holiday Inn.

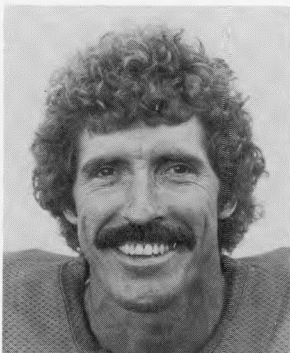
Monday, May 14

A.M.

- 8:00 Registration Desk opens, Downtown Holiday Inn.
- 8:30 Men's Golf, Minnehaha and Westward Ho Clubs.



W. ISAAC



B. BRYANT



J. N. CHRISTIANSON

9:00 Ladies' Golf, Westward Ho Club.

Tour of Historical Homes.

Noon Registration Desk closes, Downtown Holiday Inn.

P.M.

1:00 Registration Desk opens, Downtown Convention Center.

2:00 Men's Tennis, Wood Lake Racquet Club.

Bowling Tournament, Recreation Bowl.

3:00 Exhibit Hall opens, Downtown Convention Center.

6:00 Joint Social Hour, Downtown Convention Center.

8:00 Exhibit Hall closes.

Registration Desk closes.

Tuesday, May 15**A.M.**

7:00 Prayer Breakfast, Downtown Holiday Inn.

Speaker—Dr. Curtis W. Tarr, vice president, John Deere & Co., Moline, Ill.

8:00 Registration Desk opens, Convention Center.

9:00 General Session opens.

Keynote Speaker—Bill Colby, former director of the CIA.

Other Speakers—C. C. Hope, president-elect, American Bankers Association; vice chairman, First Union National Bank, Charlotte, N.C.; and William Isaac, director, FDIC, Washington, D.C.

11:30 Ladies' Luncheon, Minnehaha Country Club.

Noon Men's Luncheon, Downtown Convention Center.

Speaker—Bobby Bryant, Minnesota Vikings.

P.M.

1:30 General Session continues.

Speakers—J. N. "Chris" Christianson, Scottsdale, Ariz., "You Can't Lead a Cavalry Charge if You Think You Look Funny on a Horse," and Rod Kensrud, Mortgage Guaranty Insurance Corp., Milwaukee, Wis., "Responsibility of Directors."

4:00 ABA Member Meeting.

Associate Member Meeting.

6:00 President's Reception, Convention Center.

7:00 Registration Desk closes.

Annual Banquet.

8:00 "Danny Davis and the Nashville Brass" Show, Convention Theatre.

9:00 All Convention Dance, Convention Center. □

You Will See Them at the 87th Annual S.D. Bankers Association Convention

THE following metropolitan bankers and service equipment dealers have indicated that they will be attending the South Dakota Bankers Association's 87th annual convention in Sioux Falls, May 14-15.

Chicago

Continental Bank: Mary Cloonan, banking officer.

First National Bank: Catherine D. Saccany, loan representative.

Harris Trust & Savings Bank: Jim Hill, assistant vice president.

Lincoln

First National Bank: Charles R. Leffler and Gary L. Bieck, vice

presidents.

Minneapolis

First National Bank: Robert J. Anderson, executive vice president; Kenneth Wales and Patrick Lavin, vice president; Dan Simkins, correspondent banking officer; Edward Whelan, bond investment officer; Barbara Beach, bond investment representative; Roger Raina, cash management officer; Howard Richards, bank financial analyst; Jean Higgins, application manager; Michael Tierney, services representative; and Linda Kline, services.

Marquette National Bank: Bill Addington, vice president; Dick

Holmes, assistant vice president, and Jim Kammerer, investment officer.

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

Northwestern National Bank: E. Peter Gillette, executive vice president; Harry Wahlquist, senior vice president; Jim Laird and Mike Kelly, assistant vice president; John Thomson, correspondent banking officer, and Steve Thompson, correspondent banking representative.

Omaha

First National Bank: Bob Meisinger, second vice president; George McFadden, marketing officer, and Jim Flodine, operations officer.

The Omaha National Bank: Del Olson, vice president.

The United States National Bank:



The Ring-necked Pheasant, state bird of South Dakota, as painted by nationally-known wildlife artist Louis Raymer.

For a free full-size (15" x 17") print, just ask one of your Correspondent Bankers from Northwestern National Bank of Minneapolis. They'll be seeing you at the South Dakota State Banker's Convention in Sioux Falls, May 13th-15th.

We're on your side.

**NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

Member FDIC

Northwestern Banker, May 1979

Jay Bordewick, vice president and manager, and Larry Hansen, vice president.

St. Paul

American National Bank: Robert W. Jacobson, vice president; Charles K. Maddux, assistant vice president, and William J. Carlson, bond investment representative.

First National Bank: Jim Gowan, vice president; Donald R. Lindeman and Bruce Hebel, assistant vice president.

Sioux City

First National Bank: Richard C. Taylor, president; Charles H. Walcott, executive vice president; Gary W. Stevenson, vice president, and Douglas Schmidt, correspondent officer.

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

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

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

Brandt, Inc.: James O. Grimes, branch manager, and David Grimes.

Chiles, Heider & Co., Omaha: John Narmi and Jeff Moran.

Dain, Kalman & Quail, Inc., Minneapolis: Robert W. House, assistant vice president, institutional bond department, and Douglas G. Plank.

Daktronics, Inc., Brookings: Elmer H. "Bud" Weisser, district sales manager.

Dawson Hail Insurance Co., Fargo, N.D.: Lyle Askeroott, vice president, and Tom Dawson, assistant treasurer.

First Mid-America, Inc., Lincoln: Mike Grace and Mike Moen.

Guardsman Life Insurance Company, West Des Moines: Elmer Diedtrick and Ron Davis.

Hibbard, O'Connor & Weeks, Houston:

ITT Life Insurance Corporation, Minneapolis: Glen Gilbertson.

J. T. Miller Company, Minneapolis: Russ Hendrix, field manager, and Andy Myer and Dirk Miller, partners.

Mosler Safe Company, Hamilton, Ohio: Larry Odegard, account executive, and Ford Campbell,

regional sales manager.

North Central Life Insurance Company, St. Paul: Dick Simmons.

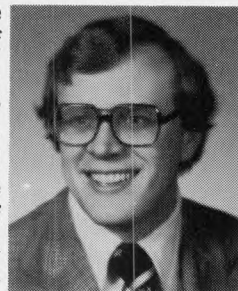
Omaha Financial Life Insurance Company, St. Paul: Bob Geiger, South Dakota regional manager, and Norm Fletcher, assistant general sales manager, western division.

United States Check Book Company, Omaha: Ed Batchelder, sales manager, and Wayne Kincaid and Dwight Bos, sales representative.

Verex Corporation, Madison, Wis.: Ken May and Dennis Oliver.

Named Trust Officer

W. S. Baker, president of the First National Bank in Sioux Falls, has announced the appointment of Richard A. Glynn as trust officer. Mr. Glynn is a 1970 graduate of the University of South Dakota and received a law degree from Hamline Law School in St. Paul, Minn., in 1977.



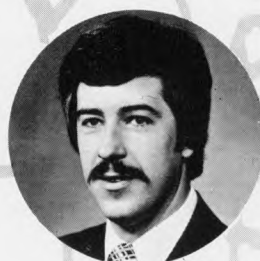
R. A. GLYNN

For Northwestern's World of Service

SEE



Jerry Just



Tom Pohlman

NORTHWESTERN BANK

Of Sioux City

An Affiliate of Northwest Bancorporation





We'll be there!

Come visit with us, ask questions, learn a little bit more about what we have to offer.

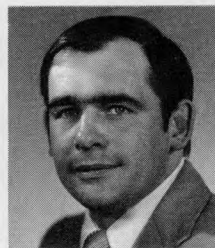
We'll be there—Bob Jacobson, Don Johnson, Chuck Maddux, Bill Carlson, Bruce Bennett and Steve Rykkeli. And we're looking forward to seeing you!



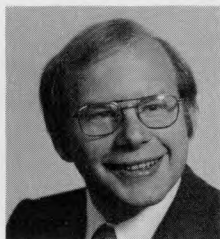
Bob Jacobson



Don Johnson



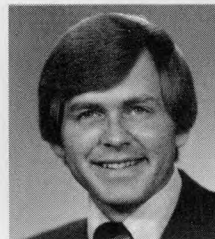
Chuck Maddux



Bill Carlson



Bruce Bennett



Steve Rykkeli

**South Dakota Bankers
Association Convention**
May 13-15, Sioux Falls

**North Dakota Bankers
Association Convention**
May 20-22, Grand Forks



**American National
Bank and Trust Company**

Correspondent Division
5th and Minnesota, St. Paul, Minnesota 55101
(612) 298-6331

Member F.D.I.C.



Bank of South Dakota Elects Managers, Officers

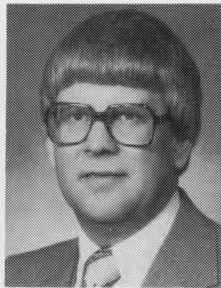
The board of directors of the National Bank of South Dakota has elected two new branch managers, according to an announcement by Nels E. Turnquist, president and chief executive officer.

John Vanderboom was elected vice president and manager, Presho branch, and Dean Van Peursesem was elected assistant vice president and manager of the Corsica branch.

Mr. Vanderboom previously served as assistant vice president and



J. VANDERBOOM



D. VAN PEURSEM



M. FOSS



L. LUNDBERG

manager of the Corsica branch. Prior to joining the National Bank of South Dakota he worked in banks in North Dakota, Minnesota and Alaska. He is

a graduate of Trinity College, San Antonio, Tex.

Mr. Van Peursesem is a graduate of Nettleton Commercial College. He began his banking career in Corsica and has served the past six years as assistant manager of the Platte branch.

Mr. Turnquist also announced the election of three new officers. Maureen Foss was elected real estate loan officer and LeAnn Lundberg was elected personnel officer at the main office, Sioux Falls. Kevin Richards was elected instalment loan officer, Huron branch.

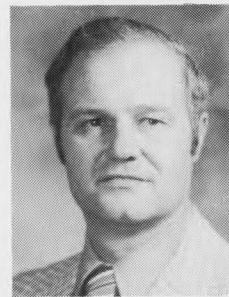
Ms. Foss joined the bank's management training program in 1977. She is a graduate of the University of North Dakota with a degree in accounting.

Ms. Lundberg also joined the training program in 1977 after graduation from the University of North Dakota in business administration.

Mr. Richards joined the Huron branch in 1977 as a management associate after graduation from Augustana College with a major in mathematics.

Northwestern Sioux Falls Announces 3 Promotions

C. P. "Buck" Moore, president of Northwestern National Bank, Sioux Falls, has announced the promotion of Linus V. Boehmer to vice president, Howard J. Brannen from systems and control officer to assistant controller, and Leonard S. Dankey to student loan officer.



L. V. BOEHMER

Mr. Boehmer will move from his current location at the Gregory branch to the Chamberlain branch. A 1959 graduate of South Dakota State University with a major in dairy

**We're on
your side**
see you in Sioux Falls at the convention
"The Bank with correspondent specialists
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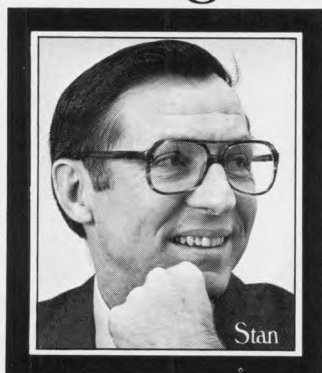
**NORTHWESTERN
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MEMBER F.D.I.C.

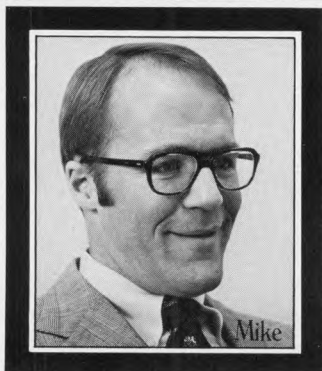
Brookings, Chamberlain, Dell Rapids, Gregory, Huron,
Lake Preston, Madison, Parker, Sioux Falls, S.D.



LOOK UP AN OLD FRIEND
AT THE CONVENTION. Stan
Peterson. Mike Higgins. If you've been
a correspondent bank of Midland's
for years, enjoy a warm-up of your
friendship. If you've never met Stan
and Mike, you're a stranger only once.
It's professionals like these that make
our slogan "WE'RE BIG ENOUGH
TO KNOW HOW,
AND SMALL ENOUGH
TO KNOW YOU"
come alive.



Stan

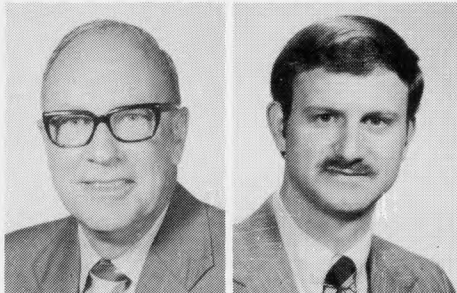


Mike

See you in South Dakota May 13 through 15,
and North Dakota May 20 through the 22nd.

**MIDLAND NATIONAL
BANK** Of Minneapolis **BANCO**

401 Second Ave. S./Street Level, Gov't Center / Member F.D.I.C.



H. J. BRANEN

L. S. DANKEY

production and economics, he joined the Gregory branch in 1972 as a commercial loan representative. In 1973 he was named loan officer.

**We'll
see you
at the
convention.**

May 14-15



FirstSiouxFalls
People Banking on People

100 South Phillips Avenue
Sioux Falls, SD 57102

The First National Bank in Sioux Falls
Member F.D.I.C.



Bob Walrath Retires June 1 in Watertown

THE BANKER

WHEN Robert H. Walrath retires June 1 as chairman and chief executive officer of the First National Bank in Watertown he will conclude an active banking career that spans 44 years — all of it with the same bank. A native of Watertown, Mr. Walrath returned home when he graduated from the University of Iowa in 1935 to join First National (known then as First Citizens National Bank).

After working in various departments of the bank, as well as spending three years in military service during World War II, Mr. Walrath was elected assistant cashier in January, 1948. Other promotions followed, culminating in his election December 1, 1957, to succeed Carroll H. Lockhart as president and trust officer. He held that position until his election June 20, 1978, as chairman and chief executive officer. When he became president, deposits of the bank were \$11,620,000; 20 years later, at the end of 1978, they had climbed to \$58,111,000. Loans grew in the same two decades from \$5,639,000 to \$40,444,000.

Mr. Walrath will retire June 1 but will continue as a member of the First National board of directors.

Mr. Walrath was born in Watertown May 2, 1914. During his 44 years of work at First National he has contributed a great deal of time to other banking pursuits. He has graduated from several banking schools and special banking courses and presently is also a director of First Northwestern Trust Company.

Mr. Walrath was elected president of the South Dakota Bankers Association for 1965-66 after service on the SDBA executive council. He was



BANKER BOB WALRATH

ABA state vice president for South Dakota in 1969-70 and served on the ABA Governing Council from 1974 to 1976. He has been regional U. S. Savings Bonds coordinator for South Dakota for the past 11 years.

Mr. Walrath also has been very active in civic life. He is a past president of Watertown Chamber of Commerce, Watertown Rotary Club and the Watertown Country Club. He is a board member of the Memorial Medical Center, a director of the Watertown Development Corporation, and has been state treasurer of the South Dakota division of the American Cancer Society. Other activities include church and club work.



FEARSOME foursome consists of (l. to r.): **C. P. Buck Moore**, pres., Northwestern Nat'l., Sioux Falls; **Curt Lovre**, retired chmn. of Northwestern Nat'l., Sioux Falls; **Bob Walrath**, and **Morris Winter**, pres., Andes State, Lake Andes.

Bob and Jeannette Walrath have three children: Jan, Jean and Robert II.

THE GOLFER

Bob Walrath has maintained a life-long interest in golf, hunting and fishing. Life-long is a near-accurate adjective, since the 65-year-old Watertown banker has been playing winning golf for 59 years. Members of his family were charter members of the Watertown Country Club. He can remember when the club was being built and he helped put in the grass greens.

"I was about six when I first started to play golf," Bob recalls. "My Granddad played left-handed and so did I." Later he switched to right-handed golf and between 1930 and 1932 teamed with Bob Dugan to win two state high school doubles matches.

At the University of Iowa he won a spot on the team by winning the golf squad's fall tourney, later placing as high as 10th in the Big Ten during his sophomore year. That was at Bloomington, Ind., and he won't forget it — that's where he scored his first hole-in-one! He has since scored

Name Convention Committee

PAT McGraw, vice president, National Bank of South Dakota, Sioux Falls, is general chairman of the 87th Annual South Dakota Bankers Convention, scheduled for Sioux Falls, May 13-15.

Other Sioux Falls bankers heading convention committees are:

Banquet and entertainment - K. Pat Marso, vice president, First National Bank.

Transportation - Roy Schoon, United National Bank.

Ladies luncheon and entertainment - Mrs. Houston Haugo and Mrs. Chuck Rogness.

Men's golf - Verlyn Schmidt, vice president, Western Bank, and Lee Hamilton, vice president, National Bank of South Dakota.

Ladies' golf - Mrs. Tom Long.

Bowling - Clarence and Neva Erickson, United National Bank.

Tennis - Ross Fenn, vice president, Northwestern National Bank.

Special events - Randy Renken, assistant vice president, National Bank of South Dakota.

Registration - Kay Haight, marketing officer, Northwestern National Bank.

four more aces — all at the Watertown Country Club — doing it twice on the eighth, once on five and once on 14. In 1961 he scored two of them within 10 days of each other!

Bob won the South Dakota match play title in 1942 and the senior crown in 1971. After qualifying for the national senior event in 1972 he attended that national tourney in Sharon, Ohio, shooting 80-79.

His current handicap of three "is the lowest I have been for years," Bob comments. He shot a 67 in 1941

and a 9-hole total of 29. Has age made a difference? The swing is the same but "I'll probably use one club longer than I used 20 years ago," he concedes.

His son, Bob, Jr., now of Lake Preston, S.D., has a two handicap and young Bob's wife, Judy, used to shoot in the 40's. "She helps me when there are hitches in my swing," Bob says proudly. "She is always helping my putting."

Some of his opponents wish he wouldn't get so much help!

Welcome...

to Sioux Falls and the 1979 South Dakota Bankers Association Annual Convention May 14 and 15.



NATIONAL BANK OF SOUTH DAKOTA

Sioux Falls • Corsica • Huron • Madison • Platte • Presho
Vermillion • Wessington Springs • Rapid City • Sturgis • Hot Springs

Member F.D.I.C.

Congratulations to Pat McGraw on his efforts as general chairman of this year's convention.



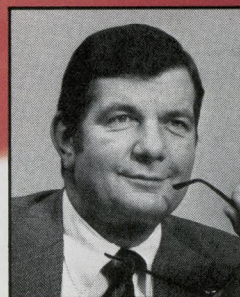
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Vice President
Planning and Public Affairs

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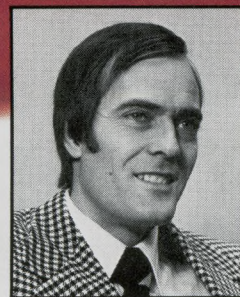
For your bank, Instant Cash can be instant EFT.

Our ready-to-go Instant Cash package includes the card, the equipment, the processing system, technical support, and a proven-effective marketing and advertising program. Best of all, we're ready to put all (or part) of it to work for you now.

Learn how you can make the most of our Instant Cash Services . . . to make your account relationships more valuable, to maintain your bank's identity, and to compete more effectively in your marketplace. Call a U.S. National Correspondent Banker at 402/536-2072 today.



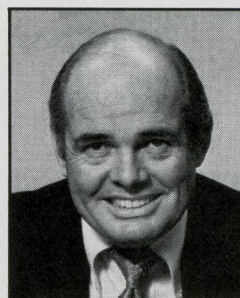
Jay Bordewick



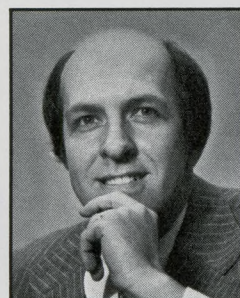
Lee Bachand



Howard Nielsen



John Lewis



Larry Hansen

US NATIONAL BANK of Omaha

Nebraska News

KARLE E. DICKINSON President Lincoln
R. E. HARRIS Exec. Mgr. Lincoln

New Bank Organizes In Dakota County

An application to establish a new national bank in Dakota County has been accepted for filing by the Comptroller of the Currency, Tenth National Bank Region. The proposed bank will be located at 39th and Dakota Avenue in South Sioux City, according to Francis J. Palmersheim, spokesman for the organizers.

Mr. Palmersheim also stated that Dakota County is the fastest growing county in the state, according to studies conducted by the Bureau of Business Research, University of Nebraska.

The bank will be capitalized at \$1 million. Mr. Palmersheim will serve as president and Robert K. Lynch



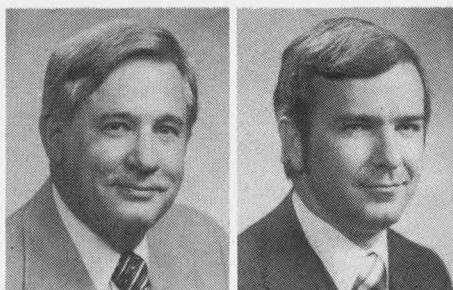
F. J. PALMERSHEIM **R. K. LYNCH**

will be vice president. Both are from South Sioux City.

The organizers, in addition to Mr. Palmersheim and Mr. Lynch, are Keith Ferris, Norma Graves, Leo Eriksen, Dee Engel, Bill Stone, Dr. Jerry Smith, Lonnie Slaughter and Dr. James Walston, all of South Sioux City; Dorothy Holstein, Winnebago; Norman Christiansen, Fender; James Hudson, Dr. Edward Duling and George Qualloy, Sioux City, Iowa.

American State, Homer Names Executive VP

Larry Hamburg has been named executive vice president of the American State Bank, Homer. Mr. Hamburg was formerly associated with the Dakota County State Bank,



South Sioux City, since 1974, most recently as assistant vice president.

He also has held positions with the National Bank of South Dakota, and the American Finance Corp., Sioux Falls.

Oakdale Bank Names CEO, Has Promotions

Melvin E. Johnson, president of First State Bank Oakdale, recently announced the appointment of Robert D. Zuehlsdorf as executive vice president and chief executive officer.

Mr. Zuehlsdorf most recently was agricultural representative at Scottsbluff and prior to that served as vice president at Crete.

In addition to this appointment, two other officers received promotions. Michael Sonnenfelt was promoted to vice president and Teresa Miller to assistant cashier.

Executive Changes Made At GI Savings Company

The board of directors of Commercial Savings Company, Grand Island, has announced that Richard Harbaugh was appointed as chairman of the board and Richard Mattke as president and chief executive officer.

Mr. Harbaugh was previously president of the firm. He will continue to serve as vice president of

CONVENTION REPORT

The Nebraska Bankers Association's 82nd annual convention, scheduled for May 6-8 at the Hilton Hotel in Omaha, is underway as this issue is being delivered to readers. The full convention program was featured in last month's issue. A complete convention report with pictures will appear in the June issue.

Commercial National Bank & Trust Company.

Mr. Mattke has been associated with the company as vice president and managing officer since its establishment in January, 1978.

J. O. Peck Dies

John Overly Peck, chairman of the First National Bank & Trust Co., Columbus, died in March. He was 78.

Mr. Peck, a leading figure in state and local banking, was a past president and past chairman of the executive council of the



J. O. PECK

Nebraska Bankers Association. He also was a former regional vice president and member of the executive council of the American Bankers Association. His banking career spanned 62 years.

After working a year at the American National Bank in St. Joseph, Mo., Mr. Peck joined a Dawson bank in 1918. The following year he became a state banking examiner.

In 1930 he organized and became chief executive officer of the American National Bank, Creighton. Ten years later Mr. Peck was named vice president of the Continental National Bank and Trust Co. in Lincoln.

Mr. Peck became president of First National Columbus in 1943 and was named chairman of the board in 1954. His son, John M., is an executive vice president at that bank.

From 1959-1963 he served as a senator in the Nebraska Legislature and was a past president of the Republican State Central Committee. Besides serving on the boards of several businesses and industries, Mr. Peck also served on the Nebraska Supreme Court nominating committee.

This year he received the "Service to Banking Award" from the Bank Administration Institute.

Hired at Home State

The Home State Bank & Trust Company, Humboldt, has hired three new employes, Carol L. Moerer, Susan G. Nemechek and Janice M. Oehm, as tellers and machine operators.

Omaha News



FIRST West Side Bank of Omaha has announced plans to build a new facility in the Millard Plaza Shopping Center, 13944 S. Plaza.

According to president **Richard K. Flory**, the office will have 2,800 square feet of space and a "living room" atmosphere featuring a large fireplace.

The facility, which will include safe deposit boxes and five drive-in lanes, is scheduled to be completed in September.

The promotion of **Kenneth H. Petersen** to operations officer at the United States National Bank of Omaha has been announced by chairman and chief executive officer **Donald J. Murphy**.

Mr. Petersen joined the bank in 1970 and held various data processing and systems positions. He was named bookkeeping manager in December, 1978. Mr. Petersen attended the University of Nebraska-Omaha and Iowa Western Community College majoring in business administration. He served with the Air Force from 1966-69.

Three representatives of Chiles Heider & Co., Inc. recently returned from a week-long seminar on the securities industry at the Wharton School of Finance in Philadelphia.

Jon L. Narmi, **James E. Kelly** and **Kenneth Ferrarini** participated in the 27th annual Securities Industry Institute. The program, which is designed exclusively for securities industry professionals, centers

around current developments in economics, finance and management.

Robert J. Thilgen, president of the Nebraska State Bank, has announced the election of **Gary A. Sallquist** to the board of directors.

Mr. Sallquist is president of Sallquist Wilkinson, Inc., an Omaha based insurance estate planning firm writing primarily for the Massachusetts Mutual Life Insurance Co.

Named VP, Cashier at Fort Calhoun Bank

Patti D. Barna was recently promoted from cashier to vice president and cashier at the Fort Calhoun State Bank. Mrs. Barna previously served as operations officer at the Ames Bank in Omaha and has been in the banking field for eight years.

Promoted at St. Paul

Three employees of Citizens National Bank, St. Paul, were promoted at the recent annual stockholders meeting. They are: **Daniel R. Ewers**, assistant vice president; **Elna Lassen**, cashier, and **Sally Einspahr**, assistant cashier.

Two Officers Elected at First National, Kearney

Barbara L. Burroughs was recently elected commercial loan officer at the First National Bank and Trust Co., Kearney. Mrs. Burroughs joined the bank in 1976. She has a total of six years experience in financially related areas, and was a commercial loan secretary for the last three years.

Donald J. Morosic was elected instalment loan officer. Mr. Morosic joined First National in December,

1978. He is a graduate of the University of Nebraska with a BS degree in business administration.

New Directors Elected

The Plainview National Bank has announced that **Don F. White** of Plainview and **John L. Stueckrath** of Osmond have been elected to the board of directors.

Mr. White fills the vacancy on the board created by the death of **R. P. Bush**. Mr. Stueckrath replaces **Dr. W. H. Weiseth**, DVM, who resigned.

NEW DOLLAR COIN . . . [continued from page 32]

without coin handling machines with full six-coin capability."

Facts on New Coin

Both commonly known and little understood facts about the new coin and its history are presented by **Brandt** to assist bankers in preparing for its introduction this summer:

- The coin measures 26.5 mm (1.043 inches) in diameter and weighs 8.1 grams. It is 30% smaller and one third the weight of the Eisenhower dollar—which will remain in production, but only as a silver-clad coin and only for sale to collectors as a "proof" or in uncirculated condition.

- The coin's interior rim has 11 sides to help distinguish it from a quarter.

- Public reception to the coin is expected to be widespread, for its convenience and usefulness, and reduced weight. Through its use, \$30 million per year can be saved, say government experts, including reduced demand at the Bureau of Engraving and Printing for \$1 bills.

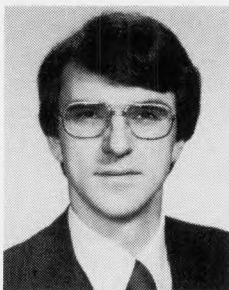
- The new coin will cost 3 cents to produce and will last 15 years. The \$1 note costs 2 cents and lasts 1½ years.

- Justifications for the smaller coin, attributed to **Dr. Alan J. Goldman**, assistant director of the Mint for technology: the Eisenhower dollar is too big and hasn't circulated as expected; vending machines are being used increasingly; substitution of the \$1 bill is necessary to save production costs.


- No total displacement of all \$1 notes is planned, but a 20% displacement, says the Treasury, would save the government about \$10 million.

- While nothing definitive has come from Congress as yet, the present 50-cent coin is apt to remain in the system for some time to come because of the popularity of the late President **John F. Kennedy**.

- The new coin represents the first coinage size reduction in more than 120 years. A large one-cent piece disappeared from the monetary system in 1857. □



K. H. PETERSEN



Six reasons why First National Bank of Omaha is one of the fastest growing correspondent banks in this area.

Sure.

Agriculture is the Midwest's number one industry. But right now it costs more to replace cattle and hogs. Costs more to plant too. And that can mean bigger loan requests from your ag customers.

We know.

Which is why we've got six (we couldn't round them all up for this shot) superb professionals to help you help each of your customers.

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toll free at 800-642-9907.
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toll free at 800-228-9533.

Jim Flodine

Don Ostrand

Bob Brown

Ralph Peterson

George McFadden

Merv Aegerter

(not shown)

CME Conducts Hedging Seminar

Nebraska Ag Bankers Hear Reports On Grain, Hogs And Cattle

By **DEBORAH PECK**
Associate Editor



PICTURED from left are **Greg Stine**, chmn., NBA ag committee, and pres., Nebraska State Bank, Ord; speaker **Loran Schmit**, state sen., Bellwood, and **Dale Borg**, conference chmn., and v.p., Guardian State Bank, Alliance.

FARM representatives and officers were treated to a "double bill" at the 1979 Agricultural Outlook Conference March 28-29 at Kearney. Sponsored by the Nebraska Bankers Association, the conference followed a day-long Hedging Seminar presented by the Chicago Mercantile Exchange.

The ag conference began Wednesday with a cocktail reception and banquet. Dinner speaker was J. Ken Johnson, who recently completed a term as president of the National Association of Future Farmers of America.

Panels on the outlook for grain, hogs and cattle, in addition to a legislative update, highlighted the Thursday session. Luncheon speaker was Donald Frahm, senior economist for market development, American Soybean Association. Main points from the three panels follow:

Grain Outlook

Wayne Deaver, Deaver Grain Co., Alliance: The outlook for grain can only be positive, but there are some negative factors. Nebraska rates number one in grain dust explosions. It is also very costly to comply with the new rules from OSHA and EPA in building new grain elevators. Elevators are due to become bigger and more expensive. We are moving forward; the key to the business is exports.

Dean Linsenmeyer, assistant professor of ag marketing, UNL: Some things might put a crimp in foreign exports of grain, such as the economics of exports and percentages of grain we send to foreign countries.

Levys bring the price up to what domestic production would be and we have to compete with Europe for entry into third world countries. Positive factor — China is playing a more important role in demands for U.S. grain.

Richard Gady, ConAgra, Omaha: There are four developments that will have a major impact on commodity prices — 1. The hog cycle; a positive factor for corn prices, negative factor for protein prices. 2. Acreage shift; soybean acreage up, corn off a little and beans have reduced participation. 3. Inflation; has the greatest impact on meat, which leads to greater increase in feed. 4. Government programs; priorities have changed from price supports to fighting inflation.

Hog Outlook

Doak Fowler, Heinold Commodities, Omaha: Expansion in hogs can happen. One reason is the cattle cycle; it's a stigma to the pork industry, but it's there. If feed and grain keep going up, you could see pork below half the price of cattle.

Gerald Beattie, pork producer, Sumner: Things are pointing to lower prices for hogs. In the past, hogs have helped subsidize cattle; now it may be the other way around. However, I'm optimistic about hog returns for the next several years. Problems — nitrites, sulphur question.

Archie White, Hormel, Fremont: I don't think our producers are panicing. Good management can pay off; producers can handle this situation (inflation, disease). Our

image is about as high as its been; Nebraska is the number one state in check-off. Other irritants — plant slowdowns, labor problems. The future is wide open.

The pork panelists agreed that the consumer may be turning to pork (higher quality) as opposed to cattle (higher prices) and that the key will be entrance into the fast food industry.

Cattle Outlook

Steve Treadway, D&S Farms, Brush, Colo.: I think the cattle market is going to stay good. Items influential in the industry — supply of cattle, consumer reaction and psychology. Prices are high, but so are incomes. The fast food industry is a boom; 55% of all beef is served outside of the home. The people most afraid of prices are the cattle people themselves; they don't know how to handle (high prices) when they get them.

Hugh Mactier, Western Iowa Farms Co., Omaha: The economics of the cattle market are very much plus. I don't see the housewives rebelling; there is no substitute for meat. The major competitor of beef producers is the large grain companies. Positive factor — the fast food industry. McDonalds alone spends more money than all beef referendums to promote our product.

Legislative Update

State Sen. Loran Schmit, Bellwood, gave examples of unnecessary government spending. "You can fight the federal government if you want to," he advised. "The secret of successful government is to grow,

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That means the kind of service you need and expect in today's competitive banking climate, and the people to carry it out.

That's our greatest plus . . . People who represent years of specialized experience.

People who can apply our positive approach to your unique problems and goals.

The people from NBC.



Investment Division: (Left to Right): Gail A. Hudson, Assistant Vice President; Roy M. Otte, Vice President; Dan Anderson, Assistant Vice President.



Correspondent Division: (Left to Right): Dick Wible, Vice President; Irene Rezac, Correspondent Bank Officer; Steve Kness, Assistant Vice President; Rhonda Brown; Jerry Runyan, Assistant Vice President. Seated (Left to Right): Donna Bieck, Correspondent Bank Officer; Tom Stuckey, Vice President; Bob Deahn, Vice President; Wilbur Baack, Senior Vice President; Duane Nelson, Vice President.



Information Management: (Left to Right): Rod K. Morten, Computer Services Officer; Jo Kinsey, Computer Services Officer; Robert Keller, Computer Services Officer. Seated (Left to Right): Tom Boatman, Assistant Vice President; Galin Prai, Vice President.

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LEFT—Hog Outlook Panelists (l to r) **Archie White**, dir. of livestock p.r. & extension, Hormel Co., Fremont; **Gerald Beattie**, Sumner, former pres. of Natl. Pork Producers Council, and **Doak Fowler**, branch mgr., Heinold Commodities, Omaha. **RIGHT**—Grain Outlook Panelists (l to r) **Dean Linsenmeyer**, asst. prof. of ag mktg., UNL; **Wayne Deaver**, pres., Deaver Grain Co., Alliance, & Deaver-Meyer Grain Co., Long Pine, and **Richard Gady**, mgr. of economic & commodity research, ConAgra, Inc., Omaha.

but not so fast to grow to big to be visible."

About 175 bankers from across the state attended the conference. Conference chairman was Dale Borg, vice president, Guardian State Bank, Alliance. Greg Stine, president of the Nebraska State Bank, Ord, is chairman of the NBA committee on agriculture.

Hedging Seminar

Peter J. Stubben, director of education for the Chicago Mercantile Exchange, presided over the CME seminar. Registrants were told the concept of livestock hedging is relatively new.

"In hedging, there are two options," explained CME's Bill Cunningham. "You can offset the hedge anytime and market in the usual manner or you can deliver

against the Mercantile contract."

Hedging was defined as the "purchase or sale of a futures contract as a temporary substitute for a merchandising transaction which will be made at a later date." The essence of profit and loss in hedging is the "basis" — the difference between the cash market and the futures market on a given day. □

Commerce Group Industrials Change Name in April

James Stuart, Jr., president of Commerce Group, Inc., has announced a name change for the industrial loan and investment companies that are affiliated with Commerce Group. All the Commerce Group industrials now have the same general title of "Commerce Savings" followed by the city in which the industrial is located.

The Commerce Group industrials include:

- Mutual Savings Company of Lincoln, which has become Commerce Savings Lincoln, Inc.
- Mutual Savings Company of Omaha, which has become Commerce Savings Omaha, Inc.
- Nebraska Savings of Scottsbluff, which has become Commerce Savings Scottsbluff, Inc.
- Commerce Savings Columbus, Inc., which has retained its existing name.

The name "Commerce Savings" will correlate the savings companies more closely to the other Commerce Group companies. Commerce Group Inc., the lead holding company in the

affiliation, owns, in addition to the industrials, the National Bank of Commerce in Lincoln. The Commerce Group companies have total consolidated assets of over \$870 million, which make it the largest banking system in the state.

New Director Elected At First State, Fremont

James H. Moore, Jr., president of the First State Bank, Fremont, announced that Dean Erickson has been elected to the board of directors.

Mr. Erickson is currently managing partner of Walter Witthoff & Co., a local accounting firm. He came to Fremont in 1959 to join the firm following graduation from Omaha University. He also attended Iowa State University for one year.

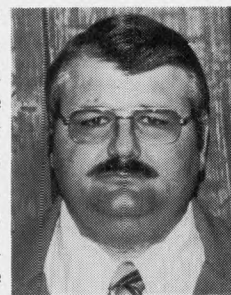
Wauneta Falls Bank has Retirements, Staff Changes

The Wauneta Falls Bank, Wauneta, has announced the retirement of three employees and the addition of three new employees to the staff.

Keith Sexton has retired as vice president and cashier after a 50-year banking career. He joined a Fairbury

bank in 1929 and has worked for banks in Chambers; Holyoke, Colo.; Pasco, Wash., and Lewiston, Idaho, and the Bank of America. He joined the Wauneta bank in 1961.

Del Lawson has been named cashier. In 1977 he and a partner started the Falls Insurance Agency in Wauneta and will continue with the agency in addition to his new position. Mr. Lawson was formerly general manager of the Farmers Coop Exchange, Wauneta, and is a 1968 graduate of McCook College.



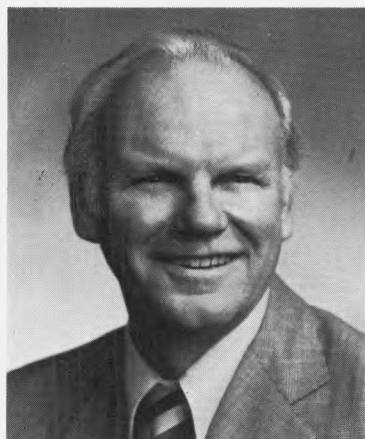
D. LAWSON

Lela Hamilton and Breta Green have been promoted to the position of assistant cashier at the bank.

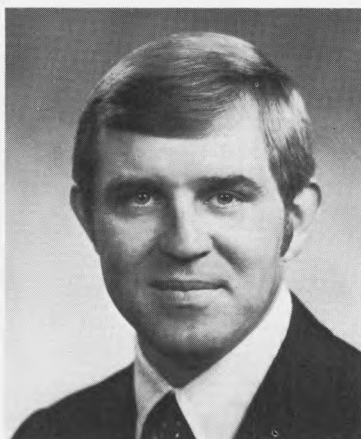
Two tellers have retired from service, Grace Oliver and Velma Sexton. Mrs. Oliver joined the bank in 1959 and concludes a 20-year career at Wauneta Falls. Mrs. Sexton has been with the bank since 1962.

Joining the bank as tellers are Merna Davis and Diane Doetker.

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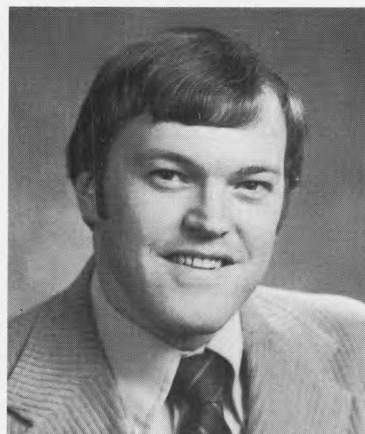
JAMES G. BULLOCK



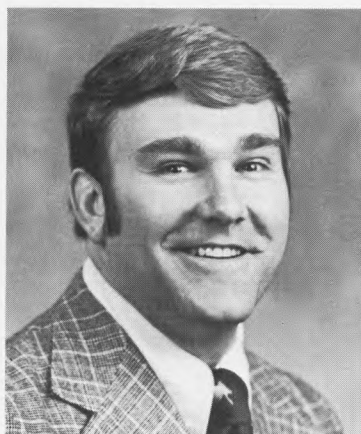
DWAINE C. CARLSON



RAYMOND J. McMAHON



JAY D. CALLAHAN



JOHN WALTERS



SAMUEL A. WHITWORTH



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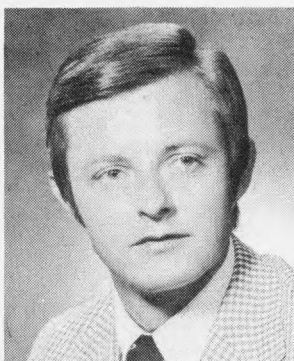
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78th Annual

Colorado Bankers Association Convention

June 6-9
Broadmoor Hotel
Colorado Springs

THE Kingston Trio will highlight the entertainment for the 1979 Colorado Bankers Convention, scheduled for the Broadmoor Hotel, Colorado Springs, June 7-9, according to J. Robert Young, CBA president, and chairman of the Bank of Basalt.

Sports activities will start on Thursday, June 7, including golf, tennis, skeet and trap shooting, and 5,000 meter runs. Formal business sessions start on Friday, June 7. The program follows:

Wednesday, June 6

P.M.

- 2:00 Board of Directors Meeting
- 6:30 Past President's & Board Reception
- 7:30 Past President's & Board Dinner
- 8:30 Entertainment - Constance Moffit

Thursday, June 7

A.M.

- 8:00 Golf Tournament at Broadmoor East & West courses.
- 9:00 Tennis Tournament at Broadmoor Tennis Courts
- 9:00 Skeet & Trap Tournament at Skeet Range
- 7:00 5,000 Meter Runs around golf course.

P.M.

- 6:30 Reception at International Center.
- 7:30 Steak Fry
- 8:30 Mark Russell
- 8:00 to
- 11:00 Dancing.

Friday, June 7

A.M.

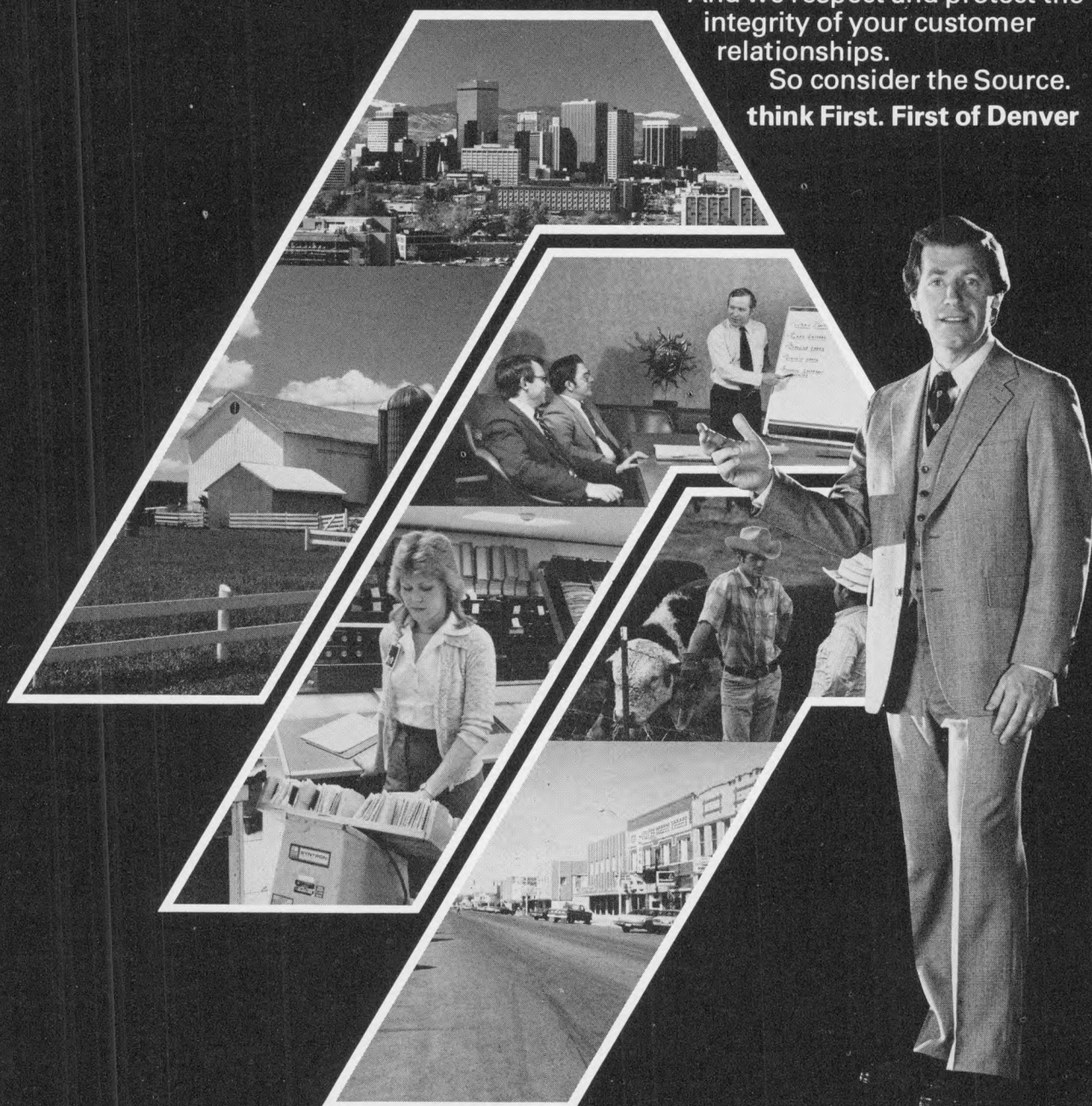
- 9:00 First Business Session at International Center. **Speakers:**
J. Robert Young - "President's Address"
Chairman, Bank of Basalt, Basalt, Colorado.
Roger Guffey, President, Federal Reserve Bank of Kansas City.
Panel of Regulators:
Quinton Thompson, FDIC, Dallas, Texas.
Harry Bloom, State Bank Commissioner, Denver, Colorado
Max Paulson, Acting Regional Administrator, Twelfth National Bank
Region, Denver, Colorado.
- Noon Luncheon at International Center
Chuck Fairbanks, CU Football Coach, University of Colorado,
Boulder, Colorado.
Eddie Crowder, Athletic Director, University of Colorado, Boulder,
Colorado.

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R. GUFFEY
Speaker

P.M.

- 6:00 Reception
- 7:30 Banquet
- 9:00 "KINGSTON TRIO" Live entertainment at International Center.

Saturday, June 9

A.M.

- 9:00 Second Business Session at International Center
- Thomas W. Thompson - "Banking Tomorrow," editor - **United States Banker**, Richmond, Virginia.
- David Swoap, Legislative Aide, Senator Bill Armstrong's Office, Washington, D.C.
- Leslie Stahl, Co-Anchor — CBS Morning News, Washington, D.C.
- Business Sessions
- Adjournment

You Will See Them at the 78th Annual Colorado Bankers Convention June 6-9

THE following metropolitan bankers and service and equipment dealers have indicated they will be attending the 78th annual convention of the Colorado Bankers Association in Colorado Springs, June 7-9.

Chicago

Continental Bank: Bill Goodyear, vice president, and Mary Cloonan, banking officer.

First National Bank: Catherine D. Saccany, loan representative.

Denver

American National Bank: Bruce Hulbert, president; Jack Panter, senior vice president; and Roger Reiling and Larry Pisacka, vice president.

Central Bank & Trust Company: Max Brooks, chairman of the board; Don Hoffman, president; R. J. Nelson, Joe Lincoln and George Patterson, executive vice president; Don Echtermeyer, senior vice president; Jim Osbourn and Bill Tumelty, vice president; and Jim Simon and John Jackson, assistant vice president.

Colorado National Bank: T. Rex Rhodes, Dale Browning, senior vice presidents; William J. Fleming and Charles W. Kirk, vice presidents.

First National Bank: Theodore Brown, president; Ron Loose, senior vice president, and Thomas A. Buchanan, assistant vice president.

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

United Bank of Denver: Vern

Hendrickson, Jan Campbell, Don Sall, Bob Dressel, Bob Houston, Darcy Myers and Don Robotham.

Kansas City

Commerce Bank: Fred Coulson, senior vice president.

United Missouri Bank: E. L. Burch, senior vice president; Jack Beets, vice president, and Philip D. Straight, vice president.

Lincoln

First National Bank: Charles R. Leffler and Gary L. Bieck, vice president.

Omaha

The Omaha National Bank: Don Lewis, vice president.

Bank Equipment and Other Firms
Chiles, Heider & Company,
Omaha: Fred Douglas.

Deluxe Check Printers, St. Paul: Roger Bowen, Roger Bell, Bruce Christensen, Ralph Stolp and Karen Johnson.

Lincoln Benefit Life Company,
Lincoln: Steve Sutton, vice president.

Mosler Safe Company, Hamilton, Ohio: Steve Engelhardt, account executive.

Saint Louis Terminal Warehouse Company, St. Louis: William Harbour, district manager.

Two Named at Montrose

Albert D. Latham, president of the First National Bancorporation, Inc., Denver, was named a director of the First National Bank of Montrose at the bank's annual meeting in

March. He replaces Theodore D. Brown, chairman of First National Bancorporation, who resigned as a director.

Keith Catlin, a native of the Montrose area and a successful farmer, was elected to the board. He replaces Herbert L. Bacon, chairman of United States Bank of Grand Junction, who also resigned.

UB of Denver Creates Three New Divisions

United Bank of Denver has formed three new organizational divisions, John D. Hershner, chairman and chief executive officer, has announced.

Charles H. Luther, Jr., senior vice president, will manage a human resources division; J. Thomas Reagan, senior vice president, will head an energy and minerals division, and Richard B. Bottum, senior vice president, will head a property management division. Michael J. Fowles, vice president, succeeds Mr. Luther as the officer in charge of the personal banking division.

Mr. Luther joined United Bank of Denver in 1965 and was named the division officer for personal banking in 1974. He was made a senior vice president in 1976. Mr. Reagan, who joined the bank in 1963, has served as manager of the petroleum and minerals group, now the energy and minerals division, in UBD's commercial banking division for 13 years. He also serves as president of the bank's leasing subsidiary, United Denver Leasing Company.

Mr. Bottum, a member of the staff since 1958, served most recently as manager of planning administration. He was made a senior vice president earlier this year. Mr. Fowles has been with United Bank of Denver 10 years.

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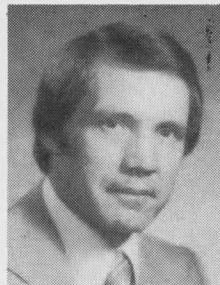
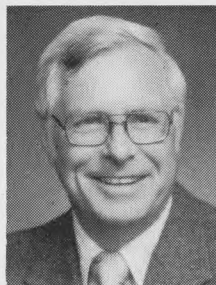
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Iowa News

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New President Named At Dallas County State

Wayne Geadelmann has been elected president of the Dallas County State Bank, Adel, replacing Bob McKee, who was elected chairman of the executive committee and vice chairman of the board of directors.



W. H. GEADELMANN

Mr. Geadelmann joined Brenton Banks, Inc. in 1959 after graduation from Iowa State University and was employed at the Dallas County State Bank for three months at that time. He then moved to Grinnell, where he was employed by the Poweshiek County National Bank. In 1969 he joined the Brenton First National Bank, Davenport, as senior vice president, his most recent position.

His banking activities include completion of the Graduate School of Banking, University of Wisconsin, and the Graduate School of Bank Marketing, University of Colorado.

New President, CEO Named at Lake City

John T. (Jack) Patrick has been named president, chief executive officer and a member of the board of the Lake City State Bank. W. M. Goodyear remains chairman of the board, and W. G. Meinen continues as executive vice president and cashier.

Mr. Patrick comes to Lake City from Le Mars, where he was executive vice president of the First National Bank there the past 2½ years. Prior to that time, he held executive positions in banks at Glenwood and Red Oak and was formerly an examiner with the Iowa Department of Banking.

He attended the University of

Iowa, the Graduate School of Banking, Madison, Wis., and various other management schools and seminars.

Joins Muscatine Bank

The board of directors of the First National Bank of Muscatine recently elected Judd W. Leland vice president and farm department manager. He most recently has been vice president in charge of the farm loan, farm management department and commercial lending allied to agriculture at the Waterloo Savings Bank since 1966.



J. W. LELAND

Mr. Leland graduated from Iowa State University in 1954 with a BS degree in dairy science.

Bank Women to Meet

The National Association of Bank Women of Northwest Iowa will hold their monthly meeting Wednesday, May 23, at the Iron Horse in Sheldon. The meeting will begin at 2 p.m. with the program being Module—"Non-Verbal Communication."

Clarion Bank Tells of 4 Officer Promotions

R. L. Davison, president of the First National Bank, Clarion, has

announced the promotion of four officers.

Dale C. Dougherty has been named executive vice president and assistant trust officer. He has been with the bank for 37 years. Robert B. Bartholomaeus has been named executive vice president. He joined the bank in 1964.

Robert O. Grathwohl has been promoted to vice president and cashier. He joined First National in September, 1978. Duane A. Asbe is the new assistant vice president. He has been with the bank since 1972.

Jerry Thornton Moves To San Diego Bank

Jerry R. Thornton has been elected vice president and director of marketing for the San Diego Trust and Savings Bank, San Diego, Cal. He will have management responsibilities for all the bank's marketing functions.



J. THORNTON

Mr. Thornton resigned last month as vice president, group head and director of marketing at National Bank of Commerce in Lincoln, Nebr., to accept the new appointment. Prior to joining NBC, Mr. Thornton was with Brenton Banks, Inc., and Central National Bank & Trust Co., both of Des Moines.

He is a well-known figure in Iowa and Nebraska bank marketing circles and has participated in several national marketing association programs. Mr. Thornton is a graduate of the University of Iowa and attended the Graduate School of International Marketing at American University, Washington, D. C.

1979 Iowa Group Meetings

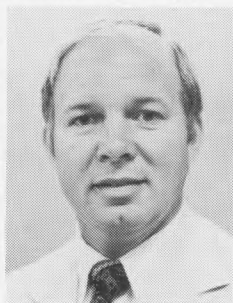
Date	Group	City
May 7	8	Iowa City
May 8	4	Cedar Rapids
May 9	7	State Center
May 10	3	Clear Lake
May 21	5	Council Bluffs
May 22	6	Des Moines
May 23	2	Fort Dodge
May 24	12	Okoboji

Group 8 to Iowa City

BANKERS of Group 8 will meet at the Highlander Inn and Supper Club on Monday, May 7, according to Robert C. Wede, chairman of the Group and president, Goose Lake Savings Bank.

Golf will be available through advance reservations at the Finkbine Golf Course, and lunch facilities will be offered at the University Athletic Club.

The formal business meeting will start at 4:00 P.M., and officials of the Iowa Bankers Association will report on current IBA activities. The social hour starts at 5:30 P.M., followed by dinner at 6:30 P.M. Dancing to the "Brass Notes" will start at 8:15 P.M.



R. C. WEDE

New AVP at Fort Dodge

Tim Trees, head of the farm management department of First Nation-

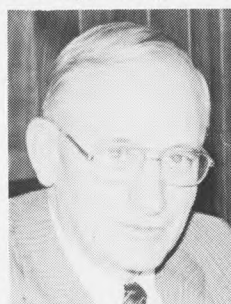
al Bank, Fort Dodge, since 1974, was recently elected assistant vice president by the board of directors.

Mr. Trees holds bachelors and

masters degrees from Iowa State University. He was a vocational agriculture instructor for 13 years prior to joining First National Bank.

Group 4 Will Meet at Cedar Rapids

GROUP Four will hold its annual meeting on Tuesday, May 8 in the new Stouffer's Five Seasons Hotel in Cedar Rapids, according to Churchill T. Williams, chairman of the Group and chairman of the Oelwein State Bank.



C. T. WILLIAMS

Registration will begin at 9:00 A.M., and a luncheon will be served starting at 11:30 A.M. Thomas Huston, superintendent of banking, and F. Forbes Olberg, chairman of Banks of Iowa and commissioner of the Iowa Development Commission, will speak during the noon hour.

The formal program will begin at 1:30 P.M., and five speakers will address the delegates. They are: Dr.

Bill F. Stewart, superintendent of Kirkwood Community College; Martin L. Andreas, president of Corn Sweeteners, Inc.; Dr. Albert E. DePrince, Jr., vice president and economist, Marine Midland Bank, New York; Oliver A. Hansen, chairman of the IBA legislative committee, and president, Liberty Trust & Savings Bank, Durant, and Neil Milner, executive vice president and secretary of IBA.

A social hour will be held at 6:00 P.M. and dinner will follow at 7:00 P.M. H. Rand Peterson, president of IBA and president of the Shelby County State Bank, Harlan, will speak following the dinner. A Coe College vocal group will appear at 8:30 p.m. Dancing will start at 9:00 P.M.

Mike Early at the United State Bank in Cedar Rapids, should be contacted by guests planning to play golf.

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Iowa Group Meeting
in Cedar Rapids
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Plans Set for Groups 7, 3 and 5

GOLF at the beautiful Lincoln Valley Golf Club, located two miles east of State Center, will be a highlight of the annual meeting of Group Seven when it meets there on Wednesday, May 9.

L. C. "Bud" Pike, group chairman and president, Farmers Savings Bank, Grundy Center, will preside at the formal business meeting starting at 4:00 P.M. Brief reports will be given by officials of the Iowa Bankers Association, and election of officers will follow.

Golf facilities will be available starting at 9:00 A.M., and guests should pre-register by contacting Dwayne Hochalter at the Central State Bank, State Center at 515/484-2505. Prizes will be awarded.

A social hour will begin at 5:00 P.M., and dinner will follow at 6:30 P.M. The Marshall County Pork Producers will prepare special, extra thick Iowa chops on outdoor barbeque grills.

A barber shop group known as the "Relative Sounds" will provide entertainment for the Group starting at 8:30 P.M. Adjournment will be at 9:12 P.M.



L. C. PIKE

ANTICIPATING another record crowd, Group 3 will meet at the Surf Convention Center in Clear Lake on Thursday, May 10.

Glenn O. Emmons, chairman of Group 3 and executive vice president, Northwood State Bank, will preside at the afternoon program starting at 1:30 P.M. Guest speaker will be Lee Kolmer, dean of the College of Agriculture, Iowa State University, Ames, who will present a special audio/visual program on "Agriculture in China Today." Dr. Kolmer spent three weeks in China in recent months.

Officials of the Iowa Bankers Association will make a report to members, and Tom Huston, superintendent of banking, will follow. Special door prizes will be awarded during the afternoon program.

The social hour will start at 5:00 P.M., and the annual banquet will follow at 6:00 P.M. Entertainment will be provided by the "Sunshine Express," a group of three ladies and six men, who "simply radiate excitement and warmth." Dancing will follow with music by the "Rhythm Club, Inc."

Spouse activities will include a



G. O. EMMONS

luncheon at the Holiday Motor Lodge at 1:00 P.M. Special guest speaker will be Inge Chase, demonstrating the "slurp and slop" method of painting.

DR. Keith Briscoe, president of Buena Vista College, Storm Lake, will be the key speaker at the annual meeting of Group 5 in Council Bluffs on Monday, May 21, according to Ron Sealock, group chairman and executive vice president of the Council Bluffs Savings Bank.



K. G. BRISCOE



R. F. SEALOCK

The meeting will start with a noon luncheon at the Village Best Western Motel. A special program for spouses will start at 11:30 a.m. when they will leave for a luncheon and tour of Offut Air base, Omaha.

Following the noon luncheon at the motel, bankers will start their formal program. Christy Armstrong, immediate past president of the Iowa Bankers Association and president, American Trust and Savings Bank, Dubuque; and Tom Huston, superintendent of banking, will speak and precede Dr. Briscoe.

Evening entertainment will feature the R. W. Blackwood Show and Singers. A social hour will start at 5:30 p.m., and dinner will follow at 7:00 p.m. The show will start at 8:15 p.m.

NABW Iowa Group Convenes

The annual meeting of the National Association of Bank Women, Iowa Group, will be held May 9-11 at Jumer's Castle Lodge, Bettendorf. The group will be welcomed by Davenport mayor Charles Wright and Bettendorf mayor William Glynn.

Guest speakers will include Bette Anderson, Under-Secretary of the Treasury.



B. B. ANDERSON

WELCOME TO STATE CENTER AND GROUP 7 ON WEDNESDAY, MAY 9

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May 7	Grp. 8	Iowa City
May 8	Grp. 4	Cedar Rapids
May 9	Grp. 7	State Center
May 10	Grp. 3	Clear Lake
May 21	Grp. 5	Council Bluffs
May 22	Grp. 6	Des Moines
May 23	Grp. 2	Fort Dodge
May 24	Grp. 12	Okoboji

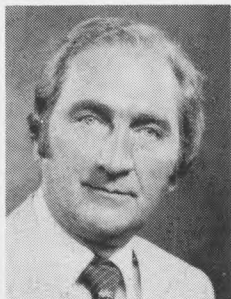
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Group 12 Plans Golf Tourney

GROUP 12 will launch its annual group meeting with a golf tournament at Brooks Golf Course in Okoboji on Thursday, May 24, according to M. J. Dick Kuehl, chairman of the Group and president of the Security State Bank, Lake Park.



M. J. KUEHL

Keith Campbell, president of the Citizens State Bank, Sheldon, is in charge of golf,

and starting times will be arranged between 9:00 a.m. and 10 a.m.

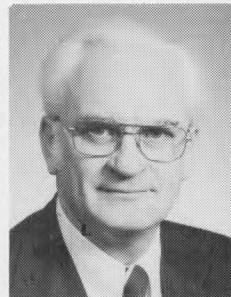
A special feature for the ladies will be a luncheon and style show, sponsored by the "New Inn" fashion shop.

The social hour and dinner will be held at Brooks Western Motel. The formal business meeting and entertainment by the "Ups and Downs" will conclude the annual event.

Officers of the Group are anticipating a good registration, since the meeting precedes the Memorial Day weekend, a period when numerous guests will wish to stay over.

Group 2 To Hear Dr. Kolmer

DR. Lee Kolmer, dean of the College of Agriculture, Iowa State University, in Ames, will be the featured speaker at the meeting of Group 2 in Fort Dodge on Wednesday, May 23, according to Earl Underbrink, chairman of the Group and president of the First National Bank, Fort Dodge.



E. UNDERBRINK

Registration and meeting activities will take place at the Starlight Motel, starting at 2:00 p.m. Golf will be available at the Fort Dodge Country Club in the morning.

The formal business meeting will start at 3:00 p.m. when members of the Iowa Bankers Association staff will present an update on IBA activities. Dr. Kolmer will follow.

The social hour will begin at 5:30 p.m., and the annual banquet will be at 6:30 p.m. The Iowa Central Singers, a group of 28, will provide the entertainment.

Group 6 To Feature Golf


A FULL day of golf will be featured by Group six when it meets at the Des Moines Golf and Country Club on Tuesday, May 22, according to Don A. Bolton, chairman of the Group and president of the Union State Bank, Winterset.



D. A. BOLTON

A social hour will be held at 5:30 p.m., followed by a buffet dinner at 7:00 p.m. Members of the staff of the Iowa Bankers Association will conduct a discussion on current IBA activities after dinner. A local musical group will provide entertainment.

William B. Greaves, vice president, Central National Bank & Trust Company, Des Moines, will serve as chairman of the golf outing.



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Group 12

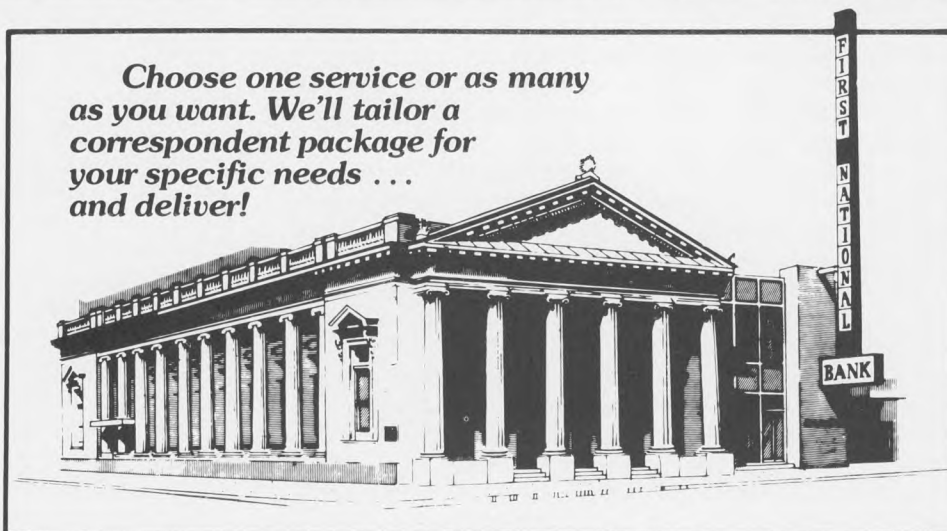
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Lake Okoboji
May 24



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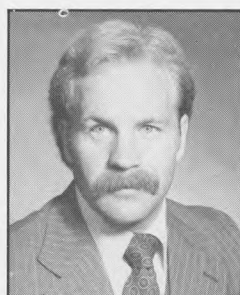
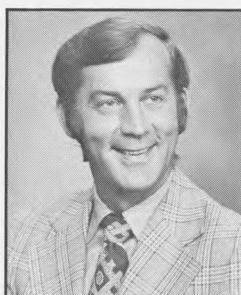
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IIB Conducts Minicomputer Seminar

MICROMINI, mini and megamini — words foreign to many bankers — were explained in detail at a "Minicomputer Seminar For the Banker" sponsored by the Iowa Independent Bankers held last month in Des Moines.

Two representatives from Peat, Marwick, Mitchell & Co., Kansas City, Mo., presented the day-long conference, which included an introduction to minicomputers, applications, feasibility studies, costs and benefits, evaluating and selecting hardware, vendor contract negotiation and installation planning and implementation.

Larry W. Dickason, PMM data processing consultant, defined the minicomputer as a small, stand alone digital computer that is interactive (transaction-by-transaction) capable of handling standard business applications with mass storage and costs less than \$150,000, including hardware (actual equipment) and software (programs).

Three Classifications

The minicomputer, he explained, has evolved from its beginnings in the 1960s into three classifications — micromini, mini and megamini. He pointed out the differences between the classes are capability and price. The minicomputer (all three classes combined) has a high input/output activity, stores large volumes of data and has limited computation.

An interesting fact, Mr. Dickason

noted, is that the large "mainframe" computer manufacturers, such as IBM, were not the pioneers in minicomputer technology. Smaller companies were formed exclusively to produce minicomputers and it was only recently that the large corporations began to see the potential market.

Minicomputers are becoming more attractive to bankers as they improve, Mr. Dickason, added. They are physically smaller with greater performance, becoming less expensive and are responsive to a small business environment. "The cost is always going down," he said.

Bank Applications

William F. Dawdy, manager in the Kansas City office of Peat Marwick and responsible for the EDP consulting practice, gave a brief outline of minicomputer banking applications — transit/demand deposit, loans, time deposits, trust and credit cards. "And these are just the basics; there are many more," he pointed out.

"Minicomputers also can be of limited use in a lending institution. They can do all or part of any one of these applications." In a bank the minicomputer stands alone (operates independently of a telephone), can be hooked up to a larger terminal with some independent capability (such as a printer) and performs one function.

Entry into EFT

"Every banker should know EFT

is upon us," Mr. Dawdy emphasized. "There are ways to do 'EFT things' without a computer sitting in your back room. You must take all factors into question so that an objective decision (on purchasing a minicomputer) is reached."

The minicomputer can act as controller in an ATM or POS network and as a front end processor. "You can have a minicomputer who acts as a traffic cop to direct traffic from all the ATMs."

Mr. Dawdy concluded that the amount of paper transactions and amount of customers, not the size, determines if a bank needs a minicomputer. "Two \$20 million banks may be entirely different. The asset size isn't important. Your decision to buy (should be) based on basic common horse sense."

Computer vendors should also be a consideration, Mr. Dawdy pointed out. "Vendors have an interest in their clients—make sure they do what they say they will do." He also warned bankers not to fall into the trap of accepting technological language. "There is no data processing term that can't be explained in English. Demand that you understand."

Evaluation criteria should include hardware and operating software, primary applications, conversion, management, input/output, other applications, costs, maintenance and contractual relations. □

Joins Grundy National

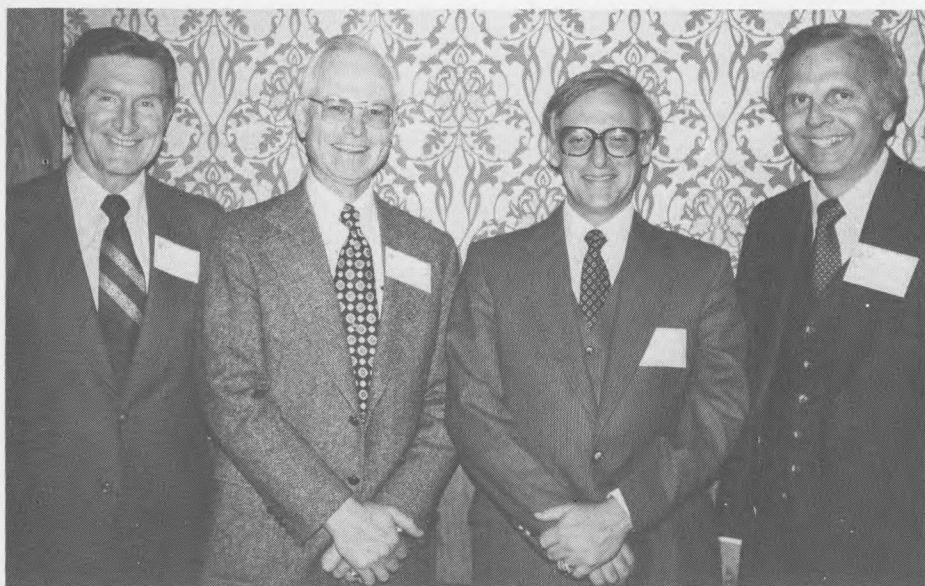
Wayne Norris has been appointed an instalment loan officer at Grundy National Bank in Grundy Center. Formerly he was assistant vice president in charge of instalment and student loans at the First National Bank of Hampton.

Accepts Ag Credit Job

John Koerselman, a graduate of Iowa State University in Ames, has been added to the ag credit department staff at Northwestern State Bank, Orange City.

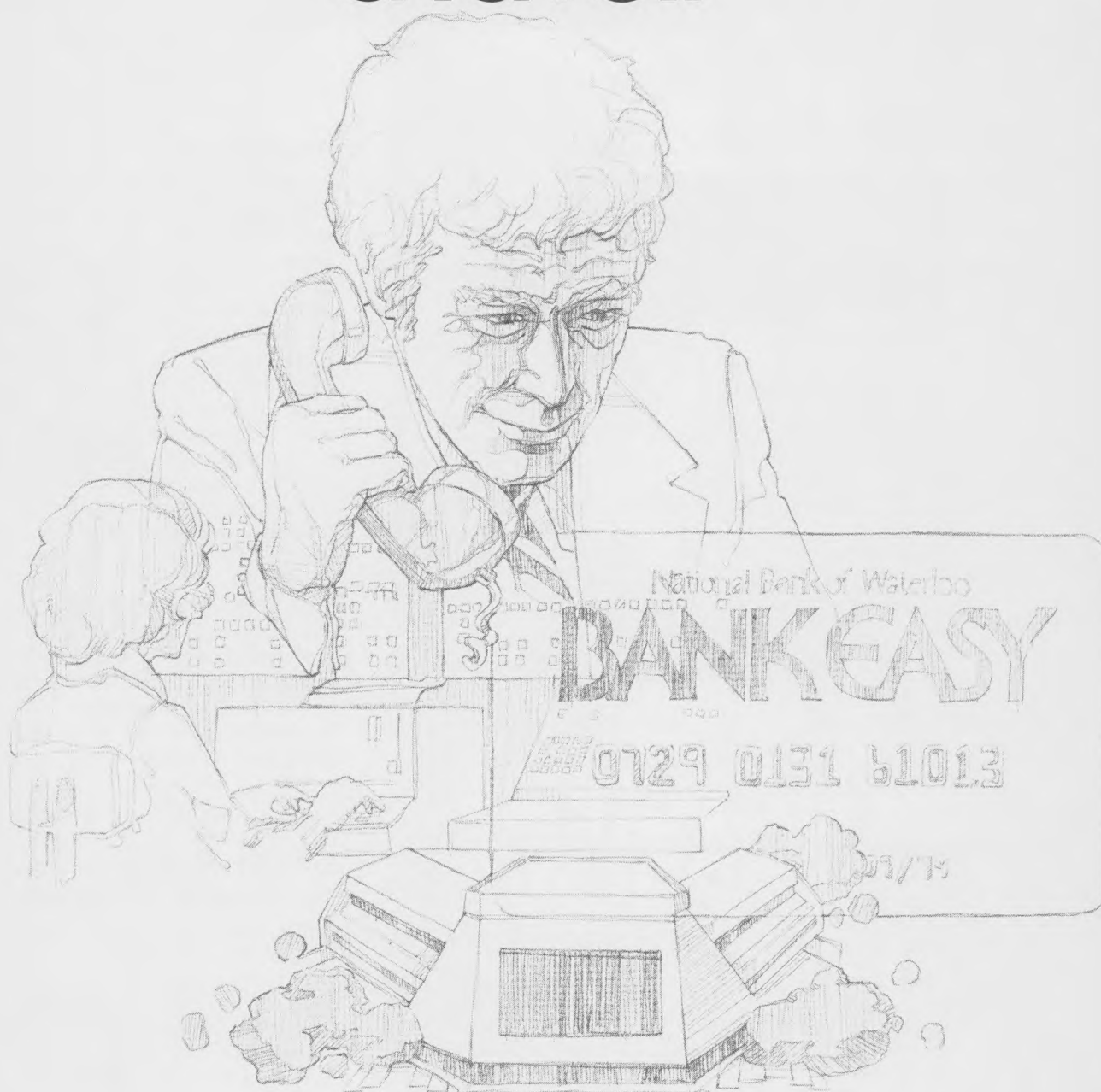
Welcome Reed Retires

Welcome Reed, assistant cashier at Tipton State Bank, retired March 31. She was honored at a dinner attended by directors, officers, staff and their spouses. An open house was held in her honor at the bank. Miss Reed was on the staff since July 1, 1944.



PICTURED above at the IIB Minicomputer Seminar are (from left): **Paul Hall**, chmn., IIB programs & projects comm., and chmn. & pres., Cedar Falls Trust & Savings Bank; **O. Jay Tomson**, pres., IIB, and pres., Citizens National Bank, Charles City; and speakers **William F. Dawdy** and **Larry W. Dickason**, both of Peat, Marwick, Mitchell & Co., Kansas City, Mo.

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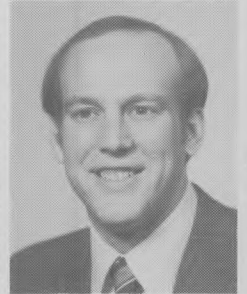
Retires from Oxford Bank

Annis Dwyer has retired as assistant cashier at the First Trust & Savings Bank, Oxford. Mrs. Dwyer was employed at the bank full-time for 46 years and worked part-time prior to that. The bank opened for business in 1931.

Following a trip to Germany, she will reside in Oxford.

Promoted to VP at Ames

James W. Eiler has been promoted to vice president of University Bank and Trust Co., Ames, with primary responsibility in commercial and agricultural lending. A graduate of Iowa State University with a BS degree in agricultural business and an MS in agricultural economics, he joined the bank in May, 1978, as an assistant vice president.



J. W. EILER

Mr. Eiler formerly was an instructor of undergraduate farm management at ISU. Previously he was with the correspondent division of the First National Bank of St. Paul in charge of account relationships in Iowa and Nebraska.

Iowa State, Algona Names New VP, Ag Rep

The Iowa State Bank, Algona, has announced the election of G. Lynn Norcross as vice president and agricultural representative.



G. L. NORCROSS

For the past 14 years, he was employed by the National Bank & Trust Co., Sycamore, Ill. He held the position of vice president at that bank and has worked principally in the agricultural and commercial loan department.

Mr. Norcross is a 1965 graduate of Iowa State University with a BS degree in agricultural business. He has also attended various other banking seminars and schools.

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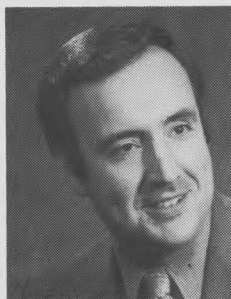
Call: Benton O'Neal, Ed Boos, Bill Manning,
Dale Maudlin, Macon Dudley.

Affiliate of First Midwest Bancorp, Inc.

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Named EVP at Fort Madison

Thomas Mohrfeld, a native of Fort Madison, has assumed the position of executive vice president of the Iowa State Bank here. Prior to this appointment Mr. Mohrfeld was vice president in charge of the commercial lending department of the Marshall & Ilsley Bank of Milwaukee, Wis.



T. MOHRFELD

First National, Iowa City Announces 4 Promotions

Four promotions within the staff of the First National Bank, Iowa City, have been announced by the bank's president, Clark Houghton.

Helen M. Dailey, who has been with the bank since 1973, has been promoted to the position of auditor.

Vincent L. Maurer, who joined the bank in 1963, was promoted from his dual responsibilities as vice president and senior trust officer to the position of senior vice president and senior trust officer.

Steven F. Conklin, manager of the bank's Coralville office, was promoted from commercial loan officer to second vice president. He joined the bank in 1971.

Duane E. Means, who has been with the bank since 1970, was promoted from customer service officer to second vice president.

First National Mason City Announces Two Elections

The board of the First National Bank of Mason City has announced the election of Daniel L. Brady as an agricultural loan officer and Donald G. Clark as a director.

Mr. Brady started his banking career in 1971 after graduating from the University of Northern Iowa in business management. He joined the Commercial Trust & Savings Bank, Charles City, that year and was named farm loan representative in 1975.

Mr. Clark was recently named plant manager of Armour Food Co. in Mason City. He formerly served as operations manager while the plant was under construction and has been with Armour since 1953.

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Your Security Bankers
Steve Hatz, Wayne Johnson,
Wilma Weeks and Jim Hongslo.



KEY PERSONNEL from E. F. Hutton, who were in charge of the seminar, were: **Greg Wolfe**, acct. exec., Des Moines; **John Jennison**, asst. v.p., special govt. agencies, New York, and **Paul McNulty**, v.p., par mgmt., New York (standing). Seated from left are: **Gary Lewellyn**, v.p., & mgr., Des Moines office, and **Dr. Edward M. Syring, Jr.**, sr. v.p., institutional research, New York.

Predicts Interest Rate Peak

A peak in interest rates may have been reached during the first quarter of 1979, and before the second quarter is over, we may find interest rates on their way down."

This was the prediction made by Dr. Edward M. Syring, Jr., senior vice president, institutional research for E. F. Hutton, New York. Dr.

Hutton appeared before a seminar presented for Iowa bankers last month.

Dr. Syring suggested that accounts with large cash positions should be planning their investment strategy now. He sees inflation continuing as our number one problem for as far as we can see — but

Iowa Trust Association Will Meet in Burlington, May 15-16, for 31st Conference

PLANS are being made to hold the 31st Annual Conference of the Iowa Trust Association at the Holiday Inn in Burlington on May 15-16, according to Doyle V. Ruble, Jr., president of the Association and vice president and senior trust officer of Hawkeye Bank & Trust Company, Burlington.

The first formal session will be held on Tuesday, May 15, starting at 10 a.m. Blaine Rieke, president, First Wisconsin Trust Company, Milwaukee, will discuss "Marketing Trust Services."

Tuesday luncheon will be held at the Burlington Golf Club, and an afternoon of golf, tennis and boating will follow.

The annual social hour and

banquet will be on Tuesday evening starting at 6:30.

The second business session will start on Wednesday, May 16, at 8:30 a.m. Reed Parker, executive vice president of Duff and Phelps, Chicago, will discuss the "Economic and Investment Outlook." Gene Stringer of Loeb Rhoades, Hornblower & Company will talk on "Money Market Funds." The Conference will adjourn following the Wednesday luncheon and annual business meeting.

A luncheon and style show, followed by tours of the Burlington area will be held for ladies starting at noon on Tuesday. A bus will take the group to the Crystal Lake Club for the activities.

it may come down from a current rate of 11% to 8% by year-end.

Moderation and caution should be the watchwords in the business community, according to Dr. Syring. He believes that an economic slowdown has already started with mortgage demands down and installment debt topping off. Even the federal government is moving in the direction of austerity.

In the area of capital spending, Dr. Syring feels that there will be continued strength, since corporations are in a stronger position than they were in the 1973-74 period.

Even though the economy may slow down dramatically, Dr. Syring sees no reason for panic. In fact, he says we should be happy that inflationary pressures may lessen.

He concluded by expressing concern over America's growth in productivity over the past 20 years, adding that wage increases have averaged 9.5% each year over the past five years, while our growth has been on an annual basis of less than 1%. He blames a share of lack of growth on costly government compliance and regulations, adding that they may add up to \$100 billion expense to business.

W. K. Wiewel Is Honored

An open house honoring Walter K. Wiewel on his fiftieth year in banking was held at the First State Bank in Manchester last month. Mr. Wiewel is president and chairman of the bank.

He began his banking career at the State Bank of Hornick as an employee of James F. Toy, owner of 26 banks in Iowa, Nebraska and South Dakota. In 1947 he bought an interest in the First State Bank of Pomeroy and managed that bank until January 2, 1957, when he bought controlling interest in the First State Bank in Manchester from Charles Kelley. He has been with First State since that time.

Named Corydon State V.P.

Cloyd McCarty has joined the staff of Corydon State Bank as ag department vice president. A farmer for 20 years, Mr. McCarty was with Citizens State Bank in Allerton and Lineville for 10 years and for the past three years has been with Seymour State Bank.

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What about other types of investments? We have up-to-the-minute electronic access to money market information to help you in considering government securities, repos, commercial paper, fed funds and negotiated certificates of deposit.

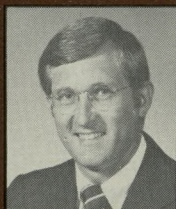
And perhaps most important, the Iowa-Des Moines offers you an experienced, thoroughly professional staff to give your portfolio the individual attention it deserves.

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Lynn Horak



John Hunt



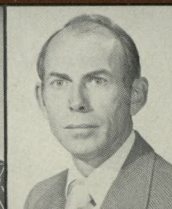
Janine Young



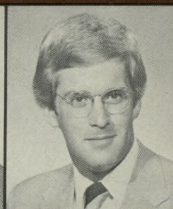
John Johnson



Barb Estey

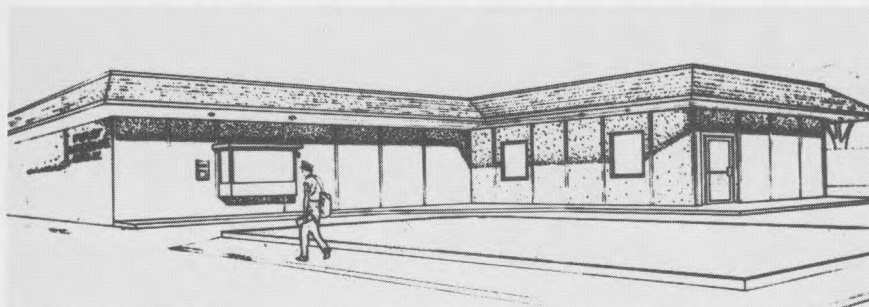


Roger Mahoney



Tom Naughton

Remodeling Planned for Fontanelle



PICTURED above is a sketch of the remodeled First National Bank, Fontanelle. The Kirk Gross Co., Waterloo, will be adding on to the bookkeeping department, doubling the number of private offices, providing a drive-up and night deposit system and expansion or rental space. Construction was scheduled to begin this spring with completion planned for mid-summer.

Toy National, Sioux City Announces Four Elections

Dennis R. Vellek, senior vice president of the Toy National Bank, Sioux City, has been elected to the bank's board of directors, according to L. H. Olson, president.

Mr. Olson also announced that Ulrich H. Bunkers was retiring from the board of directors. Mr. Bunkers has served the bank for over 50 years in many capacities including senior trust officer, from which he retired in 1972.

Paul DeVries and Robert Hoffman are newly elected data processing officers. Helen Teig was newly elected a personal loan officer.

Mr. Vellek is a 1965 graduate of the

University of South Dakota with a BS degree in finance and accounting. He joined the bank's trust department in 1965 and was elected senior vice president responsible for the accounting, investments and data processing functions in 1978.

Mr. Hoffman joined the bank in 1978 as systems and programming manager in the data processing division. He attended the University of Michigan and is a member of Data Processing Management Association. Mr. Hoffman was previously associated with a Bay City, Mich., bank.

Mr. DeVries joined the bank in 1977. He attended Western Iowa Tech. Prior to joining Toy, Mr. DeVries was associated with a bank

computer service company. He is manager of operations in the data processing division.

Ms. Teig joined the bank's personal loan department in 1974 and has worked in several positions in the department.

Henry J. Sindt

Henry J. Sindt, a director of the Keystone Savings Bank for 35 years, died in February.

M. C. Larson has been appointed to fill the vacancy on the board of directors. Mr. Larson, a veterinarian, is a graduate of Iowa State University.

Joins Dyersville Bank

W. C. Mawe has joined the Fidelity Bank & Trust, Dyersville, as vice president, it has been announced by president Jerome J. Ungs.

Mr. Mawe was employed at the Farmers & Merchants Savings Bank, Manchester, for the past nine years, most recently as vice president and cashier. He previously was associated with the International Harvester Co., Des Moines.

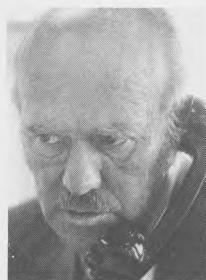
A 1962 graduate of the University of Iowa, he also has graduated from banking schools.

1st Sioux City Names New Marketing Director

First National Bank in Sioux City has announced the appointment of a new marketing director, Edgar J. DenBeste.

Mr. DenBeste is a resident of Sioux City and graduated from Morningside College. He received a BS degree with a double major in business administration and economics in 1975. He was previously production manager for KTIV Television Co. in Sioux City, where he was employed for nearly eight years.

Mr. DenBeste's duties at First National will include planning and coordinating with the marketing committee, executive staff and advertising agency all marketing and advertising for the bank. Additionally, he will have the responsibility of developing the long-range marketing strategy for the total bank.



Fred Douglas



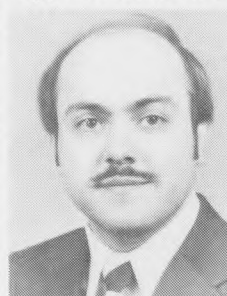
Tad Dunham



Jon Narmi

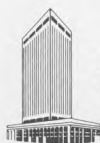


Jeff Moran



E. J. DENBESTE

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DES MOINES NEWS . . .

[Continued from page 130]

Mr. Fliger joined the holding company in November, 1976, after having served as auditor of Central National Bank and Trust Company. He also currently serves as secretary of the parent company. He was previously auditor of United Home Bank & Trust Company, Mason City, and was engaged in public accounting with McGladrey, Hansen, Dunn & Co., Des Moines. He graduated from the University of Northern Iowa in 1969 and passed the Certified Public Accountant examination in 1969.

Mr. Carpenter joined Central National Bancshares in August, 1977, as director, investment banking and shareholder relations, after having served as assistant secretary and assistant treasurer of First Kansas Financial.

Mr. Lasche' joined the holding company in April, 1978. Prior to that time, he had been engaged in public accounting with Arthur Andersen & Co., Kansas City, Mo., since June, 1974. He graduated from the University of Kansas in 1974 and passed the Certified Public Accountant examination in 1975.

Mrs. Hanson joins the holding company after having been engaged in public accounting with Ernst & Ernst, Des Moines, for five years. She graduated from Mankato State College, Mankato, Minn., in December, 1973, and passed the Certified Public Accountant examination in 1977.

Mr. Gulling comes to Central from Peat, Marwick, Mitchell & Co., Des Moines, having been engaged in public accounting for three years. He graduated from Drake University in 1975 and passed the Certified Public Accountant examination in 1977.

Shareholders of Central National Bancshares, Inc. last month re-elected 13 directors and elected two new directors according to an announcement by Kenneth M. Myers,

president, following the annual meeting of shareholders. Newly elected to the board were Sister Patricia Clare Sullivan, R.S.M., chief administrator, Mercy Hospital Medical Center, Des Moines, and Mr. James M. Hoak, general manager, Wheeler Division, St. Regis Paper Company, Des Moines.

David L. Miller, president and chairman of the West Des Moines State Bank, has announced the promotion of **Connie Barnes, Kay**

Steffenson, Anne Crowell and Alice Jensen to assistant cashier. **Greg Kenyon** was appointed assistant trust officer.

Ms. Barnes joined West Bank in 1973. Prior to that she was employed by the Commerce State Bank in Topeka, Kan.

Ms. Steffenson joined West Bank in 1971 as accounting supervisor. She attended Grand View College.

Ms. Crowell has been with West Bank since 1969 as supervisor of new accounts.

Mrs. Jensen joined West Bank in

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SR. P. C. SULLIVAN

J. M. HOAK

Merchants National Announces Promotions

PROMOTIONS for eight officers and the election of six new officers were announced at Merchants National Bank in Cedar Rapids late last month. In addition, the

trust officer. He had been assistant trust officer.

Five new assistant vice presidents, all of whom previously were assistant cashier, are: Stanley R. Farmer,



N. V. WAX



H. E. LOERCH



F. E. CEYNAR



S. R. FARMER



T. C. MOORE



R. K. HOLTHAUS



D. HAINES



C. JARVIS

appointment of one new director, one officer retirement and title changes for seven officers were announced by James E. Coquillette, president.

Promoted from assistant vice president to vice president were Nadine V. Wax, loan division, and Harold E. Loerch, operations division.

Frank E. Ceynar was elected a

correspondent bank division; Terry C. Moore, Richard K. Holthaus, Dennis Haines and Carolyn Jarvis, all in operations division. Mr. Holthaus is director of advertising and promotion.

The newly appointed officers are:

Patricia J. Kennedy, consumer banking officer.

Carole M. O'Deen, personnel officer.

William J. Holtey, commercial loan officer.

Jon A. Shramek and Barbara A. Cherrier, personal banking officer.

John C. Goede, assistant comptroller.

Mr. Coquillette also announced the appointment of Richard H. Durham to the Merchants National Bank board of directors. Mr. Durham is president of the Iowa National Mutual Insurance Company of Cedar Rapids and fills the board vacancy created by the recent death of John C. Rice, former president of Iowa National Mutual.

In line with a current management program to change officer titles to conform more closely with job description, the following seven officers have these new titles:

Thomas J. O'Hara and Jimmie D. Henley, consumer loan officer.

Fannie C. Behn and Rudy O. Frey, personal banking officer.

Steven K. Ohde, savings banking officer.

Rose M. Holthaus and James W. Koenig, electronic banking officer.

A 39-year veteran with Merchants National Bank, Vice President Robert A. Hahn, recently retired. He started as a messenger, later became a teller, assistant cashier, then manager of Merchants National's Kingston office. After being elected a vice president he returned to the main bank. Mr. Hahn was active in the American Institute of Banking and was a leader in establishing the Cedar Rapids AIB Chapter.

1972 and works primarily in the trust department.

Mr. Kenyon joined West Bank in 1978. He is a graduate of Buena Vista College and the Drake University School of Law.

Conversion of an existing apartment complex into condominium ownership in Des Moines was effected by Home Marketing, Des Moines, in cooperation with Valley National Bank.

Though several conversions of this type have been accomplished in the Chicago area, the concept is relatively new to Iowa and the midwest. The conversion of the complex at 3100 Grand was completed smoothly and may provide a sound model for future projects.

While Home Marketing handled the conversion and will continue as management company for the building, Valley National Bank provided financial backing, beginning with interim financing and continuing with individual ownership financing.

Acting as escrow agent for receipt and disbursement of funds, the bank filed and managed all documents protecting seller, buyers, and lien holders during the closing period of the conversion, including timely and accurate recording of release, ownership and mortgage documents.

Officials of Home Marketing and Valley National state that economic and social factors point to an increase in apartment-to-condominium conversion projects in the midwest

because more home buyers are interested in living close to the stimulation of city life; more two-income families are finding less and less time to care for property; and more city residents are concerned about maintaining the stability of neighborhoods.

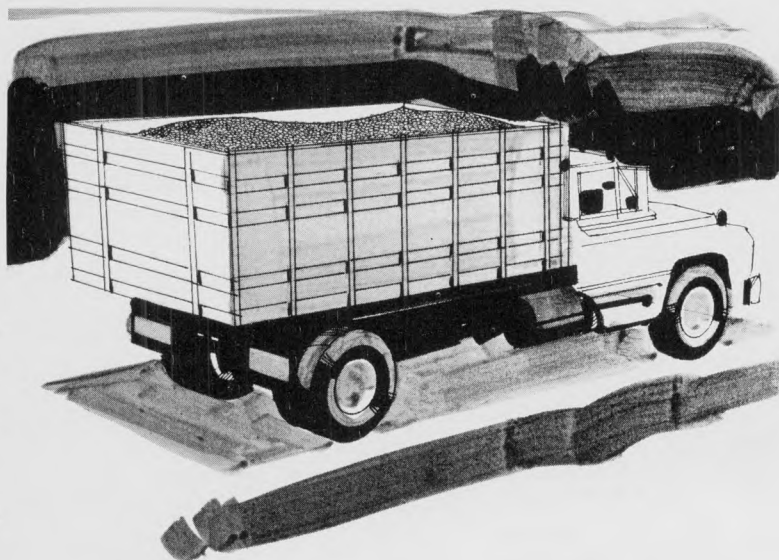
Don Rainer, vice president and specialist in the Grimes office of Bankers Trust Company, has been notified that he will be listed in the 1979 edition of Who's Who in Finance and Industry, to be published in August.

Mr. Rainer has pursued a banking career for the past 17 years and has been involved in agriculture for 30 years.

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Des Moines News

FOLLOWING the April board meeting of the Iowa-Des Moines National Bank, **John R. Fitzgibbon**, chairman and chief executive officer announced that **Robert E. Lee** will join the bank's management group as president and chief operating officer and as a member of the bank's board of directors.



R. E. LEE

Mr. Lee joined the Northwest Bancorporation in 1959 participating in the management training program covering all phases of commercial banking. He joined Banco's affiliate, Northwestern National Bank of Great Falls, Montana, in 1962 and was elected executive vice president and director in 1971. In 1973 he accepted a position with the Old National Bank of Washington in Spokane and, in January of 1975, became president and chief executive officer of that bank. He received his MS degree from Dartmouth College and is a 1969 graduate of the Stonier Graduate School of Banking. He has been active in the Robert Morris Associates.

Mr. Lee assumed his position with the Iowa-Des Moines National Bank on May 1.

Mr. Fitzgibbon also announced the following promotions: **George F. Milligan** to executive vice president; **David L. Tremmel** to group vice president; and **Will C. Smith** to senior vice president.

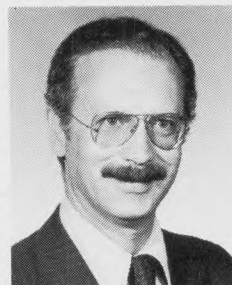
At the same board meeting, **Thomas N. Hammelman** was elected



G. F. MILLIGAN



W. C. SMITH



D. L. TREMMEL



T. N. HAMMELMAN

vice president. He will assume responsibility for the BankCard Center. Mr. Hammelman was formerly a vice president with the Mercantile Trust Company in St. Louis.

Mr. Milligan has charge of correspondent banking and national accounts. He joined the bank in 1961 as a management trainee. He has held positions in business development, credit and commercial lending. He is a graduate of Washington and Lee University and obtained his law degree at Drake.

Mr. Smith will continue to head the human resources management area. He is a 1959 graduate of Northern Iowa University and joined the bank in 1968 following some nine years in labor and industrial relations with the midwest division of the Armstrong Rubber Company.

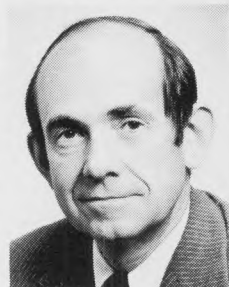
Mr. Tremmel has responsibility for international banking and statewide corporate marketing. He was with Northern National Bank in Minneapolis before coming to Des Moines in August, 1977. He is a native of Sibley and attended Iowa State University.

Mr. Hammelman will supervise the credit card division. Prior to joining the bank, he was with the Mercantile Trust Company, St. Louis.

Officer changes at Central National Bancshares, Inc., and at its lead bank, the \$305 million asset Central National Bank and Trust Company of Des Moines, were announced jointly April 24 by **Kenneth M. Myers**, president and chief executive officer of the holding company, and **Raymond G. Johnston**, president and chief executive officer of the bank.

William D. Bunten has been elected senior executive vice president and chief operating officer and a director of the bank and as senior vice president, asset liability administration, of the holding company.

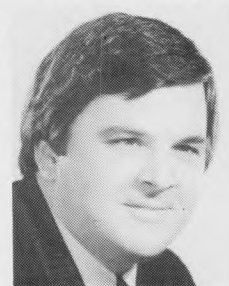
Mr. Bunten, age 47, had served as president of The Merchants National Bank of Topeka, Kan., since 1974. He graduated from Baker University, Baldwin, Kan., in 1953, received his law degree from Washburn University in 1956, and an MBA degree from the University of Pennsylvania in 1958. Mr. Bunten served with the National Bank of Detroit, Detroit, Mich., for ten years, rising to the rank of vice president, following which he joined The Merchants



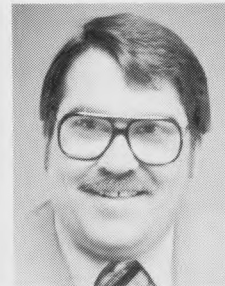
W. D. BUNTEN



J. B. FOGT



J. I. MACKAY



D. J. FLIGER



Joseph V. Prokop, President
Griswold State Bank
Griswold, Iowa

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OPEN HOUSE for area bankers at the newly-renovated Valley National Bank, Des Moines, finds, at left: **F. Forbes Olberg**, chmn., Banks of Iowa, Cedar Rapids, and wife, **Ann**; **Harriet** and **J. Loche Macomber**, pres., host bank. RIGHT - **Ed Spetman**, pres., Council Bluffs Sav. Bk.; **Jim Cravens**, pres., Sanborn Sav. Bk.; **Mrs. Cravens**, and **Holmes Foster**, pres., Banks of Iowa, Cedar Rapids. Valley National is a member of the Banks of Iowa group of banks.



C. K. CARPENTER



G. L. LASCHE'



P. HANSON



D. R. GULLING

National Bank of Topeka in 1967.

Mr. Bunten was president of the United Way of Greater Topeka and president of the Greater Topeka Chamber of Commerce, among various other posts.

James B. Fogt, who formerly served as vice president and controller of the holding company,

has been elected senior vice president, finance and administration, of both the holding company and of Central National Bank and Trust Company.

Other officer changes at the holding company included the promotion of **James I. Mackay** to senior vice president, loan policy and

administration, and the election of the following: **Daniel J. Fliger** as vice president and controller to succeed Mr. Fogt in that position; **C. Kenneth Carpenter, Jr.**, as vice president, investment banking and shareholder relations and fringe benefits administration; **Gary L. Lasche'** as auditor to succeed Mr. Fliger as head of the internal audit department; **Patricia Hanson** as director, financial information system; and **Douglas Ray Gulling** as assistant auditor to succeed Mr. Lasche'.

Mr. Fogt joined Central National Bancshares, Inc. in October, 1978, as controller. He previously had been controller of Brenton Banks, Inc., having joined that firm in 1970 as auditor. He was engaged in public accounting from 1966 to 1970 with the accounting firm of Peat, Marwick, Mitchell & Co., Des Moines. He graduated from Drake University in 1966 and passed the Certified Public Accountant examination in 1968.

Mr. Mackay joined the parent company in February, 1978, as vice president in charge of loan policy and administration. He also currently serves as senior vice president of Central National Bank and Trust Company, in charge of its lending division. Following his graduation from Indiana University, he served in a number of lending positions with Merchants National Bank and Trust Company of Indianapolis from 1969 to 1978 where he had risen to vice president and head of its Indiana division.

Welcome to Council Bluffs

for
Group 5

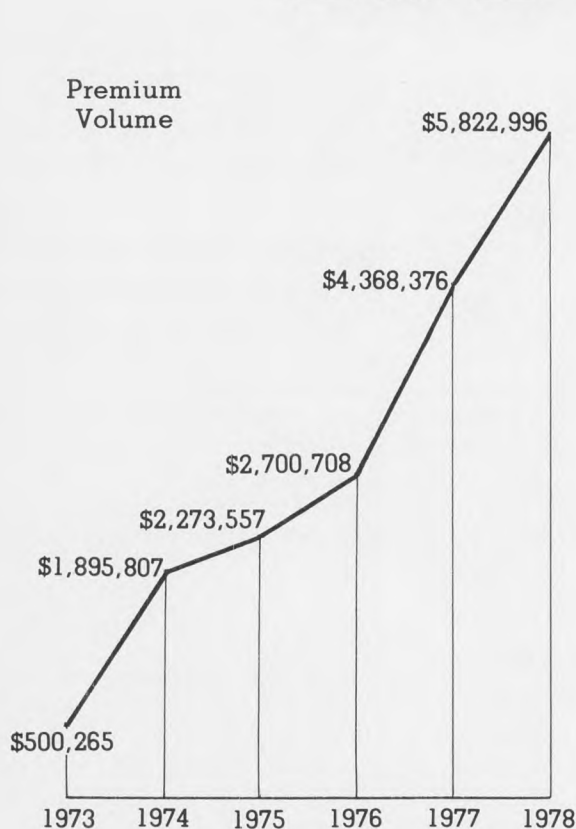
**Annual Meeting
Monday, May 21**

Your hosts:

**Council Bluffs Savings Bank
First National Bank, Council Bluffs
State Bank & Trust, Council Bluffs**

DES MOINES NEWS . . .
[Turn to page 126A, please]

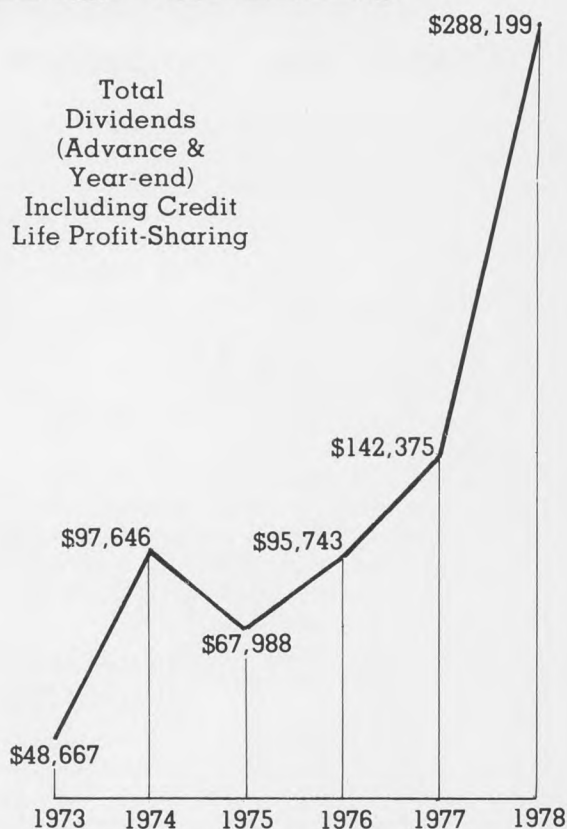
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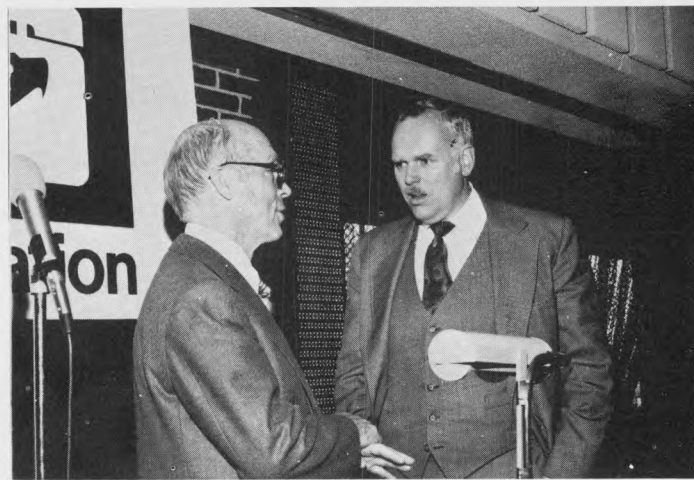


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COVETED AWARD — Paul Dunlap, pres., Hawkeye Bancorporation, Des Moines, presented the annual "Best Bank Possible" plaque to Wm. H. Griggs, pres., Clay Co. Nat'l Bk., Spencer, for his bank's earnings to assets of 1.52. **RIGHT** — A. Paul Thompson, dir. of Hawkeye, visits with T. Carter Hagaman, v.p. of Irving Trust Co., New York, a key speaker.



Hawkeye Bancorporation Meeting

Predict New Competitive Era

FINANCIAL institutions are blurring their lines of distinction; territorial barriers are crumbling, and banks are entering a new era in competing for funds."

T. Carter, Hagaman, vice president Irving Trust Company, New York, made these points in an address before the annual meeting of the Hawkeye Bancorporation in Des Moines last month.

Mr. Carter said that even though financial institutions are becoming more alike, it can offer a real opportunity for community banks if they can act, rather than react. He suggested that community banks have the edge due to local ties and faithful customers - unless financial institutions from outside the trade area offer superior or cheaper service.

Elaborating on his statement concerning the crumbling of territorial barriers, he described the coming plan by Sears to raise some \$500 million in capital through sale of \$1,000 notes with fluctuating interest rates to its 26 million credit card holders.

With the increasing competition for funds, Mr. Hagaman warned that "good managers must manage the spread between the cost of funds and the use of funds." He concluded by advising guests to "plan a destination and a road to get you there." He said he was confident that skillful managers offering a competitive product and good service in a defined market will survive.

Paul Dunlap, president of Hawk-

eye, said that banks are faced with real competition through high rate treasury bills, government loan programs, and a web of regulations. He added that Hawkeye earned 1.08 on assets, and that in 1979 the company would continue to control non-interest expenses in an effort to maintain good earnings.

Mr. Dunlap said that Hawkeye would continue the policy of making loans only in the areas where it obtains deposits. He set a continuing goal of at least 10% growth this year, and suggested that Hawkeye would add two or three more banks to the system before year-end.

Southeastern Iowa BAI Chapter Elects Officers

Robert L. Funk, assistant vice president of the Iowa State Bank & Trust Co., Fairfield, was elected president of the Southeastern Iowa Chapter of the Bank Administration Institute at the group's February meeting held in Ottumwa.

Other chapter officers elected include: Vice president—William Jones, assistant cashier, First Iowa State Bank, Albia; treasurer—Martin Games, marketing director, Centerville National Bank, and secretary—David L. Griffin, assistant vice president, Union Bank & Trust Co., Ottumwa.

Elected to serve as directors were: Martha Oxenreider, National Bank & Trust Co., Chariton; Rod Hogue, First National Bank, Ottumwa; Tom

Siskow, First Trust & Union Savings Bank, Sigourney; James W. Goering, Mahaska State Bank, Oskaloosa, and John Brewer, Citizens State Bank, Corydon.

The new slate of officers and directors will begin their terms July 1.

Ida Grove-Battle Creek Bank Has Executive Changes

Jack Chase has assumed the position of president and chief executive officer of the First State Bank, Ida Grove and Battle Creek. He replaces Jack Lenz, Jr. who resigned in March.

Mr. Chase began his banking career in 1966 at the Ida County State Bank, Ida Grove. He most recently served as vice president there. Mr. Chase is a graduate of Iowa State University.

The new president recently announced a new board of directors for the bank. They are: Venus Wunschel, president, Midtown Motors; Dr. Carl Toben; Byron Godbersen, president, Midwest Industries, and Ray Hargens, manager, Ida County Rural Electric Co-op, all of Ida Grove; Wendell Wilcke, farmer; Daniel Spotts, Jr., farmer; Ed Schmidt, farmer-feeder, and John McMahon, insurance agent, all of Battle Creek.

Moves to Fort Dodge

Bruce Vandagriff, a loan officer with the Ida Grove Production Credit Association, has moved to Fort Dodge to accept an appointment as assistant vice president in the farm loan department at the First National Bank.



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New Facility Scheduled for Mechanicsville



CONSTRUCTION has begun on the new 7,540 square foot facility for the Mechanicsville Trust & Savings Bank.

THE president of the Mechanicsville Trust & Savings Bank, V. J. Hartzell, recently announced that construction has begun on a new 7,540 square foot bank building.

Located on South Cherry and East South Street, the new two-level colonial style building will offer services previously not available in Mechanicsville.

On-premise drive-up and walk-up banking with ample on-site parking is planned to accommodate customer

convenience. The main banking level will have five private loan offices, a board room, a large safety deposit vault with private coupon booths, customer service area, seven teller windows, bookkeeping department and handicap facilities.

The lower level has been designed for community activities and includes an employe lounge and storage areas.

The Kirk Gross Co., Waterloo, is responsible for the entire building program and estimates completion in late November or early December.

The subsidiary, to be called First Chicago Neighborhood Development Corporation, will support the development of Chicago neighborhoods by participating in equity investments and loans in residential, commercial, and industrial projects.

James E. Smith, chief of planning, legislation and corporate responsibility for First Chicago Corporation, said that investments by the subsidiary will most likely be made through partnerships between the subsidiary and other for-profit corporations and community not-for-profit corporations, using public program support where appropriate.



J. E. SMITH

The subsidiary staff will seek to establish an effective line of communication with community groups sponsoring local residential and business improvement efforts. In making investments and credit commitments, the subsidiary will give special emphasis to projects which are part of a planned neighborhood revitalization effort. The subsidiary also will provide technical support for the First National Bank of Chicago's involvement with industrial development programs sponsored by the Chicago Economic Development Commission.

1st Chicago Aids Community Development

THE First National Bank of Chicago announced last month it has received approval from the

Comptroller of the Currency to form a community development subsidiary.

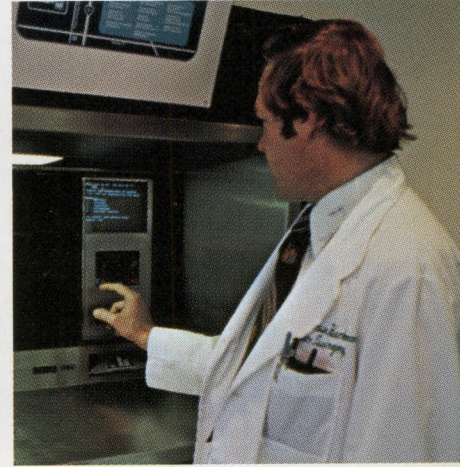
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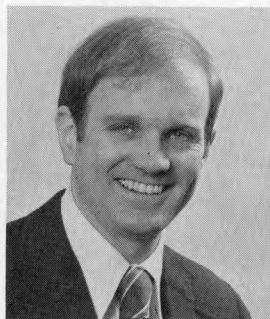
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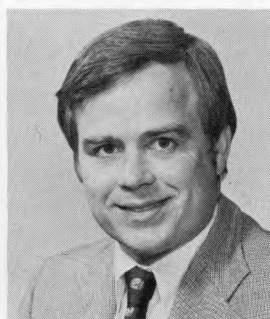
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George Milligan



Bob Bueneke



Lance Davenport



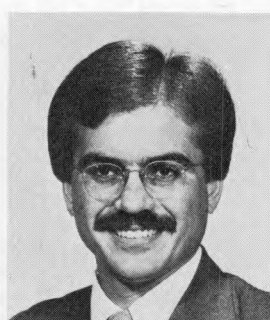
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