

NORTHWESTERN *Banker*

JULY
1980



Wyoming National Air Guard

- Setting priorities for automation
- Experts discuss bank building/remodeling

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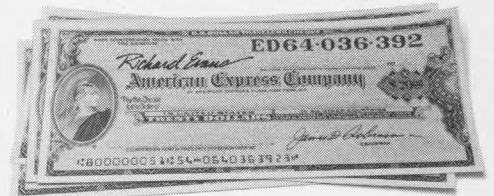
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ON THE COVER

Independence Day brings a time for nostalgic remembrance of the flags that have symbolized America's greatness during its first two centuries of history. One of the leading groups to tell the history of the American Flags through the decades, and what each flag has symbolized, is the Wyoming National Air Guard, pictured on the front cover by the Northwestern Banker. The Grand Teton mountains in famed Jackson Hole, Wyo., form a backdrop for this well-drilled group's historical flags.

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Get to know your Commerce banker.



Michael Brixey of our Correspondent Department worked as an FDIC Senior Bank Examiner before joining the Commerce system in 1977. Michael relaxes with golf, fishing, hunting and archery. He knows all phases of banking—loans, operations and investments. When it comes to correspondent banking, Michael Brixey can do the most for you.



Frampton Rowland joined Commerce in 1963 after studying at Indiana University, Oklahoma and K-State, and stints with the U.S. Army Medical Corps and a large finance company. Now he's an experienced Calling Officer for our Correspondent Department. Whatever your needs, Frampton Rowland can help.



H.C. Bauman went to William Jewell College. Before joining Commerce in 1975, he was chief executive officer of a Kansas City area bank. Today, he's Manager of our Kansas and Oklahoma Groups. This former Air Force captain enjoys racquetball and tennis, as well as helping you with all your correspondent requirements. Look for him soon.

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Convention Calendar

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

National Conventions & Schools

July 13-19—ABA National Compliance School, University of Notre Dame, Notre Dame, Ind.
July 19—AIB Dist. 10 Leaders Conference, Radisson-St. Paul, St. Paul, Minn.
July 19—AIB Dist. 11 Leaders Conference, Ramada Inn (Airport), Milwaukee, Wis.
July 20-25—Midwest Banking Institute Program for Agricultural Bankers, University of Minnesota, Morris.
July 20-26—ABA National School of Bank Card Management, Northwestern University, Evanston, Ill.
Aug. 10-15—Graduate School of Banking Postgraduate Course, University of Wisconsin, Madison.
Aug. 10-23—Graduate School of Banking 35th Annual Session, University of Wisconsin, Madison.
Aug. 20-22—Conference of State Bank Supervisors Dist. IV Meeting, Badlands Motel, Medora, N.D.
Aug. 31-Sept. 3—IBAA 13th Seminar-Workshop on Bank Ownership, The Drake Hotel, Chicago.
Sept. 7-9—ABA Mortgage Marketing and Investor Relations Seminar, Fairmont Hotel, Denver.
Sept. 14-17—ABA National Bank Card Conference, New York (City) Hilton.
Sept. 14-17—BMA 65th Annual Convention, San Francisco Hilton, San Francisco, Calif.
Sept. 14-26—ABA National Instalment Credit School, University of Oklahoma, Norman.
Sept. 21-24—ABA National Personnel Conference, Olympic Hotel, Seattle, Wash.

Sept. 22—ABA IRA Workshop, Hyatt Regency O'Hare, Chicago.
Oct. 5-8—NABW Annual Convention, Washington, D.C.
Oct. 11-15—ABA 106th Annual Convention, Chicago.
Oct. 19-23—IBAA Bank Executive Development Seminar, Ball State University, Muncie.
Nov. 5-7—ABA Central Regional Workshop, 1980 Operations/Automation Division, Hyatt Regency Indianapolis, Ind.
Nov. 9-12—RMA 66th Annual Fall Conference, Stouffer's Riverfront Towers, St. Louis, Mo.
Nov. 9-12—ABA National Agricultural Bankers Conference, Loew's Anatole, Dallas, Tex.
Nov. 9-20—ABA National Commercial Lending School, University of Oklahoma, Norman.
Nov. 16-18—ABA National Correspondent Banking Conference, Hyatt Regency, Atlanta, Ga.

1981

Feb. 15-18—ABA Community Bank Executives Conference, Hyatt Regency Phoenix.
Mar. 22-24—ABA National Credit Conference, Chicago Marriott.
Mar. 22-25—ABA National Instalment Credit Conference, Los Angeles Bonaventure.
Mar. 22-26—IBAA 51st Annual Convention, Las Vegas Hilton, Las Vegas, Nev.
May 31-June 3—ABA National Marketing Conference, Fairmont Hotel, Denver.
Sept. 13-16—ABA National Personnel Conference, Loew's Anatole, Dallas, Tex.
Nov. 8-11—ABA National Agricultural Bankers Conference, Sheraton Washington, D.C.

State Conventions & Schools

Colorado:
Aug. 3-15—CBA School of Banking, Uni-

versity of Colorado, Boulder.
Sept. 17-20—Independent Bankers of Colorado 7th Annual Convention, The Lodge, Vail.

Illinois:

Aug. 17-23—IBA Consumer Lending School, Eastern Illinois University, Charleston.
Nov. 19-20—IBA 35th Annual Bank Management Conference, Holiday Inn, Decatur.

Iowa:

July 17-19—Iowa Independent Bankers 9th Annual Convention, The New Inn, Lake Okoboji.
Aug. 11-15—Iowa Instalment Lending School, Drake University, Des Moines.
Sept. 21-23—94th Annual Convention, Civic Center, Des Moines.

Minnesota:

Oct. 20-22—Minneapolis AIB and MBA Consumer Compliance Seminar, Minneapolis Hilton Inn.

North Dakota:

Sept. 17-19—Ind. Comm. Bankers of N.D. Annual Convention, Ramada Inn, Minot.
Oct. 6—NDBA Northeast Group Meeting, Devils Lake.
Oct. 7—NDBA Northwest Group Meeting, Garrison.
Oct. 8—NDBA Southwest Group Meeting, New Salem.
Oct. 9—NDBA Southeast Group Meeting, Valley City.
Oct. 21-22—Bank Women's Conference, Seven Seas Motor Inn, Mandan.
Nov. 18-19—Agricultural Credit Conference, Ramada Inn, Minot.

South Dakota:

Sept. 8—Group 5, Turgeons, Central City.
Sept. 9—Group 4, Citizens Bank, Mobridge.
Sept. 10—Group 3, Holiday Inn, Watertown.
Sept. 11—Group 2, Holiday Inn, Mitchell.
Sept. 12—Group 1, Westward Ho, Sioux Falls.
Oct. 22-23—SDBA Economics Seminar, Holiday Inn, Mitchell.
Oct. 9-10—Instalment Credit Conference, Sheraton Hotel, Aberdeen.

AIB Moves to National Reorganization

DELEGATES to the National American Institute of Banking Leaders Conference recently voted overwhelmingly for a new national structure. The announcement of the results by AIB Past President Kenneth Koval came after three days of active campaigning by various chapters representing both pro and con views of the issue.

The reorganization calls for a National AIB Advisory Council, headed by a nine member executive committee. In addition, the plan calls for shifting the present structure from 12 regions to six.

B. Mott Jones, newly installed presi-

dent of AIB, told the delegates that his first order of business would be to name a group to monitor the reorganization efforts. Mr. Jones is manager of the employee relocation service in the mortgage loan division of First Tennessee Bank, N.A. in Memphis. Mr. Koval, who stepped down as president, is assistant vice president of The Colonial Bank of Waterbury, Conn.

The reorganization plan for the AIB is the result of concentrated efforts on the part of its leaders to increase the effectiveness of this major educational organization. The plan, which was approved earlier by the AIB national leadership, is based on the recognition

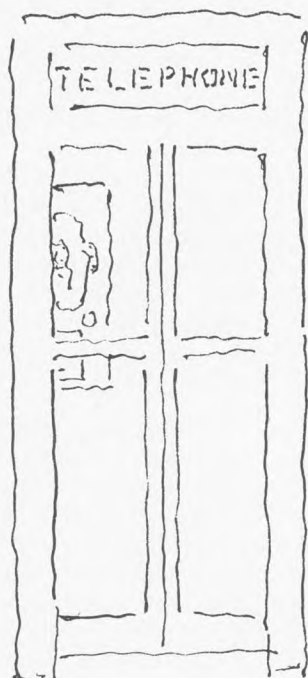
of three principle needs:

- Better relationship with and support from bank management.
- A broader cross-section of bankers in AIB advisory and decision-making bodies.
- Better communication and coordination among AIB chapters and study groups and between these groups and the national organization.

It is the expectation of the AIB leadership that the new structure will improve the educational delivery system provided by the American Bankers Association to the banking community. At present the ABA, through the AIB, meets the industry educational needs of 250,000 bankers annually.

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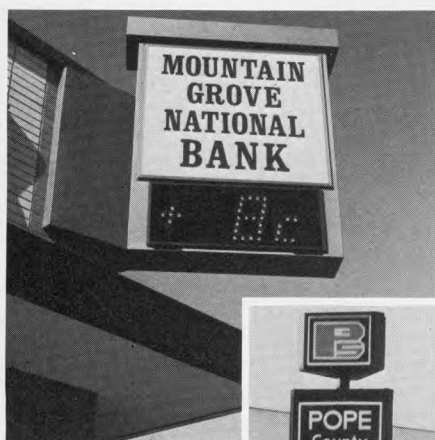


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Bank Promotions

PROMOTIONS and other changes have been announced by the following banks:

Continental Illinois Corp., Chicago: The company has announced the formation of a new corporate treasury to centralize its funding, trading and risk management activities, and the election of David G. Taylor as executive vice president and treasurer.

Mr. Taylor, formerly executive vice president and head of the bond and money market services, will continue to report to Donald C. Miller, vice chairman and chief financial officer.

The corporate treasury will be headed by Robert D. McKnew, vice president, and will be a new division in a newly-named bond and treasury services department, formerly named bond and money market services. Mr. McKnew was formerly manager of the portfolio and money management division.

Federal Reserve Bank of Chicago: Nancy M. Goodman has been named information services officer and will head the newly-created information services department. She has been with the Chicago Fed since 1968 and was an economist in the research department before being named public information coordinator in 1976.

The First National Bank of Chicago: Christopher Skaar, vice president and head of marketing support group in the cash management division, has announced the appointment of John P. Finerty as vice president and head of the international cash management unit. Mr. Finerty was formerly with Continental Bank for 11½ years where he had a wide range of operating responsibilities. He completed several overseas assignments and most recently was in the international cash management division.



J. P. FINERTY

The Northern Trust Company, Chicago: Several changes in the official staff have been approved by the

board, including:

Banking department: Norman L. Cavedo Jr., Bertrand W. Ellis and Fred K. Stewart, vice president; John F. Klopp, petroleum engineering officer.

Trust department: Michael M. Harshbarger and George M. Richmond, vice president; George T. Drake and David T. Pence, second vice president; Carol A. Antos, Corinne McClintic and Janelle Simmons, trust officer.

Bond department: Robert R. Gann, Albert C. Hoyle, William H. Kesler and David E. Nickel, second vice president.

Building department: Linus M. Zinthefer, building officer.

Operating department: Joanne Dubec, Beverly M. Glenn, Tzu-Chen Lee, Philip Murchie and Diane Waller, operations officer; Thomas S. Madaleni and Lois E. Palucki, systems officer.

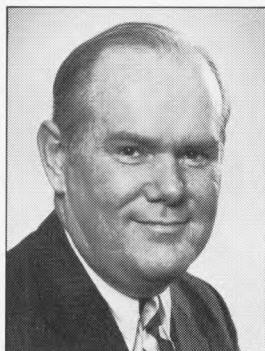
Commerce Bancshares, Inc., Kansas City, Mo.: Gary L. Peters has been named a vice president. He had served as president of Commerce Bank of St. Joseph since 1977, joining the organization in 1963 in the holding company's management trainee program. Mr. Peters has a BA degree in economics from Kansas State University.

Commerce Bank of Kansas City, N.A.: David W. Kemper has been named senior vice president in charge of planning. He joined the bank in 1978 as a vice president and managing officer of the metropolitan division of the commercial banking department. He has a BA degree from Harvard University, an MA from Oxford University and an MBA from Stanford University, and was formerly associated with Morgan Guaranty Trust Company of New York.

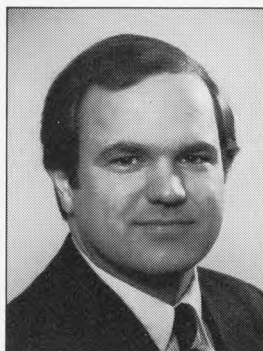
Richard E. McEachen, who became trust division manager in May, 1979, and executive vice president of the bank in January, was elected advisory director of the bank.

Two directors have been elected to the bank's board, William S. LaLonde III and Robert L. Purdum. Mr. LaLonde is president and chief executive officer of The Gas Service Company. Mr. Purdum is vice president of Kansas City Products of Armco, Inc.

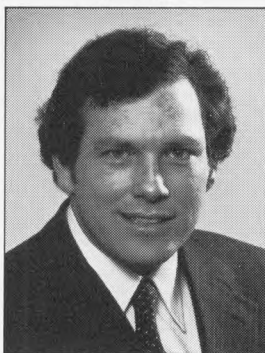
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Manufacturers Hanover Trust Co., New York: Irwin L. Kellner, senior vice president and economist, has been appointed to succeed the late Tilford C. Gaines as officer in charge of the economics department and to function as its chief economist.

Dr. Kellner joined the bank as an associate economist in 1970, was elected vice president in 1972, deputy economist to Mr. Gaines in 1973 and senior vice president in 1978.

John K. McKinley, president and chief operating officer of Texaco, Inc., has been elected a director of both Manufacturers Hanover Corp. and Manufacturers Hanover Trust. Mr. McKinley joined Texaco in 1941. He was selected to succeed Maurice F. Granville, chairman and chief executive officer, when Mr. Granville retires on Nov. 1, 1980.



J. K. MCKINLEY

Morgan Guaranty Trust Co., New York: The election of Harrison Smith as chairman of the trust and investment committee was announced by Lewis T. Preston, chairman of the

board. The committee's role has been expanded and its chairmanship has been made a separate position, according to Mr. Preston.

Mr. Smith had been chairman of the committee as well as executive vice president in charge of the trust and investment division. He will be succeeded in that position by David L. Hopkins Jr., currently a senior vice president and deputy head of the division.

The Boatmen's National Bank of St. Louis, Mo.: Donald N. Brandin, chairman and chief executive officer, has announced the election of Richard L. Niedling as vice president in the commercial banking division. Most recently Mr. Niedling was senior account officer with Citicorp Industrial Credit, Inc. in St. Louis.

First National Bank in St. Louis, Mo.: Six officers were recently elected, including: David B. Groves, manager of the currency and express departments, and Keith R. Hattle, supervisor in computer processing, operations officer; Shirley L. Heller and Donald L. Weber, bond investment officer; Shirley H. Lane, supervisor in the Executive Financial Center, personal banking officer, and Margaret L. Bell, data processing officer.

and middle market corporate banking services. It will also include Harriscorp Leasing, Inc.

Besides heading the combined credit and international banking functions, Mr. Delaney will be chairman of the senior credit and senior credit international committees. He joined the bank in 1952 and was named chief credit officer this year, following the retirement of Executive Vice President Kent W. Duncan.

Says Interest Rate Decline Will Slow

Harry Taylor, vice chairman, Manufacturers Hanover, New York, recently said that he doubted that the decline in interest rates "will continue at anything like its present rate, if for no other reason than the markets already have discounted the steep drop in the money supply—which the Fed clearly has not wanted and which it will be working to reverse."

In remarks prepared for an address to the Financial Women's Association of New York, Mr. Taylor said that the wide swings in interest rates "were more or less exactly what the Federal Reserve promised back in October with a new policy of paying more attention to monetary aggregates than the relative level of interest rates."

He noted that rates might again be in danger of falling below the real rate of inflation, which "will serve as another inducement to borrow and could put pressure on the dollar in international markets."

"The rise of rates in some countries such as Germany and the steep decline in the U.S. now offers the international investor little incentive to stay in dollars," he added.

New Premium Offered At Continental Bank

Continental Bank, Chicago, is offering customers a new premium that saves money for the consumer two ways—in his bank account and at various retailers.

Continental is offering the Key Purchase Savings Plan "Smart Money Coupon Book" to customers who deposit \$500 or more in new or existing Continental savings accounts.

"What makes this offer unique," said William D. Plechaty, senior vice president for personal banking services, "is that the book brings together savings, some up to 40%, for products and services from major Chicago retailers."

Harris Bank Announces New Departments

THE Harris Bank, Chicago, has announced plans to split its existing banking department into two departments. In the major realignment, effective July 1, a new national banking department, headed by John A. Sivright, senior vice president, will be created, as well as a metropolitan banking department, headed by Ben T. Nelson, senior vice president.



J. A. SIVRIGHT

The bank also announced formation of another new unit, combining the credit services division and the international banking group. It will be headed by Philip A. Delaney, senior vice president and chief credit officer.

The three new units will report to B. Kenneth West, present banking department head, who will become president of the bank July 1.

Mr. Sivright previously headed the bank's Chicago group, corporate lending unit serving Chicago area corporations. He joined Harris in 1954. His new department will include commercial banking activities, correspondent banking services, financial counseling, cash management, and financial, commercial real estate and commodities lending.

Mr. Nelson, who also joined Harris in 1954, has been head of the bank's metropolitan group. His new department will encompass all of the consumer banking activities, charge cards



B. T. NELSON



P. A. DELANEY

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Manufacturer's McGillicuddy:

Bank Profitability Must Be Improved

"The days of relying on a growth in volume to achieve steady increases in bank earnings may be largely behind us," says John F. McGillicuddy, chairman and president, Manufacturers Hanover Corporation.

In remarks delivered in New York at the Operations and Automation Conference of the American Bankers Association, Mr. McGillicuddy said that much is heard about the concept of "productivity" and the many ways to define it.

"But to my mind," he said, "it comes down to a single measurement—how much we earn on each dollar employed. In short, rate of return on assets."

To improve that rate of return—or "to increase the productivity of all of our resources," Mr. McGillicuddy said



J. F. MCGILLICUDDY

that programs must increasingly shift from short-term efforts to control expense to broader, strategic efforts to improve profitability.

"The starting point should be a rigorous appraisal of an individual institution's strengths and weaknesses, its market position and its objectives," he said. "And involved in this should be the resolve to resist the temptation to imitate the fellow down the block or to follow the fads and fashions of the moment."

Acknowledging that one trend in banking has been a decline in profitability as measured by rate of return, Mr. McGillicuddy said, "But this is not the same as saying that we are dealing with a declining industry. Quite the contrary. In fact, many of our present-day problems are the problems of progress and not poor performance."

He pointed out that the banking industry just completed "the greatest period of growth in its history" yet the "rapid runup in footings has itself contributed to declining profitability," in that each dollar of capital is now supporting a much larger volume of new business and the bank's rate of return on assets, as would be expected, has declined sharply over the past 10 years.

He added, "with purchased funds now accounting for 85% or more of total deposits, there is far less room for maneuvering than when the percentage of purchased funds represented 30% (in 1970)."

Maintaining that corporate treasurers are placing increased importance on operations-based, non-credit services, and that these services "represent one of the only sure ways a bank can distinguish itself from its competitors," MHC's chief executive said that a bank has to pick its spots, or carve out special markets.

"A sorting out process is taking place within our industry—one aimed at moving to where the returns are greatest, where the most optimal employment of resources can be realized," he said. "No bank can afford any longer to be all things to all people, and this is particularly true in the area of noncredit services, where the investments are large and the lead times long."

He emphasized that, "operations and marketing units must continually

interact. That partnership we have all spoken about for years must exist as a matter of course. For without it, we will end up investing in services or markets we do not want. Or, at the other end of the scale, promising services we cannot provide. In short, operations managers must play a prominent role in any strategic planning a bank undertakes."

Mr. McGillicuddy concluded that people can be a bank's competitive edge or its reason for failure. "We are a people-oriented industry involved in relationships with our customers as opposed to a transaction based kind of business, he said. "That implies long-standing relationships, the care and feeding of customers, a due regard for one another and an atmosphere in which friendships will flourish."

Customers Will Shape Bank Of The Future

Staying competitive by meeting customer needs will create a new style of banking in the 1980s, according to Alan J. Weber, president of Correspondent Resources, Inc., a subsidiary of Citicorp.

Speaking at the National Operations and Automation Conference, sponsored by the American Bankers Association at the New York Hilton, Mr. Weber said that commercial banks will be making far-reaching organizational, managerial and systems changes in the 1980s to meet competition from non-bank organizations and foreign banks as well as competition created by new government rules and regulations.

Nearly all bank services in the future will be performed "electronically in most major cities of the world, letting customers take their accounts with them wherever they go," he added.

"Electronic banking," he said, "will be the key to increasing the banking industry's ability to distribute its services. The cost per transaction at an electronic banking center today is half that of the conventional branch."

Mr. Weber pointed out that his bank's experience has shown that in many cases customers preferred automatic teller machines over the human variety. "Over 85% of the customers who have used the automatic teller machine once have used it again. And it is not uncommon to see people in line to use the machine even when there are no queues at the teller windows," he said.

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Corporate

PROMOTIONS and other changes have been announced by the following firms:

Aetna Business Credit, Inc., East Hartford, Conn.: Mei-Ling Liu has been named a loan analyst in the Minneapolis region office, according to John Turek Jr., regional vice president. A native of Taiwan, Ms. Liu will be responsible for reviewing the collateral and financial status of borrowers throughout the region as well as conducting audits of clients.

Brandt, Inc., Watertown, Wis.: Lawrence E. Johnson has been appointed Brandt's fourth president. Mr. Johnson, who joined the firm last September as executive vice president in charge of marketing, replaces E. James Quirk who served as president



L. E. JOHNSON

E. J. QUIRK

for the last 20 of his 35 years with Brandt, and is now chairman and chief executive officer.

Mr. Johnson, who was also named chief administrative officer, previously was president of Utility Products Company, Milwaukee. Prior to that he was manager of marketing at Honeywell, Inc., Minneapolis.

Mr. Quirk succeeded his father as president of Brandt in 1960. His grandfather, E.J. Brandt, founded the firm in 1890. Mr. Quirk joined the firm in 1945 and progressed through manufacturing, sales and management positions.

Other top management changes include the appointment of Claude C. Held II, vice president-legal and secretary, to vice president-adminis-

tration, secretary and general counsel. Charles J. Wallman, who has served in various vice presidential positions since 1960, was named vice president-corporate development.

Robert C. Ryder has been appointed senior manufacturing engineer, according to William F. Kraemer, senior vice president-manufacturing. Mr. Ryder, a graduate of the General Motors Institute, was formerly process engineer for the Harley Davidson Motor Company. He is a Milwaukee native.

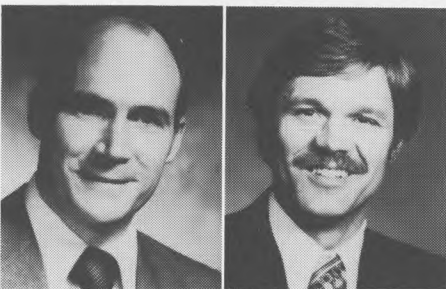


R. C. RYDER

Diebold, Incorporated, Canton, Ohio: Timothy M. Stock has been appointed director of software development, and Noel Blaine Page has joined the firm as a sales representative.

Mr. Stock, who joined the firm in 1970, will be responsible for all new software systems development associated with Diebold's Automatic Banking Systems, including terminal, controller and mainframe applications.

Mr. Page will work out of the Salt



T. M. STOCK

N. B. PAGE

Lake City branch selling ATMs, drive-up windows, vault doors and security equipment. He was previously with the Burroughs Corp.

Florida Software Services, Inc., Orlando: David A. Rioux has joined the firm as group manager-professional seminars responsible for seminars on a wide range of banking topics. He had been director of technical education at the Bank Administration Institute, Park Ridge, Ill., since 1978 and previously was a vice president at the Connecticut Bank & Trust Co., Hartford.

General Electric Credit Corp., Stamford, Conn.: Jacques A. Robinson has been named manager of strategic planning and business development and elected a vice president, according to John W. Stanger, president and chief executive officer.

Mr. Robinson will be responsible for developing and implementing new business opportunities and strategic plans. He was formerly manager of operational planning for GECC's commercial and industrial financing division.

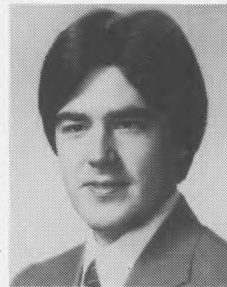
Walter E. Heller & Company, Chicago: Zeno S. Wisniewski has been appointed assistant vice president, electronic data processing. He had been assistant controller in the corporate accounting department since 1979, and is now responsible for coordinating the activities of the data processing department with those of the other operations within the company.

Mr. Wisniewski, who was with Heller from 1971-74, rejoined the company in 1978. In the interim, he was chief systems engineer for the Chicago Board of Education. He is a graduate of DePaul University.

LeFebure, Cedar Rapids, Iowa:

Steven J. Champeau has been appointed sales

engineer. He will be operating out of the Minneapolis branch and concentrating on portions of the city and a 13-county market north and west of it. A Minneapolis resident, Mr.



S. J. CHAMPEAU

Champeau has been with LeFebure for a number of years.

North Central Life Insurance Co., St. Paul, Minn.: Melvin Klein has joined the company as an account representative for the Sioux Falls, S.D., marketing center, according to Walter A. Griffin, senior vice president and director of sales.

Mr. Klein will represent a full line of North Central's products available to customers of banks and lenders in the area, and will report to Russell D. Eng, manager of the marketing center. He was formerly athletic director and head basketball coach at Augustana College in Sioux Falls.

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Economic dilemma for banks—

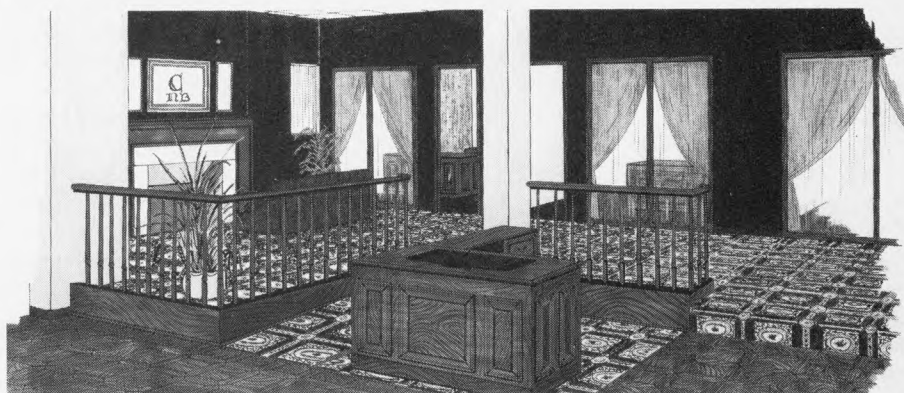
Build new—or remodel?



Written Especially for
THE NORTHWESTERN BANKER
By GERALD L. GROSS
President
Kirk Gross Company
Waterloo, Iowa

THE daily news from Washington, the ever changing prime rate, government controls that hurt your farm customers, problems overseas, availability of funds and the upcoming election are all reasons for concern today. But bankers do not limit their views to today's problems; they plan and build for the future.

No banker remodels or builds a new building as a whim. He does it because he is overcrowded, has little or no drive-up capabilities, has no privacy for his customers, can't rent any safety deposit boxes as his vault is too small or finds that his present layout is inefficient. In general, he considers remodeling or building be-



INTERIOR styling in keeping with the overall design of the bank was carried out by Kirk Gross Co. with this remodeling job that was completed several months ago for Centerville National Bank in Centerville, Ia.

“Building a new facility should be considered only when all remodeling possibilities have been thoroughly investigated.”

cause the existing space is inadequate and cannot adapt to future growth.

Future growth means planning now! No bank, no industry, no farm or, for that matter, no individual stands still. One either moves forward or backward. Moving forward dictates a long term commitment and investment when it comes to bank facilities and thus one plans a facility for the future, not today.

Costs and Planning

Building costs, like taxes, continue to rise. The total cost of a new 2,400 square foot bank nine years ago would today just pay for the security equipment, teller counter and furnishings. One can only guess what those same dollars will purchase in a couple of years hence. Accordingly, it becomes apparent that once the decision to expand is made, it is in the banker's best financial interest to seek out the best and most experienced bank planning professionals available.

Such a professional will initially assist the banker in determining if remodeling or building new is the most prudent and long range approach to pursue. At this stage, this is far more important to the overall success of the project than looking at vault doors or flying to the Merchandise Mart to pick out furniture! Granted, security equipment, desks and chairs become a part of the total program but, if proper preliminary planning is not done right to begin with, there won't be any money left for desks and chairs.

At Kirk Gross Company preliminary planning is most important, especially in today's economy. We relate to total bottom-line costs by trying to achieve the proper utilization of space to accommodate present and future needs. Utilizing our own in-house, registered architects and construction staff, we can accurately relate to costs at this very early development stage and thus eliminate the many heartaches and disappointments that occur when the final project costs become too high.

Having remodeled or built new

facilities for over 160 financial clients in the last 112 months, the Kirk Gross Company uses this unparalleled experience to develop the right plan for the right costs.

Remodel or Build New?

Remodeling normally dictates the availability of adjacent property. Assuming the acquisition price is reasonable, the bottom-line cost will be less as construction dollars will go further. In addition to the obvious cost savings, other factors should be considered when deciding to remodel. Some of them are as follows:

1. Can I best serve my customers by staying where I am?
2. Has my design team properly incorporated enough space for future growth in all areas?
3. Can major existing problems such as exterior steps, overcrowded vaults, lack of privacy, leaking roofs, etc., be eliminated?
4. Will the remodeling project result in a more energy efficient building and reduce my utility costs?
5. Does my design team have the experience and are they qualified to handle my project so that we can easily conduct our daily business during the construction?

Building a new facility should be considered only when all remodeling possibilities have been thoroughly investigated. Once it has been determined that a new facility is the only option left—take it! Use the experience of your design team early. Have them assist you, if they are qualified, in a confidential manner to select a site for your building. Don't purchase land on your own just because the price is right. It might not be large enough or it might require unusual and costly construction methods to properly utilize the site.

While new construction obviously costs more than remodeling, today's government regulations have opened up new avenues of opportunity, such as revenue bonds, that will reduce your bottom-line cost considerably. We have three clients presently using this method for funds and a dozen more seriously considering it. After

all, money is expensive even for a bank, so why not obtain the necessary dollars at the lowest possible cost?

To help offset increased construction costs, make sure your design team has the experience and expertise to create a facility that meets all the required needs without wasting space. Today, space equals money. Proper space utilization and planning will eliminate extra unnecessary costs. Don't let your design team create an award winning piece of architecture which is not internally functional with your dollars. The brief publicity you will receive will be extremely expensive.

What's the Most Economical Way?

Having both the architectural and construction in-house capabilities, we are uniquely qualified to answer that question. On occasion, we are retained to provide just one of the major phases of a building program, architectural and interior design or construction. This occurs occasionally when local conditions demand the use of a local architect or a major customer in the construction business. The built-in versatility of our service adapts well to such a segmented building program; but, to keep costs to a minimum, a **Turn Key Program** with an experienced firm specializing only in financial facilities will provide the best bottom-line cost.

A Turn Key building program handled by an experience firm (be sure to investigate to verify just how experienced they really are) can keep costs in line right from the start of the project. Such a firm can complete the project quicker, which means less cost, and it will be totally responsible, which also means less cost.

In summation, the continued reference to an experienced firm was intentional, for that experience will be the catalyst in arriving at the most economical way to create your needed facility in today's economy. Thus, if additional space is required, do it now, only obtain the best possible experienced assistant you can find. □

Security review is vital

Written Especially for
THE NORTHWESTERN BANKER
By C. F. CUMMINS
Manager, Advertising and Sales Promotions
LeFebure Corporation
Cedar Rapids, Iowa

THERE is a tendency in some community banks for management and other employees to fall into a false attitude of serenity and become lax concerning security. They know all their customers personally. No one can remember when they've had any security problems. Their security system has been in place for years and meets the minimum requirements.

This description would have fit almost any of those banks who have found their security system lacking too late, much to their embarrassment and financial loss.

It isn't always possible to prevent crime at a bank, but proper security measures can greatly reduce the possibility. One important factor is the attitude of bank employees. Management must maintain a constant security consciousness. They must not allow themselves or their employees to become lackadaisical regarding security. Employees must know what to do if a crime takes place at the bank and procedures need to be reviewed at regular intervals.

1. Part of management's security consciousness must include keeping up to date on new developments in the security field. This field is changing rapidly because of the criminal's progressive ability to overcome yesterday's security devices. This requires constant upgrading of these products and the introduction of new ones. One member of management should be designated to keep abreast of developments in the security field. He should first seek the assistance and advice of law enforcement officials in developing his security program. And, he would be wise to develop a close relationship with a representative of one of the major manufacturers of security equipment who will provide the ongoing knowledge so important to staying on top of advancements in this field. This representative needs to be very familiar with the bank's present security system to enable him to make appropriate recommendations when new equipment becomes available.

2. A short time ago, film cameras were the primary surveillance tool for banks but now, closed circuit television has been getting a great deal of attention. How many bankers know when one should be chosen over the other? Are both needed in some circumstances? A representative of the manufacturer can offer the reasons to select one or the other with cost information for the officer to weigh.

3. Eighteen months ago no one offered a vault door listed by Underwriters Laboratories, Inc. Now all the major manufacturers, plus some others, offer listed vault doors. Are they worth the extra cost? Your representative can give you the advantages and the extra cost so you can make a judgment.

4. Can you operate without a vault? Yes, but requirements are more stringent. This has given birth to the "super safe" with a TRTL30X6 rating. These units are ingeniously designed to be extremely resistive to all known methods of attack on all six sides. You'll need help in locating a source, and cost will have to be weighed against the cost of constructing a vault to acceptable specifications.

5. Even safe deposit boxes have changed. Sure, a bank can buy the same kind it has used for 50 years or more. But is that the best choice? More modern boxes now are available that can be delivered and installed in one-third or less time than the old style. They are much easier to maintain (little or no cleaning) and are equipped with new style locks that increase security and save the bank money by greatly reducing the necessity to change locks or carry an inventory of spare locks.

6. Changes in alarm systems are too numerous to mention and might well be outdated as the period is added to the last sentence describing them. Many of the components common to alarm systems when they became mandatory over a decade ago are still in use. Most, however, have been greatly improved. Many new ones are now available. Modular alarms now are available permitting a bank to start with a basic system and add



A TYPICAL LeFebure Central Station/Proprietary Alarm Control Center featuring computerization and closed circuit television.

on as needs grow. It's even possible to tie an alarm into a computer that will record all happenings detected by the system and instruct the monitor just what to do. If desired, closed circuit television can be used in conjunction with it for visual monitoring of sensitive areas.

There is much more to learn about what's new in security devices and equipment, but we'll save that for the manufacturer's representative to tell you.

In summary, don't let complacency about security take hold in your bank. That's inviting trouble. Appoint a responsible officer to take active charge of your security program. Encourage and support him in training your employees what to do if a crime occurs and in implementing good security practices. Develop a strong relationship with one or more representatives of a manufacturer of security products who can help you keep your bank properly equipped with necessary and up-to-date security equipment. □

Checklist of security items for community banks

By **THOMAS J. MURPHY**

Director of Sales Support
The Mosler Safe Company
Hamilton, Ohio

RECENTLY released FBI statistics show the crime rate against the banking industry is still on the upswing. This increase, coupled with the government's reduction of the FBI budget for bank crime investigations, makes it essential that banks implement a do-it-yourself program for external crime prevention.

Although many large, multi-branch banks utilize sophisticated protection equipment, security is equally important to the smaller community banks.

Robbery and Burglary

Dangerous robberies cannot be totally eliminated but installing protective equipment and tightening procedures will act as an effective deterrent. For instance, the amount of cash on hand at the teller area should be limited. Excess cash needed for normal operation should be stored in a security container. And for added security, the locker should be equipped with a delayed-action timelock which requires a 15-minute waiting period before the locker can be opened.

Many banks are installing protected work stations for their tellers in high risk areas and find as the risks decrease, employe morale is improved. These work stations consist primarily of bullet resistive glazing between the teller and the customer, specially designed deal trays and reinforced counter fronts.

Strategically located cameras and an effective alarm system are primary defenses against bank robbers. A high quality hold-up alarm which silently alerts local law enforcement agencies to a robbery is imperative. The system should include activators which are easily operated by bank personnel. A very effective activator is a currency-operated device, often called a "money-clip," which trans-



EMPLOYEE morale improves as risks decrease when bullet resistive protected work stations are installed, such as this station designed by Mosler.

mits a silent police alarm while simultaneously activating hold-up cameras. The most effective cameras are those which take 35mm rapid-sequence pictures and are located adjacent to the bank's exits. To deter or identify "bad check passers," closed circuit television system provides added security.

The vault alarm system is also the first line of defense against burglary. A bank vault must be protected by an alarm which reports to local law enforcement agencies and is guarded against defeat by telephone line compromise. The alarm system should, at the minimum, meet Grade A U.L. requirements for bank vault protection. Modern alarm systems transmit information to and from the police station using highly complex, coded signals which are extremely difficult to interpret and are therefore virtually impossible to compromise.

These modern systems employ solid state integrated circuits and, with related accessories, provide an effective defense against all commonly used methods of burglary attacks on vaults and safes. Electronic alarm protection can be periodically upgraded to current state of the art without any major impact on building construction. Alarm coverage should be reviewed frequently, and replaced with more effective systems as they become available.



U.L.-approved Magna Dual night depository by Mosler.

SECURITY CHECKLIST . . .

(Turn to page 60, please)



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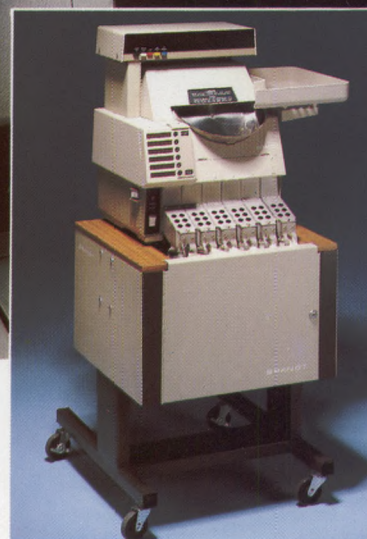
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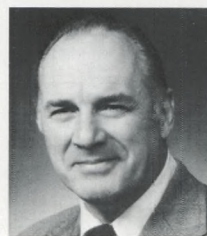
matic sensor eliminates coin back-up. Its coordinated styling satisfies both function and appearance. And the attractive Desert Tan finish complements a variety of work settings.

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Trends in design for community banks

By **RAYMOND E. ROGERS**
Manager of Bank Marketing
Bank Building Corporation
St. Louis, Missouri

IF IT'S no longer true that "you can tell it's a bank by looking at the building," one reason may be that a new bank building is likely to house more than a bank. Two Nebraska examples are cases in point. Both structures, completed in 1978, were planned from the ground up to play an important after-hours role in their communities. Instead of marble and stainless steel, their architecture emphasizes brick and wood. And although the two buildings are quite different, both are well received by their communities and fit comfortably into their surroundings.

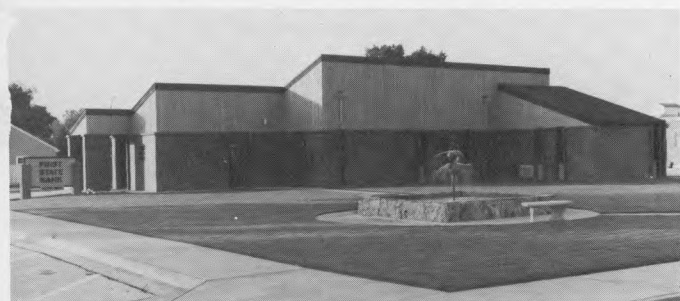
The Scottsbluff building shown here actually houses two banks, both owned by the same holding company. One is a commercial, and one an industrial bank. In conformity



CONTEMPORARY, western design of Scottsbluff National Bank & Trust Co. and Scottsbluff Savings Co.



MODERN interior of Scottsbluff National Bank & Trust Co.



FIRST State, Gothenburg, provides space for the Gothenburg Chamber of Commerce.

with Nebraska law, there is no passageway between the Scottsbluff National Bank and Trust Company, and the Scottsbluff Savings Company. Furthermore, there is a community room for use by the general public after banking hours. As an added complication, the commercial bank has a "Continental Club" room attached, which caters to the larger depositors and can be used only by those who have memberships.

Keeping these elements physically separated although under the same roof created special problems for the people who designed and built it at Bank Building Corporation. The solution was a floor plan which provides separate entrances to each bank and to the community center.

Once the floor plan had been agreed on, J. T. Selzer, bank president, presented BBC with a number of photographs of other banks whose appearance he liked. What was finally decided on can be best described as "contemporary western." The flagpole out front and the wood-panel signs provide a flavor of the frontier West, perhaps suggesting a cavalry outpost; but the interior is strictly modern. Facilities for the central forced-air heating, cooling and ventilating, amenities General Custer never enjoyed, are cleverly concealed in the rear of the pitched roof. Fresh-air intake comes through grillwork which is nearly symmetrical with vertical skylights on the front of the roof.

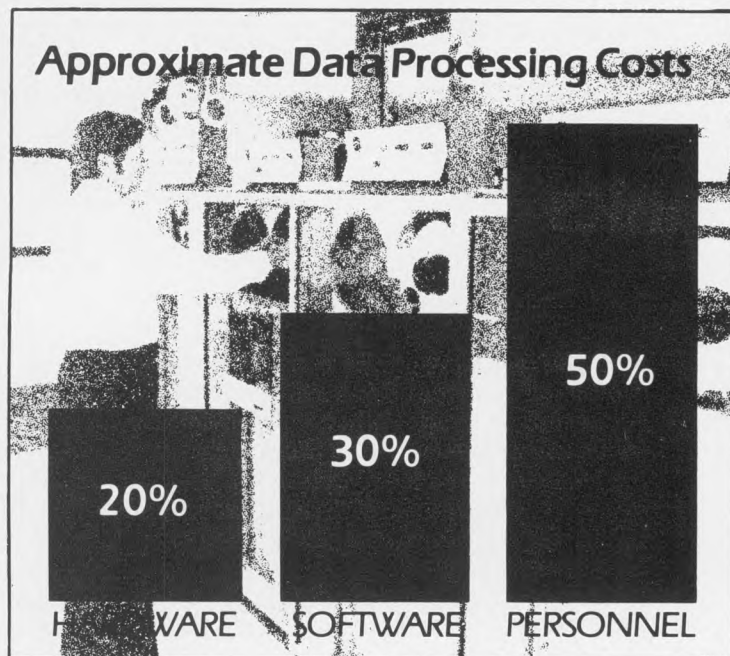
Adds Drive-In Facility

Contemporary western might also describe the quite different architecture for the new facility of the First State Bank of Gothenburg. Called in for consultation, Bank Building Corporation recommended that the bank keep its downtown headquarters but move its drive-in facility, which was inadequate for the use it was getting.

"We had been thinking about a new building for quite a while," said Glenn Bartels, president. "We didn't want a square brick building (or) something that was so modern-looking that nobody would appreciate it. We wanted something that would blend in well with the community. And, incidentally, we were interested in continuing to furnish a community room for the public. We had been doing this at our main location although space was getting tight."

The building shown here actually serves three different functions. Only about a quarter of it is reserved for drive-up and walk-in teller service. Half the structure is a meeting place for non-profit public affairs of all kinds. The remainder is the first permanent home of the Gothenburg Chamber of Commerce—the bank provides the facilities without charge as a public service, and the Chamber pays its own utility bills.

The basic plan is an adaptation of a building (not a bank) which Mr. Bartels spotted while driving in the vicinity of Alliance, Neb. Addition of a large grassy area and a fountain have helped make the structure one of Gothenburg's show places. □



By **WILLIAM G. FERRARA**
 Senior Vice President
 Director of Research and Development
 Florida Software Services, Orlando

Setting priorities for automation: The 20-30-50 approach

YOU'VE made a decision. One of the biggest you'll ever make. You've decided that banking today mandates that you broaden your automation capabilities. Several factors—competitive services, soaring personnel costs, regulatory changes, the need for increased efficiency, the desire to better manipulate the mind-boggling variables of the industry—may have sparked the decision. But your primary aim, of course, is surviving and prospering in a rapidly changing banking environment. In short, you want tools that help you improve your return on assets.

Have you made the right decision? You undoubtedly have, because technology today goes beyond the stage of providing problem solving capabilities to one of creating opportunities for management. But let's face it, the recent history of banking is, unfortunately, replete with examples of banks that moved quickly into uncharted waters without a plan. To be sure, there are those in the data processing industry who have been partly responsible for the costly disillusionment with sophisticated automation that resulted.

I strongly believe, however, that prudent and professional steps can be taken to ensure that your decision will be a sound and profitable one. With that in mind, your initial focus in the decision-making framework should be on the "make-buy" aspect of automation. Should you develop your own in-house programming capability, or buy customized or standardized software? Should you buy or lease your own computer hardware, or retain a service bureau or a correspondent bank to do processing for you? In what priority should those decisions be made?

To help you answer these fundamental questions, I'd like to suggest a general course of action to follow and then put some detail into the outline with a specific area of activity, commercial lending.

First Set Goals

In the general area, the first step is basic and also the most important one you'll take. You must ask yourself and all those in your bank who will work with and profit from automation this question: What do we want to accomplish?

If that sounds a bit trite, keep in mind that all too many banks have tried to construct a system without first making a blueprint and laying a solid foundation of information about total long-term costs. If you analyze the structure you're trying to build carefully, I think you'll come to what may be a surprising conclusion. The foundation of automation is not the computer hardware or even the programmed software that runs the system. They are, respectively, about 20% and 30% of your long-term investment.

A full 50% of your planning should encompass a third element—human resources—because that is where at least half of your investment will ultimately be. I'm talking about the people who will establish and implement the system for you and those on the management team who will profit from its use. Over the long haul the ongoing training and efficient use of personnel is crucial when it comes to installing, converting, maintaining and updating your system so that it becomes a profit producer.

Thus, I'm suggesting a sharp departure be made from the norm. The traditional scenario of the automation "make-buy" decision calls for selection of the hardware source, then selection of the software source, and finally the decision-making about the nitty-gritty of making the system operational. That approach is dysfunctional. It does not give you flexibility because it does not reflect the reality of automation. In short, you should turn the traditional priorities upside down.

Evaluate Strategies

After defining your goal, you should then make a careful evaluation of which automation strategy provides the most efficient use of human resources over the long term. Here are some key questions to ask:

- Who will make a new system conform to existing procedures, or who will adapt our procedures on a one-time basis to fit a system? Which of these strategies is the most cost-effective for our people in the long run?
- Who will coordinate conversion and how long will the process take?
- Who will control pre-conversion and post-conversion training?
- Who will oversee ongoing training to maximize our investment?
- Who will use and revise documentation that must be clear and understandable to all levels of personnel?
- Who at the management level should draw from the system rather than just feed data into it?
- Who will custom-tailor a system to meet specific needs without requiring costly re-programming?
- Who will update the system in response to regulatory and market changes?
- Who will ensure that all systems can be linked in an efficient way?
- Who will be responsible for designing a system that is flexible enough to handle future growth?

I re-emphasize that questions like these should be asked and answered long before you have a machine plugged in and ready to work for you. It's the goal of your automation program that defines the answers to these questions; it's these answers that define what kind of software system you should develop or buy, and it's the software that defines what kind of hardware capability you need.

Let's put that structure in the context of a concrete example, commercial lending. What do you want to accomplish through automating that major area of your bank's activity? If you want simply to automate your existing procedures to increase accounting efficiency then you have one plan of attack. If, however, you want to go beyond laying out accruals and past due reports automatically to generating customer and portfolio profitability analyses then you have another.

To develop a plan to meet existing accounting needs the decision-making at your bank can be done at a relatively low operations level. To determine what you want and how best to get it with a more complete system, the CEO, plus representatives from loan administration and/or a loan officer, the operation/loan-discount area and data processing should get involved.

I recommend that you at least consider the latter course to assure that you get a good look at what's available. Have a loan team set specifications for a system that can help you analyze your total loan portfolio and, for example, make it rate sensitive and able to improve cash flow.

You may want to consider buying or developing a system that goes beyond the process of booking short-term notes and adjusting rates at maturity. A tool that can tie loans to a prime and with a single transaction entry update rates and accruals can lead to significantly higher earnings from a given portfolio.

Other features that can be highly advantageous include a capability to display maturity schedules broken out to relate to retail, mortgage and investment operations. Thus, investment decisions are planned rather than being reactions. Exception reporting that allows management to define parameters for rate and maturity might be another function your team wants since it can be used to pinpoint loans made outside the bank's fluctuating requirements.

You may want to beef up your loan program itself by using automation to sell participations on solid local customers to a correspondent upstream, rather than handing him the package and buying what he's willing to sell. That way, you are defining your involvement and, of course, holding on to a good customer.

Human Element is Primary

Features such as these can lead to much more efficient management of an income source if the top echelon of your bank's personnel are aware of the options and are schooled in their use. Once again the human element is primary. You must select a system that will be used to maximum advantage. And that will happen only if its functions are spelled out on a continuing basis in the clearest way possible.

If your bank is extremely large with a number of independent, specialized areas, then a custom-tailored commercial loan system with customized documentation may be justified. It will allow you to automate existing procedures and do in-house training. On the other hand, the medium-sized bank may find a standardized system more cost-efficient over time in terms of human resources if it is willing to change some of its procedures at the time of conversion and then use a standardized training program. Either way, it must be remembered that regulatory and economic changes are going to force you to amend procedures, so the human resource cost of updates and re-training must be factored in.

By setting your goals, you have now focused on what you want a system to do and who provides the most cost-effectiveness for your bank's needs. If you consider customized or standardized software, I urge you to check references carefully of the suppliers you evaluate, and also determine what kind of banker-to-banker assistance program will be available. In addition, you may want to consider hiring a qualified data processing consultant to help you realize the full potential of your system.

A consultant can also help you find the type of hardware that you need. The hardware decision has now become the last step in the process. Your human resources costs (50% of the entire automation buy) defined your software (30%) and you now can identify what kind of hardware (20%) will best drive your system today and tomorrow. □

□ **THE AUTHOR** — William G. Ferrara is senior vice president and director of research and development at Florida Software Services, Orlando, a leading designer and supplier of financial data processing systems and services for the banking industry. He has been associated with banks and banking-related organizations for 23 years and is a frequent speaker on bank data processing and deposit operations.

Barry Sullivan Named 1st Chicago Chairman

BARRY F. Sullivan, 49, executive vice president at Chase Manhattan Bank N.A., New York, has been named chairman and chief executive officer of First Chicago Corp., effective July 28. He will succeed A. Robert Abboud, who resigned April 28. First Chicago is the parent company of First National Bank of Chicago and is the nation's ninth largest bank holding company. First National Bank has \$22 billion in deposits.

Mr. Sullivan's appointment was announced by Ben Heineman, presi-

dent of Northwest Industries, Inc., and a director of First Chicago who headed the holding company's search committee. He said Mr. Sullivan's salary would be \$375,000 and, with likely bonuses, his yearly income should exceed \$500,000. At Chase Bank, Mr. Sullivan's salary and bonuses were reported to be \$400,000.

Mr. Sullivan is a 23-year veteran with Chase, where he established a solid record as a manager and executive officer in retail operations, trust activities, institutional relations and corporate and international lending.

Citicorp Suit Against Interbank is Dismissed

A Citicorp lawsuit that sought to block Interbank Card Association from entering the travelers' check business with its MasterCard Travelers Cheque program has been dismissed in U.S. District Court for the Southern District of New York by Judge John M. Cannella.

Interbank indicated that the recent court ruling would have no effect on its plans to pursue the counterclaims it has brought against Citicorp. Interbank charges that Citicorp's lawsuit was only one part of a concerted, anti-competitive plan to bar Interbank members from entering the travelers' check market.

High Court Rules On Out-of-State Case

The U.S. Supreme Court has ruled as unconstitutional a Florida law that prevented out-of-state holding companies from operating investment advisory services in the state.

The high court's unanimous ruling said the Florida law discriminated against out-of-state businesses, particularly Bankers Trust New York Corp., which initiated the case. The Florida law expired July 1, but the Conference of State Bank Supervisors told the Court that the outcome might affect laws in at least 14 other states.

A lower court ruling that the law was unconstitutional should be reversed, the bank supervisors had argued, lest it "substantially disrupt the historic dual banking system of the U.S. wherein the banking industry is subject to state as well as national concerns."

However, the Supreme Court, in an opinion by Justice Harry Blackmun, largely agreed with the lower court. The Justices said the Florida law in question was unconstitutional. They didn't rule on a second law that the lower court also had struck down.

The case arose when Bankers Trust sought permission from state officials and the Federal Reserve Board in 1972 to open a Palm Beach investment advisory subsidiary, BT Investment Managers, Inc. The Fed said it was willing to grant permission but couldn't if the request conflicted with state law, which it did. Bankers Trust then went to court.

The Florida law prohibits ownership of investment advisory concerns in Florida by banks, trust companies or bank holding companies whose principal operations are outside Florida.

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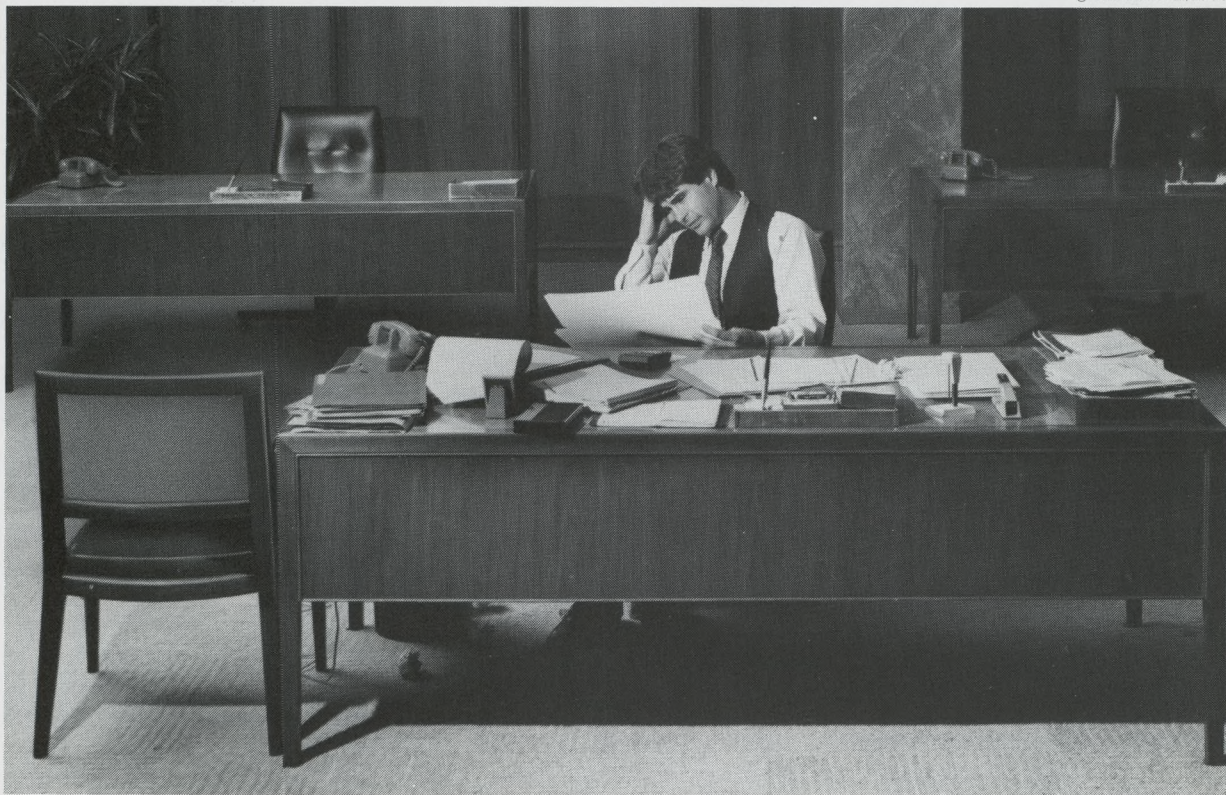
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American Express Posts Higher Earnings

AMERICAN Express Company has reported net income of \$78 million for the first quarter of 1980, an increase of 6% from \$73 million for the first quarter of 1979. Consolidated earnings per share for the first quarter were \$1.09, compared with \$1.02 a year ago.

Consolidated revenues for the first quarter rose to \$1.3 billion from \$1.1 billion for the first quarter of 1979, a gain of 20%, according to James D. Robinson III, chairman of American Express Company in New York.

First quarter 1980 net income of the Travel Related Services Group was \$31 million, approximately even with earnings for the previous year's first quarter.

TRS revenues of \$348 million were up 34% over last year's comparable quarter, reflecting strong gains in each activity and the acquisition of First Data Resources Inc. in January. Card charge volume rose substantially, by 36%, the result of an increase in the average spending per Cardmember and an 11% gain in worldwide Cardmembership, which reached 10.8 million. American Express Travelers Cheque interest income rose because of increases in worldwide

sales and higher interest rates. Average Travelers Cheque outstandings for the quarter were \$2.4 billion, an increase of 11% over last year's comparable quarter.

Revenue gains were offset principally by increased interest expense, provision for losses, and higher operating expenses.

To maintain superior services and benefits offered to Cardmembers in the face of rising costs, the company will increase the basic annual U.S. membership fee for the American Express Green Card from \$25 to \$35, to become effective July 1. However, current Cardmembers will not be affected until their Cardmembership comes up for renewal. Moreover, no fee increase will be imposed on Cardmembers 65 years of age or older, many of whom are living on fixed incomes and are particularly affected by inflation.

In addition, the company is tightening overall collection procedures, including the implementation of a revised schedule of late payment charges for past due and delinquent accounts. This step is in keeping with the spirit of the government's credit control guidelines.

approaches. Mr. Goad explained to bankers:

1. The first approach protects the loss of high balance customers but does not include the marketing of NOW accounts to your full customer base; we call it a defensive strategy.

2. To protect market share and minimize shift of funds, the second plan puts you in a position to meet your competition in your own market. This middle-of-the-road posture will allow you to keep your high balance customer base intact and at the same time provides the flexibility for you to adjust your marketing position in the future as market conditions change.

3. The third and offensive approach is a plan whereby a bank with product differentiation is aggressively positioned to not only meet the competition but go after additional customers. In other words, the bank makes a decision at this time to utilize NOW accounts as an offensive marketing tool.

Continental Ill. Charges Fee

Town & Country Charge, the charge card division of Continental Illinois National Bank and Trust Company of Chicago, has begun to notify customers that it will charge a \$15 annual fee on each of its MasterCard and Visa accounts effective August 1.

ABA Receives Public Relations Award

FOUR area bankers were among 23 bank executives honored recently when the American Bankers Association received a Silver Anvil award from the Public Relations Society of America for the contribution made to the field of public relations by the ABA "Banking Advisor" program.

John Chrystal, president, Iowa Savings Bank, Coon Rapids, Iowa; Norman M. Dean, president, United Bank of Greeley, Colo.; Oliver Hansen, president, Liberty Trust and Savings Bank, Durant, Iowa, and Leslie W. Peterson, president, Farmers State Bank, Trimont, Minn., have served as ABA "Banking Advisors" for the past year.

The ABA Banking Advisor program is a major national communications effort aimed at increasing the public understanding of banking. Banking Advisors have visited more than 70 major cities in 40 states since last October, appearing on radio and television talk shows and giving newspaper interviews.

Lee Gunderson, president of the

Bank of Osceola, Wis., and president-elect of the ABA, accepted the award for the ABA at the PRSA Silver Anvil banquet in Philadelphia.

FISI Announces New Marketing Tools, Strategies

Financial Institution Services, Inc., the nation's largest bank marketing firm serving more than 1,850 banks nationwide, has unveiled new products and marketing strategies designed to meet client banks' needs in facing the challenges of NOW accounts and the vastly-increased competition among all financial institutions.

The products and strategies were presented as a climax to FISI's annual national convention at Disney World in Florida recently.

In outlining FISI's new BANCLUB programs, Fred Goad, products director, disclosed three products specifically designed to meet NOW account criteria for three different marketing

MICA Elects Officers

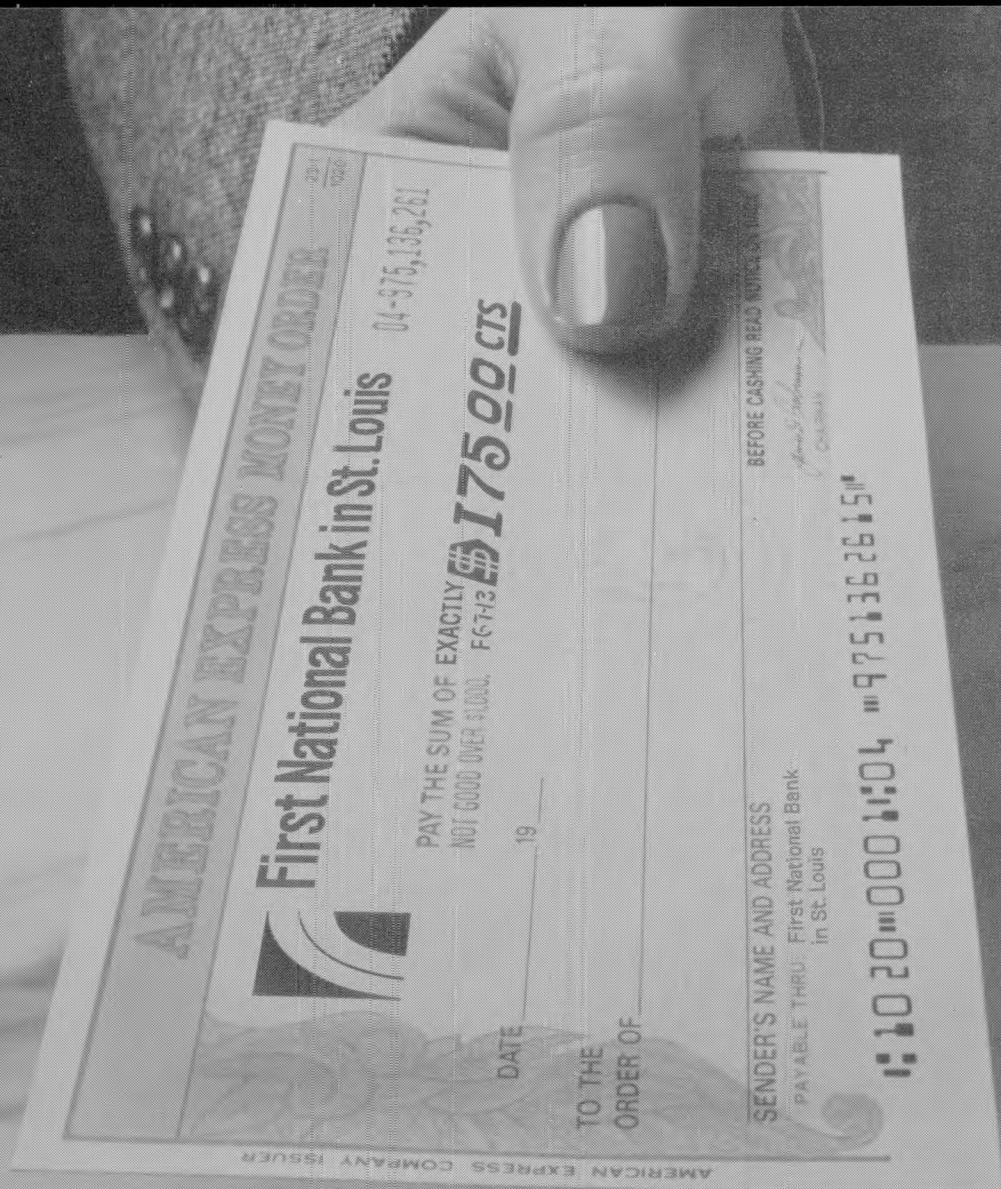
The Mortgage Insurance Companies of America announced the election of its officers for 1980-81 following the association's recent seventh annual meeting. Robert L. Waldo, president of Verex Assurance, Inc., was elected president succeeding United Guaranty Corporation Chairman William L. Hemphill.

Mr. Waldo has served as MICA's vice president, chairman of the association's committee on operating standards and as a member of other committees.

Leon T. Kendall, president of Mortgage Guaranty Insurance Corporation, was elected vice president of MICA. Mr. Kendall previously served as chairman of the committee on finance and budget and as chairman of the committee on research.



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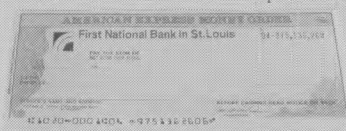
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SPEAKER Walter Heller, prof., Univ. of Minn., Minneapolis, during a press interview; IBA Pres. **Jack D. Lemmerman**, chmn., Nat'l. Bk. of Monmouth, promoting the July 1 Chicago White Sox game with some of its fans. **RIGHT—Dr. Henry A. Kissinger**, former secy. of state, waves at crowd as **Charles N. Finson**, IBA treas., and **David Brinkley** of NBC News look on.

Meeting in St. Louis:

Jack Lemmerman Elected President Of Illinois Bankers Association

By **MALCOLM FREELAND**
Publisher

JACK D. Lemmerman, chairman of the National Bank of Monmouth, was installed last month as president of the Illinois Bankers Association during the 89th annual convention held in St. Louis. He succeeds Gavin Weir, chairman, Chicago City Bank and Trust Company.

Elected first vice president for 1980-81 was James A. Fitch, president, South Chicago Savings Bank.

Named second vice president for the ensuing year was Donald R. Lovett, chairman of the Dixon National Bank. New treasurer is Thomas N. Rochford, president of the Bank of Illinois, Champaign.

Two key speakers offered opposing views on how to control inflation. Lawrence K. Roos, president of the St. Louis Fed, argued that we must reduce

the supply of money on a gradual basis, since the bulk of inflation pressure is caused by the supply of money compared to the amount of goods and services. Mr. Roos said that there will be opposition from within the Fed and from some of the economists, who feel that you have to stabilize interest rates. If they prevail, we will continue to have cyclical inflation, according to Mr. Roos.

Walter W. Heller, regents' professor of economics, University of Minnesota, told the bankers that "you can't explain inflation in terms of the money supply or any other single cause." He explained that the money supply in

relation to the amount of goods and services available is not the problem today since plants are only running 80% of capacity. He admitted that Fed Chairman Paul Volcker helped break the inflationary psychology—but also drove us into a recession.

Favor Business

Dr. Heller said that future government policies will be more favorable to business; a business recovery will start in early 1981; the inflation rate will drop to the 7% to 8% level by election, and federal taxes will increase by \$45 billion in 1981. (\$17 billion from social security; \$13 billion from higher wage brackets, and \$15 billion from windfall profits taxes on oil companies.)

"Our agricultural exports will reach \$38 billion in 1980 compared to \$32 billion in 1979." This was the projection made by Dr. Daniel G. Sisler, professor of ag economics at Cornell University.

Dr. Sisler stated that ag exports are subject to many uncertainties. He described the maze of tariffs and embargos placed on our products by both the Japanese and the European Common



ABA PRES.-ELECT Lee Gunderson from Osceola, Wis., and **Jack Lemmerman**, newly-elected pres. of the Illinois Bankers Assn. **CENTER—Lawrence Roos**, pres. of St. Louis Fed. **RIGHT—William J. Hactor**, exec. v.p., Illinois Bankers Assn., and **Gavin Weir**, pres., Illinois Bankers Assn., and pres., Chicago City Bk. & Tr. Co.



LEFT—**Sidney J. Taylor**, chmn., Drovers St. Bk., Chicago, and **William C. Harris**, comm. of bks. and tr. co's., Springfield. **RIGHT**—**Charlene and John Crotty**, sr. v.p., Drovers St. Bk., Chicago; **Gerald C. Meyers**, pres., Riverside Nat'l. Bk.; **Dennis Davito**, Marshall Co. St. Bk., Varna, and wife, **Jan**.

Market. He added that while we keep talking about trading food for oil, we export about \$2.6 billion in ag products to OPEC while importing \$81 billion in oil. OPEC's total ag imports run \$10 billion! In addition, Dr. Sisler said that we will sell \$2.6 billion in ag products to China this year—but we are so desperate to develop China that we are not trying to arrange long-term contracts. He reminded bankers that Chinese are fantastic traders, and he questioned if we had the "smarts" to keep up.

Politics

Looking at the political scene, David Brinkley, co-anchorman on NBC Nightly News, predicted that Ronald Reagan will be elected president, barring some radical change between now and November. He indicated that the New Deal—after 47 years—is dead. He said the ideal candidate for vice

president should be younger than Reagan and widely experienced in government and foreign affairs. He suggested that former President Ford would be the ideal candidate, and Senator Howard Baker would be an excellent choice.

ABA President-Elect Lee Gunderson told bankers "the government has expressed support for creating a level playing field between financial intermediaries, for encouraging savings and for stopping inflation. But the way government is actually doing anything to help meet these goals is about as efficient as pushing string."

Regulation

Mr. Gunderson said that in face of phasing out Regulation Q, the thrifts stood ready to take advantage of their quarter point advantage on certificates, as interest rates trended lower. Finally, Mr. Gunderson added the De-

pository Institutions Deregulation Committee took some modest steps to stem a major outflow of funds from banks.

The regulators allowed a one-time roll over of six month CDs at banks at the higher S&L interest level and increased penalties for early withdrawals. He concluded by saying "though this lowers our immediate vulnerability to disintermediation it is still a far distance from competitive equality."

As the 89th annual convention drew to a close, IBA members continued to show concern over bank structure change. The Illinois House voted 91 to 60 in early May approving a multi-bank holding company bill. As this issue went to press, the Senate Finance Committee voted the bill down by 7 to 3 — but the bill's sponsor was forcing a vote by the entire Senate to bring the S. 1299 bill to the floor. □



LEFT—**William Troutman** of Pekin and **Mike Flier**, v.p., First Nat'l. Bk., St. Louis. **RIGHT**—**Tom Rochford**, new IBA treas., and pres., Bank of Illinois in Champaign; **B. F. Backlund**, pres., Bartonville Bk.; **John E. Treston**, 1st deputy, Comm. of Bks. & Tr. Co's., and **H. Peter DeRosier**, v.p., Nat'l. Blvd. Bk., Chicago.

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LEFT—George Derderian, pres., The Northlake Bank, Northlake; Mayo C. Walcott, pres., North Bank, Chicago, and George Dearborn, v.p., Nat'l. Blvd. Bk., Chicago. **RIGHT**—Louis E. Avery, asst. v.p., Nat'l. Blvd. Bk., Chicago, and wife, Lee; Robert O. Walcott, pres., First Nat'l. Bk. of Schiller Park, and wife, Reggie; Delores and Ken Keating, Westbrook Bank.



LEFT—Jerry Fleschner, v.p., Mercantile Tr. Co. N.A., St. Louis; Vernon Hildebrand, pres., Peoples St. Bk., Newton, and Frank Kabbes, pres., Effingham St. Bk. **RIGHT**—Gay 90's costumes were shown at Ladies' luncheon. William Flick Jr., dir., Coal Valley St. Bk., is shown with two of the models.

Greenville Group to Buy First Bank, O'Fallon

At a recent special board meeting of the First Bank and Trust Company of O'Fallon, Don Brown, president, announced that James M. Jackson and his family of Greenville have made arrangements to purchase a major interest in the bank effective January, 1981.

Mr. Brown said that the Jackson's plan no changes in the officers, employees or directors of the bank at this time, nor will there be any changes in bank policy.

Mr. Jackson and his family have a major interest in the First Bank and Trust Company in Greenville and the Farmers and Merchants Bank of Vandalia, where they are active in the banks' management.

Combined assets of the three banks is over \$110 million and total capital accounts over \$8.5 million. The three

banks have the same management philosophy. Principals of the three banks have long felt that Illinois banking laws should be modernized in order to offer more services to their customers.

Because of the wide background and experience of the personnel of all the banks, the relationship will provide a much broader spectrum in banking and allow the addition of bank services not now offered by the individual banks.

Mr. Jackson, a native of Bedford, Iowa, has had 26 years of experience in the banking field, including extensive experience in farm mortgages and loans, cattle loans, real estate, correspondent banking and commercial loans.

Promoted at Rockford Bank

The First National Bank & Trust Co., Rockford, recently announced two

new promotions. George Wallace was elected assistant vice president, and Mary M. Beale was appointed customer services officer.

Mr. Wallace joined the bank as a trust officer in June, 1979, after previous trust department experience in Rhode Island and Massachusetts. He will manage the account administration section of the trust department at First National.

Ms. Beale has served for 10 years with the bank and is associated with the commercial and real estate loan department. She attended the University of Wisconsin-Whitewater.

Graduate From IBA School

Ninety-eight bankers recently graduated from the Illinois Bankers School in Carbondale. The school, sponsored by the IBA in conjunction with the division of continuing education, Southern Illinois University, was

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ICBI Announces Officers

Jack Marantz, president of the Bank of Springfield, was recently elected president of the Springfield-based Independent Community Banks in Illinois. One of the principal founders of the organization six years ago, Mr. Marantz has served on the board since its inception. Other officers elected were: first vice president—Don Nolen, executive vice president, First Community Bank, West Frankfort; regional vice presidents—John Crotty, senior vice president, Drovers Bank of Chicago; Robert Schertz, chairman, First National Bank in Metamora; David Combs, cashier, First National Bank, Taylorville, and Lloyd Henderson, executive vice president, Carterville State and Savings Bank, and treasurer—Fred Lamkey, vice president, Citizens First State Bank, Walnut.



J. MARANTZ

Other officers elected were: first vice president—Don Nolen, executive vice president, First Community Bank, West Frankfort; regional vice presidents—John Crotty, senior vice president, Drovers Bank of Chicago; Robert Schertz, chairman, First National Bank in Metamora; David Combs, cashier, First National Bank, Taylorville, and Lloyd Henderson, executive vice president, Carterville State and Savings Bank, and treasurer—Fred Lamkey, vice president, Citizens First State Bank, Walnut.

F & M State, Bushnell Adds 3 Officers to Staff

The Farmers and Merchants State Bank in Bushnell recently added three new officers to its staff.

Michael G. Steelman left his position as McDonough County assistant states attorney to become the bank's compliance officer, assistant trust officer and internal legal counsel. He is a graduate of Western Illinois University and Lewis University College of Law.

The new assistant farm manager is Steven R. Farr, a 1970 graduate of Western Illinois University with a degree in agriculture. He has spent eight years in farm-related business, and will also be involved with the farm loans department.

Kathleen M. Bisbee has joined the bank as the new marketing officer. She has a BS degree in journalism from the University of Colorado. Her position is a new one for the bank, and she will be working with the existing marketing committee in the formation of a marketing program.

State Charter Given to Mechanicsburg Citizens Bank

A charter has been issued to the Mechanicsburg Citizens Bank on West Main Street, Mechanicsburg.

The state bank's total capitalization of \$750,000 consists of \$300,000 capital stock, \$300,000 surplus and \$150,000 reserve for operating expense. There are 30,000 shares of stock with a par value of \$10 each.

The officers are Kenneth R. Metcalf, chairman; John H. Pickrell, president, and C. Bryant Flatt, vice president.

Directors include the officers and: Jon Gray Noll, Springfield; Gerald K. Patton, Dawson; Robert O. Beatty and S. Wade Patton, Mechanicsburg; John R. Bice, William N. Etherton, William B. McCubbin, Ronald L. Richards and William E. Whiteside, Buffalo.

Deerbrook Bank President Greek Government Guest

Spyros E. Xintaris, president of the Deerbrook Bank, Deerfield, was invited by the Greek government to the first Panhellenic Convention for Investing in Greece in Athens in May. He was one of six persons in the Chicago area to be invited to the special conclave, a total of 50 prominent U.S. business persons selected by Greek government's Ministry of Finance.

The purpose of the convention was

Hawthorne Bank of Wheaton Sponsors CPR Course



HAWTHORNE Bank of Wheaton recently sponsored an intensive nine-hour course in Cardio-Pulmonary Resuscitation for all bank employees and their families, according to **William J. Davis**, pres. Classes were held in the bank lobby.

to strengthen the ties between Greeks and individuals of Greek descent living abroad by promoting the development of mutual business interests.

Receives SBA Honor

Jacob Magierek has been named Small Business Person of the Year for Illinois. He was nominated for the honor by Joseph J. Briganti, president of the Albany Bank & Trust Co., Chicago.

Mr. Magierek, 28, owns Raguard Printing, Ltd., Chicago, which specializes in wholesale printing. He was able to purchase the business in 1978 through the cooperation of Albabank's loan department and the U.S. Small Business Administration.

Named Instalment Manager

Mark W. Johann, loan officer, was recently promoted to manager of the instalment loan department of First Galesburg National Bank. He joined the bank's instalment loan department in 1977 and was promoted to loan officer in 1978.

Mr. Johann received a BS degree in business administration from Illinois State University in 1976.

Promoted at Oak Brook

The First Security Bank of Oak Brook recently announced the promotion of Steven Opl to the position of loan officer.

Mr. Opl joined the bank in 1975 and has served in the loan department reviewing instalment loan applications. His new duties include making instalment and commercial loans. He graduated from the 1979 National Instalment Credit School in Norman, Okla., and attended the College of DuPage.

Hosts Investment Seminar

Crestwood Bank recently hosted a seminar on financial investments for municipalities and public agencies. William J. Murphy, president of the bank, discussed how public organizations can best invest their funds to earn the maximum return for their constituents.

Robert L. Tomiello, assistant vice president of the Harris Trust and Savings Bank in Chicago, described the various types of investments designed for short-term investment periods. Over 20 communities and public agencies were represented at the morning seminar.

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A LOT OF SMART BANKERS ARE AFTER THIS TEAM'S NUMBER. The Midland Correspondent team. Not only can you call them anytime you need some fast answers, you can call them toll free. THE NUMBER IS 1-800-752-4200 IN MINNESOTA*. The names are Stan Peterson, Marge Lamosse, Mike Bodeen and Jackie Dunn. They represent the strength and service of a substantial financial institution. But, more importantly, they represent the team spirit it takes to give your bank the best our bank has to offer.



L to R: Stan Peterson, Mike Bodeen, Jackie Dunn, Marge Lamosse.

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TO KNOW YOU.

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MIDLAND NATIONAL
BANK Of Minneapolis **BANCO**

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



NEW OFFICERS—Pres. Richard Gandrud; 1st V.P. Robert Welle; 2nd V.P. John Ingebrand, and Treas. Don Sirek.

Richard Gandrud Heads Minnesota Bankers

RICHARD E. Gandrud, president, Pope County State Bank, Glenwood, was elected president of the Minnesota Bankers Association at the 90th annual convention held in Duluth last month. He succeeds James T. Gowan, vice president, First National Bank, St. Paul.

Mr. Gandrud will be assisted by the following: first vice president—Robert J. Welle, chairman, First National Bank, Bemidji; second vice president—John P. Ingebrand, president, Kanabec State Bank, Mora, and treasurer—Donald A. Sirek, president, State Bank of New Prague. Truman Jeffers continues as executive vice president.

Appearing as a key speaker, C. C. Hope Jr., president of the American Bankers Association, announced that he will head a group on a trade mission to China on August 4. ABA feels that it can be an important influence in developing trade between the two nations.

Mr. Hope explained the highlights of the 1980 Depository Institutions Deregulation and Monetary Control Act, saying that it is the most historic legislation since 1913. (A review of the Act appears on page 27 of the May issue of the *NORTHWESTERN BANKER*.) He added that in 1978 there were 67,000 pages of financial regulations in the Federal Register, and more are being added each year. Mr. Hope believes that the problem of regulations is only exceeded by our problems with energy and inflation.

By MALCOLM FREELAND
Publisher

Elimination of premium giveaways for deposits was added to the list of resolutions this year when the Minnesota Bankers Association announced support of the proposal made by the Federal Depository Institutions Deregulation Committee. Most other banking trade groups, including ABA and BMA, favor the continued use of premiums, and some major Twin Cities' banks feel that the MBA resolution is at odds with the free enterprise system. Other resolutions included rejection of a proposal to withhold dividend and interest income; elimination of the interest rate differential, and removal of interest rate ceilings.

The new Certificate of Deposit Program, passed by the Minnesota legislature, was explained by Howard Bicker, assistant executive director, State Board of Investment, St. Paul. The SBI will purchase CDs on a quarterly basis, and three and six months maturities will be available.

The unique feature of the program is the use of the nine clearinghouse banks in Minnesota (American National Bank of St. Paul, First National Bank of Minneapolis, First National Bank of St. Paul, Marquette National Bank, Midland National Bank of Minneapolis, Midway National Bank of St. Paul, National City Bank of Minneapolis, Northwestern

National Bank of Minneapolis, and the Northwestern Bank of St. Paul) and the Home Loan Bank of Des Moines as the focal point for other financial institutions desiring to subscribe to the program. These institutions, which are called "clearinghouse institutions," have correspondent relationships with the vast majority of all financial institutions in the state. The procedure is as follows:

On the second day of each January, April, July and October (all days will be moved forward, e.g. second to the third, for weekends and holidays) any financial institution wishing to subscribe to the program will call, between 11:00 a.m. and 4:30 p.m., one of the clearinghouse institutions. The clearinghouse institution will have all necessary information relating to the offering including its size, maturity and yield. The yield will be set by the SBI using the average secondary CD rate quoted by the New York Federal Reserve Bank on the morning of the subscriptions. This rate will be discounted 10 basis points because the CDs must be collateralized.

On the third day of the month the clearinghouse institutions will report all subscriptions to the SBI. There is no limit to the amount any one financial institution may request. The SBI will then fill each subscription up to \$500,000 in full, provided that the total does not exceed the amount the SBI is prepared to place that quarter. If the total offering has not been filled by the allotments of \$500,000 or less, all subscriptions over \$500,000 will receive allotments on a pro rata basis to fill the offering.

By 9:00 a.m. on the fourth day of the month, each financial institution will call the clearinghouse institution through whom it subscribed for notification of its final allotment. That morning the SBI will also mail to each subscribing financial institution a safekeeping agreement with four copies that will acknowledge the transaction and stipulate the face amount, interest rate, interest at maturity computed on a 360-day basis, and the proceeds at maturity. It will also allow the clearinghouse institution to credit the financial institution's account at the clearinghouse institutions on settlement date and to charge the financial institution's account for the proceeds at maturity date. The financial institution will also stipulate on the safekeeping agreement the collateral used to secure the CD. The market

value of the collateral shall equal 110 % of the face value of the CD.

Truman L. Jeffers, who has completed 10 years as MBA executive vice president, presented an overview of the future of banking. He suggested that MBA will continue to feature more workshops on specific topics in order to keep ahead of the fast pace of change. He said the Association will soon make plans to expand its office space to accommodate insurance records, word processing and communication areas. During the past year,

MBA showed a \$123,000 surplus due to record attendance at meetings and workshops, according to Mr. Jeffers. He mentioned that the IRS has alleged certain profits in its insurance activities—that the tax has been paid—but that MBA is protesting the IRS action.

Budget Deficit

Dr. William Freund, senior vice president and chief economist of the New York Stock Exchange, predicted the budget deficit for the next fiscal year will be \$40 billion to \$50 billion;

the unemployment rate will rise to 9%; short term rates will be in the 7% range, and the prime rate will be at 9% by year-end. He forecast a brighter picture for the 1980s due to favorable population trends and new attitudes on savings and investments.

Officers were installed at the annual banquet, and "Lonesome" George Gobel joined singer Cathy Johnson and the Duluth Accordionaires in providing entertainment.

The 91st annual convention will be held June 15-16, 1981, at the Radisson South in Bloomington. □



LEFT—Renee and Jim Diebold, pres., Granite Falls Bk.; **Charles H. Nelson**, pres., Backus St. Bk., and **John W. Morrison**, chmn. & c.e.o., Northwestern Nat'l. Bk., Minneapolis. **RIGHT—Nels Turnquist**, 1st v.p., South Dakota Bkrs. Assn., and pres., Nat'l. Bk. of South Dakota, Sioux Falls, and wife, **Margie**, and **Don Pederson**, sr. v.p., Northwestern Nat'l. Bk., Minneapolis.



LEFT—Bob Jacobson, v.p., American Nat'l. Bk. & Tr., St. Paul; **Warren Gibson**, pres., Citizens St. Bk., Brandon, and wife, **Rose**, and **Don Johnson**, v.p., American Nat'l. Bk. & Tr. Co., St. Paul. **RIGHT—John Ingebrand**, pres., Kanabec St. Bk., Mora, and wife, **Marce**; **Len Erickson**, v.p., Marquette Nat'l. Bk., Minneapolis, and wife, **Kathleen**; **E. D. Buerkle**, pres., Farm. & Merch., New York Mills, and **JoAnn Krueger**, inv. dept., Marquette Nat'l. Bk., Minneapolis.



LEFT—Don Stein, pres., First St. Bk., Spring Lake Park, and **Paul Lindholm**, sr. v.p., Northwestern Nat'l., Minneapolis, look over 1980 MBA resolutions. **RIGHT—Marilyn and George Rekow**, pres., First Nat'l. Bk., Chaska, and **Kay and Jim Russell**, corres. bk. off., First Nat'l. Bk., St. Paul.



James Russell, Correspondent Bank Officer, Twin City Metro Area (612) 291-5581

“I can increase your services without increasing your staff.”

“There are times when a bank’s customers need more services, more expertise, than it has available. Sometimes situations arise that require a staff much larger than you may have.

“That’s where I can help by bringing the full resources of First Bank Saint Paul to bear on your problem. And when you get a bank with our size and experience working for you, you’re money ahead.

“My job is to help analyze your needs and provide the extra services you require without increasing your staff.

“To do my job effectively, I stay on top of the latest developments in banking. I’m in

constant contact with banks in the metro area.

“My job is to make your job easier. So give me a call.”



**First Bank
Saint Paul**

Correspondent Bank Division

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You get the credit.**

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Pictures from the Minnesota Bankers Convention



STAR PERFORMER George Gobel. CENTER—**Cliff Sommers**, former ABA pres., and **Jim Gowan**, MBA pres. (accepting Savings Bonds award). RIGHT—ABA Pres. **C. C. Hope Jr.**



LEFT—**Roger Raina**, asst. v.p., and **Michael LaVigne**, corresp. bk. off., First Nat'l. Bk., Minneapolis; **Ralph Rathmanner**, pres., Citizens St. Bk., Winsted, and wife, **Dorothy**; **Ray Johnson**, v.p., First Nat'l. Bk., Minneapolis; **Kath LaVigne**, and **Walt Fries**, e.v.p., Farmers St. Bk., Russell. **RIGHT**—**Nancy and John Berg**, pres., Wayzata Bk. & Tr. Co., and **Kenneth A. Wales**, v.p., First Nat'l. Bk., Minneapolis.



LEFT—**Hugh Rogers**, v.p., Alexandria St. Bk., and **Earl Lundeen**, v.p., Manufacturers Hanover Tr. Co., New York, inspect gift presented at Midland of Minneapolis function. **RIGHT**—**Jodi and Mike Pieschel**, pres., Farmers & Merchants St. Bk., Springfield (seated); **Ernest C. Pierson**, e.v.p., Midland Nat'l. Bk., Minneapolis; **Len Griffith**, sr. v.p., and **Robert F. Poirier**, e.v.p., First Nat'l. Bk., Duluth.



LEFT—Dick Storlie, v.p., NW Nat'l. Bk., Minneapolis, left, and Don Pederson, sr. v.p., NW Nat'l. Bk., Minneapolis, present duck stamp plaque to Jim Gowan (right), MBA pres. and v.p., First Nat'l. Bk., St. Paul. **RIGHT**—Stan Peterson, v.p., Midland Nat'l. Bk., Minneapolis, presents Les Kouba painting to Paul Gandrud Jr., cashier, Swift Co. Bk., Benson, in honor of his bank's 50-year association with Midland.

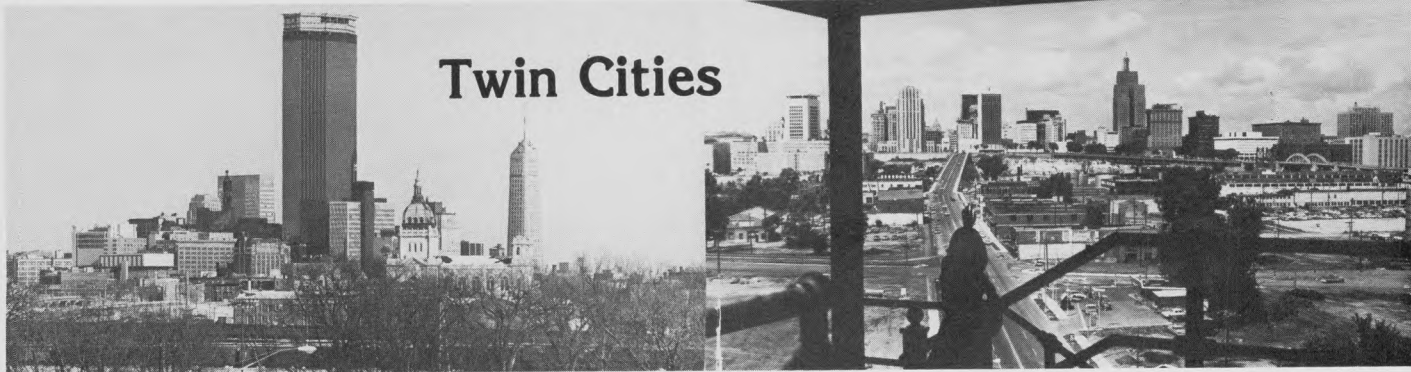


LEFT—R. B. Cameron, pres., First Nat'l. Bk., Deer River; Richard Hogan, mgr., Kerrick office, Sec. St. Bk., Askov, and Clair Wilcox, pres., Grand Rapids St. Bk., admire golf trophy won by Bill Langford, sr. v.p., American Nat'l. Bk., St. Paul. Bill won the golf tourney with a 75 gross score. **RIGHT**—Newly-Elected MBA Pres. Richard E. Gandrud confers with MBA Exec. V.P. Truman Jeffers.



LEFT—Gene Beito, pres., Northern St. Bk. of Thief River Falls, and wife, Gretchen; Ginny and Andy Sall, exec. v.p., First Nat'l. Bk., St. Paul. **RIGHT**—David L. James, v.p., Citicorp Remote Computing Services, Inc., Garrettsville, Ohio; Frank Farrar, Britton, S.D.; Joe McChristian Jr., a.v.p., Correspondent Resources, Inc., New York, and wife, Lynn.

Twin Cities



FIRST Bank System, Inc. has announced that it has filed with the Securities and Exchange Commission a registration statement covering a proposed \$75,000,000 offering of 10.05% notes due June 1, 1983.

Interest on the notes will be payable semi-annually on June 1 and December 1, commencing December 1, 1980. The First Boston Corporation was named manager of the underwriting syndicate. The notes will not be subject to redemption prior to maturity.

Approval was recently granted by the Comptroller of the Currency for Northwestern National Bank of Saint Paul to open its second detached facility, to be located at White Bear Avenue and Beam Avenue adjacent to the Maplewood Mall shopping complex.

A temporary facility will be established on this site within the next few months with the permanent structure scheduled for completion in the spring of 1981.

Northwestern National Bank of Saint Paul recently approved the following elections and promotions.

Gale D. Kafka

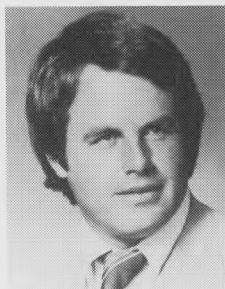
was elected vice president in the financial planning and control division. Mr. Kafka, a graduate of the University of Minnesota, joins Northwestern from Peat, Marwick, Mitchell and Co., Minneapolis, where he was a manager in the accounting and audit department.

Arthur B. Cahalan was promoted to vice president from assistant vice president. He joined Northwestern in 1971 and is manager of the commercial real estate division.

David R. Warner was promoted to



G. D. KAFKA



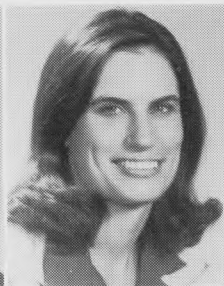
A. B. CAHALAN



D. R. WARNER



S. M. HAUTH



M. HALL-BROWN

vice president from assistant vice president. He joined Northwestern in 1972, has worked as a sales and marketing representative and is presently in the metropolitan/regional commercial banking division.

Sandra M. Hauth was promoted to assistant vice president from commercial banking officer. She joined Northwestern in 1971 and is presently in the metropolitan/regional commercial banking division.

Margaret Hall-Brown was elected operations officer. She joined the bank in 1978 and is operations manager at Northwestern's North Suburban office in Arden Hills.

The Minneapolis Chapter of the American Institute of Banking and the Minnesota Bankers Association are co-sponsoring a Consumer Compliance Seminar to be held October 20-22 at the Minneapolis Hilton Inn.

The seminar will be of primary interest to all customer-contact staff involved in customer credit activities. A guest panel will outline steps for im-

plementing an effective consumer compliance program and discuss its use in day-to-day contact with customers.

Lorraine Holmes has been promoted to cashier of the St. Anthony National Bank. She has been with the bank since 1962 serving as assistant cashier and many other duties relating to bank operations. Ms. Holmes began her banking career in 1952 with Northwestern National Bank of Minneapolis.



L. HOLMES

Northwestern National Bank of Minneapolis has announced the appointment of five new vice presidents in the bond and trust group.

Steven D. Almquist

was named vice president of the money market division. He joined Northwestern May 1 as

manager of the money market division of the bond department and formerly was head of the treasury division of Northwest Bancorporation.



S. D. ALMQUIST

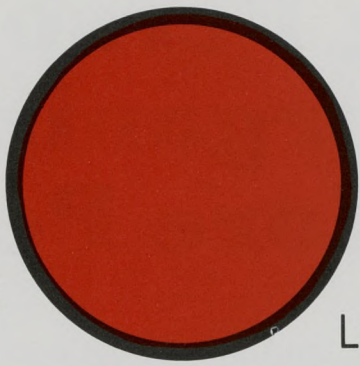


W. E. ERICKSON



R. O. HANSON

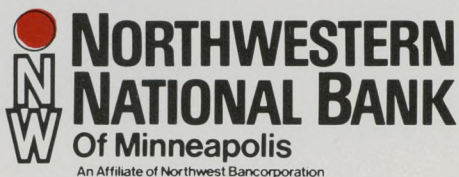
What this symbol means in the Midwest.



AGRICULTURAL OVERLINES
 BANK STOCK LOANS
 BANKERS ACCEPTANCES
 BOND SALES AND PURCHASING
 COMMERCIAL OVERLINES
 CREDIT CARD PROCESSING:
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 FOREIGN CURRENCY AND TRAVELERS CHECKS
 FOREIGN EXCHANGE AND LOAN SERVICES

INSTANT CASH DEBIT CARD PROCESSING
 INTEGRO SALES TRAINING
 INTERNATIONAL LETTERS OF CREDIT
 INVESTMENT CONSULTATION
 LEASING SERVICES
 LOAN PARTICIPATIONS
 LOCKBOX SERVICES
 NON-CASH COLLECTIONS
 MORTGAGE SERVICES
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 TRUST SERVICES

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Our Correspondent Banking Personnel are now Reorganized to be Even More Personal

At First Bank Minneapolis, we think it's important to listen to our customers and understand their needs. That's why we've reorganized our Correspondent Banking Department. To give you the kind of attention you want and need now and for the future.

Like quicker turn-around

on credit requests, and more rapid response to all your needs. This means more attention from your Correspondent Banker, as well as our management.

So take some time to get acquainted with our new organization. You'll find it's what you've been asking for.

Ken Wales

Vice President &
Department Head

Phone
(612)

370-4687

Glen Walters

Vice President &
Assistant Department Head

370-4692

Minnesota Correspondent Banking Division

Raymond H. Johnson

Vice President,
Division Head

370-4688

Frank L. Brosseau

Assistant Vice President

370-4298

Allen G. Highum

Assistant Vice President

370-4689

Jerry Larson

Assistant Vice President

370-4130

Michael P. LaVigne

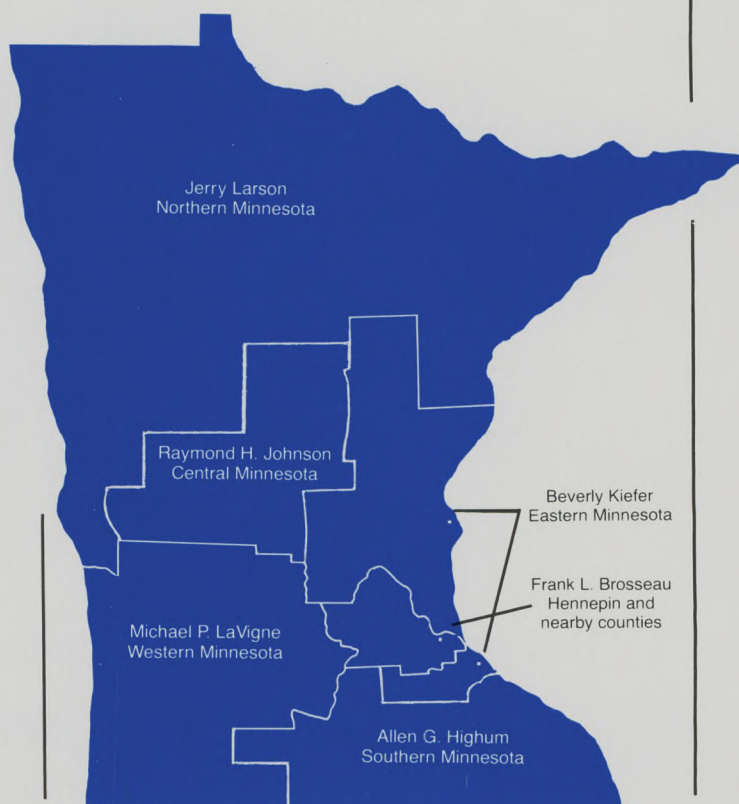
Correspondent Banking
Officer

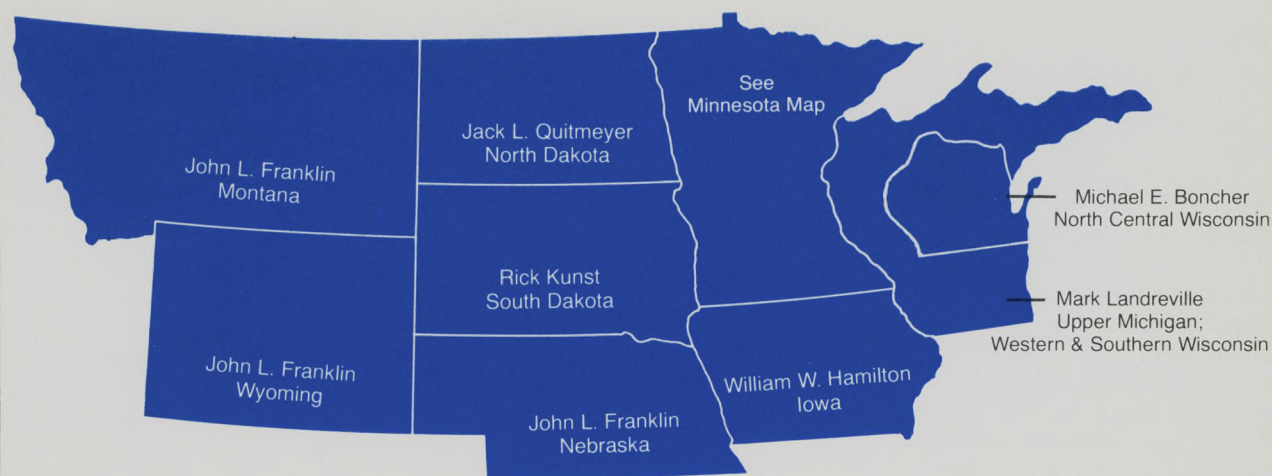
370-4020

Beverly Kieffer

Correspondent Banking
Representative

370-4130





East-West Correspondent Banking Division

Michael E. Boncher Assistant Vice President, Division Head	370-4684
John L. Franklin Assistant Vice President	370-4685
William W. Hamilton Assistant Vice President	370-4683
Rick Kunst Assistant Vice President	370-4691
Jack L. Quitmeyer Correspondent Banking Officer	370-4682
Mark Landreville Correspondent Banking Representative	370-4130

Correspondent Cash Management Division

Roger Raina Assistant Vice President & Division Head	370-4593
Brad Benzick Cash Management Assistant	370-5244
Judy Watts Cash Management Assistant	370-3947

Correspondent Support Division

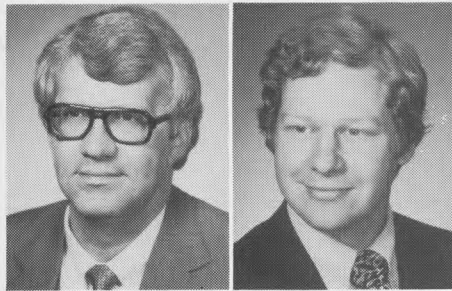
Zylpha Gregerson Correspondent Banking Officer, Division Head	370-3956
June Swanson Administrative Assistant	370-4697
Delores Ellis Special Services Representative	370-4788

We are what you want a bank to be.



First Bank Minneapolis

**First Bank Minneapolis, First Bank Place,
Minneapolis, MN 55480 • Member FDIC**



R. G. HOFFMAN W. J. NEUGER

Wallace E. Erickson and **Richard O. Hanson** were named vice presidents in the development division of the personal trust department. Mr. Erickson joined the trust department in 1957 and was formerly assistant vice president. He has a law degree from Mitchell Law School.

Mr. Hanson joined Northwestern in 1951 and was formerly assistant vice president. He has a law degree from the University of Minnesota Law School.

Ronald G. Hoffman and **Win J. Neuger** were named vice presidents in the investment research division of the trust investment department. Mr. Hoffman joined Northwestern in 1971 and had been an assistant vice president since 1978. Mr. Neuger joined Northwestern in 1973 and was elected assistant vice president in 1978. Both men are Chartered Financial Analysts.

Robert R. Corrick and **A. W. "Bill" Davis** were appointed assistant vice presidents in the corporate finance division of the regional banking group.

Prior to joining Northwestern, Mr. Corrick was with the corporate finance department of the Prudential Insurance Company of America. Mr. Davis was with the Eberhardt Company before joining the bank.

The bank has announced the appointment of these 13 new officers:

James R. Horn Jr. to dealer finance officer, corporate banking, Midwest Department I.

Stephen R. Sefton to commercial banking officer, manufacturing and electronics division of corporate banking, Midwest Department II, and **John L. Matyi** to commercial banking officer in the retail, wholesale and transportation division of the same department.

David J. Lubar to commercial banking officer of the correspondent and commercial credit division and **Timothy R. Skildum** to correspondent banking officer of the correspondent contact division, eastern

region in the correspondent banking department.

Lorraine M. Hyde to consumer services officer, consumer and offices banking group.

Murli D. Sujanani to tax officer, personal trust division, tax section, personal trust department.

James W. Burnstad to trust investment officer in the securities trading division, trust investment department.

Patrick M. Griffin and **Warren G. Herreid** to systems officers in the systems division.

Kenneth O. Beckwith and **Mau-reen K. Stauber** to operations officers in the deposit operations division. **Nancy B. Webster** to operations officer in the facilities management department. All of these areas are in the operations group.

* * *

Len Erickson, a 25-year veteran correspondent banker, retired from Marquette National Bank on June 30.

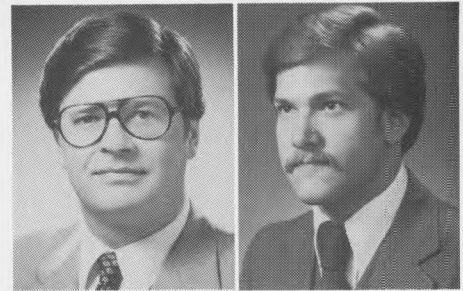
He joined Marquette in 1955 as assistant credit manager for the commercial loan department. He later transferred to the correspondent bank department handling overlines and bank stock loans. A great many bankers in the upper midwest area have benefitted from his ability to arrange financing.

Mr. Erickson served on the U.S.S. Philadelphia for 38 months during World War II. He obtained his CPA certificate while with Haskins and Sells following the war. He has been an active member of the Minnesota Chapter of Robert Morris Associates for 15 years, and served as president in 1974-75.

He and his wife are planning to retire to Sun City, Ariz., which will put them at a safe distance from Minnesota winters and closer to their daughter and grandchildren in San Jose, Calif.

* * *

Fredric H. Youngstrand has been elected a vice president of First System Agencies, Inc., the insurance subsidiary of First Bank System, Inc. He joined the firm in 1979 as manager



R. H. YOUNGSTRAND K. D. RAHN

of the life and health marketing department.

Kent D. Rahn has been appointed marketing officer and manager of advertising-delivery for FBS. Most recently he was manager of the Vernon Avenue facility of First Bank Edina.

* * *

Marilyn R. Halverson has been named a personal banking officer at Second Northwestern Bank. She joined the bookkeeping department of Second Northwestern in 1967 and held a teller position prior to being named bookkeeping supervisor.



M. R. HALVERSON

* * *

American National Bank & Trust Co., Saint Paul, has announced that **John C. Palmer** has joined the trust division as assistant vice president and head of the corporate trust and employee benefits administration department. He is an attorney and holds a BA degree from Gustavus Adolphus College and a JD degree from Drake University.



J. C. PALMER



W. OPAL

R. JENKINS

College of Law. He formerly was a research director with IDS Plan Services, Inc., Minneapolis, and a trust officer with First Bank Minneapolis.

Walter Opal, trust officer, was named assistant vice president and trust officer. Mr. Opal, who joined the bank in 1977, is an attorney and came to American from Valley Bank, Appleton, Wis.

Robert Jenkins, assistant trust officer, was named trust officer. He joined the bank in 1978 and is an attorney formerly engaged in private practice.

The Minnesota Chapter of the Robert Morris Associates, the national association of bank loan and credit officers, has elected its new slate of officers and directors for the coming year.

The following bankers were voted into office: president — **David M. Hyduke**, group vice president, American National Bank & Trust Co., St. Paul; vice president — **John H. Olson**, president, Banco Financial Corp.; Minneapolis, and secretary-treasurer — **Dale S. Hanson**, vice president, First Bank St. Paul.

Two Twin Cities bankers were elected to the board of directors, **David M. Gilman**, president, Fidelity Bank & Trust Co., Minneapolis, and **Raymond M. Wollum**, vice president, Midway National Bank, St. Paul.

Midland National Bank of Minneapolis has named D'Arcy MacManus & Masius as its new marketing and advertising agency. The announcement was made by **Richard Erickson**, corporate marketing director of the bank.

First Bank Minneapolis Reorganizes Correspondent Dept.

A MAJOR reorganization of the correspondent banking department at First Bank Minneapolis is designed to enhance the level of service to respondent banks by structuring two banking divisions and two support divisions.

In addition to this divisional restructuring, Vice President Glen R. Walters has been promoted to the new position of assistant department head. He will report to Kenneth A. Wales, vice president, who continues as department head of the correspondent banking division.

The two new banking divisions will consist of a Minnesota division, concentrating on all Minnesota banks, and an East-West division, focusing on banks in Wisconsin, Iowa, North Dakota, South Dakota, Nebraska, Wyoming, Montana and upper Michigan.

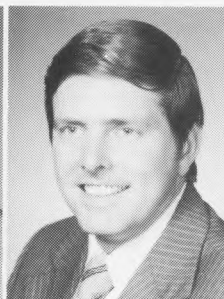
Raymond Johnson, vice president, will head the Minnesota correspondent banking division. This division will consist of **Frank Brosseau**, Hennepin and nearby counties; **Al Higum**, southern Minnesota; **Michael LaVigne**, western Minnesota; **Beverly Kieffer**, eastern Minnesota, and **Jerry Larson**, northern Minnesota.

Ms. Kieffer and Mr. Larson are new additions to the correspondent banking staff. Ms. Kieffer has been with First Bank Minneapolis since 1966 and has an extensive banking and credit background. Mr. Larson had previously been in the correspondent services division and has a background in financial analysis.

The East-West correspondent banking division will be headed by **Michael Boncher**, assistant vice president. This division will consist of **John Franklin**, Montana, Wyoming and Nebraska; **Bill Hamilton**, Iowa; **Jack Quitmeyer**, North Da-



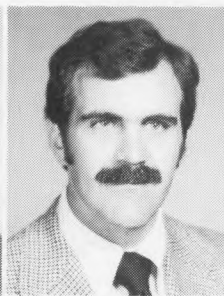
K. A. WALES



G. WALTERS



R. H. JOHNSON



M. E. BONCHER

kota; **Rick Kuntz**, South Dakota, and **Mark Landreville**, southern and western Wisconsin and upper Michigan.

Mr. Landreville and Mr. Kuntz are new additions to the division. Mr. Landreville has a credit background with First Bank Minneapolis and Mr. Kuntz was most recently head of the agriculture loan department of First Bank Havre, Havre, Mont. Mr. Kuntz, along with Mr. Franklin, will provide the division with additional depth and expertise in agricultural credit.

Two additional divisions, correspondent support and cash management, also have been formed as part of the reorganization.

The correspondent support division will be headed by **Zylpha Gregerson** and will be responsible for assisting in analyzing new credit requests and the administration of cor-

respondent banking department credits. Other non-credit administrative functions also will be handled in this division.

Roger Raina will head the correspondent cash management division, which will be responsible for providing cash management services to the correspondent banks including depository services, cash letter processing and rapid check collection.

D. H. Ankeny Jr., president of First Bank Minneapolis, said the organization is a result of an intensive research study which the bank conducted last fall.

"Despite the fact that we're in a leadership position in this area, we were not content to sit still," Mr. Ankeny said. "We undertook this research and the subsequent reorganization to better position ourselves to meet the changing needs of the correspondent banking market."

Mr. Ankeny said research indicated that respondent banks want closer contact with their calling officers; fast, efficient service; contact with top management, and a long range commitment on the part of their correspondent.

Mr. Wales said the reorganization addresses itself to those needs and more.

"We have increased the number of our calling officers which will allow us to provide more attention and service to each of our customers," Mr. Wales said.

"By adding the correspondent support and cash management divisions, we will be able to increase our service level and help minimize errors," he stated.

Mr. Wales also stressed that the geographic divisions would provide greater depth and allow for much stronger back-up support.

Business as usual? Don't count on it.

The 80's are destined to bring many changes.

New thinking, new technology and new regulations are all bound to change our ways of doing business.

Omaha National has been a leader in helping correspondent banks deal with change for more than 110 years.



We're equipped.

We're concerned.

And, as *your* correspondent, we're
ready to help you face the 80's
... head on.

That's something you *can* count on.



The Omaha National Bank

Farnam at Seventeenth □ Omaha, Nebraska 68102 □ 402 348-6565 □ Member FDIC



Irwin Jacobs Sells 11 Minnesota Banks

SALE of the seven banks in the Mid America Bancorporation, Inc., was announced last month by Irwin Jacobs, 39, chairman. At the same time, the sale of four banks owned personally by Mr. Jacobs also was announced. Mr. Jacobs, who lives in Wayzata, thus has sold his holdings in the banking business and will devote his time exclusively to other investments and businesses he controls.

The seven Mid America banks were sold as follows:

Coon Rapids—First Mid America State Bank. Sold to a group headed by Seymour Schoenweter and Donald Stein. Both men also are associated with First State Bank of Spring Lake Park, where Mr. Stein is chairman and president and Mr. Schoenweter is vice president (inactive).

Cottage Grove—Mid America National Bank. Sold to Robert E. Keyes, chairman of the Minnesota State Bank of St. Paul and Caledonia State Bank of Caledonia. Mr. Keyes owns eight other banks in Wisconsin and Colorado.

Eagan—Mid America National Bank. Sold to Mr. Keyes.

Hutchinson—First National Bank. Sold to a group of Minneapolis bankers.

Maplewood—Hillcrest Mid Amer-

ica State Bank. Sold to B. John Barry, chairman of Town & Country State Bank in Newport and Blue Earth State Bank in Blue Earth.

Roseville—Mid America National Bank. Sold to W. Donald Larson, trucking industry executive.

St. Paul—Mid America State Bank of Highland Park. Sold to a group of employees headed by President John D. Turner.

The four banks sold by Mr. Jacobs are:

Mankato—National Bank of Commerce. Sold to B. John Barry, chairman of Town & Country Bank in Newport and Blue Earth State Bank in Blue Earth, and James Chafoulis, director of the Newport and Blue Earth banks.

North Mankato—Valley National Bank. Sold to Glen Taylor, president of Carlson Craft, Mankato, and a director of Valley National for many years.

Sherburn—Farmers State Bank. Sold to a group of local people headed by James D. Lytle, president of the bank for several years.

St. James—Citizens State Bank. Sold to Lloyd A. Amundson, owner and chairman of First Security State Bank of Sleepy Eye and State Bank of Madison and other banks.

Joins Crystal State as VP

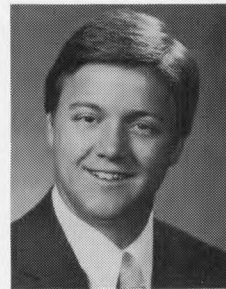
Michael S. Higgins has joined the Crystal State Bank staff as vice president in charge of commercial loans. Most recently he served with Midland National Bank and had been in the correspondent bank division since 1977. Mr. Higgins previously held positions with the Fifth Northwestern National Bank in Minneapolis and the First National Bank of Duluth.



M. S. HIGGINS

Joins 1st Bank Edina; New Director Elected

H. J. Wogsland, president of First Bank Edina, has announced the election of Paul Wenino to commercial loan officer. Mr. Wenino began his banking career in 1976 at First Bank Virginia as a management trainee and was promoted to commercial loan and real estate officer in 1978. He is a 1976 graduate of Concordia College.



P. WENINO

Floyd Hall has been named to the board of directors. He is president and chief executive officer of B. Dalton Bookseller, a nationwide book store chain based in Minneapolis. He is a recent graduate of the Harvard Business School's Advanced Management Program.

Joins NW Nat'l., Hastings

Richard P. Pike, president of the Northwestern National Bank of Hastings, has announced the election of Michael J. Schumacher as a commercial loan officer.

Mr. Schumacher received a BSBA degree from Creighton University, Omaha, in 1976. He worked as a tax auditor for the State of Nebraska in Scottsbluff before joining Banco in 1978 as an internal auditor in



M. J. SCHUMACHER



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The Independent Bank's Correspondent Partner.



the Omaha region. Last year he started as a regional credit trainee at the U.S. National Bank of Omaha.

Named VP at Northfield

Jerry M. Van Wyk has been named vice president of Northwestern State Bank of Northfield. Previously he was in financial analysis and planning for Banco.

Prior to joining Banco, Mr. Van Wyk was in systems and operations in the Iowa-Des Moines National Bank. He is a graduate of Central College in Pella, Iowa, and has an MBA degree from Drake University.

Promoted at Appleton Bank

Two employees of the Farmers & Merchants State Bank, Appleton, Wade Schmidt and Tom Swenson, were named assistant cashiers at the bank's recent annual meeting.

Mr. Schmidt has been with the bank for 3½ years, joining the staff after his graduation from Moorhead State University. Mr. Swenson has been with the bank for 4½ years, previously working for a Minneapolis insurance company.

George M. Robertson Sr.

Funeral services were held in Winona for George M. Robertson Sr., 85, a retired area banker. He came to Winona in 1937 as executive vice president of First National Bank of Winona, now First Northwestern National Bank.

Mr. Robertson was elected president in 1940 and chairman in 1958, retiring in 1960. He was previously associated with Union Bank & Trust Co. in Helena, Mont.

Bankers Named to Board

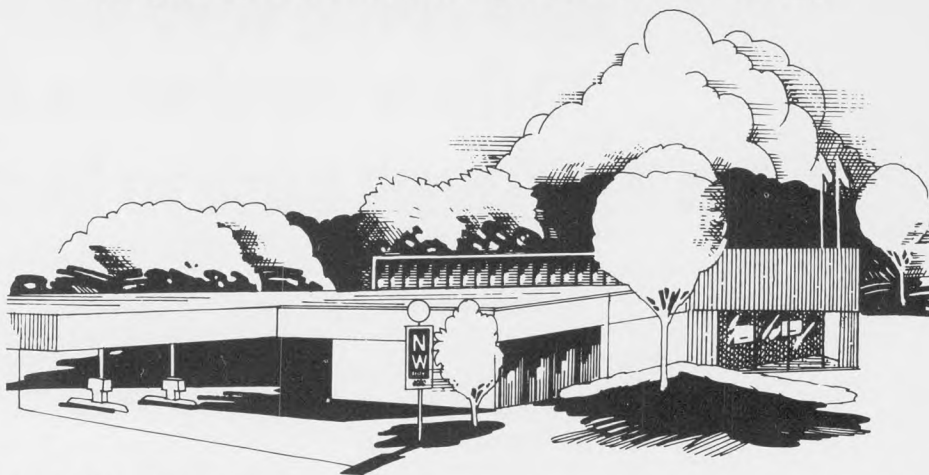
John Cochrane, president of Northwestern National Bank in Rochester, and Roger Popp, vice president of First Northwestern Bank in Red Wing, were recently elected to the Courage Center board of directors at the group's annual meeting in Minneapolis.

Courage Center, headquartered in Golden Valley, provides services of rehabilitation, education, employment and recreation to individuals with physical disabilities.

American Nat'l., St. Cloud Tells Trust Dept. Changes

Anita B. Hanson has been promoted to trust officer at the First American National Bank of St. Cloud, according to A. D. Didier, president. Ms. Hanson has been with First American's trust

Maple Grove Bank Opens New Facility



NORTHWESTERN Bank Northwest, Maple Grove, recently opened its second full-service detached facility, according to **James Heig**, pres. The grand opening for the new office, located at the Maple Grove Mall, was held June 19-21. Features include an Instant Cash ATM, motor banking and safety deposit boxes.

W. St. Paul State Donates Band Trailer



THE Henry Sibley High School Championship Marching Band recently paraded into the West St. Paul State Bank parking lot to receive a new band instrument and equipment trailer donated by the bank. The 24-foot Wells Fargo trailer was turned over to **John Minors**, center right, band dir., by West St. Paul State Pres. **J. Robert Stassen**. West St. Paul Mayor **Ken Kube** and **Jim Froelke**, pres. of the Sibley Band Parents, attended the event, along with a number of local public officials. The \$5,000 trailer features a special water tank which dispenses ice water to refresh band members at the end of a day's march.

department since 1978. She is a graduate of the University of Minnesota and attended the National Trust School at Northwestern University.

Duane E. Cramer has joined the bank as an assistant vice president and trust officer. Mr. Cramer is a graduate of Dakota State College and received a JD degree from the University of South Dakota. He previously managed the trust department at the American National Bank of Cheyenne, Wyo.

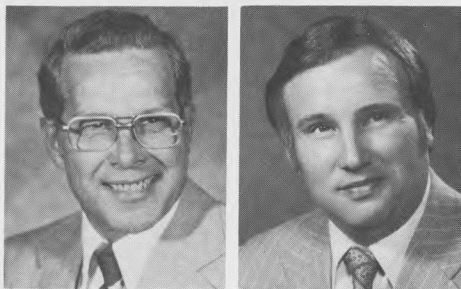
Record Master Charge Volume Shows Slower Pace

The dollar volume of Master Charge/MasterCard transactions in the midwest reached a new record level of \$279,546,000 in the first quarter of 1980, despite an apparent slowing in the charge card's growth.

Volume was up seven per cent over the first three months of 1979, while the growth for the same period in 1979 over 1978 was 28%.

South Dakota

J. W. Thomson, pres., Centerville
J. M. Schwartz, exec. mgr., Pierre



Sioux Falls Branch To Have New Building

GROUNDBREAKING ceremonies for the Northwestern National Bank, Stockyards branch, to be located on the southwest corner of Cliff Avenue and Rice Street in Sioux Falls were recently held.

The new facility will replace the existing branch office which is located at 828 E. Rice St. The bank will offer all of the features of a full service bank, including six teller stations, an Instant

Cash machine and three auto bank tellers with the provision to expand to five in the future. One of the teller stations will operate as a post office substation.

The building which will encompass 6,720 square feet will have a western motif expressed in materials and decor to reflect the close ties the bank has with the agri-business community. The facility will be completed in the early fall.



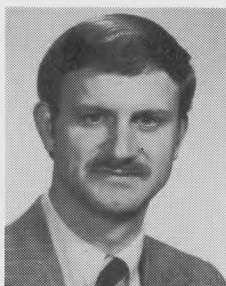
THE NEW building for the Stockyards branch of NW Nat'l., Sioux Falls, will be completed this fall.

NW Nat'l., Sioux Falls Announces Appointment

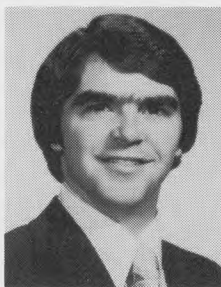
Three promotions were announced recently at the Northwestern National Bank of Sioux Falls, according to C. P. "Buck" Moore, president.

Leonard S. Dankey, who joined the bank in 1978, was named personal loan officer, Westwood office. He has a bachelors degree in agriculture from South Dakota State and an MBA from the University of South Dakota.

Robert C. Oliver was elected commercial loan officer, main office. He is



L. S. DANKEY



R. C. OLIVER



M. J. MURRAY

a graduate of the University of South Dakota with a bachelors degree in economics and an MBA. He moves from the Westwood office where he was a personal loan officer.

Marilyn J. Murray was named personal banking/student loan supervisor at the main office. She joined the bank in 1974 and was formerly a personal banking representative.

NW Nat'l., Sioux Falls Welcomes Rotary Group



C. P. "Buck" Moore, pres., Northwestern National Bank of Sioux Falls, far left, welcomes a Rotary Group Study Exchange of Australians from New South Wales. The men are spending six weeks in the area visiting people and studying institutions. The group stopped at NW National on their first day, touring the facilities and discussing banking and economics with bank officers.

Elevated at Rapid City

United National Bank, Rapid City, has announced the promotion of Rosemary Hogan to the position of customer service officer. She has been with the bank for four years and has served in various capacities, including teller supervisor. She has been in the banking field for 20 years.



R. HOGAN

Hosts Cash Seminar

A three-day seminar called "Frontiers of Corporate Cash Management" will be held in Chicago at the Ritz Carlton Hotel July 9-11 and again July 21-23 at the Ambassador East Hotel. The programs, sponsored by First Chicago Corporation, deal with state-of-the-art cash management system, design, and decision support strategy.

Presentations will focus on current practice and prescriptions for addressing cash management system design problems. Participants and faculty will discuss strategies for coping with the rampant changes occurring in the cash management environment.

Enrollment is limited to 40 corporate cash managers, treasurers or CEOs, who will be divided into small task groups for specific problem solving sessions.



OFFICERS of the North Dakota Bankers Association for 1980-81 are, from left, front row: Immed. PAST Pres.—**Morris T. Nelson**, pres., Scandia American Bank, Stanley; Pres.—**C. N. Davis**, sr. adm. off., First State Bank of Cando; Pres.-Elect—**T. A. Roney**, pres., Foster County B&T, Carrington; Vice Pres.—**John M. McGinley**, pres., American State Bank, Williston. Back row: Treas.—**L. F. Gerhart**, pres., Mandan Security Bank, and Exec. Dir.—**Harry J. Argue**, Bismarck.

C. N. Davis Named President of NDBA

By **BEN HALLER, JR.**
Editor

C N. DAVIS was elected president of the North Dakota Bankers Association for the 1980-81 at the 95th annual NDBA convention in Bismarck May 20. Mr. Davis is senior administrative officer of the First State Bank of Cando. In his new post, Mr. Davis succeeds Morris T. Nelson, president of Scandia American Bank in Stanley, who served as president of the association this past year.

Advancing to president-elect, was

Tom A. Roney, president of the Foster County Bank & Trust Company in Carrington. The new vice president is John M. McGinley, president of American State Bank in Williston. Treasurer is L. F. Gerhart, president of Mandan Security Bank, Mandan. Harry J. Argue continues as executive director.

T. A. Solheim, ABA state vice president for North Dakota and chairman of American Bank and Trust Co., Minot, presided at the ABA meeting. Dan P. Schorsch, president of First National Bank of Jamestown, was elected to a two-year term on the ABA council effective with the conclusion of the ABA convention this fall. He will succeed Mr. Solheim. The other NDBA representative on the council is Edward L. Olson, executive vice president, First National Bank in Grand Forks. All three men are former NDBA presidents.

The Kirkwood Motor Inn in Bismarck was the site of the 1980 convention, which was attended by 450 bankers, spouses and associate members.

In his President's Address, Mr. Nelson proposed that the NDBA and the Independent Bankers of North Dakota hold a joint convention, with one-half day set aside for separate meetings of the two groups. Mr.

Nelson noted that mounting costs of speakers and facilities for conventions, as well as the interest by so many North Dakota bankers in both organizations.

During the annual business session, four amendments to the NDBA constitution and by-laws were presented by G. C. Anderson, president of the Bank of Tioga. The printed ballots were distributed to each bank present, and also were sent by mail following the meeting to each bank not represented at the convention. The first provides that the position of treasurer be combined with that of the vice president, whose title would become vice president and treasurer. The second would reduce from three to two years the term of past presidents on the NDBA executive council after the conclusion of their presidency. The third change, in the by-laws, would provide that the nominating committee consist of the nine executive council members elected by the groups, with the immediate past president as chairman. They would publish a proposed slate of officers at least 30 days prior to the annual meeting. The fourth change proposed that in the event of a vacancy in the office of vice president, the nominating committee be reassembled to nominate an individual for the remainder of the term and would assume office on approval by the full executive council. If the vacancy occurs within the last three months of the term, the office remains vacant.

Seven bankers were awarded plaques for 40 years of service. They are:

- Carlyle P. Austinson, executive vice president, Northwood State Bank.
- James B. Collinson, president,



Morris and Gloria Nelson admire the bronze western sculpture presented to him as a gift for service as NDBA president this past year.



ABA Pres. C. C. Hope is greeted warmly as he is introduced by NDBA Pres. Nelson.

First National Bank, Devils Lake.

- Morris T. Nelson, president, Scandia American Bank, Stanley.

- W. E. Summers, president, Stutsman County State Bank, Jamestown.

- George H. Sumnicht, vice president, First National Bank, Devils Lake.

- Robert V. Trousdale, president, Commercial Bank of Mott.

- Gordon H. Weber, president,

Farmers State Bank of Lisbon.

A plaque for 50 years service was presented to Ralph L. Trom, president of the Kindred State Bank.

A 60-year plaque was presented to Herbert M. Nash, chairman, Farmers & Merchants National Bank, Hatton.

After an opening day of men's and women's golf and bowling tournaments, followed by the president's reception, dinner and dancing, the second day of the 95th convention

opened with what has become a favorite session—the Prayer Breakfast. Presiding was Robert E. Caudel, senior vice president of the Bank of North Dakota in Bismarck. An address was delivered by C. John Miller, president of the Independent Petroleum Association of America, Washington, D.C.

After viewing the new NDBA film, "Good Fortune in the 1980s," President Morris Nelson introduced the



LEFT—Pete Ankeny, pres., 1st Nat'l., Minneapolis, and Bob Westbee, pres., 1st Bank of Bismarck. RIGHT—Ken Wales, v.p., 1st Nat'l., Minneapolis, visits with a long-time friend, Dale W. Youngern, C.P.A., Grand Forks.



LEFT—Tom Stockert, v.p., 1st Nat'l., Minot, his wife, Kathy, and Stan Peterson, v.p., Midland Nat'l., Minneapolis. RIGHT—Dan Schorsch, pres., 1st Nat'l., Jamestown, and Ted Solheim, chmn., American B&T, Minot.



LEFT—Bert Gerhart, pres., Mandan Security Bank, and his wife, Rose, and Mary and Jack Campion, a.v.p.-inv. dept., Marquette Nat'l., Minneapolis. RIGHT—Ron Doll, dist. mgr. of Brandt, Wayzata, Minn., with Darrell Patzer, a.v.p., Stutsman Co. Bk., Jamestown.

president of the American Bankers Association, C. C. Hope Jr., vice chairman of the First Union National Bank of North Carolina, Charlotte. He gave his review of the function of ABA and its recent accomplishments in the fields of legislation and consultation with federal and White House authorities on the subjects of

ABA's task forces on inflation and regulation. Mr. Hope noted that the newly-formed committee of five regulators was meeting that day in Washington to discuss whether they should invoke the quarter percent differential favoring thrifts or do away with it. He noted that President Carter, Treasury Secretary Miller

and Fed Chairman Volcker have asked ABA support in use of its Task Force on Inflation to fight Congressional attempts to beef up Congressional spending prior to the fall elections.

One of the popular speakers was Ron Erhardt, head coach of the New England Patriots professional foot-



LEFT—Don Pederson, sr. v.p., Northwestern Nat'l., Minneapolis; Gloria and Morris Nelson, retiring NDBA pres., and Peter Gillette, pres., Northwestern Nat'l., Minneapolis. **RIGHT**—Dennis McFadden, corr. bk. rep., Northwestern Nat'l., Minneapolis; George Schwartz, pres., 1st Nat'l., Fargo, and his wife, Donna, and John Thomson, v.p., Northwestern Nat'l., Minneapolis.



LEFT—Tom Roney, pres., Foster Co. State, Carrington; Don Johnson, v.p., American Nat'l. B&T, St. Paul, Minn.; LeRoy Lokken, v.p., Bank of Tioga, and Frank Forster, pres., Farmers State, Richardton. **RIGHT**—Al Haas, exec. v.p., cash. & c.e.o., Bismarck State; Morris Nelson, retiring NDBA pres.; Ron Erhardt, coach of New England Patriots, and Gerry Willer, pres., Bank of Kirkwood Plaza, Bismarck.



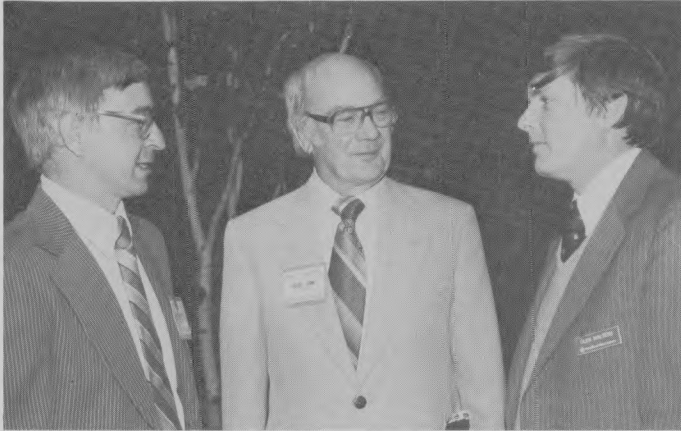
LEFT—Phil Adams, v.p., St. Paul, Minn., and George Thorson, a.v.p., Fargo, both with Collateral Control of St. Paul, and Sandie and Kent Mongeon, exec. v.p., State Bank of Towner. **RIGHT**—Lyle Askerooth, Dennis Christofferson, Garnas Askerooth, Jim and Barb Dawson, all of Dawson Hail Ins. Co., Fargo, and M. I. Hoffmann, exec. v.p., 1st State, Munich.

ball team of the NFL, Foxboro, Mass., who was returning to his native North Dakota as the luncheon speaker. He played on a two-time high school championship football team in Mandan, later at North Dakota State University and coached that team to national small college championships before moving into professional football coaching.

Another speaker of special interest was Orion Samuelson, vice president at WGN Continental Broadcasting Company in Chicago, who is well-known throughout North Dakota and other midwest states because he keeps in close personal touch with ag conditions through on-the-spot visits to North Dakota and surrounding states.

Gerald P. Willer, president of the Bank of Kirkwood Plaza in Bismarck, was master of ceremonies for the annual banquet. After recognition of guests and presentation of awards, the evening was concluded with an outstanding performance by the Serendipity Singers.

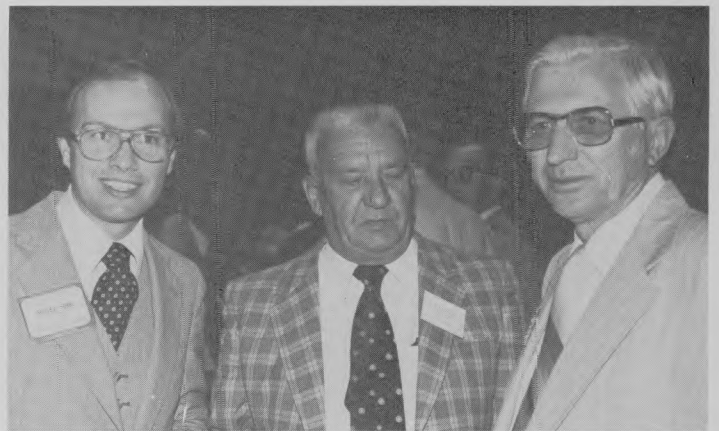
The 1981 NDBA convention will be May 18-19 in Fargo. □



LEFT—Jack Quitmeyer, corr. bk. off., 1st Nat'l., Minneapolis; **Ralph L. Trom**, pres., Kindred State, and **Glen Walters**, v.p., 1st Nat'l., Minneapolis. **RIGHT—Tony Goetz**, pres., Security State, New Salem; **Homer Hiller**, asst. cash., Bank of Glen Ullin, and **Lee Stenehjelm**, pres., 1st Internat'l. Bk., Watford City, and a past NDBA pres.



LEFT—Dick Gandrud, pres., Pope State Bank, Glenwood, Minn., who is pres.-elect of the Minnesota Bankers Assn., and his wife, **Lorraine**, with old friends **Peggy** and **Harold Ormseth**, v.p., 1st Nat'l. B&T, Bismarck. **RIGHT—Milt Schwartz**, exec. mgr., South Dakota Bankers Assn., Huron; **Harry Argue**, exec. dir., NDBA, and **Henry Ness**, sr. v.p., Fargo Nat'l. B&T.



LEFT—Earl Lundin, a.v.p., Manufacturers Hanover Trust, New York, and **Bruce Jacobson**, sr. v.p., 1st Nat'l., Fargo. **RIGHT—Bruce Hebel**, a.v.p., 1st Nat'l. of St. Paul, Minn., with **O. K. Anderson**, pres., State Bank of Lakota, and **Gordon Weber**, pres., Farmers State, Lisbon, both former NDBA presidents.

Opens New Facility

A ribbon-cutting ceremony on May 27 opened the new modern facility of the Farmers State Bank of Richardson, according to Francis Forster, president. A public open house is planned for July 11 and 12.

Joins First State, Goodrich

Roy W. Dockter has joined the staff of the First State Bank of Goodrich as a loan officer. He succeeds Magnus Meier who has accepted a position at the newly-established West River State Bank at Hettinger.

Bank of N.D. VP is Loan Program Officer

Martin E. Stenehjelm, vice president of the Bank of North Dakota, Bismarck, and manager of the student loan division, was elected to a two-year term as treasurer of the National Council of Higher Education Loan Programs at a recent annual meeting in Boston.

North Dakota is one of only four states that do not have a state guarantee program, but rely solely on federally insured student loans. Bank of North Dakota made the first Federally

Insured Student Loan in 1967 and since then has processed 90,000 loans totaling \$87 million, which constitutes over 70% of the total student loan volume in the state.

Ted H. Tufte

Funeral services for Ted H. Tufte, 78, were held recently in Northwood. Mr. Tufte was instrumental in starting the Northwood State Bank in 1930. In 1948 he was elected president, a post he held for 30 years.

He was an active member of the North Dakota Bankers Association for 50 years and had served on its various committees. Mr. Tufte served two terms as mayor of Northwood.

Personnel News From First Bank Bismarck

Denis J. Trom, personnel officer of the First National Bank & Trust Co. of Bismarck, recently graduated from the American Bankers Association National Personnel School in Boulder, Colo.

Owen Noteboom, vice president and manager of the bank's retail banking division, has been re-appointed to the advisory board of the ABA's Instalment Lending Division. He was also elected educational chairman for the

Midwest Region for ABA's instalment lending.

Wayne Hatzenbuehler, auditor, recently attended the National American Institute of Banking Leaders Conference in New Orleans. He is president of the Bismarck-Mandan AIB chapter.

Manufacturers Commercial Opens Dallas Office

Manufacturers Hanover Corporation has announced the opening of a full-service commercial financing office in Dallas.

The office will be the southwestern commercial financing headquarters for Manufacturers Hanover Commercial Corporation, MHC's asset-based services subsidiary.

The new office, located at 1509 Main St., is headed by Richard X. Hatch, vice president.

B of A to Install ATMs

Bank of America NT & SA will install 105 additional automated teller machines this year under a system contract with Bunker Ramo Corporation and Diebold, Incorporated.

The announcement followed completion of the bank's successful pilot program involving 33 Diebold TABS® 9000 series ATMs.

Checklist of security items . . .

(Continued from page 20)

With regard to physical security, the added expense of providing a higher degree of vault protection may, over the long term, amount to very little on an annual basis. The life of security vaults frequently extends 25 years or more. Often overlooked is that these vaults also protect against catastrophic man-made or natural disasters, as well as criminal assault.

New Underwriters' Laboratories classifications rate vault doors in terms of their resistance to attack rather than the previous standards which simply measured the thickness of the door. The new standards are designated as Class I, II and III, each related to the duration of such resistance.

Night depositories are also vulnerable to burglary. Again, the importance of an adequate alarm system cannot be overemphasized. The alarm should provide a high degree of security in the wiring which connects it to the main vault alarm. When purchasing a new depository, I recommend a U.L.-approved model. They have been tested and examined for resistance to various forms of criminal attack.

Security Checklist

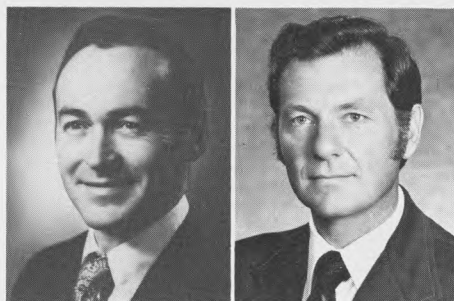
Bank security officers should make periodic examinations of their organizations' equipment and procedures. A

risk evaluation for an existing bank or new office will determine whether or not the risk justifies an outlay for added protection. Among the items to be reviewed are:

- Are your teller stations and platform offices equipped with effective hold-up devices? Does your personnel know how to operate them?
- Have you coordinated with the local police the method of response to your hold-up alarms?
- How long ago did you install your vault alarm? Is it covered by a regular inspection service agreement?
- How secure is the leased line alarm connection to your local police station? Have you upgraded it within the past 10 years to one having a high degree of line security?
- Do you have a cash control system whereby tellers are relieved of excess cash on a regular basis? Is the excess cash under delayed timelock protection?
- Do you periodically test your cameras or are they under a standard maintenance agreement?
- Do you train your tellers to be alert to suspicious activities in the bank lobby and to record such activities via a suspicion photograph taken by the surveillance camera?
- How old is your night depository? Is it protected by an alarm system? Have you upgraded the depository security within the last five years? (Some units can be field retrofitted with improved security devices.)
- Do you treat your protective alarm equipment as a vital and potentially lifesaving device, or do you consider it merely as an obligation required by the BPA. ☐

Montana

R. F. Burke, pres., Missoula
J. T. Cadby, exec. v.p., Helena



MBA's John Cadby Looks at Banking's Future

A COMPLETE report with pictures of the Montana Bankers Association annual convention held at The Broadmoor in Colorado Springs late last month will be published in the next issue, since the July magazine was being printed at convention time.

In a special interview with the *NORTHWESTERN BANKER* prior to the convention, John T. Cadby, executive vice president of the MBA, was asked how he views the direction of Montana banking and what might lie ahead for the industry. Following are Mr. Cadby's comments in reply to this question:

"For the past 77 years, the Montana Bankers Association's principal thrust has been towards government relations. In the 80s, education and communications will command an equal and perhaps superior role to that of government relations.

"Banking's future environment is intensified competition. The elimination of interest ceilings, the disappearance of industry delineations, the steadily growing foreign banks, the erosion of geographical restraints, coupled with increased technological changes, will alter banking policies and procedures as never before.

"Bankers need not fear this new competitive atmosphere as they are the most capable and experienced lenders in the marketplace. One simply has to stay abreast of the changes and turn those changes into profitable opportunities. The Association's role will be to anticipate these changes and provide whatever information and education necessary to keep the banker ahead of his competition. This information and education will be provided through seminars, workshops, bulletins and the most expeditious means available. For example, MBA will sponsor a series of workshops on NOW accounts so banks can be prepared to price and sell them at a profit in 1981.

"MBA is also launching an advertising program this fall to communicate to the public that banks are better and that bankers are the ones to see for financial counsel. An informed, marketing-oriented banker, combined with his vast experience in the money business, will still be able to make a profit in this new era of intensified competition." □

New VP at Sidney Bank

Thomas D. Tietz, executive vice president of 1st United Bank of Sidney, has announced the appointment of William A. McIntosh as vice president and cashier. Most recently Mr. McIntosh owned a drive-in business and served as a financial investigator for the Department of Institutions in Billings.

Formerly he was at the Sidney National Bank from 1959-77, leaving there as a vice president and director. Mr. McIntosh was active in the Montana Bankers Association and the Montana Independent Bankers Association. He has a BA degree in economics from Syracuse University and did graduate work at Harvard University.

First Bank Havre Tells Appointments, Promotions

Gordon Clarke, president of First Bank Havre, has announced new appointments and staff promotions.

Randy Smith has been promoted to agricultural loan officer and manager of the agricultural department replacing Rick Kuntz. He joined the bank in 1978 and was promoted to ag loan officer last November.

Melanie Dickinson, promoted to commercial loan officer, has been with the bank since 1979 when she joined the staff as a real estate loan representative.

Karen Miller was named to the new position of personnel officer. She joined

the bank in 1956 and was formerly manager of the instalment loan department.

Bill Filler, named the new manager of the instalment loan department, joined the bank in 1978 as assistant manager of that department.

Jean Scofield, promoted to operations officer, joined the bank in 1962 and was named auditor in 1974. She later assisted with compliance and operations.

Carolyn Begger has joined the staff as auditor. She is a recent graduate of the University of Montana and has been training with First Bank System examiners since November.

Tom Kuka, named instalment loan representative, joined the bank part-time in 1977. Don Lloyd, with the bank since 1979, has been promoted to compliance and loan review representative.

Two staff members were named management associates, Farrel Alleman and John Stott. Mr. Alleman has been with the bank since 1979, and Mr. Stott since January.

First Chicago Expands Its Cash Management Division

First Chicago is in the process of expanding its Cash Management Division, according to Norman Kost, senior vice-president and head of the administrative department. New groups have been established to strengthen the division's services.

John Coblenz, vice-president and Cash Management Division head, explained further. "We organized the division into three distinct groups — product management, marketing support, and consulting services — in order to better serve the growing needs of our customers. This required the addition of new staff members as well as a commitment to develop marketing tools and new products."

The product management unit, headed by Dino Kapadia, assistant vice-president, is geared to developing and introducing cash management products.

The marketing support unit, headed by Christopher Skaar, vice-president, is responsible for delivering First Chicago's cash management products into the marketplace.

The third group comprising First Chicago's Cash Management Division is consulting services, which is recognized as the premier consulting group in the country.



OFFICERS of the Wyoming Bankers Association for 1980-81 are, left to right: (Seated) Immed. Past Pres.—**George W. McIlvaine**, pres., Saratoga State; Pres.—**George E. Cooke**, dir., American Nat'l., Powell, and 1st Vice Pres.—**Al E. Bradbury**, pres., 1st Nat'l. in Evanston. (Standing) 2nd Vice Pres.—**Buzz Wassenberg**, pres., State Bank of Big Piney, and Exec. Dir.—**M. Clare Mundell**, Laramie.

Wyoming Bankers Elect George Cooke

By **BEN HALLER, JR.**
Editor

WYOMING bankers advanced George E. Cooke to the presidency of the Wyoming Bankers Association for 1980-81 at their 72nd annual convention last month at Jackson Lake Lodge in Moran. Mr. Cooke is a director and past president of American National Bank of Powell. He succeeds George W. McIlvaine, president of the Saratoga State Bank.

Moved up to first vice president

was Al E. Bradbury, president, First National Bank in Evanston. Named the new second vice president was Donald R. (Buzz) Wassenberg, president, State Bank of Big Piney. M. Clare Mundell, Laramie, continues as WBA executive director.

ABA members elected John A. Guthrie, chairman and president of the Bank of Laramie, to a two-year term on the ABA Council.

Four bankers were elected for two-year terms on the WBA executive council. They are: Paul A. Christen-

sen, executive vice president, Wyoming National, Casper; Mike J. Coughlin, president, Equality State, Cheyenne; Clifford E. Kirk, executive vice president, First National, Gillette, and Tom Poletti, senior vice president, First National, Riverton.

Three were elected to one-year terms on the executive council. They are: Melvin D. Hutchings, president, First Wyoming Bank, N.A.-Jackson Hole, Jackson; T. L. Stewart, president, State Bank of Green River, and Roman Skatula, executive vice president, Wyoming Security Bank, Sheridan. In addition, Mr. McIlvaine will continue on the council for one year as immediate past president.

Jackson Hole weather seldom has been more ideal than it was for this year's convention. Golfers, fishermen, tennis players, boaters and hikers all turned up with strong evidence of the sun and wind. The clear evening sunsets accentuated the sharp beauty of the Teton mountain peaks.

First Speakers

Inside the meeting hall, the news was more serious.

State Senator John Turner discussed the legislative approval of the Wyoming Community Development Authority, expressing several concerns about the law as it was passed. These included the price of housing and the income level it takes to sustain those houses; the \$750 million of bonding authority that perhaps should have been set at a lower level initially and then reviewed by the legislature; the distribution of funds and whether it was equitable among communities, and the fact there was nothing for rental housing. Sen. Turner also discussed the State



LEFT—The Hon. **Richard Cheney**, U.S. Representative from Wyoming, and **George Cooke**, new WBA president. **RIGHT**—**Josephine Webster**, pres. of NABW, and **Hugh Sidey**, Washington editor for TIME magazine, Washington, D.C., visit with delegates after their talks.



LEFT—Pat Echtermeyer, whose husband, Don, is sr. v. p. of Central Bank of Denver, received several gifts from **John Edmiston** (right), sr. v. p. of Denver Nat'l., Denver, for her help during the WBA golf tourneys for the past several years. **RIGHT**—**Henry A. Hitch**, pres., 1st Nat'l. of Casper, congratulates long-time friend **George Cooke** on his election as WBA president.

Supreme Court ruling that struck down the method of financing the Wyoming school system.

Hugh Sidey, Washington editor of *TIME* magazine, has covered the news surrounding the Presidents of the United States since President Eisenhower took office. His assessment of the unique characteristics and contributions of each of the Presidents since that time were well presented and most interesting. His assessment of President Carter's term didn't offer much in the way of any contribution made to date. Discussing the Hamilton Jordan memo to the President on "how to get re-elected," Mr. Sidey said, "This is a perfect example of how procedure has blotted out purpose. It is totally devoid of consideration of direction, of governing, of the people, but only about the mechanics of getting votes."

In his President's Address, Mr. McIlvaine stated, "As we look to the future, we in our state must become more vocal—at the state as well as the national level—and have our thoughts known. If we are to be leaders, we must be in the forefront."

Josephine Webster, president of the National Association of Bank Women, Chicago, spoke at the first business session on the topic of "Productivity." Citing various studies to show that America is falling behind in productivity, she said, "Large groups of people misunderstand the purpose of our profit system, at the same time wanting high taxes to support the programs offering services to those who don't believe in it." Regarding the banking industry, she stated, "We need an accelerated educational program to show employees

why they have a stake in improving productivity. Our employees are our best consultants. Banking production has the worst record in business in the past 10 years—a minus 1%—due to being so labor intensive. There is a direct correlation between high employee morale and high bank performance."

Mrs. Webster said "banking is not only labor intensive, it is female intensive. The black cloud of labor organizing is pending. One of the best insurance policies against this is a strong NABW."

Final Speakers

At the closing business session, delegates packed the Jackson Lake Lodge ballroom to hear The Hon. Richard Cheney, who is one of Wyoming's two U.S. Representatives, and University of Wyoming President Dr. Edward Jennings.

Rep. Cheney discussed national economic policy and several issues he felt were pertinent to Wyoming. He feels the unemployment figure will go to between 9% and 10% by year-end. Also, he is projecting the recession will last 18 to 24 months with flat or negative growth. He pointed out that the budget will not be balanced, as Administration officials claim it will be, but will more likely be about a \$50 billion deficit.

When it becomes evident in the next few weeks that the budget will not balance, Rep. Cheney stated, "constraints will go by the board and Congress and the President will look to stimulating the economy . . . I'll bet by the end of summer, or in advance of the Democratic convention, we'll see new proposals for big expenditures and for tax reduction." Con-

tinuing, he said, "Nobody has a long-term perspective" in Washington. "There will be a 12-18 month lag time in the effect of this new budget, so it will be felt in '82 and '83. This will kick off another economic cycle, so we keep starting each inflation at a higher cycle level and we would have inflation of 20% and interest rates at 25%."

"By 1990, one person in five will be eligible for Social Security; right now, one in 10 is eligible for food stamps. We used to spend 11% of our peace time budget for defense; now it is below 5%."

As opposed to continuing current policies, Rep. Cheney proposes a long-term perspective of economic policy, slowing down the rate of government spending, pursuing a conscious policy of economic expansion (which, he said, means getting rid of many federal regulations which cost so much), encouraging a higher savings rate (ours is 3%, while Japan's is 22%), and we need a sound energy policy. "Until we do this," Rep. Cheney testified, "we can't be optimistic about the long range. If we don't do this, then the next time around will be worse than the current one and the next after that will be even worse."

Dr. Jennings spoke of the university's responsibility to students. "In essence," he related, "our job is to prepare them to meet, adapt and innovate to handle jobs in the future—jobs that have not even yet been invented. Education is a perfect instrument for personal development. It doesn't just improve our culture and the quality of life, but improves our ability for tolerance of other cultures, nationalities and ideas." □

Pictures from the Wyoming Bankers Convention



LEFT—Greg Blow, mgr. & trust off. of Wyoming Trust & Management, Gillette; Janet and Sherrod France, pres., Rawlins Nat'l., and John Clements, v.p., Omaha Nat'l., Omaha, Neb. **RIGHT**—Gene Coombs, v.p., Security Bank of Billings, Mont., and Pennie, with Sally and Don Babbitt, pres., Stockgrowers State, Worland.



LEFT—Bernie Weber, pres. & chmn., 1st Nat'l. B&T, Cheyenne, and Ruth, with Mary and Harmon Watt, pres., 1st Nat'l., Riverton. **RIGHT**—Sharon Hendrickson displays her fishing tourney prizes to her husband, Bruce, who is 2nd v.p., Omaha Nat'l., Omaha.

Named at Sheridan Bank

Robert G. Miller, president of the First National Bank, Sheridan, has announced several promotions.

Richard Destefano was named assistant cashier in operations. He first joined the bank in 1975 and later was associated with the Ranchester State Bank and the First National Bank of Green River. He returned to First National, Sheridan, in July, 1979.

Robert Carew was named manager of data processing. He joined the bank in 1974 after graduating from the National College of Business in Rapid City, S.D., majoring in data processing.

Kay Martini, elevated to operations officer, joined the bank in 1971 and has worked in various departments.

Promoted to the position of loan officer were Sally Gillenwater, with the bank since 1955; Roberta Schrater,

with the bank since 1968, and Barbara Sare, with the bank since 1976.

Cheyenne Holding Company May Acquire Jackson Bank

Bernard R. Weber, chairman of First Bankshares of Wyoming, Cheyenne, and Felix Buchenroth Jr., president of the Jackson State Bank, recently announced that an agreement in principle has been reached for the acquisition of the Jackson bank by First Bankshares.

The proposed acquisition is subject to various conditions, including the reaching of a definite agreement between the parties concerned, compliance with state and federal securities laws and Federal Reserve Board approval. If the conditions are satisfied, the acquisition will be completed late in 1980 or early in 1981.

Elected Personnel Officer

E.J. Haines, president and chief executive officer of the First National Bank, Laramie, has announced the promotion of Diana K. Hooper to personnel officer.

Ms. Hooper began her banking career with First National as a teller in 1969. Since then she has held numerous positions, most recently that of training coordinator. She attended the University of Wyoming.

Continental Opens Branch in Madrid

The Madrid branch of Continental Illinois National Bank and Trust Company of Chicago has opened for business at 29 Jose Ortega y Gasset, replacing the bank's representative office which had been operating in Spain since 1967.



LEFT—Larry Hansen, v.p., U.S. Nat'l., Omaha, Neb., and Bobbie, with Dorothy and Wayne Van Horne, pres., Citizens Bank of Laramie. RIGHT—Howard Nielsen, v.p., U.S. Nat'l., Omaha, and Rita; Wayne Messenger, chmn., First Wyoming Bank-Cody, and Marge; Del Crouse, pres., Security State, Basin, and Muiriel.



LEFT—Chuck Karpf, pres., 1st Nat'l. in Morrill, Neb., his wife, Jo Ann, and his mother, Dixie Karpf of Omaha, with Virginia and Bill Coffee of Morrill. RIGHT—Cliff Kirk, exec. v.p., 1st Nat'l., and Ken Naramore, pres., Stockmens B&T, both from Gillette, compare notes on the convention program.



LEFT—John Easterbrook, v.p., 1st Nat'l., Laramie, and Cindy, with Linda and Gary Bieck, v.p., 1st Nat'l., Lincoln, Neb. RIGHT—Bob Miracle, pres., Wyoming Nat'l. of Casper, and Maggie, with Lynn and Vern Hendrickson, a.v.p., United Bank of Denver.



LEFT—George Acker, sr. v.p., 1st Nat'l. of Denver (and also a former Wyoming banker); Wayne Messenger, chmn., First Wyoming Bank-Cody; Dave Johnson, pres., Wyoming Bancorporation, Cheyenne, and Jack Haselbush, exec. v.p., Security Bank of Gillette. RIGHT—Jay Bordewick, pres., First Wyoming Bank-Casper; Bert Harris, 1st Nat'l., Greybull, and Bob Bryans, dir., First Wyoming Bank-Casper.



OFFICERS of the Colorado Bankers Association for 1980-81 are, from left: Chmn.—**Donald L. Farmer**, pres., Rocky Ford Nat'l.; Pres.—**James J. O'Dell**, chmn. & pres., Platte Valley Bank, Brighton; Vice Pres.—**W. W. Peter Grant**, pres., Colorado Nat'l., Denver, and Exec. Mgr.—**Don A. Childears**, Denver.

James O'Dell Named Colorado President

By **BEN HALLER, JR.**
Editor

AT THE business session of the 79th annual convention of the Colorado Bankers Association, members advanced James J. O'Dell to the CBA presidency and elected other officers. Then, as the final order of business they heard the official results on their pre-convention secret mail balloting on whether to endorse or reject branch banking. The vote was 121 for, 172 against. The convention was adjourned without further discussion.

Earlier at the business session, and in previous talks from the platform,

CBA members had been urged to seek unity of purpose despite the outcome of the mail ballot.

Following the convention, a spokesman for First National Bank of Denver said his bank would continue its joint effort with United Bank of Denver to seek the signatures needed to place a branch banking referendum on the November 4 ballot. The referendum needs 8% of the legal voters in the state, which would require 62,234 signatures.

The Independent Bankers of Colorado had served notice prior to the convention that the IBC will continue to oppose such a referendum.

Other than the difference of opinion expressed in the mail ballot, the convention was held under ideal weather conditions and offered delegates an exceptionally fine program of platform speakers and entertainment.

Mr. O'Dell, who is chairman and president of Platte Valley Bank in Brighton, succeeds Donald L. Farmer, president of Rocky Ford National Bank in Rocky Ford. Mr. Farmer will serve now as CBA chairman for one year.

W. W. Peter Grant, president of Colorado National Bank in Denver, was named vice president of the CBA and is scheduled to be elected president at the 1981 convention. Don A. Childears will continue as executive manager of the CBA, with headquarters in Denver.

During the brief meeting of Colorado members of the ABA, J. Robert Young was elected to a two-year term on the ABA Council as one of Colorado's two members. His term will commence at the end of the 1980 ABA convention in Chicago next October. He will succeed Leo Hill, executive vice president of Affiliated Bankshares of Colorado, Inc., Boulder. Mr. Young is chairman of Valley Bank & Trust Co. in Glenwood Springs.

Neil King, vice president-retired of First National Bank of Denver, was inducted into the CBA 50-Year club.

C. C. Hope Jr., president of the ABA, gave Colorado bankers an up-to-date summary of federal legislative activity, along with a look at some pending legislation. He said ABA's next target, through a special Task Force, will be Money Market Mutual Funds. He said the proposal by the Federal Regulatory Commission for imposition of or



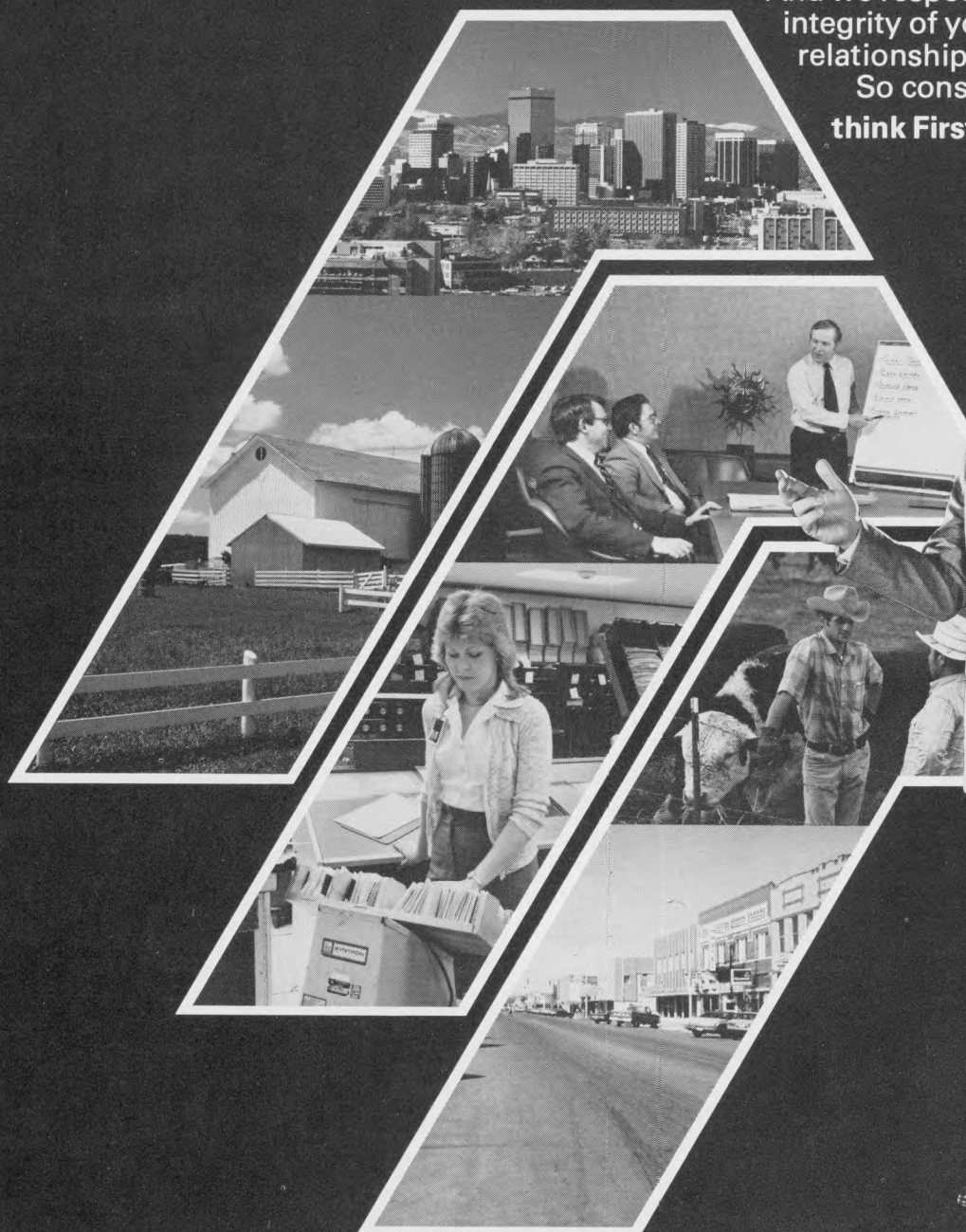
SPEAKERS included **Wm. H. Kennedy** (left), chmn. of Nat'l. Bank of Commerce, Pine Bluff, Ark., who is a candidate for office of ABA Pres.-Elect in 1981; the accounting firm official, who reported on the branch banking ballot results to new CBA Pres. **James J. O'Dell** (right), and **Dr. James Cribbin**, pres. of Management Effectiveness, New York, who discussed "Effective Management" with an overflow crowd at a special interest session.

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LEFT—Special honors were accorded ABA Pres. **C. C. Hope Jr.** during the Colorado convention. At left he is presented a piece of western art sculpture by CBA Pres. **Don Farmer** (right), while CBA Exec. Mgr. **Don Childers** holds the gift. At right, Mr. Hope and Mr. Farmer were made honorary lifetime members of the Koshare Indian dancers by their chief.

lifting of the Reg Q quarter percent differential is too complex, stating, "We've got to get rid of this foolishness."

He told bankers the next big issue ABA faces is any discussion of the McFadden Act, which prohibits branch banking across state lines.

Retiring CBA President Farmer spoke of the urgent need for a unified banking voice in Colorado. He said, "While we play civil war, the big enemy is planning to annihilate us. We *do* have a vehicle to fight together — the CBA!"

CBS Newsman Douglas Edwards said everyone knows the main problems prevailing in the United States today, but there are also many good things and favorable omens that outweigh the bad news. He reminded the audience we developed as a nation in one century and as a world leader in the second century. The task now, he stated, is "to develop the mind, the

body and character of (the American) people" as pleaded by Adlai Stevenson.

Dr. William Freund, senior vice president and chief economist of the New York Stock Exchange, gave this brief scenario as his economic forecast: The budget will *not* be balanced, but will have a \$40-\$50 billion deficit; recession will hit rock bottom the fourth quarter; a 9% picture for inflation, the prime rate, short-term interest rates and the prime rate. He expects the stock market to hit its low shortly, then start a climb back up, preceding the recession recovery as usual.

A special appearance was made by William H. Kennedy, chairman of the ABA Government Relations Council, which is responsible for conducting the ABA quarterly Leadership Conferences to establish policy. He spoke briefly at the concluding business session. Mr. Kennedy is a candidate for the office of President-Elect of the ABA for the 1981 convention. If he is

endorsed by the ABA executive council next spring he will then be the candidate. Mr. Kennedy is chairman of the National Bank of Commerce in Pine Bluff, Ark.

Al Paro, advertising director of ABA, said the association advertising will be directed as a response to the new banking law just enacted (HR4986) and also will respond to the needs of customers. These two principal needs, he said, are to conserve time (due to two-career families) and to conserve energy (save trips) by advancing electronic banking, such as the Iowa Transfer System in Iowa. He displayed the print ads and television commercials that are part of ABA's \$6 million budget.

The entertainment was first class throughout. Art Holst, well-known NFL football referee, was at his best at the noon luncheon.

The Thursday night steak fry at Rotten Log Hollow was a superb evening.



TWO SETS of identical twins are pictured at the convention: **Don Farmer** (left), retiring CBA pres. and pres. of Rocky Ford Nat'l., and his twin brother **Dr. Darrell Farmer**, D.V.M., of Tucumcari, N.M., with **Joy Edmiston** (left) and her twin, **Judy Larson** (right, we think), of Colorado Springs. **RIGHT**—**Joy** (left) and **Judy** (right) are pictured with their husbands. **John Edmiston** (left), sr. v.p., Denver Nat'l., Denver, and **Mike Larson** of Colorado Springs.



LEFT—Ed Salvi, v.p., 1st Nat'l., Denver, and **Vicky; Mary Cloonan**, 2nd v.p., Continental Bank, Chicago, and **Terry Tangen**, a.v.p., 1st Nat'l., Denver. **RIGHT—Larry Pisacka**, v.p., American Nat'l., Denver, and **Mary Ann**, with **Andrea** and **Dick Yeshnowski**, v.p., Omaha Nat'l., Omaha, Neb.



Featured were the Koshare Indians (a Boy Scout specially trained unit), the Imperial Jazz Band and a Mexican Brass Band.

Friday night the Arbors quartet had a hard time getting away from the audience so they could relinquish the platform to George Gobel, who turned in his own inimitable performance. □

First National of Denver Creates Management Group

The First National Bank of Denver has created a high-ranking Management Committee, Theodore D. Brown, chairman, announced recently.

The committee will play a key role in a general expansion program which also will involve major new positions and responsibilities for a number of bank personnel, Mr. Brown said. The changes were effective June 1.

Chairman of the new committee will be Phillip J. Hogue, who also was promoted to senior executive vice president of consumer banking services.

He previously had been executive vice president-administration.

W. Robert Alexander, executive vice president-trust banking services, has become vice chairman of the management committee.

Messrs. Hogue and Alexander will report directly to Mr. Brown.

Mr. Brown also assumes for an interim period the duties of First of Denver president. Bruce D. Alexander, who had held that post since September, 1978, has become vice chairman of the board, a newly-created post.

Other Management Committee members at the outset are Roger D. Knight III, also promoted from senior vice president-corporate banking to a new post of executive vice president of corporate and correspondent banking services; Rodney C. Thomas, senior vice president of data services, and W. Robert Temple, who becomes senior vice president of administration. Mr. Temple had been senior vice president and chief accounting officer.

J. Rodney Uhrich becomes executive vice president of credit policy and review. He previously had held that title in charge of asset/liability management.

Bruce Alexander, 58, joined First of Denver in 1948 and has held numerous high ranks. He became the first president of First National Bancorporation in 1969.

Mr. Hogue, 44, began his career with First of Denver in 1958 and also served as senior vice president of Bancorporation.

W. Robert Alexander, 52, is in his 28th year with First of Denver, in charge of trust, a post he has held since 1976.

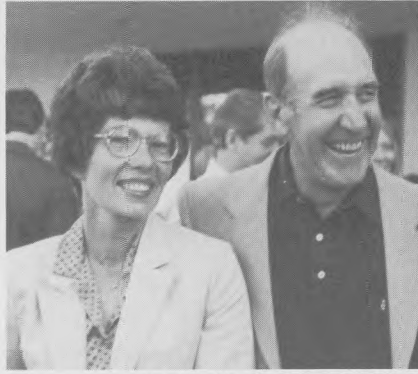
Mr. Knight, 40, began his First of Denver career in 1963 and worked through the ranks to his present position.

Mr. Temple, 38, joined First of Denver in October, 1975, and two months later was named vice president and chief accounting officer.



PICTURED at United Bank of Missouri of Kansas City dinner party were these two groups. from left, are: **Dick Muir**, v.p., and **Dick King**, pres., both with the host bank; **Bob Gibbs**, dir., and **Gary Brooks**, chmn., both with First State of Idaho Springs; **Ginny Matthes**, whose husband, Larry, is pres. of Central Bank, Aurora; **Leo Van Dittie**, Palm Springs, Calif.; **Judy King**; **E. L. Burch**, sr. v.p. of United Missouri Bank, and his wife, **Anita**.

Colorado Convention Pictures



LEFT—Carol and George Acker, sr. v.p., 1st Nat'l., Denver. **RIGHT**—Gary Bieck, v.p., 1st Nat'l., Lincoln, Neb., and Linda Bieck, with Mae and C. C. Hope Jr., pres. of the ABA.



LEFT—Royce Clark, pres., 1st Nat'l., Greeley, and Alma, with Sally Ann and Leon Winters, pres., Bank of the West, Parker. **RIGHT**—Bill MacMillan, v.p., Colorado Nat'l., Denver, and Lydia; Alan Kris, pres., Mid-State Bank, Denver, and Gloria, and Nancy and Dave Fowler, a.v.p., Colorado Nat'l.



LEFT—Bill Tumelty, v.p., Central Bank of Denver; Mary Jackson; Don Echtermeyer, sr. v.p., Central Bank of Denver, and Pat, and John Jackson, v.p., First American Bank, Colorado Springs. **RIGHT**—Max Brooks, chmn. of Central Bank of Denver, and Mr. Echtermeyer greet guests at their bank's annual convention Friday morning breakfast.



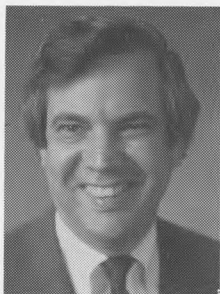
LEFT—Rod Uhrich, exec. v.p. of credit administration, 1st Nat'l., Denver; Susan Mammel, 1st Nat'l. Bancorporation, Denver; Greg Ireton, pres., 1st Nat'l., Englewood, and John Cole, sr. v.p., Texas Commerce Bank, Houston. **RIGHT**—Phil Turnbull, reg. v.p., American Express, Denver; Larry Scott, exec. v.p., Greeley Nat'l., and Ed Lichtwardt, sr. dist. mgr., American Express, Denver.

Cherry Creek National Names New President

M. Kent Winker has been named president of Cherry Creek National Bank, Denver, succeeding W. Richard Scarlett III who was named vice chairman of the board.

A graduate of the University of Nebraska, Mr. Winker has had over 20 years banking experience. Prior to his new position he served four years as president of the South Denver National Bank. Both banks are members of Mountain Banks, Ltd.

Richard C. Williams, formerly executive vice president, has succeeded Mr. Winker as president of South Denver National.



M. K. WINKER

United Bank of Lakewood Names Two Senior VPs

United Bank of Lakewood has announced the promotion of Jean Naylor and Tom Courson to the position of senior vice president.

Ms. Naylor has been with the bank since 1966. She was promoted from vice president and cashier to senior vice president and cashier. She is responsible for the bank's operations departments.

Mr. Courson has been with United Banks since 1974, joining the United Bank of Lakewood in 1978. He was formerly a vice president and has been manager of the commercial banking department since joining the bank.

United Banks to Acquire Durango, Ignacio Banks

United Banks of Colorado, Inc., Denver, has signed an agreement to acquire Bank of Durango and Bank of Ignacio.

N. Berne Hart, president and chairman of United Banks, said the two banks in southwestern Colorado have total assets of more than \$48 million. Final acquisition of the banks is subject to Federal Reserve Board approval.

R.W. "Nick" Turner Jr. will continue as president and chief executive of both the Durango and Ignacio banks.

Bank of Durango, which was chartered in 1960, has assets of \$34

million and is the second largest bank in the area. The bank also has a detached facility in Silverton. Chartered in 1910 and purchased from the Merrill E. Turner family in 1963, Bank of Ignacio has present assets of \$14 million.

Bank of Orchard Mesa Appoints Senior VP, AVP

Louis Walker, president of the Bank of Orchard Mesa, Grand Junction, has announced that the board elected Richard J. Witsken senior vice president in the commercial loan department.

Mr. Witsken has 20 years of bank experience and has served as vice president of financial institutions in Grand Junction and Dodge City, Kan. He was formerly manager of the Federal Land Bank Association and is a graduate of Colorado State University.

Phyllis N. Estes was elected assistant vice president. Her job responsibilities are in the areas of consumer lending and collections. She has had over a decade of banking experience as a consumer loan officer as well as experience as an office supervisor.

DRCOG Honors Jack Trezise

Jack Trezise, vice president of Golden State Bank, recently received the eighth annual John V. Christensen Memorial Award, the highest recognition given by the Denver Regional Council of Governments.

Mr. Trezise was selected in recognition of his many years of government and civic involvement. He served for six years on the Golden City Council and was a Jefferson County commissioner for eight years. He is in charge of public relations and business development at the bank.

Named at Denver Area Bank

John Diedrich, president of Arapahoe Colorado National Bank, Littleton, has announced the promotion of Jack Todd to assistant vice president, cashier and security officer; James A. Hesman to assistant vice president, and Robert Collins III to loan officer.

Mr. Todd joined Northeast Colorado National Bank in 1973 and worked there as operations officer and assistant vice president before moving to the Littleton bank in March.

Mr. Hesman has 14 years of banking experience and joined Arapahoe Colorado's loan department in 1974. He

also worked as a loan officer for two other metro area financial companies.

Mr. Collins joined Colorado National Bank in 1969 and transferred to Arapahoe Colorado in January. He is responsible for consumer loans, Visa and collections.

United Bank Announces Officer Appointments

United Bank of Denver has announced the appointment of William A. Thomas, Jon A. Wiedmaier and Richard B. Wigton to the position of assistant vice president.

Business development manager for MasterCard/Visa, Mr. Thomas joined UBD in 1975 and was named a personal banking officer in 1978.

Mr. Wiedmaier joined the bank in 1971 and was named a personal banking officer in 1977. He is the credit adjustments manager in MasterCard/Visa and has a BS in economics from Regis College.

A graduate of Lehigh University, Mr. Wigton joined UBD in May. He was previously associated with Wigton-Abbott Corporation and Chase Manhattan Bank, New York.

UBD also announced the appointment of Alfonso Garcia to the position of operations officer; J. Sigurd Nielsen, investment officer, and Charles C. Pell, Robert A. Stumbaugh and Carol A. Ward, commercial banking officer.

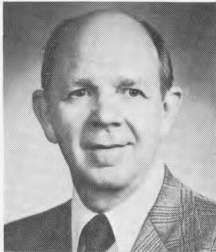
Citibank Offers Seminars

New operations techniques that have helped increase productivity as much as 50% inside Citibank are now being offered to correspondent banks in two seminar programs. Both courses, designed for operations officers to increase personnel and back-office productivity, will be conducted by Citibank 31 times in 1980 in several major U.S. cities.

The first program, "Effective Bank Operations," is a three-day workshop which restructures work patterns and improves job design to increase an employee's satisfaction with his job. The course introduces the decentralized workstation concept similar to that employed in Citibank's own back office operations.

"Production Dynamics for Bankers" teaches bank management how to generate higher production levels while holding costs and errors down without changing a bank's basic operations system. The four-day seminar offers instruction in work volume analysis and capacity planning.

You learn a lot about Correspondent Banking in 136 years...



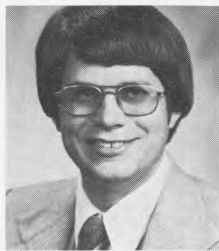
Wilbur Baack
Senior Vice President

Experience is one of the most important assets of our Correspondent Banking Division. The nine officers of this division have a total of 136 years of specialized experience in dealing with the unique problems and goals of correspondent banking. And our people give you the kind of service you need and expect to build for the future.

Call us and find out what 136 years of experience can do for your bank.



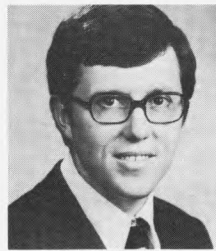
Duane Nelson
Vice President



Tom Stuckey
Vice President



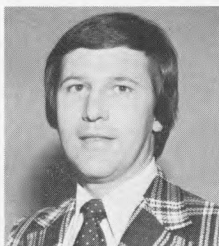
Bob Deahn
Vice President



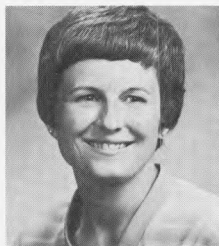
Brad Korell
Vice President



Steve Kness
Assistant Vice President



Max Callen
Assistant Vice President



Irene Rezac
Correspondent Bank Officer



Donna Bieck
Correspondent Bank Officer

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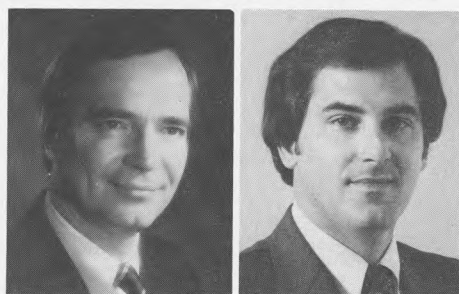


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Nebraska

J. E. Roe, pres., Bennington
R. M. Beverage, exec. v.p., Lincoln



Alliance National Bank Receives Trust Powers

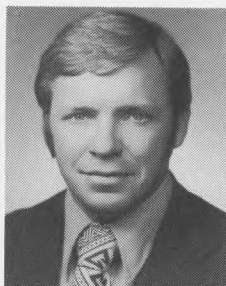
The Comptroller of the Currency's office in Kansas City recently announced that the Alliance National Bank has been granted full trust powers. Robert E. Knight, bank president, said that trust powers open the door for Alliance National to broaden its spectrum of service to the Panhandle.

Trust services can include not only the traditional management of estates, but also such services as farm and ranch management, and guardianship and conservatorships.

Initially, the bank's trust department will be headed by a trust committee including Edward M. Knight, chairman; Robert E. Knight, president, and Charles Kunch, vice president. Mr. Knight noted that the bank intends to work with all area attorneys and does not anticipate adding legal counsel to the bank staff at this time.

Heads Ag Department at First National, Kearney

Richard M. Fritz, president of the First National Bank & Trust Co., Kearney, has announced the promotion of Mel Wiens to vice president and head of the bank's agricultural division. Mr. Wiens joined the bank in 1976 as farm manager, was named ag loan officer in 1978 and promoted to assistant vice president of the agricultural department in January. He has a BS degree in agronomy from the University of Nebraska.



M. WIENS

Changes at Milford Bank

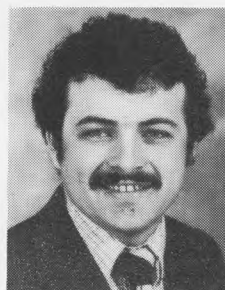
G. A. Dunlap, president of the Farmers & Merchants Bank, Milford, has announced that Jerome "Nick"

Lenzen has joined the bank staff. Mr. Lenzen, formerly an examiner with the FDIC, was elected a vice president with duties in the lending and compliance areas.

Arthur G. Matous, formerly a vice president at the Milford bank, has joined Union Bank & Trust Co. in Lincoln as an assistant cashier.

New Ag Rep at Hastings

Lloyd R. Kitrell, president of the City National Bank & Trust Co., Hastings, has announced the election of Michael B. Jacobson as agricultural representative. Mr. Jacobson received a BS degree in agricultural education and economics from the University of Nebraska-Lincoln in 1976. He formerly taught vo-ag classes at the Shickley public schools and was a farm management instructor at the Hastings campus of the Central Technical Community College.



M. B. JACOBSON

Correction

In the Nebraska Convention Report published in the June magazine, an error was made in the list of NBA Executive Council members. Included should have been Robert W. Johnson, executive vice president, State Bank of Benkelman, and Thomas D. Potter, senior executive vice president, National Bank of Commerce, Lincoln (banks over \$200 million).

Staff Changes at Imperial

Roy D. Beckett has resigned as senior vice president of the Chase County Bank & Trust Co., Imperial, to pursue business interests in Colorado.

Chan Schwartz has joined the

bank's staff as an assistant vice president. He was formerly associated with the Bank of the Panhandle in Guymon, Okla.

Joins F&M Bank, Oakland

Robert J. Keating, a 1980 graduate of Wayne State College, has joined the staff of the Farmers & Merchants National Bank of Oakland in the insurance department.

Joins Holdrege Bank

Randy K. Rouse has joined the First National Bank, Holdrege. A 1978 graduate of Kearney State College, he was formerly employed as an assistant national bank examiner for the Comptroller of the Currency for three years. He was based in Grand Island.



R. K. ROUSE

Officer Promotions Told at National Bank of Neligh

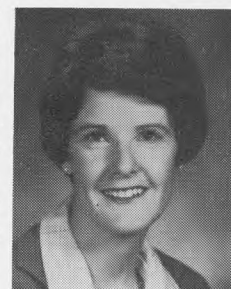
John E. Glandt, president of the National Bank of Neligh, has announced five officer promotions.

Ralph C. Schrader was promoted from cashier to vice president, and Carolyn Johnson was elevated from assistant cashier to cashier. Barbara C. Hughes, formerly assistant cashier, was named a trust officer. Promoted to the position of loan officer and assistant cashier were William R. Bates and Kirk K. Cisler.

Names Marketing Officer

E. J. Thayer, president and chief executive officer of Commercial National Bank & Trust Company, Grand Island, recently announced the promotion of Judy A. Hoch to marketing officer and director of the marketing department.

Mrs. Hoch is a graduate of Kearney State College with a degree in business administration. She was an account executive with KRG Radio before joining the bank in 1979.



J. A. HOCH

Says S&Ls Will Find NOWs Tough Going

WILL NOW accounts—those interest-bearing “checking” accounts banks and savings and loan associations will be able to offer beginning next year—saddle the nation’s S&Ls with new and heavy fixed costs that just might outweigh NOW’s advantages as deposit-attracting instruments?

“Many S&L managers might just find that’s so,” says Peter J. Bruck, president of the St. Louis-based Financial Research Associates, the nation’s largest firm specializing exclusively in consulting to banks, credit unions, and savings and loans.

“Virtually all the literature coming out on NOWs is concerned with pro-

motion and pricing strategies, but I can find very little devoted to planning for costs of personnel and space needs, which will require substantial investment if a NOW program takes and is implemented as a market-making tool,” Mr. Bruck said.

NOW accounts represent a fundamental shift in S&L marketing for deposits from low-transaction savings instruments to high-frequency transaction (spending) accounts, Mr. Bruck said. “Since numbers and frequency of transactions dictate personnel needs for a “banking” facility, and personnel needs determine plant requirements, many S&Ls may find over time that they’ll be pulled, al-

most imperceptibly at first, by market demand into taking on fixed costs for staff and plant they didn’t plan for.”

Mr. Bruck said his staff’s telephone conversations with S&L managers around the nation find that some managers believe they’ll be able to staff for NOW accounts by adding “an extra teller and a couple of file cabinets in the back room.”

“But talk to S&Ls aggressively planning for NOWs and you find they have on staff DDA (demand deposit account, or checking) managers acquired from banks who will tell you flat out: ‘I don’t think that S&Ls know what they’re getting into—the need for more conveniently located offices, drive-up banking facilities, extended hours . . .’”

One million

Just what impact NOWs might have on transactions and the staff and plant required for them must be determined on an institution-by-institution basis, Mr. Bruck said. "When you're planning management of transactions, you can't go with rules of thumb. Unfortunately, though, too many S&L managers are accepting generalities by looking at the 14 New England states, where NOWs have been offered since the early 1970s."

He said planning for NOWs must be integrated into planning for an institution's total liability and asset mix, and that this planning, properly done, must be directed over a 10- to 15-year future horizon.

"In taking on a high frequency transaction account like a NOW, you

cannot wade in willy-nilly, see what happens, then shut off demand or turn it on as you choose. The market doesn't work that way," Mr. Bruck said. "But I'm amazed that our telephone research across the country is finding that too many S&L managers are apparently adopting such non-strategy."

Observes Anniversary; Opens New Facility

The First National Bank of Wilcox will be celebrating the grand opening of its new building July 9-11. The celebration also marks the bank's 75th anniversary.

The new 2,800 square foot headquarters building has replaced the old structure, which had housed First National of Wilcox for all of its 75

years, according to Mark L. Buckley, vice president and cashier.

Two Officers Named at Kilgore State Bank

David A. Macy, president of the Kilgore State Bank, has announced two promotions. Timothy A. Henry was named assistant vice president, and Janet U. Macy was promoted to cashier.

Observes Anniversary

Mr. and Mrs. Francis R. Kingsbury of Ponca recently celebrated their 60th wedding anniversary with an open house. Mr. Kingsbury is chairman and president of the Bank of Dixon County, Ponca, and president of the American State Bank, Newcastle.

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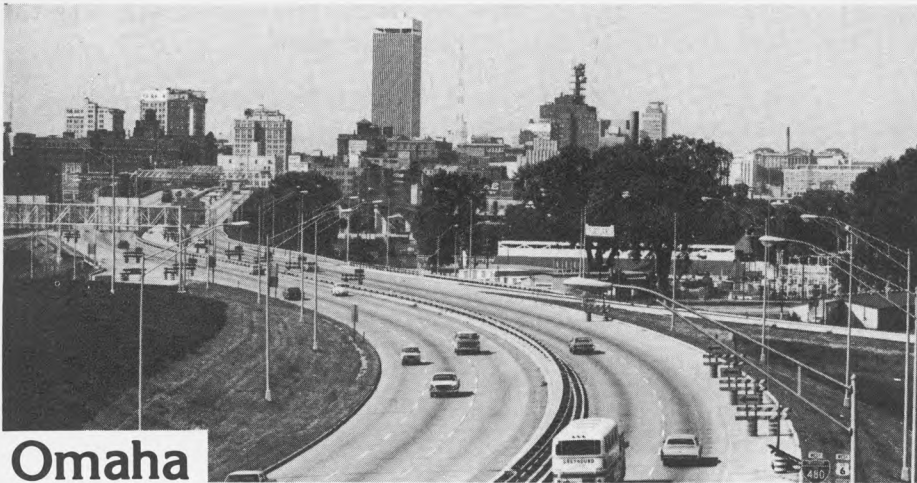
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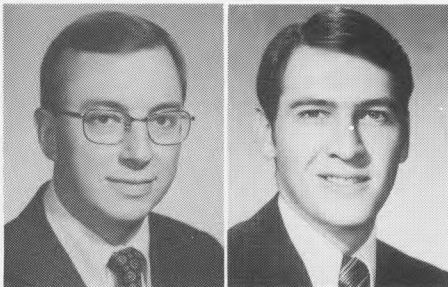
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Edgar M. Morsman Jr., 41, senior vice president of the United States National Bank, has been named vice president of loan administration for Northwest Bancorporation and will be moving to Minneapolis to take up his new duties. U.S. National is part of the Banco holding company.

Ronald E. Schneider, 34, vice president and commercial banking officer, has been advanced to manager of the commercial banking division to succeed Mr. Morsman, according to



E. M. MORSMAN R. E. SCHNEIDER

Donald J. Murphy, chairman and chief executive officer of United States National. Mr. Schneider joined the Omaha bank in 1974 as a commercial loan officer and was elected a vice president in 1977.

New officers of the National Association of Bank Women, Mid Plains Group, were installed at a dinner meeting June 24 in Omaha. **Betty Wagner**, assistant credit officer of The Omaha National Bank and the NABW midwest regional vice president, had just returned from the Tri Regional Conference in Milwaukee and gave a report on that meeting. She installed the following new officers:

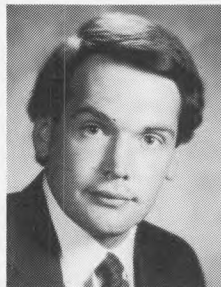
Chairman—**Doris Capps**, vice president, Center Bank.

Vice Chairman—**Evelyn Schafer**, operations officer, Douglas County Bank & Trust.

Secretary—**DeAnna Nielsen**, assistant cashier, Blair Bank, Blair.

Treasurer—**Kianne Kidder**, assistant facility manager, First Westside Bank.

Dennis R. Wood, president of Packers National Bank, has announced the appointment of **Greg Lavitt** to the staff of the bank's bond department. Mr. Lavitt comes to Packers National Bank having gained several years experience in this field with a local bonding house.



G. LAVITT

Officers for 1980-81 of the Omaha chapter of the American Institute of Banking, elected at the recent annual meeting, are:

President—**Don Schnorr**, United States National Bank.

First Vice President—**Jean Volkir**, Omaha National Bank.

Second Vice President—**Jerry Wilson**, First National Bank.

Secretary/Treasurer—**Rosie Zaprowski**, Northwestern National.

David C. Applegate has joined Nebraska State Bank in Omaha as president. He was formerly assistant vice president at Bank of Nebraska in LaVista, where he worked one and one-half years. Prior to that, Mr. Applegate was associated with Keith County Bank in Ogallala for three

years. Before starting his banking career in Nebraska, he worked for Household Finance in Kansas City, Mo.

Mr. Applegate is a native of Council Bluffs, Ia., and attended the University of Nebraska-Omaha.

As president of Nebraska State Bank, Mr. Applegate succeeds **Robert J. Thilgen**, who has moved to nearby Papillion to become president of First Nebraska Savings Co.

Trust Theses Added to ABA, NW Libraries

Four theses from the National Graduate Trust School have been added to the American Bankers Association library and the library of Northwestern University at Evanston, Ill.

The new additions raise to 73 the number of theses available for loan to ABA members and both present and former students of the National Trust School and National Graduate Trust School. Scholars and academicians may borrow them through inter-library loan arrangements with the ABA library.

One area banker's thesis selected from the school's class of 1979 was "Lifetime Giving in Estate Planning Under the 1976 Tax Reform Act," by **Herbert J. Sliger Jr.**, The Illinois National Bank, Springfield.

Toby Sherry Will Lead ABA Instalment Division

Elected as chairman of the Instalment Lending Division of the American Bankers Association was **Toby E. Sherry**, senior vice president, First Wisconsin National Bank of Madison.

Mr. Sherry's selection, along with that of **Robert K. Georgeson**, executive vice president, First National Bank of Lawrence, Kansas, as vice-chairman of the banking division, was announced before some 2000 bankers and guests in attendance at the ABA's recent 39th National Instalment Credit Conference meeting in Washington, D.C.

Mr. Sherry, who had served as the Instalment Lending Division's vice-chairman for the past year, succeeds **Luther G. French, Jr.**, senior vice president, North Carolina National Bank, Greensboro.

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Lincoln

William C. Smith, president of First National Lincoln, recently announced the following promotions and appointments of officer personnel.

Georgia Burnham, manager of corporate trusts, and **Sally Schneider**, employment manager, were named assistant vice presidents.

Judeen Carsten was appointed trust operations officer, and **Fern**

Spencer was named bank marketing officer.

Stan Maly of First National Lincoln has been elected president of the Lincoln chapter of the American Institute of Banking for the 1980-81 year. He succeeds **Charles Heinke** of Havelock Bank, who assumes the position of past president on the AIB

board. **T. Michael McGregor** of First National Lincoln, 1978-79 president of the Lincoln chapter, continues to serve as AIB district councilman.

Other officers elected to the Lincoln chapter were **Karen Kleman** of National Bank of Commerce, first vice president; **Helen Adams** of Gateway Bank & Trust Co., second vice president; **Jane Snider** of the Union Bank & Trust Co., secretary, and **Ava Beeman** of First National Lincoln, treasurer.

Ivan C. Riley

Funeral services were held last month for **Ivan C. Riley**, 80, retired president of the First National Bank of Fairbury.

A native of Lawrence, Neb., Mr. Riley began his banking career in Hastings with the Hastings National Bank. He resigned there as cashier in January, 1938, to join the Fairbury bank as cashier, and his election as president followed in 1940, the post he held until his retirement in May, 1972.

Banco Banks Aid Grand Island

IN A short ceremony last month in the office of Grand Island Mayor

Robert Kriz, **Norman Nackerud**, president of the First National Bank



Norman Nackerud, right, pres., First National Bank of Hastings, is congratulated by Grand Island Mayor **Robert Kriz** for the Banco donation of \$10,000 to Grand Island relief organizations.

of Hastings, presented checks totaling \$10,000 to representatives of four local organizations.

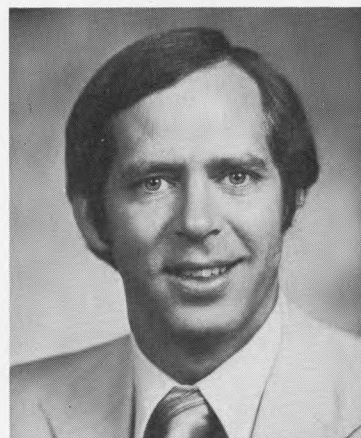
Mr. Nackerud said the money was from the five Banco Banks of Nebraska to the tornado victims of Grand Island, and "was to be used at the discretion of the four organizations wherever it would do the most good."

The Nebraska Banco banks are the First National Bank of Hastings, Northwestern National Bank of Norfolk, and the Center Bank, Northwestern National Bank and U.S. National Bank of Omaha.

Mr. Nackerud presented a check for \$4,000 to **Jolene Heckfeldt**, executive director of the Hall County Chapter of the Red Cross. **James Shamberg**, a director of the Grand Island Charitable Foundation, accepted a check for \$3,000. **Lt. Porterfield** and **Carol Scott** of the Salvation Army Grand Island Corps received a check for \$2,000. **Gary Wilhelm**, director of G.I.F.T., the Grand Island Interfaith Task Force, was given a check for \$1,000.

Mayor **Kriz** and **Dave Farnsworth** both expressed appreciation for the gifts on behalf of the people of Grand Island and the Grand Island Charitable Foundation.

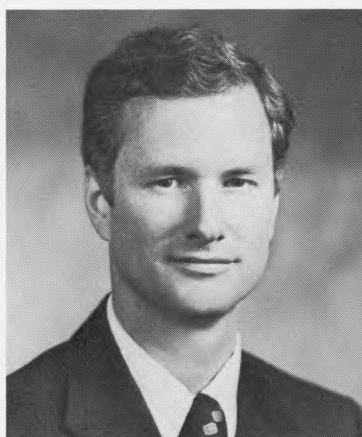
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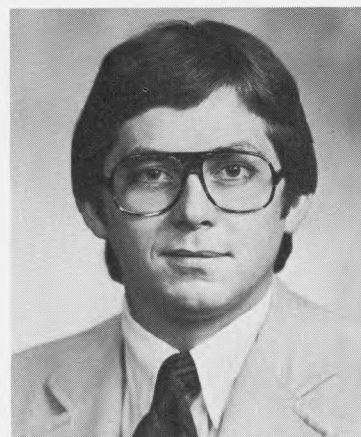
GARY L. BIECK
Vice President



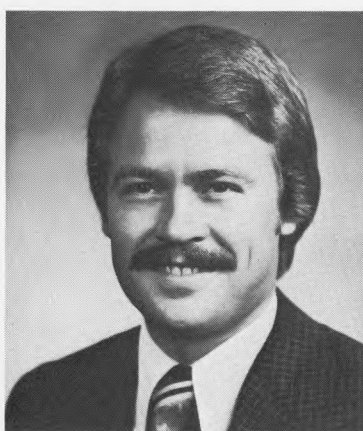
WILLIAM E. EDGECOMB
Vice President



CRAIG E. WANAMAKER
Vice President



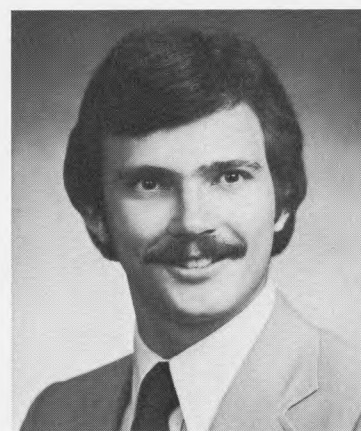
STEVEN L. ANDERSON
Assistant Vice President



MARVIN HEFTI
Correspondent Bank Officer



KATHY M. VOTAW
Correspondent Bank Officer



MARK A. ZABACK
Correspondent Bank Officer



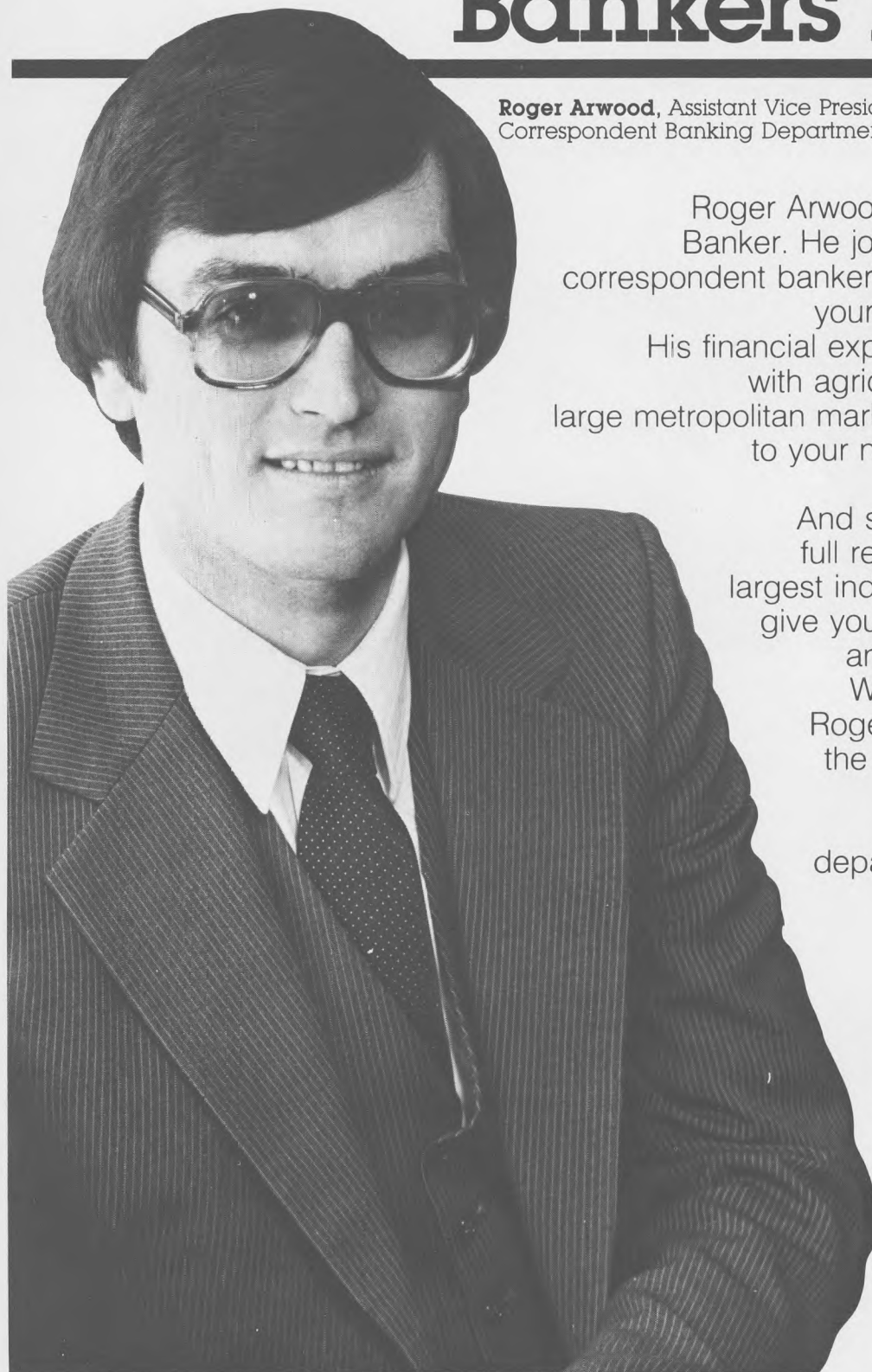
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Analyst Charts Banks of Iowa Growth

BANKS of Iowa, Inc., Cedar Rapids, is in "an advantageous position to enter the decade of the 1980s," an analyst for a Wall Street securities firm told the bank holding company's stockholders at their recent annual meeting.

William R. Fisher Jr., senior vice president of Donaldson, Lufkin and Jenrette, New York, charted the record of Banks of Iowa in comparison with the nation's other banks which have from \$1 to \$2 billion in assets.

"The other banks have not matched the earnings growth of Banks of Iowa," Mr. Fisher said. He pointed out that the Iowa company exceeds the national average in such key areas as return on assets, return on equity and ratio of equity to assets.

"Compared to the average of 90 other banks of similar size, Banks of Iowa has an extraordinary capital base—one of the strongest in the nation," Mr. Fisher told the stockholders.

He cited three other key factors which rank Banks of Iowa high in the national banking picture—strong profitability growth in the last five years, very low debt position and "strong management not only at the company level but also in each of the member banks."

Banks of Iowa is the state's only billion dollar bank holding company, and Mr. Fisher pointed out, "Banks of Iowa is far and away the most profitable bank in the state." He cited particularly the asset growth of 13.6% per year and the annual earnings growth of 16.7%.

The Wall Street analyst reported that Banks of Iowa ranked first in the state in return on assets and second in return on equity. It also is the third fastest growing bank in Iowa, in terms of percentage, but, Mr. Fisher emphasized, the other banks are dealing with a smaller base. "Banks of Iowa has a strong capital base and has maintained a record matched by few banks of its size in the country," he concluded.

At the board meeting following the stockholders session, F. Forbes Olberg was re-elected chairman and chief executive officer, while Holmes Foster was re-elected president and chief operating officer.

Mr. Olberg, who has headed Banks of Iowa since it was founded in 1968, announced that he plans to relinquish the position of chief executive officer at the end of the year. He will continue as chairman and stay on in a policy-making capacity but without day-to-day operational responsibilities.

Peter B. Mouw Dies

Funeral services were held in Sioux Center for Peter B. Mouw, 85, chairman of the First National Bank there.

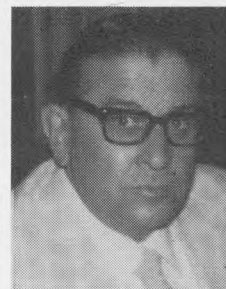
Mr. Mouw had spent 69 years with the bank, starting as a janitor in 1911. He later became an apprentice in the

bookkeeping department, was named a teller in 1917, assistant cashier in 1918, cashier in 1947 and vice president in 1948.

He was named president in 1956 and chairman in 1963. Mr. Mouw relinquished the presidency to his son, Vernon, in 1977.

New Executive VP Joins United Home, Mason City

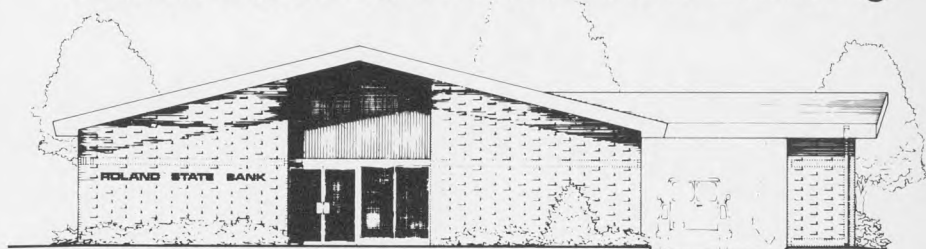
Donald A. Kimmel has been elected executive vice president of the United Home Bank & Trust Co. of Mason City, according to Harold G. Haver, president and chief executive officer. Mr. Kimmel will be in charge of asset management, with primary responsibility in the loaning area, a new administrative assignment at the bank.



D. A. KIMMEL

Formerly he served as senior vice president and chief lending officer of Northwestern Bank of Commerce, Duluth, Minn. A graduate of the University of Minnesota and the Wisconsin School of Banking, he began his banking career 25 years ago at South St. Paul and served with banks at Des Moines and Diagonal.

Roland State Bank Starts New Building



JERRY Hanna, executive vice president of the Roland State Bank in Roland, announced that construction started June 1 on a new 4,252-square-foot bank building. The new building will offer services not available previously in Roland, Mr. Hanna said.

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 four private loan offices, a large safety deposit vault with private coupon booth, customer service area, five teller windows, bookkeeping department and handicap facilities.

ities.

The interior has been designed to re-use a large quantity of existing white and black marble from the present building and it will be uniquely displayed with charcoal colored brick throughout. This same brick will have an unusual exterior pattern as indicated in the accompanying photo.

The partial lower level has been designed for future expansion and an employe lounge and storage areas.

The Kirk Gross Company of Waterloo has the single source responsibility for the entire program and estimates completion in late November or early December.

Banker Paints Rural Scenes



DURING a recent visit, U.S. Rep. **Tom Tauke**, Dubuque, right, received a framed limited edition print from **Jerry Maples** for his Washington, D.C., office. Mr. Tauke received the print "Moonlight."

WHAT began as a relaxing pastime has become an engrossing avocation for Jerry Maples, executive vice president of MorAmerica Financial Corporation, Cedar Rapids, and president of Jackson State Bank and Trust Company, Maquoketa.

The Iowa banker recently issued a set of three signed, limited edition prints of his landscape paintings for

sale to the public. It marked another milestone in a long period of exploring his artistic abilities while pursuing the banking career for which he was trained.

Art was far down on his list of priorities during Jerry's student days. He recalls taking only one art course as an undergraduate student at Cornell College in Mount Vernon. He earned a

masters degree in marketing from the University of Iowa.

Mr. Maples did not try painting until he was about 30. Then he began enrolling in night classes and attending summer sessions at the Ox Bow Art Camp in Michigan.

"I committed myself to at least 10 hours of painting each week, no matter how busy I was with other things," said Mr. Maples. "At that point I felt I had to push myself to see what I could really accomplish."

His specialties were, and are, quiet midwestern landscapes. He finds many of the scenes within a few miles of his home, in rolling countryside near the Mississippi River.

Mr. Maples has had shows at the University of Dubuque and the Clinton municipal art center, as well as at the art center in Cedar Rapids.

Retires as Senior VP

Upon completion of 46 years with the National Bank of Waterloo, Robert C. Mexdorf, senior vice president, is retiring. A dinner party for him was held recently hosted by the board of directors and attended by fellow officers and friends.



R. C. MEXDORF

Mr. Mexdorf started as a messenger with the bank in 1934. He moved through various departments and was elected an assistant cashier in 1948, assistant vice president in 1959, vice president in 1962 and senior vice president in charge of the commercial loan department in 1976, a position he held to his retirement.

He and his wife, Ruth, will continue their Waterloo residence.

Opens New Facility

An open house was held recently at the new Nichols office of the Farmers & Merchants Savings Bank of Lone Tree. The new building has 2,000 square feet with drive-up, night depository and additional teller areas. The facility has two private offices and a sit-down teller desk.

About 400 people visited the new structure on April 13. Door prizes and gifts were given to the visitors. An open house for area bankers was held on April 12 with about 100 guests.

There are only two decisions when planning a new facility.

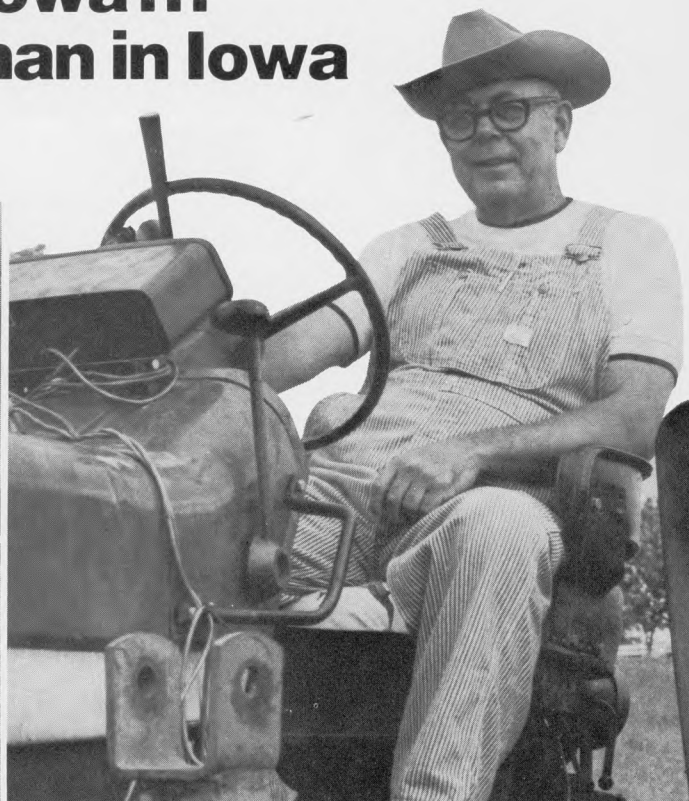
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been through the ups and downs of different cattle cycles. When you talk to Max about farming, feed, cattle... the needs of your customers, he knows what you're talking about... first hand!

Max Roy is the kind of person you'll find in Drovers Correspondent Banking Department. We're proud to have him with us, and to offer you the years of banking know-how he represents.

If you're one of the few Iowa bankers who doesn't know Max, you ought to! He'll prove that Drovers should be your bank — and that Max Roy should be *your* man in Iowa.

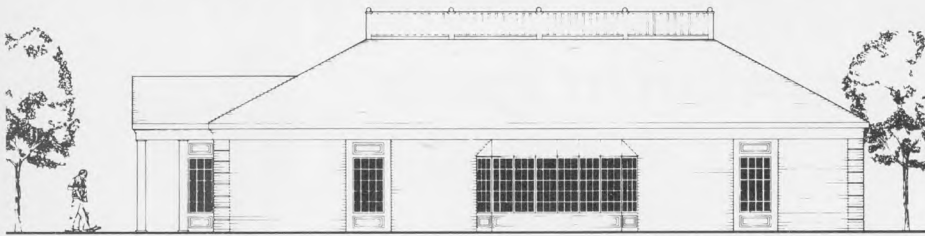
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Kellogg Bank Plans New Sully Office



CONSTRUCTION was scheduled to be underway on the new Sully facility of the Kellogg Savings Bank.

A NEW 3,600 square foot Dutch-Colonial style bank building will soon be under construction for the Sully office of the Kellogg Savings Bank, according to Chuck Fritz, president.

The main banking level will have two offices, a conference room, a customer lounge, four teller stations, a customer service desk, a large safe deposit vault with private coupon rooms and a drive-up banking window.

Two additional offices and a second drive-up lane can easily be provided later to accommodate future growth.

The new facility will be built west of the existing bank, providing a small courtyard between the old and new buildings. In addition, customer parking will be provided on the site.

Control-o-fax Corporation of Waterloo is in charge of the project.

Newspapers Credit Local Bank Support

IOWA newspapers continue to take note of the important financial leadership and support that comes from community banks. Typical of these editorial reflections on the importance of the bank to the community and surrounding area are two editorials that were published last month.

The Hinton Progress, which serves the more than 400 residents of that town in Plymouth County, ran a special notice signed by The Council of the City of Hinton thanking the Farmers State Bank for purchasing the recent issue of \$30,000 of G.O. bonds for a signal light needed to alleviate a dangerous traffic condition at Main Street and Highway 75. Hinton has an office of the Farmers State Bank, which is located in the nearby town of Merrill.

In Williamsburg, Publisher C. Edward Koch of the Journal-Tribune printed an editorial titled "Credit: Savings Reloaned" which recounted the pressing need for production and capital loans to farmers. "Helping farmers obtain adequate financing," he wrote, "are the farm banking sys-

tem and community bankers. They are also providing an additional valuable service, maintaining family farms . . . It is to the lenders' credit that they loan money to farmers even though they can usually obtain higher rates of return elsewhere, like short-term treasury notes. Banks would rather make loans to their good customers. In rural areas they will continue to serve the needs of farmers, because bankers also realize that farmers are the backbone of their communities.

"Plus, bankers always hope that

when a farmer saves, he will choose the local bank where those savings can be reloaned out into the community. When farmers stop saving, banks will no longer have funds to lend. Our farm community will then have to turn entirely to a governmental agency for all farm credit.

"That step could lead to the demise of the family farm and to agriculture as we know it today."

Two banks serve the Williamsburg community, population 2,000. Farmers Trust & Savings Bank, with nearly \$30 million in deposits, is headed by Obert L. "Roy" Larson as chairman and president. The Security Savings Bank, with approximately \$15 million in deposits, has R.J. Coulter as chairman and R. James Coulter Jr. as president and chief executive officer.

In commenting on the two editorials, Neil Milner, executive vice president of the Iowa Bankers Association, said: "These are two good examples of the kind of close working relationship that can result when such vital, local institutions—the community bank and the community newspaper—work to promote mutual understanding. These two institutions have historically played an important leadership role in virtually every Iowa town, and together with the other important civic institutions, such as schools and churches, help to define the character that makes each of our towns and cities unique.

"I can't help thinking that every Iowa bank would do well to nurture such a relationship with its local paper."

Maquoketa State Opens New Office



MAQUOKETA State Bank staff and patrons celebrated the grand opening of the new West Side office last month. Attending the ribbon cutting ceremony were Ed Tubbs, chmn.; John Fagerland, pres., and Norm Nielsen, branch mgr.



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LEFT—Scholarship chmn. **Dorothy Engel**, a.c., Cedar Falls Trust & Savings Bank, with winners **Jane Enfield**, a.c., Commercial Trust & Savings Bank, Storm Lake; **Ruth Ann Scott**, a.c., Early Savings Bank, and **Susan Robinson**, Sac City State Bank, pictured from left. **RIGHT**—Representing the NABW Iowa Groups, clockwise from top left: **Janet Dickey**, South Central chmn., a.c., Iowa State B&T, Fairfield; **Margaret A. Linquist**, Southwest, v.p., Montgomery County Nat'l., Red Oak; **Ruth Ann Scott**, Northwest chmn., a.c., Early Savings Bank; **Katherine Lalor**, North Central, a.t.o., First Security B&T Co., Charles City; **Mary Lou Van Zee**, Central Iowa, a.v.p. & aud., First Newton Nat'l.; **Dee Ablett**, Southeast chmn., mktg. off., First Nat'l., Iowa City, and **Norma J. McVay**, Northeast chmn., cash., Palo Savings Bank.

Iowa Groups of NABW Convene

By **DEBORAH PECK**
Associate Editor

A RECORD 202 registrants gathered at the Holiday Inn of the Amana Colonies May 22-23 for the state convention of the National Association of Bank Women Iowa Groups.

Banquet speaker **Paul Nadler**, professor of business administration at Rutgers University, attracted scores of guests including top management from several area banks. He reiterated the theme that inflation is the number one problem facing the country today in a talk laced with humorous anecdotes, "Banking in the 80s: Caterpillar or Butterfly?"

NABW Regional Vice President **Betty Wagner**, assistant credit officer at the Omaha (Neb.) National Bank, outlined several proposed structural changes in the organization. Included in the proposals discussed at the NABW Tri-Regional Conference in Milwaukee, Wis., last month were:

- Establishment of a state council in each state.

- Organizational structure to be changed from 15 to eight regions. A regional director would be assigned to each region. The Midwest Region would be dissolved and Iowa would be part of the new North Central Region.

- A closer working relationship with the state banking associations.

- Annual state meetings in each state. Currently not all of the states meet annually as a group.

Television personalities **Connie McBurney** and **Almo Hawkins**, KCCI-TV, Des Moines, presented a half-day seminar on communications. The workshop stressed verbal communication and dealt with listening, voice qualities, conversation, mannerisms and personal appearance. Audience participation was encouraged and registrants enjoyed the verbal exercises as a "hands on" experience.

Providing a legislative update and remarks was **Neil Milner**, executive vice president of the Iowa Bankers Association. He pointed out that the momentum for change is underway from "share drafts and pressure from small savers to receive market rates. We're moving to equity in the interest area—the banking industry has been in support of the consumer."

Mr. Milner stressed that all banks currently not on an accrual accounting basis should do so. "We must become more bottom-line-oriented in the 1980s." He added that the secret of success with NOW accounts is pricing and suggested marketing them with truncation.

Anne L. Bryant, educational di-



CONVENTION chairmen, from left, included **Janet Dickey**, a.c., Iowa State Bank & Trust Co., Fairfield, general chmn.; **Ruth Derby**, a.v.p., First Iowa State Bank, Albion; **Hester Whitlatch**, cont., Mahaska State Bank, Oskaloosa; **Pat Kucher**, a.c., Union Bank & Trust Co., Ottumwa, and **Pat McClellan**, oper. mgr., Iowa State Bank & Trust Co., Fairfield (top row); **Martha Oxenreider**, aud., Nat'l. Bank & Trust, Chariton; **Betty L. Bruch**, v.p. & cash., First Nat'l. Bank, Ottumwa; **Marne E. Bond**, v.p., Davis County Savings Bank, Bloomfield, and **Jeraldine Dixon**, a.v.p., Iowa Trust & Savings Bank, Centerville (bottom row).

rector of the NABW Educational Foundation, Chicago, gave an NABW education advisors update and outlined several programs for women executives. She pointed out that education is needed not only for upward mobility, but for good performance in present job placements. She added that a commitment is needed on both the part of the employee and the bank.

Three women were presented with NABW scholarships. **Susan Robinson**, Sac City State Bank, received the Helen Rhinehart Award for a non-member to attend the Iowa School of Banking. The Margaret I. Hendry Scholarship Award was given to **Jane Enfield**, assistant cashier, Commercial Trust & Savings Bank, Storm Lake, for the Iowa School of Banking. **Ruth Ann Scott**, assistant cashier, Early Savings Bank, received the Betty L. Steele Award, a \$500 grant for the NABW Management Series seminars and study modules.

The convention theme of "Up, Up and Away" was followed throughout the sessions. Chairman of the event was **Janet Dickey**, South Central Iowa Group chairman and assistant cashier, Iowa State Bank & Trust Co., Fairfield. The Southwest Group will host the 1981 convention to be held next spring in Council Bluffs. □

Receives SBA Honor

W. R. (Bill) Johnson, vice president at Northwest Bank & Trust Company, Davenport, has been presented an award for being "Banker Advocate" of the year for the Iowa District of the U.S. Small Business Administration.



W. R. JOHNSON

SBA District Director Conrad E. Lawlor said the award is sponsored by the SBA to recognize a banker who has made special efforts on a local, regional or national level to increase the availability of funds for small business.

Joins Humboldt Bank

Larry D. Curran has joined the First National Bank, Humboldt, as vice president and cashier. Mr. Curran was formerly with the First National Bank, Ames, for the past 10 years.



Wilma Weeks, Ken Roeder, Jim Hongslo, Wayne Johnson and Jim Young

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Des Moines

Robert E. Lee, president and chief executive officer, has announced a new organizational structure for the Iowa-Des Moines National Bank.

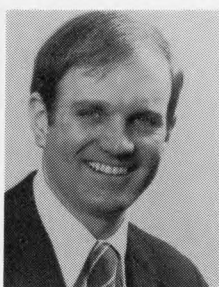
Garland K. Carver has been named head of the corporate banking division. The managers of the departments in this division are **David L. Tremmel**, group vice president, international banking; **Walter W. Pirnot**, vice president, national banking; **Lance D. Davenport**, vice president, Iowa banking, and **Robert A. Anderson**, group vice president, credit administration.

Iowa banking will be responsible for business development and service to corporations and financial institutions throughout the state. **Bernard H. Kersey**, vice president, was named manager, correspondent banking, and will report to Mr. Davenport.

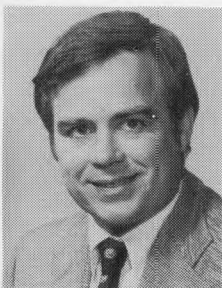
George F. Milligan has been



G. K. CARVER



G. F. MILLIGAN



L. D. DAVENPORT



B. H. KERSEY

named head of the metropolitan banking division. The managers of the departments in this division are **Thomas H. Farris**, vice president, commercial banking; **William F. Landholt**, vice president, real estate services; **John C. Clark**, vice president, small business banking; **Robert G. Millen**, vice president, retail banking, marketing and public affairs, and **Thomas N. Hammelman**, vice president, bankcard services.

Dee L. Frost will continue as head of the finance and administration division. The managers of the departments in this division are **John A. Sikkink**, senior vice president and cashier, operations management; **James D. Kempkes**, senior vice president, trust services; **Peter F. Faletti**, senior vice president and chief financial officer, finance; **H. Lynn Horak**, vice president, investment services, and **Richard D. Pedersen**, vice president, facilities management.

M. M. McMichael, vice chairman; **W. C. Smith**, senior vice president, and regional director, human resources division, and Messrs. Carver, Frost and Milligan will all report to Mr. Lee.

This reorganization has taken place in response to the changing needs of the marketplace. It creates a logical system for delivery of services, and it establishes a firm foundation for growth and planning in the future.

David L. Miller, chairman and president of the West Des Moines State Bank, has announced several promotions.

Dennis S. Barsky, promoted to vice president, has been with West Bank

for 4½ years. He received BS and MBA degrees from Drake University. **Vernon R. Ellingson**, who has been with the bank six years, was promoted to vice president/installment loans. He attended Marquette University.

Robert M. Koele, with the bank for nine years, was promoted to vice president. He attended the University of South Dakota. **Buzz Schwartz**, promoted to vice president, has been with West Bank for six years. He has a BA degree from the University of Missouri.

James Aslin and **Dennis Kirkpatrick** were promoted to assistant vice presidents. Mr. Aslin has a degree from the University of Arizona and has been with the bank since 1972. Mr. Kirkpatrick, with the bank for four years, has a business degree from Iowa State University.

Mark Braunger, also named an assistant vice president, is the newest member of the West Bank staff and was most recently with First Federal State Bank here. He is a graduate of the University of South Dakota.

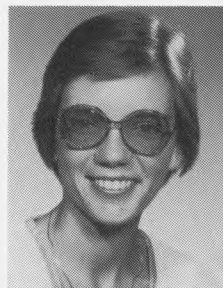
Timothy J. Byrnes, **Sharon K. Surber** and **Mary Yergler** have been appointed assistant cashiers. Mr. Byrnes joined the bank in 1974. He is chairman of the Des Moines AIB chapter and serves on the financial services curriculum advisory board at Des Moines Area Community College.

Ms. Surber, with the bank for five years, is in charge of personnel and heads the note and teller departments. Ms. Yergler, with the bank for six years, attended Purdue University and DMACC.

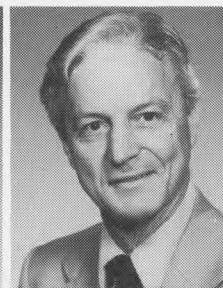
Robert E. Lee, president and chief executive officer of the Iowa-Des Moines National Bank, has announced two promotions.

Mary E. Kennedy has been elected personal loan officer. She joined the bank's credit department in 1969 and served in various positions in retail banking until joining the commercial loan department in 1979.

Hayden C. Curry has been named



M. E. KENNEDY



H. C. CURRY

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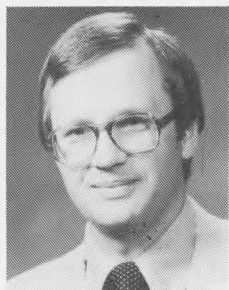
 AFFILIATED WITH CENTRAL NATIONAL BANCSHARES, INC.

property management officer. He joined the Iowa-Des Moines in 1975 as bank services manager. Previously he held various positions with the federal government, primarily with the Air Force.

* * *

The appointment of **Merle J. Baumhover** as an assistant vice president was announced recently by **John H. Har-meyer**, president of Plaza State Bank.

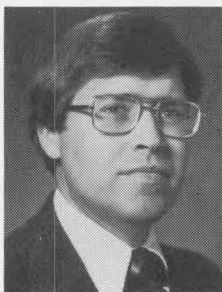
Mr. Baumhover was formerly employed as a bank examiner with the state department of

**M. J. BAUMHOVER**

banking. He received his degree from St. John's University in Collegeville, Minn.

Appointed Office Manager At Davenport Bank & Trust

Davenport Bank and Trust Company has announced the recent promotion of **Anthony E. Hughes** to manager of the Kimberly Road office. Mr. Hughes, who joined the bank in 1969, has held several positions, most recently serving as a correspondent bank officer.

**A. E. HUGHES**

McMichael Retires from Iowa-Des Moines

THE retirement of **M. M. McMichael** as vice chairman of the Iowa-Des Moines National Bank in Des Moines on July 31 will conclude a 26-year banking career, all of it with Iowa-Des Moines. Since May, 1976, when management instituted a divisional reorganization, Mike McMichael has had responsibility for the administrative and marketing division, including correspondent banking, corporate services and retail banking (advertising, marketing and the offices). In August, 1977, international banking was added to his division.

Mr. McMichael will continue on the Iowa-Des Moines National board of directors and has been requested to continue on a consulting basis to assist in business development work for the bank.

A native of Des Moines, Mr. McMichael was graduated from Roosevelt High School and in the course of those four years became Iowa's most noted basketball player in history. He is the only player in the history of the game in Iowa to be selected as an All-State basketball player all four years, a feat that probably now will not be equaled with the advent of junior highs. Mr. McMichael continued as a basketball star at Northwestern University in Evanston, Ill., where he was a starter for three years. He was graduated with a BS degree in business administration in 1938.

He started work immediately for Goodyear Tire and Rubber Company



Mike McMichael poses beside the two awards he has received inducting him into the Iowa High School Athletic Association Hall of Fame and the Des Moines Register and Tribune Iowa Sports Hall of Fame.

in Akron, Ohio, working later in Memphis, Tenn., before being moved to Des Moines. Goodyear sponsored a team in the National Pro Basketball League and Mike McMichael played on it one year before choosing to pursue his business career full-time.

In 1949 he left Goodyear to join Cowles Broadcasting Company and its Des Moines radio station, KRNT. He left that position in February, 1954, to join the Iowa-Des Moines National Bank as assistant vice president in the business development, advertising and public relations area. He was promoted to vice president in 1957, then in 1967 was named a senior vice president and assumed responsibility for the marketing division in 1969. His election as a director of the bank followed in 1970. In January,

1974, he was elected vice chairman over the lending division, encompassing real estate, dealer loan and commercial loans, in addition to being responsible for correspondent banking and corporate services. The divisional reorganization followed in 1976.

Mr. McMichael is a 1963 graduate of the commercial banking course at The Stonier Graduate School of Banking at Rutgers University.

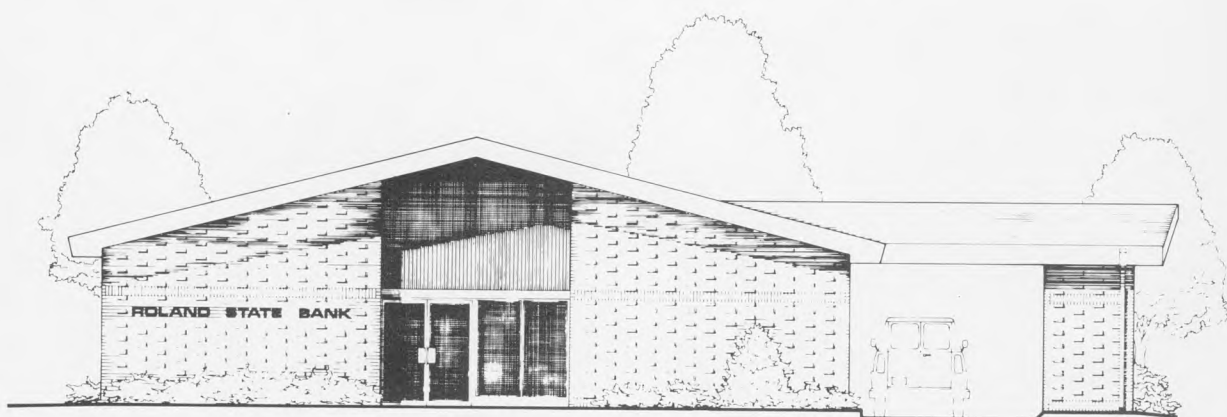
Under Mr. McMichael's leadership, the Iowa-Des Moines in 1959 initiated its Business Trends Conference which has been held annually in Des Moines during the first week in December. Participants include five noted business executives nationwide and a noted economist, who look at the prospects for Iowa business in the coming year.

In addition to his work with the Iowa-Des Moines, Mr. McMichael served on the savings promotion committee of the American Bankers Association in 1964-65, was chairman in 1965 for the Foundation for Commercial Banks, served as panelist for ABA National Automation Conferences and held various duties on Northwest Bancorporation committees. In Iowa banking, he served on the Iowa Bankers Association federal legislative committee, was president from 1975-77 of the Iowa Automated Clearing House Association, served on the board of Iowa Transfer System, as well as with MidAmerica Bankcard Association since 1977, and as president of the Central States Card Association 1978-79 and of the Des Moines Clearing House Association in 1978. He has been a member of the Association of Reserve City Bankers.

In recent years, Mr. McMichael has received the two highest honors that can be accorded an Iowa athlete. He was inducted into the Iowa High School Sports Hall of Fame, and later was given the same honor by the Des Moines Register and Tribune in its Hall of Fame.

During World War II Mr. McMichael served in the United States Navy as a Lt. j.g. in the South Pacific from 1943 to 1945. In June, 1945, he nearly lost his life when a Japanese kamikaze pilot slammed into his carrier, The U.S.S. William Porter, and the ship sank within two hours with a loss of one-fourth of the ship's complement.

Mr. McMichael and his wife, Dorothy (Dot), will continue to make their home in Des Moines. □



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More Photos Taken at Group Meetings in May



NEW CHMN. of Gr. 6, **Robert E. Chittenden**, v.p. & cash., Farmers Sav. Bk., Mitchellville, and the new secy., **Robert J. Miller**, e.v.p. & cash., Polk City Sav. Bk. **RIGHT**—**Bill Greaves**, v.p., Central Nat'l. Bk. & Tr. Co., Des Moines, and wife, **Diane**, and **Tom Killeen**, a.v.p., Fed Reserve, Des Moines.



NEW CHMN. of Gr. 12, **Ed Norland**, v.p., Iowa Tr. & Sav. Bk., Emmetsburg, and the new secy., **Ed Leahy**, pres., Northwestern St. Bk., Orange City. **CENTER**—**Bob Dixon**, pres., Rolfe St. Bk., and **Keith Campbell**, pres., Citizens St. Bk., Sheldon. **RIGHT**—**Wayne Johnson**, sr. corr. off., Security Nat'l. Bk., Sioux City, and **R. M. Cuttell**, pres., Everly St. Bk.



GROUP FIVE officers are **Richard Randall**, pres., Dunlap Sav. Bk., (chmn.), and **David N. Walthall**, pres., State Bk. & Tr. Co., Council Bluffs, (secy.). **RIGHT**—IBA Treas. **L. C. "Bud" Pike**, pres., Farmers Sav. Bk., Grundy Center; **Ronald F. Sealock**, e.v.p., Council Bluffs Sav. Bk., and **Tom Dunlap**, pres., South Story Bk. & Tr., Slater, nominee for v.p. of the IBA.

Pictures Taken in May at Iowa Group Meetings



IBA PRES. Les Olson, pres., Toy Nat'l. Bk., Sioux City, and wife, Faye, and Don Bolton, chmn. of Gr. 6 and e.v.p., Union St. Bk., Winter set. RIGHT—Tom Elyea, v.p., Continental Bank, Chicago, and Robert E. Lee, pres., Iowa-Des Moines Nat'l. Bk.

Hawkeye Buys Capital City Bank

A CONTRACT to purchase Capital City State Bank of Des Moines by Hawkeye Bancorporation, a Des Moines-based multi-bank holding company, was announced June 22 by H. Jack Moors, president of Capital City Bank, and Paul D. Dunlap, president of Hawkeye. Terms of the proposed sale were not disclosed.

The contract to purchase the \$90 million assets eastside bank is subject to regulatory approval.

Hawkeye Bancorporation presently owns 24 Iowa banks, following federal approval June 23 for acquisition of First National Bank of Sibley. The Hawkeye group has assets totaling approximately \$1 billion. The group includes First Federal State Bank, also of Des Moines, located at 24th and University Streets on the westside. Mr. Dunlap stated "it would be Hawkeye's intention to operate both banks independently of each other and not merge the institutions. The eastside of Des Moines is a great banking market and is one in which we enthusiastically look forward to entering."

Capital City Bank has detached Des Moines offices at 5700 Hickman Road and 2426 Hubbell Avenue, as well as at 1237 Grand Avenue in West Des Moines. First Federal, which has assets of nearly \$55 million, has offices in suburban Clive, and also in River Hills and downtown Des Moines.

Capital City Bank was chartered in 1869, the second oldest charter in the city. It is the fifth largest bank in the metropolitan area, based on 1979 year-end reports.

Earlier this year, Hawkeye pur-

chased the Hawkeye State Bank in Iowa City, effective May 1, as its 23rd bank.

Management Changes at First Nat'l., Woodbine

The board of the First National Bank, Woodbine, has announced two management changes, according to Kenner S. Swedburg, president. Leo P. Kenkel was elected vice president and cashier, and Kenneth D. Waite was named assistant cashier and loan officer.



L. P. KENKEL

K. D. WAITE

Mr. Kenkel has been with the bank since 1963. He was named cashier in 1967 and elected to the board of directors in 1977.

Mr. Waite joined the bank in 1976 as a teller and management trainee after working at the National Bank of Commerce in Lincoln, Neb. He is a graduate of Kearney (Neb.) State College.

Promoted at Lone Tree

Farmers & Merchants Savings Bank, Lone Tree, has announced the promotion of Ron Trudo to the position of assistant cashier and installment loan officer. He will be in charge

of installment loans and assist in the real estate mortgage and student loan areas.

Mr. Trudo has been with the bank since 1978. He previously taught school for over 10 years.

Heads Bremer Co. Bankers

Janice Johnson has been elected president of the Bremer County Bankers Association. She is assistant vice president at the First National Bank of Waverly and is the first woman to head the organization.

Also elected were: vice president—Mike Stoessel, assistant cashier, First National Bank of Sumner, and secretary/treasurer—Gary Burke, cashier, State Bank of Waverly.

Harlan D. Sterk Dies

Harlan D. Sterk, 44, president of the Jefferson State Bank, died of cancer last month.

Mr. Sterk, a native of Montezuma, had been with the Jefferson bank since 1965 when he was hired as a manager of the bank's Dana office. He served the bank in all areas of lending and was named senior vice president in 1972 and president last December.

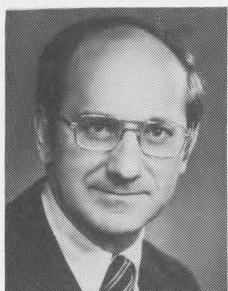
Active in banking and civic organizations, he was a member of the board of Brenton Banks, Inc., and chairman of the board of trustees for the Presbyterian Church. Survivors include his wife, Ila, and four children.



H. D. STERK

Predicts 'Second Golden Age' of Housing

DESPITE short-term weakness in homebuilding due to record interest rates, the U.S. is entering a "second golden age" of housing, and the 1980 census is likely to find that an historic two-thirds of Americans own their homes, Leon T. Kendall, president, Mortgage Guaranty Insurance Corporation, Milwaukee, told a forecasting conference recently in San Francisco.



L. T. KENDALL

"The current outlook for housing is bleak, and we have lost the 1980 building season," Mr. Kendall said at the Conference Board's Midyear Forecasting Conference. "My housing starts estimate for the year is a soft 1.1 million units made up of 450,000 multiple-family starts, including condominiums, and 650,000 single-family detached units. This would be the lowest level of starts since 1946. And, as far as single-family activity is concerned, the lowest since 1945."

Indeed, the president of the nation's oldest and largest mortgage guaranty insurer said his 1.1 million starts forecast was predicated on interest rates peaking by mid-May. "If rates remain high through mid-year, even lower levels of starts are likely," he added.

Mr. Kendall said the next two quarters, through September, should bear the brunt of the homebuilding squeeze, followed by a sharp rebound in activity. "In contrast to the 1974-75 slowdown, there are few parts of the nation where builders have inventories well ahead of sales," he added. "There are no REIT-type situations, no Floridas, Arizonas and Atlantas on the horizon."

Over the long term, Mr. Kendall said, "We have entered a second golden age in single-family housing activity. It's being fueled by the same force as the first one back in the late 1950's—more people needing and wanting homes."

The 1980 census "is likely to surprise us" by reporting homeownership at a new high of more than 65% of the population, compared with 55% in 1950 and 62% in 1960, Mr. Kendall said. "And the estimate probably missed many condo con-

versions and other changes to ownership."

Pointing to demographics, Mr. Kendall attributed the surge in ownership levels to a change in the age distribution of the population. "As we get more people in the 25- to 35-year age bracket, home ownership levels rise," he said. "This fast-growing group will push ownership levels upward during the next five to ten years."

Mr. Kendall said Mortgage Guaranty Insurance Corporation, a unit of Milwaukee-based MGIC Investment Corporation, "has been watching with fascination another dynamism within housing. In 1979, we found that 20% to 25% of the high-ratio 5% and 10% down payment conventional mortgage loans were made to non-traditional households, including single persons." Changing lifestyles are apt to continue and to build demand further, he added.

The need for housing market financing will be "enormous," Mr. Kendall said, with one study projecting demand in 1989 at \$1 trillion and supply from traditional sources like savings and loan associations at \$774 billion. "This leaves a shortfall of \$226 billion in 1989, an amount greater than the total demand for mortgage funds in 1979," he noted.

Mr. Kendall said potential sources of money to fill the mortgage gap would be "life insurance companies, which closed their home loan departments in the 1970's; pension funds, which have practically no mortgage debt; bank trust departments, and international investors recycling Eurodollars and Petrodollars."

However, Mr. Kendall said, "these institutions won't buy home loans in traditional form. They will want securities and, preferably, securities that are rated. More conventional, mortgage-backed bonds, pass-through certificates and private conduits, such as MGIC's Maggie Mae pass-throughs, along with innumerable variations on these themes, are likely to appear. Financial evolution will accelerate."

For homebuyers, the challenge of the 1980s will be affordability, Mr. Kendall maintained. "Monthly payments are likely to take a higher proportion of income than the long-term norm," he said. The house payment ratio may move beyond the traditional 25% to perhaps as high as 40%.

Mr. Kendall said the fixed-rate

mortgage may become extinct, being "modernized through techniques such as graduating payments, pledging savings accounts, using rollovers, introducing various types of secondary financing and separating the ownership of the land from the building."

Manufacturers Hanover Files Public Offering

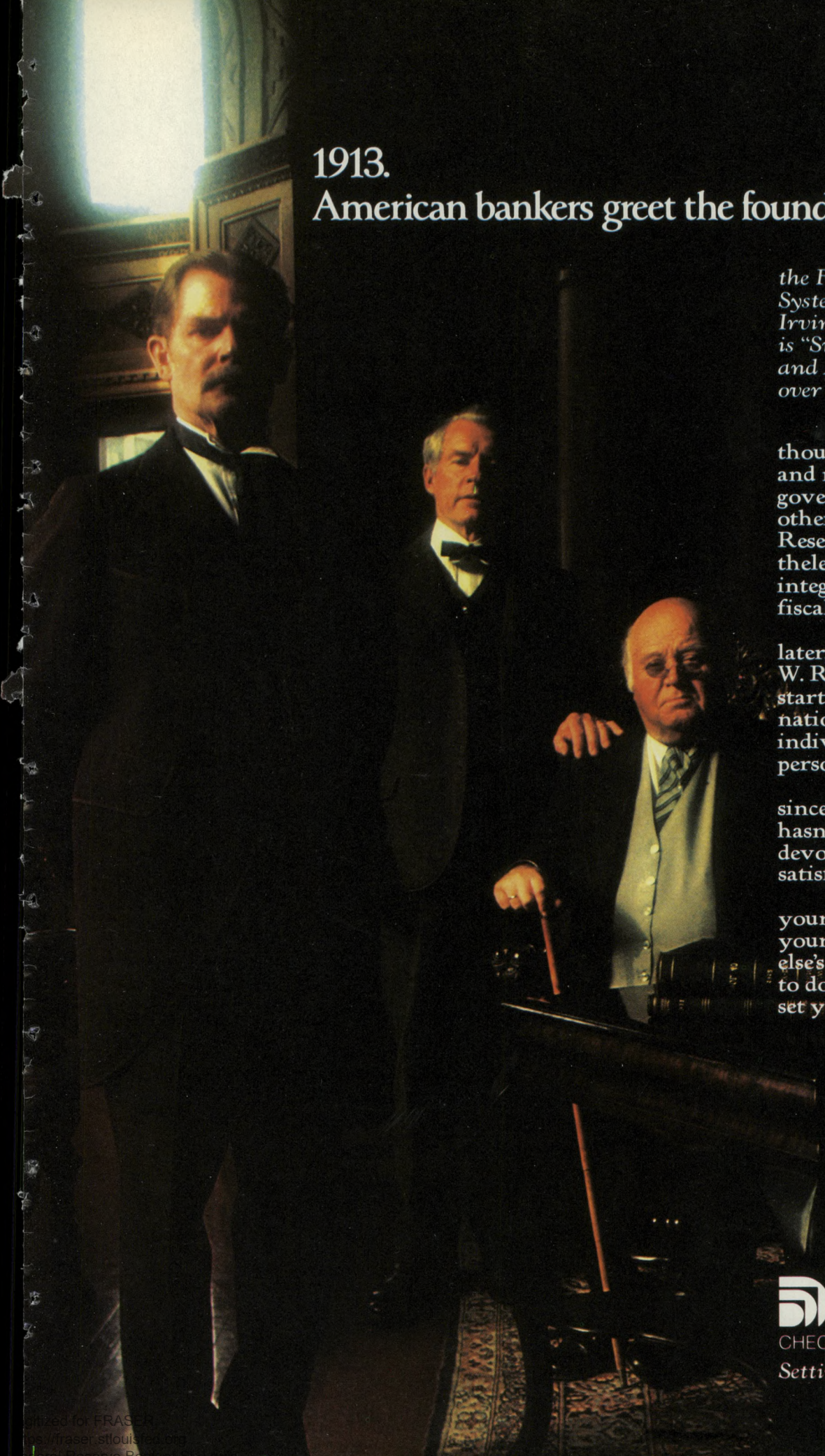
Manufacturers Hanover Corporation, New York, announced that it has filed with the Securities and Exchange Commission a public offering of \$100 million of notes due in 1983. Net proceeds were to be applied to general corporate purposes, including the advance or contribution of funds to its subsidiaries.

The notes were offered in multiples of \$100,000 through underwriters led by Goldman, Sachs & Co., Merrill Lynch White Weld Capital Markets Group and Solomon Brothers.

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1913.

American bankers greet the founding of the Fed.

*Congress enacts
the Federal Reserve
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is "Snookey Ookums,"
and America goes wild
over the Model T.*

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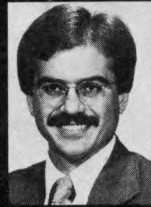
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