

NORTHWESTERN Banker

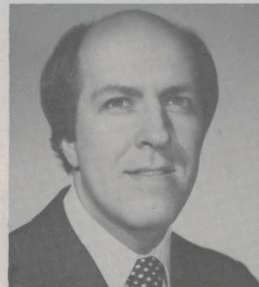
JANUARY
1981



S.B. WHITE



R.W. JACOBSON



L.H. HANSEN



J.B. TINGLEFF



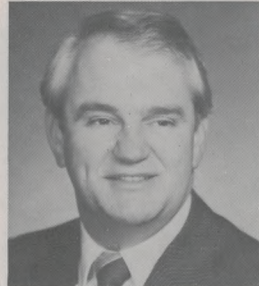
J.M. HONGSLO



W.J. RICKERT



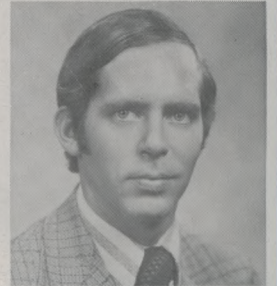
J.E. MARTIN



D.G. PEDERSON



H.P. DeROSIER

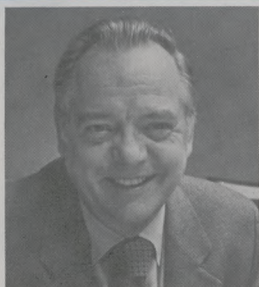


G.L. BIECK

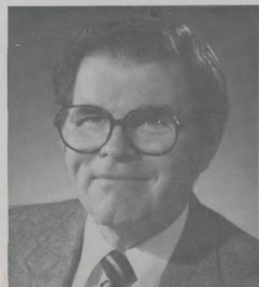
Correspondent banking in the '80s



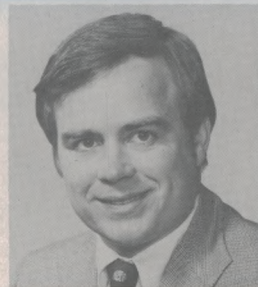
B.G. EILDERS



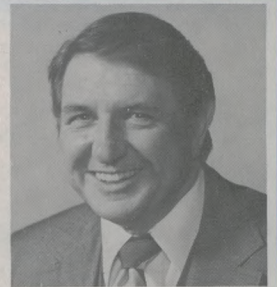
K.A. WALES



J.J. CROTTY, JR.



L.D. DAVENPORT



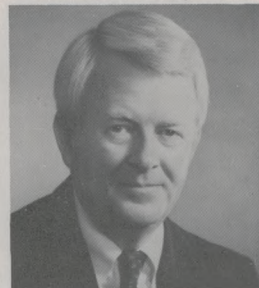
J.E. MANGOLD



W.H. BAACK



B.L. HESSING



J.A. EDMISTON



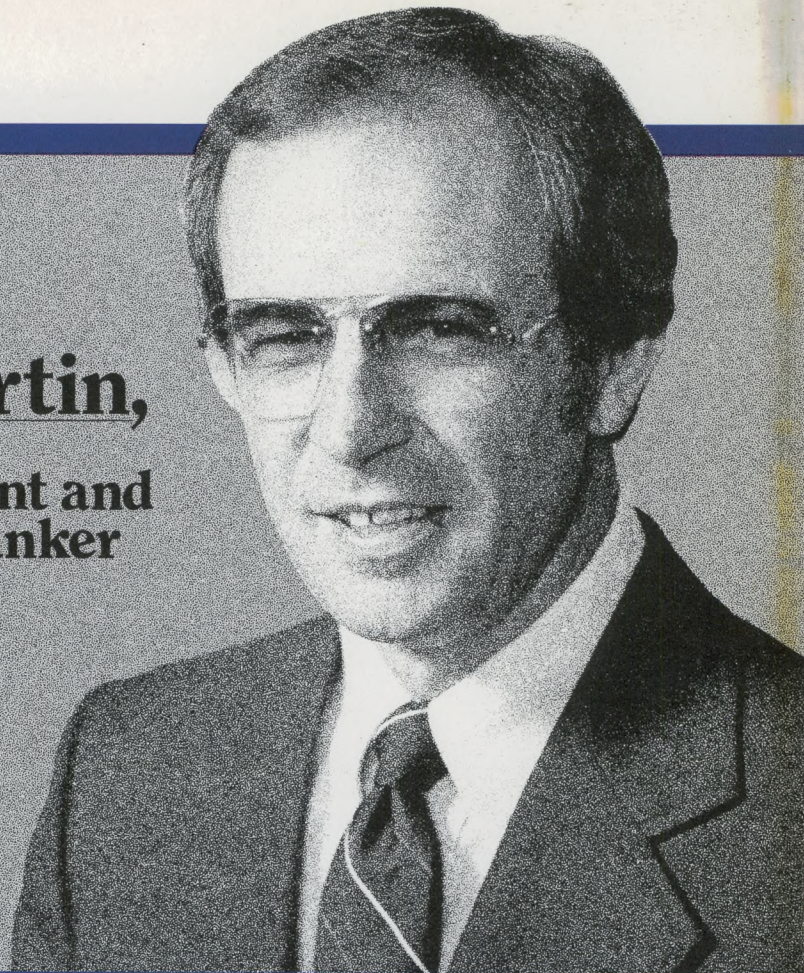
E.A. WOLF



J.K. FIGGE

Terry M. Martin,

**MNB Vice President and
Correspondent Banker
on "Building
a bond
of trust."**



"At MNB we will respond quickly and accurately to your needs for overlines and liquidity loans. Because we realize the way these transactions are handled can have a critical impact on operational procedures and your ability to serve customers.

"Our first priority is to provide superior customer service. To be a partner in helping meet challenges and goals. We begin by developing an in-depth knowledge of each individual correspondent bank's objectives. Then, we provide our expertise and a wide range of services to help attain

these goals with profitable results.

"By consistently delivering a high level of performance and generating fresh new approaches to fulfilling needs, we are able to build confidence and that special bond of trust that comes from working and succeeding together."

Learn more about how MNB can work for you. Call 319/398-4320 or toll free, 1-800-332-5991 and talk to Terry or any of our other MNB Correspondent Bankers: **John E. Mangold, Stan R. Farmer, Jerry N. Trudo or Dale C. Froehlich.**

Merchants National Bank 

Cedar Rapids, Iowa 52401

A 'BANKS OF IOWA' BANK

Member F.D.I.C.

1898.

America gets its first woman bank president.

Teddy Roosevelt charges up San Juan Hill. Street-corner urchins soft-shoe to "Sweet Rosie O'Grady." and the Limerick National Bank of Maine names a woman president.

It was the turn of the century and a woman's place was thought to be in the home. Frances Moulton (shown in the photograph with her family) thought otherwise. So did the Limerick National Bank of Maine. Frances Moulton served as their president until 1919. Unheard of. A first on many fronts — not the least of which was the American banking scene.

And it was just four years earlier, in 1915, that a small company in St. Paul took an unheard of approach to printing checks.

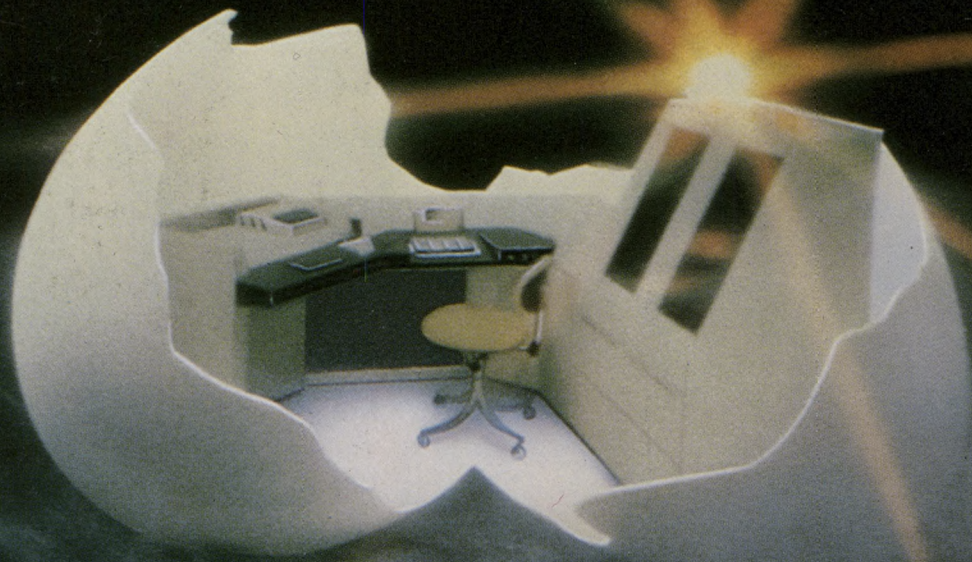
Deluxe Check Printers. The first standardized, checks-only printing source specializing in quick service. In all respects, the first of its kind.

More than 65 years later, we're still committed to innovation. Committed to setting the standards.

We salute you, Frances Moulton. You knew what it was to set standards. We know too. How well we know.

 **DELUXE**
CHECK PRINTERS, INC.
Setting the Standards.

Evolutionary



Breakthrough!

In-bank processing barriers shattered. Now in-house control within reach of any bank—affordably.

IDP: Years in the making

Years of comprehensive research and development now enable us to offer you the latest technology in data entry and proof operations—IN-BANK DISTRIBUTED PROCESSING. Now you can have all the benefits of in-bank control plus the economics of regional processing.

No more courier costs or mandated schedules

With IDP, entry data is captured at proof and transmitted electronically to us for processing. Reports are printed in your bank. This courierless system means you'll no longer be dependent upon data processor schedules or courier timetables. That means *you* set your cutoff times to fit the needs of your customers.

Complete in-bank data processing capability

IDP gives you complete in-house processing capability using U.S. National's programming expertise and personnel. You'll have direct on-premise control of your operation—along with better cash and float management, improved security, lower labor costs and increased productivity.

We'd like to prove IDP is an affordable alternative for your bank's processing needs. We'll assess your current volumes and help you choose the right equipment whether it be on-line proof, the IBM 3694, the NCR 7750, or the IBM System 34. In short, we will work to design and install an affordable system that fits your bank.

Join the evolution!

If you want more control over your operations, get IN-BANK DISTRIBUTED PROCESSING (IDP)—available *now* from U.S. National and our affiliate Northwest Computer Services.

IDP is here now, ahead of its time, and is right for your bank. If you'd like to join the evolution, call us today at 402/536-2072.

US NATIONAL BANK

Member FDIC

Of Omaha



NORTHWESTERN Banker



JANUARY 1981 • 88th Year • No. 1408

OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES

MEMBER OF AUDIT BUREAU OF CIRCULATION • MEMBER BANK MARKETING ASSOCIATION



ON THE COVER

EXCLUSIVE SURVEY

21 Correspondent bankers look ahead

City correspondent bank officials look at the role of the correspondent bank system in view of the new Federal Reserve System rules governing reserves for all banks, as well as the Fed's new pricing schedule for its services. In addition, they look at other facets of correspondent service, with an eye to future developments.

OTHER FEATURES

15A Correspondent bankers get T.I.P.S.

ABA division discusses future of correspondent banking

32 Predict better business

Special report on First of Chicago Conference—Malcolm Freeland

35 Observes 125th anniversary

Mercantile Trust, St. Louis, built on history

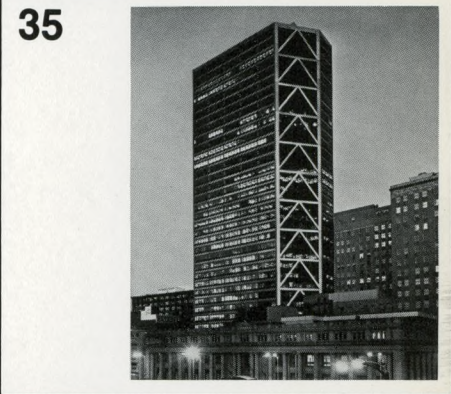
DEPARTMENTS

8	Calendar	61	Colorado
10	Bank Promotions	63	Nebraska
16	Corporate News	64	Omaha
37	Illinois	66	Lincoln
41	Minnesota	69	Iowa
42	Twin Cities	72	Gp. 1 Program
55	South Dakota	76	Des Moines
56	Wyoming	80	Business Trends
57	North Dakota		Report
60	Montana	84	Jokes
		84	Index

21



32



35



80

NORTHWESTERN BANKER

306 15th Street, Des Moines, Iowa 50309 Phone (515) 244-8163

Publisher
Malcolm K. Freeland

Auditor
Debbie Hibbert

Editor
Ben Haller, Jr.

Field Representative
Glen Hicks

Business Manager
Mike Freeland

Associate Editor
Louise Ritchhart

Field Representative
Paul Masters

No. 1408 Northwestern Banker (USPS 397-620) is published monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscription \$1.00 per copy, \$12 per year. Second class postage paid at Des Moines and at additional mailing office. Address all mail (subscriptions, change of address Form 3579, manuscripts, mail items) to above address.

Carroll McEntee & McGinley

INCORPORATED

is pleased to announce
the formation of

CM&M Group, Inc.

(a holding company)

SUBSIDIARIES:

Carroll McEntee & McGinley, Inc.	Geo. B. Gibbons & Company, Inc.
Carmcley Corp.	Eagle Income Management Company, Inc.
CM&M Futures, Inc.	Shorcan International Brokers, Ltd.
Landart Systems, Inc.	(Toronto, Canada)
American Interest Arbitrage Corporation	

**CARROLL
McENTEE
& MCGINLEY**

INCORPORATED

40 Wall Street, New York, N.Y. 10005
(212) 825-6780



Atlanta, Georgia, Boston, Massachusetts, Chicago, Illinois, Cleveland, Ohio, Houston, Texas,
Los Angeles, California, Philadelphia, Pennsylvania, San Francisco, California.

Convention Calendar

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

National Conventions & Schools

Jan. 18-20—ABA International Banking Conference, Grand Hyatt, New York, N.Y.
 Jan. 18-21—RMA Commercial Loan Documentation, Tampa.
 Jan. 29-30—Loan Portfolio Management, Philadelphia.
 Feb. 1-6—ABA Community Bank CEO Program, Don Cesar Beach Resort, St. Petersburg, Fla.
 Feb. 2-3—RMA Branch Bank Loan Administration, Dallas.
 Feb. 8-11—BAI 12th Annual conference on Bank Security, Fontainebleau, Miami Beach, Fla.
 Feb. 8-11—ABA Bank Investments Conference, Sheraton Washington Hotel, Washington, D.C.
 Feb. 8-20—ABA National Instalment Credit School, University of Oklahoma, Norman, Okl.
 Feb. 11-13—BMA EFTS Marketing Conference, New Orleans, La.
 Feb. 14-18—ABA National Trust Conference, Sheraton Waikiki, Honolulu, Hi.
 Feb. 15-18—ABA Annual Community Bank Executive Conference, Hyatt Regency, Phoenix, Ari.
 Feb. 18-20—ABA Corporate/Commercial Marketing Conference, Fairmont Hotel, Dallas, Tex.
 Mar. 1-4—ABA Salary Administration Workshop, Stouffers Denver Inn, Denver, Col.
 Mar. 3-5—ABA Risk & Insurance Management in Banking Seminar, Sheraton, San Diego, Cal.
 Mar. 6-8—RMA Financial Statement Analysis, Denver.
 Mar. 8-11—RMA Commercial Loan Documentation, Denver.
 Mar. 8-11—ABA Bankers Education & Training Forum, Galleria, Houston, Tex.
 Mar. 15-18—ABA National Compliance Conference, Fairmont Hotel, Dallas, Tex.
 Mar. 15-18—BMA Community Bank CEO Seminar, San Diego, Cal.
 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.
 Mar. 26-27—RMA Loan Portfolio Management, San Diego.
 Mar. 29-Apr. 4—ABA Business of Banking School, University of Notre Dame, South Bend, Ind.
 Mar. 29-Apr. 2—BAI Bank Auditors' Conference, Loews Anatole, Dallas, Tex.
 Apr. 12-17—ABA Management Seminar on Retail Banking, Vero Beach, Fla.
 Apr. 22-24—BAI 2nd Annual Accounting &

Finance Conference, Chicago Marriott, Chicago.
 Apr. 27-28—RMA Branch Bank Loan Administration, Columbus, Ohio.
 May 18-20—BAI 4th Annual Bank Tax Conference, Hyatt Regency/Crown Center, Kansas City, Mo.
 May 20-22—Association of Bank Holding Companies, 23rd Annual Meeting, Waldorf Astoria, New York, N.Y.
 June 8-9—RMA Branch Bank Loan Administration, Boston.
 July 25-Aug. 7—BAI School for Bank Administration, University of Wisconsin, Madison, Wisc.
 Aug. 9-14—Central States Conference, Graduate School of Banking Postgraduate Course, Univ. of Wisc.-Madison, Madison, Wisc.
 Aug. 9-22—Central States Conference, Graduate School of Banking, Univ. of Wisc.-Madison, Madison, Wisc.
 Sept. 13-16—ABA National Personnel Conference, Loews Anatole, Dallas, Tex.
 Sept. 13-16—BMA 66th Annual Convention, Washington, D.C.
 Sept. 27-30—National Association of Bank Women's annual convention, Hyatt Regency, Chicago.
 Oct. 3-7—ABA Annual Convention, San Francisco, Cal.
 Oct. 18-21—BMA Commercial Marketing Conference, Boston, Mass.
 Oct. 28-30—BMA Marketing in a Community Bank Seminar, Dallas, Tex.
 Nov. 8-11—ABA National Agricultural Bankers Conference, Sheraton Washington, Washington, D.C.
 Nov. 15-18—ABA National Correspondent Banking Conference, Hyatt Regency Kansas City, Kansas City, Mo.

State Conventions & Schools

Colorado:

Feb. 15-18—CBA Consumer Credit Conference, Broadmoor Hotel, Colorado Springs, Col.
 Mar. 8-10—CBA Agricultural Credit Conference, Broadmoor Hotel, Colorado Springs, Col.
 June 3-6—CBA Annual Convention, Broadmoor Hotel, Colorado Springs, Col.

Illinois:

Feb. 11-12—IBA Consumer Credit Conference, Hyatt Regency O'Hare, Rosemont, Ill.
 Feb. 25-26—IBA Marketing & Public Relations Conference, Holiday Inn-East, Springfield.
 Mar. 4-6—AMBI Consumer Credit Conference, Marriott Hotel, Chicago.
 May 25-June 6—IBA Illinois Bankers School, Southern Illinois Univ., Carbondale, Ill.
 June 7-13—IBA Agricultural Lending School, Illinois State University, Normal, Ill.
 June 10-13—IBA Advanced Agricultural Lending Clinic, Illinois State Univ., Normal, Ill.
 June 14-16—IBA Annual Convention, Chicago Marriott Hotel, Chicago.
 June 21-27—IBA Commercial Lending School, University of Illinois, Urbana, Ill.

Sept. 16-17—IBA Agricultural Credit Conference, Ramada Inn, Champaign, Ill.

Iowa:

Feb. 13-14—IBA Group 1 Meeting, Sioux City.
 Feb. 15-16—IBA Group 11 Meeting, Burlington.
 July 16-18—Iowa Independent Bankers 10th Annual Convention, Lake Okoboji.

Minnesota:

Feb. 11-12—MBA Senior Management Conference, Hyatt Regency, Minneapolis.
 June 15-16—MBA Annual Convention, Radison South, Bloomington, Minn.

Montana:

June 24-26—MBA Annual Convention, Big Sky of Montana, Big Sky, Mont.

Nebraska:

Jan. 21-22—Instalment Credit Conference, Holiday Inn, Kearney.
 Feb. 4-5—NBA Personnel Conference, Holiday Inn, Kearney.
 Feb. 19-24—NBA Bank Presidents Conference, Orlando, Fla.
 Mar. 19-20—NBA Agricultural Outlook Conference, Holiday Inn, Kearney.
 May 7-9—NBA Annual convention, Lincoln.

North Dakota:

Feb. 11-12—NDBA Bank Management Conference, Holiday Inn, Bismarck, N.D.
 Apr. 7-8—NDBA Consumer Credit Conference, Ramada Inn, Jamestown, N.D.
 Apr. 21-24—NDBA Teller/Staff Conferences, N.D.
 May 17-19—NDBA 96th Annual Convention, Holiday Inn, Fargo, ND.

South Dakota:

May 11-12—SDBA Annual Convention, Downton Holiday Inn, Sioux Falls, S.D.

Wyoming:

June 10-12—WBA Annual Convention, Jackson Lake Lodge, Moran, Wyo.

BMA Schedules EFTS Conference in New Orleans

"EFTS: Competing with the New Technology" will be the theme of the Bank Marketing Association's 1981 conference on electronic funds transfer, it was announced by Conference Chairman David Thibodeau, senior vice president of marketing, Third National Bank, Nashville.

Designed for bank marketers and retail and corporate EFT product managers, the two-and-a-half-day meeting will be held February 11-13 at the New Orleans Marriott Hotel. It will focus on impending changes in the banking industry and some of the opportunities that technology offers banks to deliver new and improved products at a competitive price while maintaining profitability.

Why we changed our name to Westcap!

The Westcap Corporation is the new name for securities distributor Hibbard, O'Connor and Weeks, Inc.

And not only the name is new:

Senior management is new.

The controlling stockholders are new.

The attitude is new.

The point of view is new.

Leading the new forces of this rejuvenated company is Clifton Iverson, Jr., President and CEO.

In September 1979, Mr. Iverson took charge of a company beset with problems. In one year's time, he and his management group made many critical, needed and desirable changes.

Now he answers some questions about Westcap:

Why the name change?

"When the company was acquired a year ago and the new management team put into place, the firm had serious problems. During the past year, with strong support from members of the investment community and our stockholders, we have solved or corrected all of the serious problems. What remains is mainly housekeeping.

"We pointed the company in a different direction. We changed the basic business philosophy of the firm. By changing the name, we symbolize the changes that have taken place and our break with the business philosophy of the prior management.

"The name change also makes clear that Messrs. Hibbard, O'Connor and Weeks have no current connection with the firm."

Why now and not a year ago?

"Ours is a business of trust. To conceal, or even attempt to conceal, a problemed past without first correct-



Clifton Iverson, Jr., President and CEO of The Westcap Corporation:

"We operate a different type of business than H. O. W. did!"

ing the ills of that past, violates principles we consider paramount.

"We chose, instead, to achieve our own reputation—to prove again to the business community and to our customers, that this new company had the ability to survive and thrive. I think we have achieved this."

What were the problems you refer to?

"The major problem was financial. The old company had engaged in speculative transactions for its own account and lost a great deal of money. They dealt extensively in forward GNMA and FNMIC securities with extended settlement dates. In order to close out these positions, it was necessary for us to borrow additional funds. Then to repay them, which we did.

"Also the old company never clearly decided what they really wanted to be. They were part investor, part speculator, part dealer and part broker. They fragmented their efforts and wound up in difficult straits."

What is this new philosophy?

"First of all, it's not new. It is only new to this company. Our first objective is to provide our customers with superior service and do our best to satisfy their needs. If we do that, we will enjoy a good reputation. Growth, and ultimately profits, will naturally result from this priority.

"Also we have much more carefully defined our place in the market. We are not going to try to be all things to all people. We have neither the capital nor the ability to do so.

"We are, specifically, a regional distributor of certain types of fixed income securities to small and medium sized financial institutions. We intend to excel in that and only that."

Is it working?

"Remarkably well. For example, last year we opened 547 new accounts. Also, we were working with more major security dealers in September 1980 than we were in September 1979. This demonstrates the trust we've earned in the financial community.

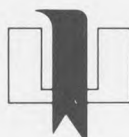
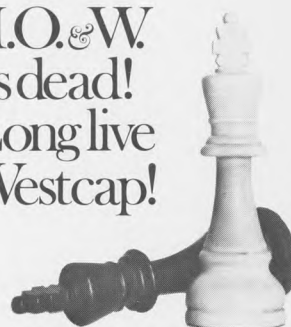
"And we have made money, doing it our way."

"Our capital of more than \$3 Million, as noted in our 1980 annual report, was a larger capital base than the firm ever had. And we earned more than \$600,000 that first difficult year."

What's ahead?

"More of the same. The same steadfast dedication our management has shown this year. Westcap operates a different type of business than H. O. W. did. Now we have to let everybody know it!"

H.O. & W.
is dead!
Long live
Westcap!



The Westcap Corporation

1300 Main Street/Houston, Texas 77002/713:651-1111

DAKTRONICS IMPACT

Official Supplier of
Electronic Scoreboards
to the 1980 Olympic
Winter Games



TIME AND TEMPERATURE DISPLAYS

100% solid state. Custom
designed. Attached to your
building or free standing.



MESSAGE CENTERS

Changing or traveling
billboard for community
service and unique
advertising.
Simple keyboard.



Daktronics has taken the service expense out of message displays with 100% solid state electronics. Our engineers will custom design a display to enhance the architecture of your building and will provide a color drawing and quote at no cost. Call or write for details today.

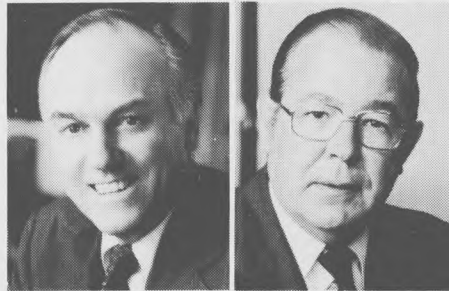


DAKTRONICS, INC.
Box 299 Brookings, SD 57006
Phone 605-692-6145

Bank Promotions

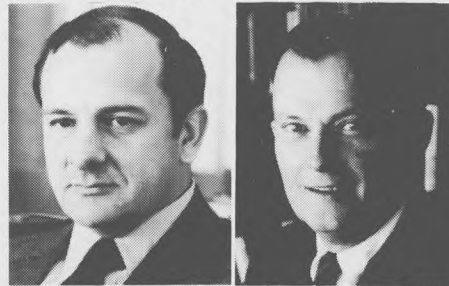
PROMOTIONS and other changes have been announced by the following banks:

BankAmerica Corporation and Bank of America NT&SA, San Francisco: Directors have announced the new management team that will take office at the corporation's annual stockholders meeting April 21, 1981.



L.S. PRUSSIA

A.W. CLAUSEN



S.H. ARMACOST

C.J. MEDBERRY

This action resulted from the decision by president and chief executive officer A. W. Clausen, 57, to accept election to the presidency of the World Bank effective July 1, 1981.

Samuel H. Armacost, 41, will succeed Mr. Clausen as president and chief executive officer of the holding company and the bank. He has been executive vice president and cashier of Bofa and treasurer of the holding company. He was also elected a vice chairman and director of BankAmerica Corporation, effective immediately.

Chauncey J. Medberry, 63, chairman of both the holding company and the bank, was appointed to succeed Mr. Clausen as chairman of the executive committee of both boards. He will continue to give guidance to Bofa's strategic planning effort and oversee its banking and community activities in southern California where he maintains his office.

Leland S. Prussia, 51, vice

chairman and executive officer of the bank's World Banking Division, was elected to succeed Mr. Medberry on April 21 as chairman of the holding company and bank.

Mr. Clausen has headed the bank and holding company since January 1, 1970. He has been with the bank 31 years.

Mr. Clausen has headed the bank and holding company since January 1, 1970. He has been with the bank 31 years.

Mr. Armacost joined the bank in 1961, left to complete his MBA at Stanford University and returned in 1964. In 1971 he left for one year to serve in the President's Executive Interchange Program with the Office of Monetary Affairs of the U.S. State Department. He was appointed in 1977 as executive vice president and head of the bank's Europe, Middle East and Africa Division, with headquarters in London, the post he held until being named cashier in May, 1979.

Mr. Medberry was named chairman in 1971 and in that office also headed the world Banking Division four years. A graduate of UCLA, he joined the bank in 1939.

Mr. Prussia joined the bank in 1956 after receiving his master's degree in economics. He was cashier from 1974 to May, 1979, when he was appointed executive officer of the World Banking Division. He was elected a vice chairman of the bank and holding company boards in 1978.

Commerce Bank of Kansas City: The following promotions have been announced for staff personnel:

James P. Kern, manager of the money market division, and Martin E. Stanek, manager of the central securities department, both were named assistant vice presidents.

Dennis C. Riffle and Janet M.



D.C. RIFFLE

J.M. FINK

Too often, commercial overline requests get put in their place.



They get filed away. Forgotten. Politely ignored. The correspondent banker, who was all ears when you wanted to talk non-credit services, suddenly isn't listening.

At Continental Bank, we'll listen to anything. That's right. Anything. Commercial customers mean a lot to our correspondents. And our correspondents mean a lot to us.

So, we set out to accommodate. The loan might not be as well-documented as many banks would like. The risk might be higher. The profit, lower. But if you're ready to go to the legal limit, you've got

every right to expect us to hear you out.

And answer you quickly. At Continental, you get the decisiveness you expect. And deserve. Your credit request isn't bogged down in redtape. Or held up in committee. It goes directly to your account manager — the officer who can authorize most loans. So, you get a decision, fast, from the person who made it.

Call John Tingleff at (312) 828-2191. Tell him you want to discuss commercial overlines. Then, start talking. You can be sure we're listening. It's what you expect from a top correspondent bank. At Continental Bank, it's reality.



CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago
231 South LaSalle Street, Chicago, Illinois 60693

Fink, both named correspondent banking officer. Mr. Riffle is responsible for correspondent banks in Arkansas, Iowa, Nebraska and the northern Missouri region. He joined Commerce in 1972 at Kahoka, later serving with the holding company's CBI insurance company. Mr. Riffle attended Northeast Missouri State University in Kirksville and the Gem City Business College in Quincy, Ill.

Ms. Fink is responsible for Commerce correspondent banks in metropolitan Kansas City area. She joined the bank in 1972 and entered the retail banking department in 1977. She attended Northwest Missouri State University in Maryville and has an associate degree from Johnson County Community College in Overland Park, Kans. Currently, she is pursuing her BS degree in business from the University of Missouri at Kansas City.

James E. Gorman has joined Commerce Bank as credit and collection department manager and consumer banking officer. Previously he was with General Telephone Company and for seven years was the First National Bank of Chicago.

First National Bank of Chicago:

Douglas E. Van Scoy, a partner with Price Waterhouse & Co., has been named general auditor and a senior vice president of First Chicago Corporation. He will be responsible for planning and directing all operations of the corporations audit division.



D.E. VAN SCOY

Mr. Van Scoy, 39, joined Price Waterhouse in 1964 when he became a certified public accountant. He received his BA and MBA degrees from the University of Michigan.

First National Bank of Kansas City: Charles W. Battey has been elected a director of the bank. He is executive vice president of finance and administration at United Telecommunications, Inc., in Kansas City. Mr. Battey was a banker for nine years in Chicago and Kansas City prior to joining United Telecommunications in 1973 as senior vice president. He was named to his current management post in 1977. Mr. Battey is a native of Lincoln, Nebr., where his father was the

widely known president of Continental National Bank and later chairman of First National Lincoln.

First National Bank of Kansas City: George C. Dudley, 62, senior vice president and consultant retired December 31 to conclude more than 45 years of service with the First National. He was the bank's senior employe in years of service at the time of his retirement.



G. DUDLEY

Mr. Dudley joined the bank September 4, 1935 as a messenger. In following years he attended Kansas City Junior College and the University of Missouri at Kansas City. He took a number of A.I.B. classes and was greatly involved with A.I.B. activities during his career. In more recent years, Mr. Dudley was graduated from the Graduate School of Banking at the University of Wisconsin in Madison.

He had a leave of absence from 1941 to 1946 for five years of service in World War II, during which time he was a Major with the Eighth Air Force in England. His principal assignment there was as Adjutant General for the Second Wing, which was made up of 22 B-24 bomber groups.

Mr. Dudley was promoted to assistant cashier in 1948 following his return from military service. After advancements to assistant vice president and then vice president in 1950 and 1957, he was elected senior vice president in 1970. He worked in the correspondent bank division for a number of years where he was well-known to bankers throughout Nebraska and Iowa. He headed the department until last February, when he was named consultant and took on special assignments for the bank before his retirement.

First National Bank in St. Louis: Officials here have announced the election of Vernon P. Schmidt as vice president and Mary W. Barron and Kermit R. Workman as assistant vice presidents. New officers are Deborah L. Korfhage, operations, and John S. Rouse, commercial banking.

National Boulevard Bank, Chicago: Charles E. Schroeder, 45, has

been elected chairman of the board, effective January 1, 1981. Henry K. Gardner, 57, continues as president and chief executive officer.

Mr. Schroeder, president of Miami Corporation and a director of the bank, succeeds Myron Ratcliffe, who held the post of chairman for the past 24 years. Mr. Ratcliffe was named honorary chairman.

Mr. Schroeder, who received his MBA degree from Dartmouth College in 1958, joined Miami Corporation in 1960. He was elected treasurer and a director in 1968 and became president of the company in 1978. He has been a director of National Boulevard Bank since 1971.



C.E. SCHROEDER



D.J. FARON

Mr. Gardner also has announced the promotion of David J. Faron to vice president. A graduate of Northwestern University with a BS degree, Mr. Faron began his career with National Boulevard in December, 1973, as assistant vice president and has been associated with the commercial department since joining the bank. Prior to that he had nine years of banking experience as a commercial loan officer at two other Chicago banks.

Northern Trust Corporation, Chicago: E. Norman Staub, chairman and chief executive officer of the holding company and its principal subsidiary, The Northern Trust Company, announced recently he will retire next March at age 65 under the corporation's retirement plan.



E.N. STAUB

Directors of the holding company stated they plan to name Philip W. K. Sweet, Jr., 52, currently president of both corporations, to succeed Mr. Staub as chairman and chief executive officer. Charles H. Barrow, 50, now senior executive vice president of the holding company and

When you're the number one travelers cheque in the business, you don't stop making improvements.

That's why American Express Travelers Cheques is investing \$35 million in a major new communications and operations center in Salt Lake City, Utah.

This facility will take about two years to build and represents the most important financial and technical commitment in our history.

In the words of Travelers Cheque Division President Michael E. Lively, the new center will be "the most advanced communications and operations facility in the industry. The result will be improved profitability to financial institutions due to reduced paperwork and superior communications. At the same time, it will enable us to provide

increased responsiveness to a wide variety of Travelers Cheque customer needs."

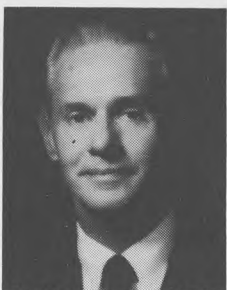
We at American Express have been at the forefront of every major innovation in the travelers cheque business, leading the way in offering improved travelers cheque services to you and your customers. This new center continues that tradition.



American Express®
Travelers Cheques



P.W.K. SWEET, JR.



C.H. BARROW



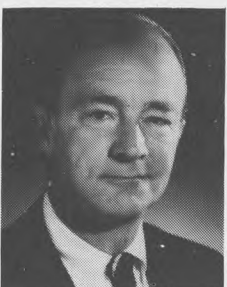
D.W. FOX



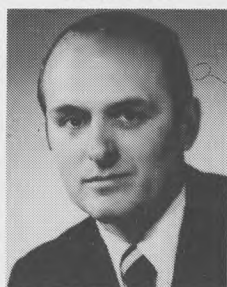
E.B. SMITH



S.B. WHITE



J.K. BUCK



P.R. PERO



H.E. HINDSLEY

bank, will be named president and second ranking officer of both corporations. David W. Fox, 49, executive vice president and head of Northern's banking department, will be named vice chairman and is proposed as a director of the holding company and the bank.

All changes will become effective at the time of Northern's annual meeting March 17.

In addition, directors of the holding company appointed Edward Byron Smith as honorary chairman, effective January 1, 1981. Although retiring as an officer of the corporation and the bank, he will continue as a director of both. He served the bank more than 48 years and preceded Mr. Staub as chairman and chief executive officer from 1963 to 1978.

The Northern banking department has now been separated into the commercial banking department to be headed by Stephen B. White, senior vice president, and the personal banking department to be headed by Jay K. Buck, senior vice president.

Within the commercial banking department, Perry R. Pero, senior vice president, has been designated deputy department head and senior credit officer. Harold E. Hindsley, senior vice president, has been designated administrative officer.

The new commercial banking department will incorporate a number of structural changes to concentrate more effectively on development of domestic banking markets. These include a special

industries group, with emphasis on natural resources, agriculture and commodities, and commercial real estate business. In addition, the metropolitan group has been expanded to reflect the importance of the Chicago market and its potential for further growth.

United Missouri Bank of Kansas City: R. Crosby Kemper III has been elected an advisory director. He has been with the bank since 1977 and is vice president in commercial lending and business development.

Burton E. Haskins III, Robert T. Browne and Doris Y. Hardesty have been elected vice presidents.

Mr. Haskins joined the bank in 1978 after receiving his master's degree in business administration from the University of Wyoming.

Ms. Hardesty joined the bank in 1956.

All three vice presidents are in the commercial bank operations division.

Tim P. Connor has been named marketing officer of United Missouri Bancshares, Inc., the holding company. He will handle advertising and marketing for 20 of the affiliate banks located across the state. He was formerly an editor with an area publishing company and joined the bank in 1979.

Named to Correspondent Bank Advisory Board

Frank L. Farrar, who has ownership in a number of banks in South Dakota, Nebraska and Iowa and surrounding states, has been

appointed to the 14-member Future-banking Advisory Board of Correspondent Resource, Inc., New York. The firm is a subsidiary of Citibank of New York, serving its correspondent relationships nationwide. Mr. Farrar is the upper midwest member of the banker board.

American National, Chicago Will Truncate NOW Checks

American National Bank and Trust Company of Chicago is introducing a NOW account plan which features a check safekeeping option. American National is the first major bank in Chicago to offer truncation.

The plan is tied in with one of two optional NOW accounts, which are interest-bearing checking accounts that became available to bank customers on January 1.

The bank is offering two kinds of NOW accounts to its customers. "American NOW" provides checking with no service charge and 5¼ percent simple interest on the available balance, with a required minimum balance of \$2,000 or an average balance of \$4,000. "Check/Save" requires only a \$1,000 minimum balance or \$3,000 monthly average to qualify for no service charges. Holders of the Check/Save account will receive only a monthly statement of checks paid, although they can have photocopies of two checks a month for free. The bank will store photocopies of the checks for three years.

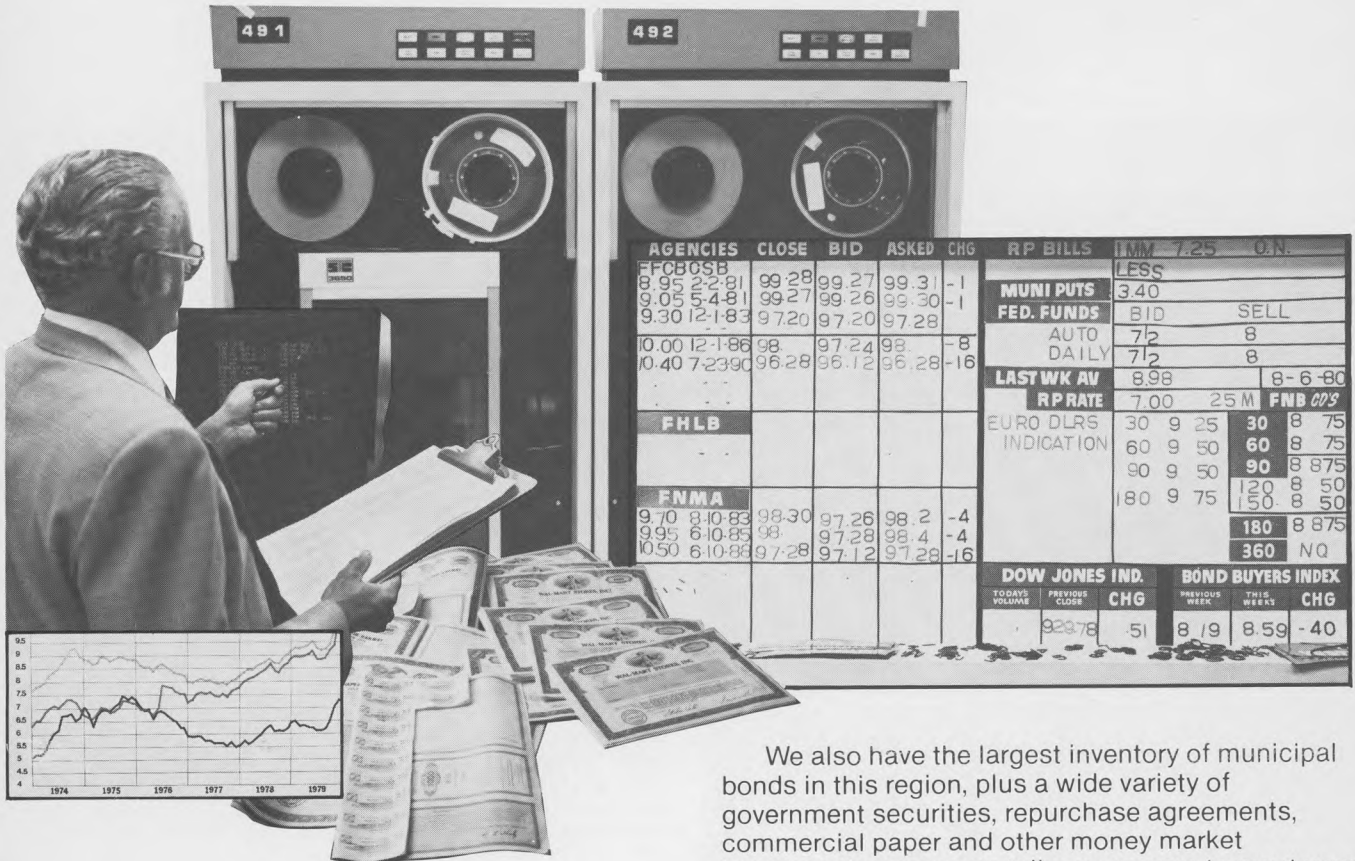
Opens Peking Office

First National Bank of Chicago has opened a representative office in Peking, China. Wallace Anker, senior vice president and former deputy head of the bank's worldwide banking department, is the Peking representative.

Ford Executive Renamed Chicago Fed Chairman

John Sagan, vice president-treasurer of the Ford Motor Company, will continue as chairman of the board of directors of the Federal Reserve Bank of Chicago in 1981, and Stanton R. Cook, president, Tribune Company, has been reappointed deputy chairman. Mr. Sagan has also been named to a second three-year term as a Chicago Fed director beginning January 1.

Are you working harder than your portfolio?



We also have the largest inventory of municipal bonds in this region, plus a wide variety of government securities, repurchase agreements, commercial paper and other money market investments so we can tailor a program to meet your specific objectives.

We can execute your transactions rapidly, provide safe-keeping and give you a monthly computer report on your portfolio's performance.



Meet Bruce W. Hebel our Assistant Vice President. Bruce is responsible for North and South Dakota. Give him a call at (612) 291-5660. He'll be happy to answer any questions you may have.

Major tests lie ahead — for the Fed, for money markets and for the economy. New offerings are flooding the markets and interest rates continue to gyrate.

How do you keep pace with an uncertain market? For many banks, the answer is First Bank Saint Paul. Our Investment Services Group has 36 full-time professionals ready to help you with the most sophisticated investment tools available.

Our "Blue List Bond Ticker" makes available by computer new listings and price changes as they occur. And the latest money market news is just a phone call away on our Money Market Hotline.



First Bank Saint Paul

Member First Bank System

Investment Services Group

The First National Bank of Saint Paul
 332 Minnesota Street
 Saint Paul, Minnesota 55101 (612) 291-5659

Member FDIC

Northwestern Banker, January, 1981



Correspondent get T.I.P.S.*



NEARLY 500 correspondent bank officers took part in the 1980 National Correspondent Banking Conference at the Hyatt Regency Hotel in Atlanta recently. Chairman of the ABA Correspondent Banking Division executive committee this past year was George F. Milligan, executive vice president of Iowa-Des Moines National Bank, Des Moines. He was assisted by Conference Chairman John A. Edmiston, senior vice president, Denver National Bank, Denver. Thomas P. Rideout, president of Savannah Bank and Trust Company, Savannah, Ga., succeeds Mr. Milligan as 1980-81 executive committee chairman.

Executive committee members for the coming year from the upper midwest include E.L. Burch, senior vice



STARTING at upper left photo and reading counter clockwise, those pictured (left to right) are: **1. Lew Jenkins**, pres.-elect of ABA and vice chmn., Manufacturers Hanover Trust Co., New York (and former chmn. of ABA Correspondent Banking Division); **Lee Gunderson**, pres. of ABA and pres. Bank of Osceola, Wis., and **John Clark**, ABA dir., Correspondent Banking Division, listening intently to speaker. **2. John Edmiston**, sr. v.p., Denver Natl., Denver, and **John Clark** chat with keynote speaker **Tom Storrs**, chmn., NCNB Corp and North Carolina Natl., Charlotte. **3. Bob Dressel**, v.p., United Bank of Denver; discussion leader **Wayne Hansen**, sr. v.p., Chase Manhattan, New York, and **Sam Northrop, Jr.**, sr. v.p., Wachovia B&T, Winston Salem, N.C., listen to comments on Pricing of Fed Services. **4. Jim Johnson**, v.p., Bank of New Orleans & Tr. Co., New Orleans, absorbs comments by **Robert E. Knight**, pres., Alliance (Nebr.) Natl., discussion leader for Account Analysis Trends. **5. Mr. Knight's** table was the most crowded one as attested by this group which included: Standing—**Andy Sawyer, Jr.**, v.p., Narine Natl. Exchange, Milwaukee; **Frank Abersfeller**, v.p., Rainier Natl., Seattle, and **Bill Rickert**, sr. v.p., Natl. Bank of Waterloo, Ia. Seated—**Billy Howard**, sr. v.p., 1st Natl., Jackson,



bankers for 1981

president, United Missouri Bank of Kansas City; Don H. Echtermeyer, senior vice president, Central Bank of Denver; John E. Mangold, senior vice president, Merchants National Bank, Cedar Rapids, Ia.; Donald G. Pederson, senior vice president, Northwestern National Bank, Minneapolis, and Hollis W. Rademacher, senior vice president, Continental Bank, Chicago.

The concentrated two-day conference starts at 7:00 a.m. each morning and features general session speakers and two dozen workshops and table discussions. The 1981 conference is scheduled for November 15-17 at the Hyatt Regency in Kansas City. □

- Miss., and **John Hendricks**, sr. v.p., Union Bank, Los Angeles. 6. **Jerry Swords**, pres., Swords Associates, Inc., Kansas City, Mo., and **Brad Johnson**, v.p., Shearson Loeb Rhoades, Inc., New York, who conducted the workshop on "What Are Community Bank Stocks Worth?" 7. **Doug Schmidt** (at right of sign), corr. bk. off., 1st Natl., Sioux City, Ia., and **John Thomson**, a.v.p., Northwestern Natl., Minneapolis, listen to **Bill Dwyer**, exec. v.p. of Profit Technologies Corp., Chicago, discuss Asset/Liability Mix. 8. **Allen Wolkey**, v.p., Fed of Chicago, offers a comment on Pricing of Federal Reserve Services to **Wilbur Baack**, sr. v.p., Natl. Bank of Commerce, Lincoln, Nebr., and discussion leader **George Milligan**, exec. v.p., Iowa-Des Moines Natl., Des Moines. 9. **Bob Anderson** exec. v.p., 1st Natl., Minneapolis, discussion leader for E.D.P. Services—Dilemma for Respondents, hears views of **Bruce Fairbanks**, v.p., Union B&T, Grand Rapids, Mich., and **John Norman**, v.p., Connecticut B&T, Hartford. 10. Comments on Bank Stock Financing hold attention of **Colin Johnston**, v.p., 1st Natl., Chicago; discussion leader **Don Echtermeyer**, sr. v.p., Central Bank of Denver, Colo., and **Steve Sheridan**, v.p., Denver Natl., Denver.



Corporate

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

American Express Company, New York: A Financial Institutions Services Division has been formed, comprising three of the company's major providers of services to financial institutions: First Data Resources, Omaha; Payment Systems, Inc., Atlanta, and American Express Money Order unit, Arapahoe County, Colo.

FDR, acquired by American Express earlier this year, is the nation's largest independent credit card processor. PSI is a leading supplier of multi-sponsor research in the field of payment systems and electronic funds transfer. The Money Order unit is one of the largest providers of money orders sold through financial institutions and retail stores.

P.E. Esping, a chairman of FDR, will head the new division and report

to Louis V. Gerstner, Jr., executive vice president of American Express. Mr. Gerstner said the division currently serves several thousand financial institutions and other service capabilities will be added. While PSI will continue to operate as an independent unit, the Money Order unit, Mr. Gerstner said, should "gain advantages from FDR's demonstrated capability in transaction-oriented businesses and expand its business beyond its current base."

Aetna Business Credit, Inc., East Hartford, Conn.: The sale of ABCI to Barclays American Corporation by Aetna Life & Casualty of Hartford was completed last month in Hartford after previous approval by the Federal Reserve Board of Governors. Purchase price was listed as \$165 million.

The newly-acquired firm becomes the fifth operating division of Barclays American Corporation which handles consumer lending, commercial financing, leasing and the sale and underwriting of credit-related insurance. Headquartered in Charlotte, N.C., Barclays American Corporation is a subsidiary of Barclays Bank International Limited.

ABCI President and Chief Executive Officer Richard S. Cornwall said the 65-year old firm will continue to be headquartered in East Hartford.

North Central Life Insurance Company, St. Paul, Minn.: Walter A. Griffin, CLU, senior vice president and sales director, has announced a series of promotions and organizational changes designed to strengthen the internal structure of the sales department.

Roger Pulkrabek, Richard A. Nelson and Denny Zea, all former regional vice presidents, have been named vice president and national sales manager for their divisions.

Mr. Pulkrabek will head the financial institutions division, with responsibility for nation-wide marketing of credit insurance products through banks, savings and loans, loan companies and credit unions. He joined the company in 1966 and has been in sales since then.

Mr. Nelson is manager of the newly formed dealership division that will have national responsibility for all company insurance sales through auto, truck, RV and marine dealerships, retail credit and non-financial institution lease programs. He joined North Central in 1976 as a dealership specialist.

Mr. Zea, who headed ordinary insurance sales in the north central area, now heads that division nationally. He has been with North Central since 1973 and four years prior to that with Monarch Life in Sioux Falls.

North Central Life is a national leader in marketing insurance to customers of financial institutions. It is licensed in 46 states. It has nearly \$2.2 billion insurance in force.

SINGLE INTEREST INSURANCE

For Installment Loans

BLANKET SINGLE
INTEREST

INDIVIDUAL SINGLE
INTEREST PROGRAMS

- Automated
- Manual

PROTECT YOUR LOANS
AGAINST THOSE PHYSICAL
DAMAGE LOSSES.

CONTACT US ABOUT A
PROGRAM FOR YOUR BANK.

call or write:

**VW G.D. VAN
WAGENEN CO.**

1678 Northwestern Bank Bldg.
Minneapolis, MN 55402
(612) 333-2261

Barclays American Business Credit Conclave



HOLIDAY PARTIES included a group from the Minneapolis office of Barclays American Business Credit (formerly Aetna Business Credit). Shown from left are: Al Olson, host, James T. Verefurth, e.v.p. from Hartford office; Willis F. Rich, Jr., e.v.p., Northwestern Nat'l. Bk., Minneapolis, and R. Lynn Jones, host.

The Mosler Advantage:

**Service people
wherever you are.**

It's a fact that you'll find Mosler service people in places you won't find anyone else. You'll also find that Mosler people understand that getting to you "as soon as we can" just isn't soon enough.

That's why last year alone, Mosler service people drove more than 20,000,000 miles in their custom-equipped vans to keep all kinds of security and transaction products in operation. Twenty-four hours a day. Seven days a week. Even in Alaska.

Another fact. Mosler service people spend up to 20% of their careers staying up-to-date with current technology. So they come to you trained to do the job right. Usually the first time. And always at prices you can live with.

**Security products
wherever they're needed.**

Whether custom-guarding the original Declaration of Independence in Washington, DC, safeguarding the gold in Ft. Knox or protecting valuables in a safe deposit box in Topeka, Mosler stands for excellence

everywhere. All because the quality of Mosler products stems from the quality of its people—an

advantage our customers can't get

from any other security company.

Put The Mosler Advantage to work for you. Start with a copy of our "Scope of Mosler" and "Service" brochures by writing Mosler, Dept. S-80, 1561 Grand Blvd., Hamilton, Ohio.



Quality People. Quality Products.

Mosler

An American-Standard Company
Hamilton, Ohio 45012

Northwestern Banker, January, 1981

Continental Holds Training Workshop



A ONE-DAY training forum was held recently by Continental Bank of Chicago at the bank's headquarters for persons responsible for training in their banks. Banks are becoming more involved in training and are looking for assistance in developing their training areas. "These sessions were specifically designed to offer training guidelines for banks that do not have a formalized training division," said Jeanne Czarnecki, banking officer and manager of educational services at Continental Bank. Workshop topics included "Basic Training Techniques," "Group Dynamics," "Needs Assessment" and "How to Structure Training in Your Bank." Additional workshops are planned for next year.

The workshop leaders were, from left, **Marsha Adamczyk**, customer relations trainer, Continental Bank; **Geoffrey M. Bellman**, president of GMB Associates, a consulting firm specializing in human resource planning; **Ruth H. Carroll**, personal banking training manager, Continental Bank; **Lynn Z. McCreery**, assistant vice president and personnel development officer, Glenview State Bank; **Regina L. Logan**, educational services administrator, Education Foundation of the National Associations of Bank Women, and **Jeanne Czarnecki**.

First Chicago Will License First Cash System to Financial Institutions

FIRST Chicago will begin licensing FirstCash, the Bank's balancing reporting system to financial institutions, announced Christopher Skaar, vice president in the bank's cash management division. FirstCash is a family of computerized information exchange services, which consolidates data from several banks and generates printed reports for corporate treasury staffs on their desktop terminals. The new licensing program enables financial institutions to offer the service under their own identity to their corporate market.

Mr. Skaar said, "First Chicago has had tremendous success marketing FirstCash within its own customer base, which inspired us to adapt the product for licensing. Our program supplies participating financial institutions the use of the software through an arrangement with General Electric Information Services Company. We also provide agent banks internal training to

interface their or their bank's systems with GEISCO's, as well as basic operations training for their employees. We also conduct sessions to teach their personnel how to sell the product. First Chicago includes a product manual and a complete merchandising kit."

The product will be offered to financial institutions in three phases. The first phase will offer Balance and Analysis Modules that contain programs for:

1. Balance Reporting—provides consolidated printed reports of the corporation's cash position in all of its banks including ledger and collected balances, float figures, total debits and credits.
2. Detail Reporting—a descriptive listing of previous-day transactions affecting the corporation's accounts.
3. Balance History—month-to-date and previous month's balance activity at a glance including month-to-date averages for ledger

and collected balances, total debits and credits.

4. Target Reporting—locates cash surplus or deficits in the corporation's banking network.

The first phase is currently being used on a test basis with market introduction scheduled for this month.

Phase II, targeted for distribution in April, will offer a Money Transfer Module and Phase III, planned for mid-year, will feature a Cash Concentration Module.

Doane and Victorio Services To Merge

The shareholders of Doane Agricultural Service, headquartered in Saint Louis, have approved a merger with Victorio Agricultural Services, a Missouri subsidiary of The Victorio Company of Phoenix.

Doane Agricultural Service is a 61-year old, highly-regarded appraisal, real estate, market research, publishing, consulting, and farm management company, with about 300 employees concentrated in the Midwest.

The Victorio Company is a privately-held company with nearly 700 employees in its operating subsidiaries concentrated in the western United States.

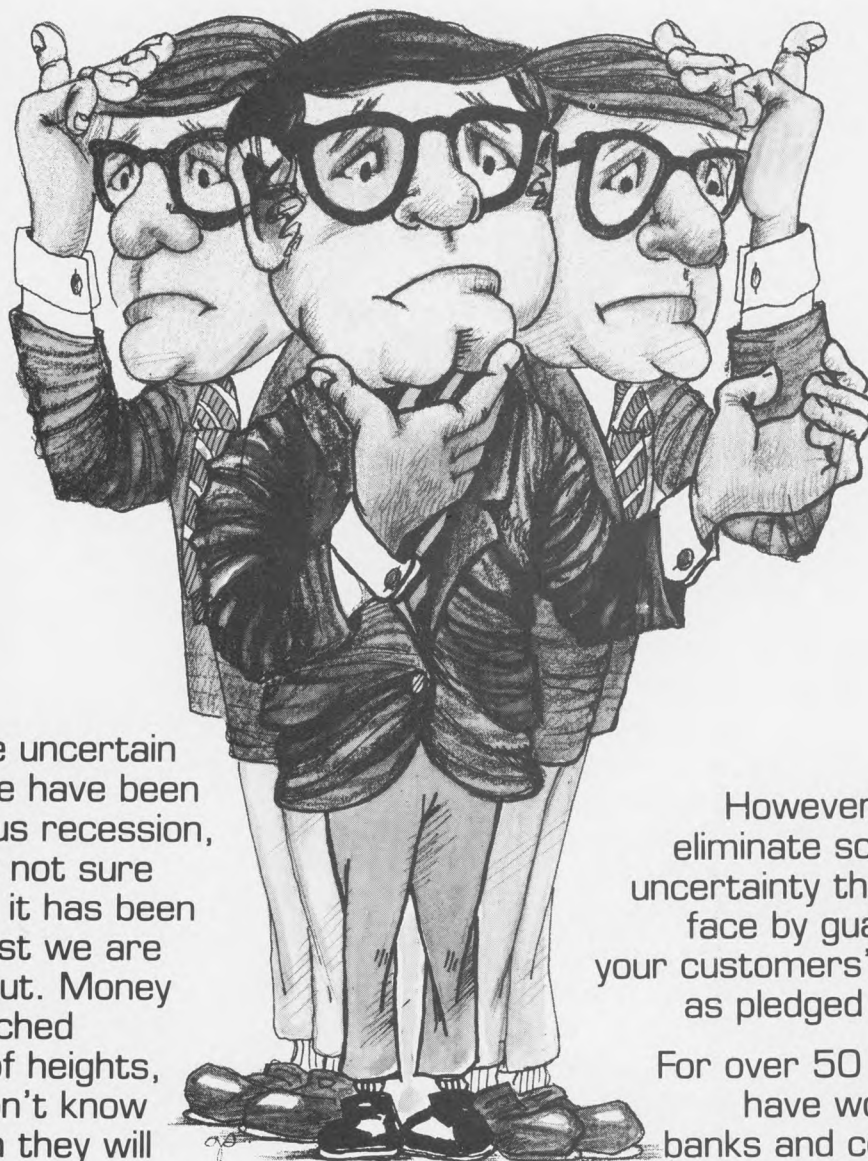
Doane management and their board of directors will continue. Mr. J.W. Hackamack, president of Doane, will join the Victorio board, which includes Dr. Earl L. Butz, former U.S. Secretary of Agriculture, and Peter G. Wray, chairman and major stockholder of The Victorio Company. Mr. Wray will join the board of Doane, as well as Richard L. McElheny, senior vice president of The Victorio Company, previously president of Farmhand, Inc. of Hopkins, Minn.

Two Men Re-elected To Kansas City Fed Board

Wayne D. Angell, president of the Council Grove National Bank, Council Grove, Kan., and James G. Harlow, Jr., president and chief executive officer, Oklahoma Gas and Electric Co., Oklahoma City, have been re-elected to the nine-member board of the Federal Reserve Bank of Kansas City.

The two men will serve three-year terms beginning Jan. 1, 1981.

Uncertainty.



These are uncertain times. We have been in a serious recession, but we're not sure how deep it has been or how fast we are climbing out. Money rates reached unheard of heights, but we don't know how much they will drop or if they will drop back to normal. Some of our large, basic industries are in trouble. Our economic stability is dependent on a steady flow of petroleum imports which may or may not prove dependable.

All of this uncertainty makes business lending very difficult.

However, SLT can eliminate some of the uncertainty that lenders face by guaranteeing your customers' inventory as pledged collateral.

For over 50 years, we have worked with banks and commercial lenders to collateralize loans and make lending safer and more profitable. Give us a call; we can eliminate uncertainty from your loan portfolio.



SLT WAREHOUSE COMPANY

P.O. Box 242, St. Louis, Mo. 63166 • 314/241.9750 • Offices in Major Cities
NATIONWIDE COLLATERAL CONTROL SERVICES

These banks know
something about
money orders
you should know-
They know
TRAVELERS EXPRESS

Over 3000 financial institutions have switched to Travelers Express Money Orders. Their reasons are many:

- Backroom economies
- Simplified reporting
- Fast to issue
- Bigger balances
- Higher profits
- And many more

And, many are now switching to Travelers Express OFFICIAL CHECKS, in place of their own Cashiers' Checks, to get cash monthly income or bigger balances.

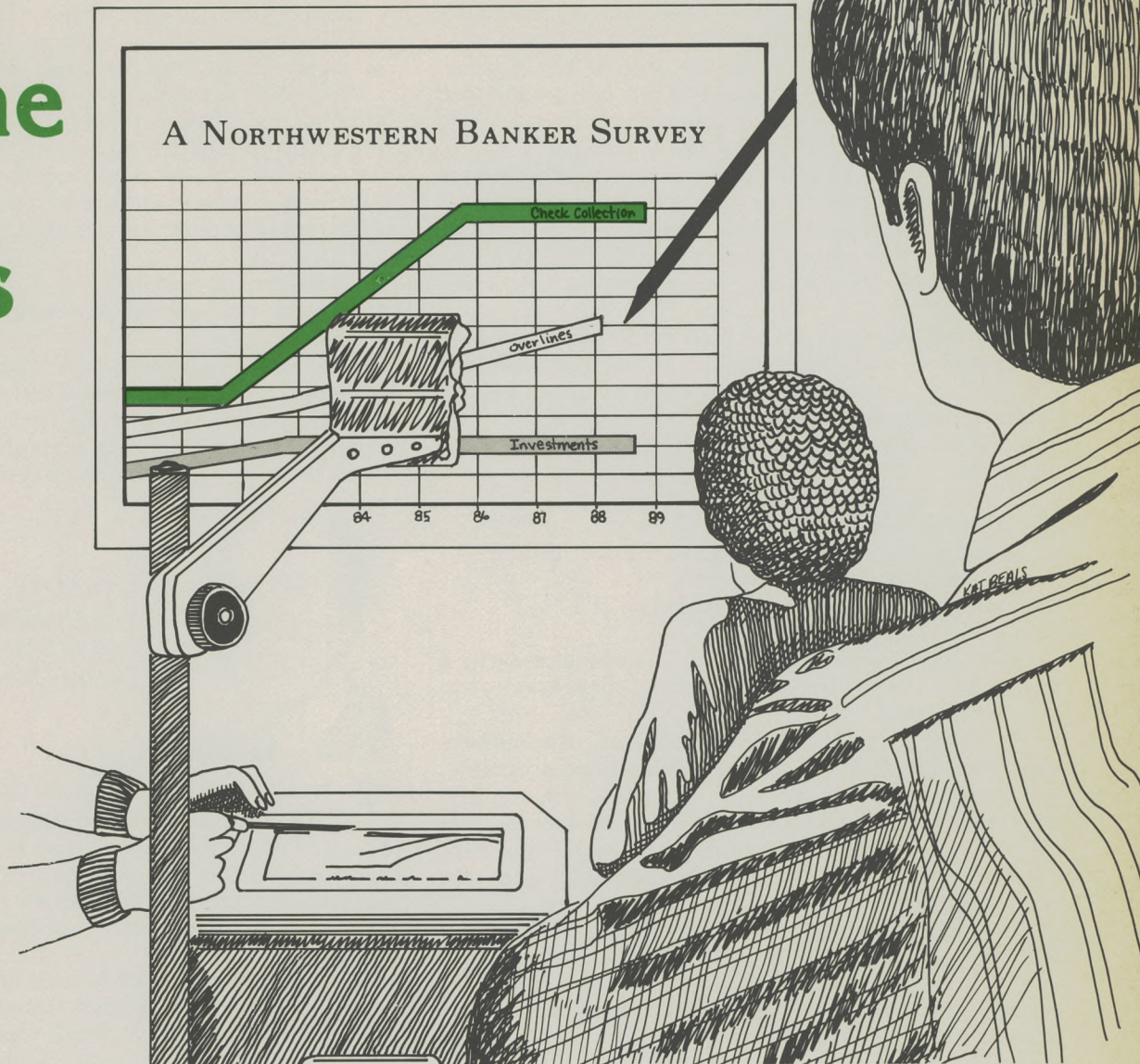
Whether your bank is large or small, you can benefit. Why not check into both services, call us toll-free at 800-328-5678.

Travelers Express 
A GREYHOUND  COMPANY

5075 Wayzata Blvd., Minneapolis, Minn. 55416

Correspondent banking

in the
'80s



CITY Correspondent bankers see an expanding role for their services with community banks in the decade ahead, in view of the recently announced Federal Reserve Board pricing schedule for Fed services. Furthermore, most of the bankers responding to a special NORTHWESTERN BANKER survey on this subject report they plan to market their services aggressively in coming months so as to position themselves and the correspondent system as the real partner of community banks. City correspondent bankers responding to this exclusive survey feel they can outperform the Fed on a competitive basis, and with more personal relationships that have existed for decades among correspondent banks.

In addition to requesting the participants' answers about the Fed pricing question, the survey also asked opinions about fees versus balances, the offering of EDP services by correspondent banks, the most popular services used by community banks, and the role of associations in providing specialized services. Comments were received by the following bankers:



STEPHEN B. WHITE
Senior Vice President
The Northern Trust Company
Chicago, Ill.

WE EXPECT that Fed pricing will encourage many respondents to re-evaluate their correspondent relationships. While there is considerable uncertainty as to the outcome of this evaluation process, we expect that correspondent banks will become more important, for instance, in check collection than in the past. Although services provided by the Federal Reserve will generally be less expensive than those offered by correspondents, the latter group will continue to deliver a "value-added" that justifies using a correspondent. For example, even

"We feel that an independent data processor can provide EDP services on an adequate, more cost effective basis."

if Federal Reserve fees for check collection are less than a correspondent's, a major check collection bank will offer availability of funds superior to that of the Federal Reserve. We remain committed to our correspondent relationships and will continue aggressively to solicit this business and provide innovative services.

Recent research conducted by us confirms that a vast majority of our respondents prefer paying for services in the form of compensating balances. The advent of the Federal Reserve System charging on a fee basis to many banks will test this concept, but we expect that most banks won't want to pay in fees.

We do not offer and do not plan to offer EDP services to our respondents. We feel that an independent data processor can provide such services on an adequate and more cost-effective basis.

The most popular services used by our respondent banks are:

- a. Check collection services
- b. Wire transfer services
- c. Bond, money market, and Fed Funds trading
- d. Security safekeeping services
- e. Overloan and loan participations
- f. Consulting services

This is a list in terms of usage. It is not necessarily a reflection of the relative importance of these services to our respondents.

We believe that banker associations can make a significant contribution through educational programs. As our banking environment changes more rapidly, education will take on an even greater importance. This increases the necessity of these programs being kept current by periodic updating and the introduction of new programs.

Banker associations should also be expanding their lobbying activities. With the increasing amount of industry regulation through legislation and regulatory bodies, it is important that the banking community present a united voice that is heard at the state and federal level.



ROBERT W. JACOBSON
Vice President
American National Bank and
Trust Company
Saint Paul, Minn.

FED pricing will make for a substantial increase in cost for providing overall operational services. Our bank will remain strong in providing operational services and we will be aggressive in providing alternate ways of providing the services.

I believe correspondent relationships will become stronger due to the system becoming more complex and the need by respondents for more consulting services. I see alternatives as a way to by-pass the Fed such as clearing houses and increasing use of direct sends as the most urgent new priority.

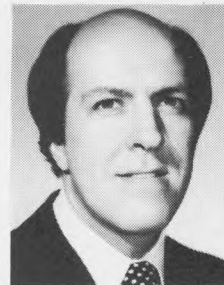
Balances are still used for more than fees. This method will likely continue as long as the bank has excess balances. In the long run, fees will replace balances.

We will continue to offer EDP services to respondents. The correspondent EDP supplier can more efficiently keep both hardware and software current with the market needs and regulatory changes than individual banks operating by themselves.

The most popular services used by respondents are:

- 1) Cash Letters
- 1) Investment Services
- 3) Credit - bank stock & overlines
- 4) EDP
- 5) Financial Management Consulting

Banker associations should address issues common to all banks and aggressively try to enact legislation beneficial to all banks. For example - usury laws, taxes on interest earned, variable rate mortgages.



LARRY H. HANSEN
Vice President
United States National Bank
Omaha, Nebr.

THE BANKING industry is facing many new challenges in 1981. Additional competition, both financial and non-financial, and changes in regulations and deregulation, will produce many new products in the market arena as well as many new innovative marketing techniques. This will place continued pressure on growth and profits.

The Deregulation and Monetary Control Act creates changes and new opportunities in correspondent banking. With the Federal Reserve's new reserve requirements and pricing schedule, we will see correspondent banks become more aggressive and competitive in providing better availability of funds. As we see the balances managed better by respondent banks, we will see products and services provided on a fee basis. The correspondent network will be called upon to provide more management and training expertise in all areas. We must provide total financial management services through quality products and quality services at competitive prices.

As our industry continues to change, one of the most important services we provide is data processing. Respondent banks today must look to someone who can provide quality EDP service as well as someone who can provide these services for an ever changing environment in the future.

There will still be a need for the traditional services such as overlines, safekeeping, investments, etc., which must provide the necessary needs for the respondent banks and their communities.

The future changes will provide a stronger, more competitive, knowledgeable and responsive correspondent system than ever before.



JOHN B. TINGLEFF

Vice President
Continental Bank
Chicago, Ill.

IT SHOULD first be recognized that the new reserve requirements and pricing schedule of the Fed continue the economic discrimination against Fed member banks. During the phase-in period, Fed member banks will be expected to pay fees for Fed services at the same rate being charged non-member banks, although the offsetting benefit of lower reserve requirements will only be realized during the phase-in process.

To the extent that the major correspondent banks use Fed services to assist in processing the activity of respondent banks, it is only reasonable to anticipate that the Fed prices will be passed back to the respondents in some form, although the form will probably not be the same as the price schedule of the respective Reserve banks.

I would also anticipate that the explicit prices of the Fed will provide an incentive for more activity to be cleared through the private sector, i.e., correspondent to regional center bank to money center bank or directly from correspondent to money center bank, thus bypassing the Fed all together. As the major correspondents have traditionally placed greater emphasis on customer service, and also have offered features and availability not provided by the Federal Reserve Banks, there appear to be service features as well as price incentives for more activity to be handled in the private sector. I would also anticipate that more local clearing arrangements would be established in cities and other regions where volume would justify this approach.

It should also be recognized that the advent of Fed pricing opens up a brand new market for those of us who have traditionally been active in serving respondent banks. Previously, it was difficult to solicit much of the business of Fed member banks as they had the option, in effect, of obtaining these services free from the Fed (let's not get into the argument of whether the services are, in fact, free when reserves are maintained). We are now able to compete on an equal basis with the Fed for the business of non-member banks, and we will certainly aggressively do so.

We would anticipate that our relationships with correspondents would continue to be as strong as they are now, and hopefully strengthened as a result of Fed pricing. One trend that I do see is that many banks will buy more and more services on a product selection and evaluation rather than a relationship basis.

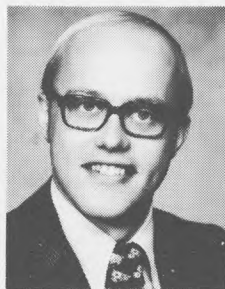
There continues to be an overwhelming preference in the correspondent market to pay for services with compensating balances rather than through cash fees. I would anticipate that this would continue to be true as this enables banks to obtain full value for the cash position they maintain either because of required reserves, or because of the practicalities of doing business. It is also true that the volume of services paid

for with cash fees is rapidly and steadily increasing, with some banks paying cash fees outright, and others electing to provide compensation for balance deficiencies through paying a cash fee rather than increasing balance levels.

Our bank no longer offers EDP services to respondents. In the Chicago market it has been amply demonstrated that respondent banks prefer the service offerings of independent service bureaus to the services offered by correspondent banks.

The most popular services continue to include check collection, safekeeping, wire transfer, and investment services of all types, most significant of which are purchases and sales of government and municipal securities. Increasingly, credit services, both extended directly to bank owners and bank holding companies, as well as commercial overline support of all types, is becoming one of the most actively used and important correspondent services.

In my view, between the services provided by correspondent banks, and the services provided by consultants and suppliers of all types, there is very little room for bank associations to fulfill a useful role in providing specialized services beyond their traditional educational activities. This is contrasted with the savings and loan association and credit union market where associations have historically provided a wide range of services as these industries did not have anything comparable to bank correspondents to look to for assistance.



J.M. HONGSLO

Vice President
Security National Bank
Sioux City, Ia.

WE FEEL that the Fed pricing structure will make correspondent banking even more competitive than it currently is, particularly with item clearance. We foresee the development of private clearing systems and less reliance on the Federal Reserve system. Our bank has been very aggressive with our check collection service and will continue to be so. We do not foresee any substantial weakening of correspondent relationships, because of Fed pricing; however, the correspondent network will have to continue to be innovative, aggressive and service oriented in order to retain its market share.

The reliance in our territory is still on balances as opposed to fees as a method of payment for most correspondent services. We continue to hear talk about fees replacing balances; however, we feel that the transition will be slow. Correspondent banks will become more involved in the types of services that lend themselves to fee payment, such as consulting and advisory services. When these types of services become more pronounced, the movement toward fees will probably follow.

Our bank continues to be very active in electronic data processing services for our respondent banks. We feel that there continues to be a role for the

correspondent bank to fill in the data processing field, and we certainly intend to stay very active in this business. There continues to be economic and technical advantages for the respondent in doing processing off premise. We remain very committed to data processing and are making every effort to meet our respondent's DP needs.

We still find that overline and data processing services are the most popular. Check collection has become and will continue to be very important as will consulting and advisory services.



WILLIAM J. RICKERT
Senior Vice President
National Bank of Waterloo
Waterloo, Ia.

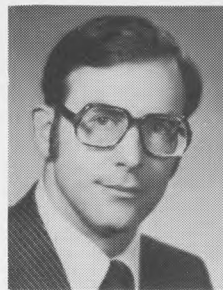
NEW reserve requirements will have little immediate effect on the bulk of our respondents—since for the most part vault cash will handle the requirements. Over the years the reserves should help the Fed in better credit control and more responsive monetary policy changes.

Fed pricing schedules will help community bankers better understand the services we have traditionally priced with balance requirements. There always has been a gray area in the minds of bankers as to the need of what they deem to be arbitrary pricing by correspondents. Now there will be a reliable "hard copy" comparison available. I'm certain that correspondents will view the pricing as an opportunity to compare costs and improve quality of service in a competitive environment. We will continue to monitor programs such as check collection, funds purchases and sales, transfers, and processing to make certain they meet or exceed standards being offered by the Fed and other correspondents.

Fees will become more important and will be used more in pricing services. It may be easier for a banker to pay a monthly statement for services rendered than to constantly increase balances to provide imputed earnings to pay for them. As the price of services and those offered increase, balances necessary must also increase. It may be wiser for the community banker to invest his excess funds and pay the fees charged from actual earnings. As reserves needed increase, this could become more evident.

Top quality EDP programs are high on our list of priorities in services for respondents. We want and need the best programs possible for our bank and test and use them first before we offer them. Banking is certainly not static and constantly changing regulations make the updating of services and program changes a constant challenge and opportunity. This is why the services of a good, imaginative EDP Center, responsive to the needs of community bankers, are so important and why so many have sold their in-house mini-computers.

Banker associations help provide a non-competitive vehicle to develop programs by spreading costs over many that would otherwise defer them or make them prohibitive. This helps to standardize programs that might otherwise be difficult to use.



JOHN E. MARTIN
Vice President
The Omaha National Bank
Omaha, Nebr.

CORRESPONDENT relationships will not be "business as usual." With the advent of new reserve requirements and the implementation of Fed pricing, relationships between banks will be strengthened only if the correspondent bank aggressively strives to provide a wide range of quality services at competitive prices.

Some developments at Omaha National due to Fed pricing:

1. Intensive study of the direct-send program. The check clearing fee will offset the additional transportation costs.
2. Implementation of a co-mingling check sort to by pass the Federal Reserve System.
3. Expansion of coin and currency operations to accommodate correspondent banks.
4. On-line wire transfers eliminating paper entries.
5. Standard marketing of automated clearing house operations.

Midwestern banks have been slow to accept the use of fees instead of the traditional compensating balances to pay for services. This change will become much more evident during the 1980s as banks institute fees for a wide range of services that were formerly provided at no specific charge. This will tend to lessen the reliance on traditional free DDA balances.

The Omaha National Bank continues to believe that data processing represents a vital service for our respondent banks. In fact, we are in the final phase of a substantial updating of our data processing centers with the latest hardware and software technology. Data processing certainly is not a static environment. Changes in the structure of EDP will occur within the next few years. The biggest change likely will be the trend toward community banks owning their own mini-computers due to substantial cost reductions the past few years. Major vendors with central processing units and large programming staffs will provide the complicated communication software for automated clearing house, debit card operations, etc. with maximum benefits for the community bank.

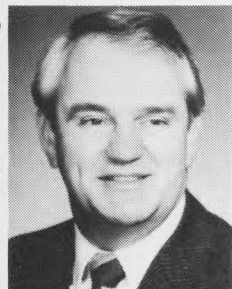
The selection of the most popular services of our respondent banks is somewhat difficult in that it varies with the unique situation of each particular bank. However, that service generally would be:

1. Check collection
2. Loans and overlines
3. EDP processing (all aspects)
4. Bonds & investments (including security and safekeeping)
5. Trust services (This area has received substantially more attention within the past few years and will continue to do so.)

I am philosophically opposed to a broad expansion of banker associations providing specialized services. I acknowledge that some services provided by banking

“Most major correspondent banks will have to become more aggressive and innovative in the ranges of services offered.”

associations have been quite successful and have served very useful purposes. However, I feel that such services could be more economically provided directly by banking institutions if legal and regulatory limitations were lifted.



DONALD G. PEDERSON
Senior Vice President
Northwestern National Bank
Minneapolis, Minn.

RESERVE requirements for nonmember banks because of the 8-year phase-in, and more especially because of indexing for inflation, shouldn't be a major concern for those banks that currently don't need to maintain a pass-through balance. Most major correspondent banks will have to become more aggressive and innovative in the ranges of services currently offered. In the unbundling of the pricing of those services the result could be that the Fed will end up processing the more costly items. An upward revision of the Fed's private sector adjustments to those stated costs, plus an adjustment for inflationary increases during 1980 and 1981 calendar years should place Fed's prices at the high end of the correspondent banks' prices. That would indicate that the existing dormant account relationships will have to be justified by the respondent banks. Those account relationships that are using most of the correspondent services should become stronger. Many existing member banks and those non-member banks who are in an RCPC have been using the "free" collection services of the Fed and with implicit pricing the "value" of that "free" service must be examined.

At Northwestern Bank we have always been very aggressive in all areas of service to our respondent banks and I see no reason at this time to do any different. As a result, correspondent relationships will be strengthened, and our respondents will be looking to us for guidance and counsel.

In the past, the reserve balance has been the beneficiary of the largest amount of compensating balances in the country. The indication so far is that the Fed wishes to continue that practice with their clearing balances and service charge for any shortfalls. In order to compete with Fed services, service balance pricing must still be offered, but perhaps with some enhancements. I believe that the future will show a definite swing toward fee income and away from the traditional balances. This will apply not only to correspondent banking, but to banking in general.

Most definitely, our bank does still offer EDP services. I believe we do and will continue to provide local and reliable services on a personal basis to our respondent banks. They are not just a computer number; instead they are well known and serviced by our staff. For example, as software and program changes are

required by regulation, we do this automatically for our customers. We provide a back-up in case of disaster; we show a sophistication of programs update and modernization of these programs, and we provide assistance to a bank in vendor selection and operational assistance within their own bank, i.e. in switching over to their own system for cost benefit or operational benefit.

The most popular services used by our respondent banks are data processing, overlines, bank stock loans, bond department, clearing of checks.

In today's world, the ability to meet the financial need of our modern society is a challenge which grows more complex for bankers each day. In order to meet this challenge, there is leadership needed to pull it all together to make the best banking technology available to all of us to serve the needs of our communities. I believe that associations that we as bankers belong to should lead in this process.



H. PETER DeROSIER
Vice President
National Boulevard Bank
Chicago, Ill.

OUR BANK will continue to offer its check collection services as in the past. We will keep abreast of the Fed pricing format as it develops, but we will not lower our pricing "just to be competitive." I think many correspondent relationships may become stronger when some of the respondents find out they have been receiving pretty good check collection services. I find it hard to believe the Fed can possibly handle the volume that will materialize if, in order to make their mark, they under price the established correspondent bank system. Even if the Fed had the necessary equipment, where will the personnel come from?

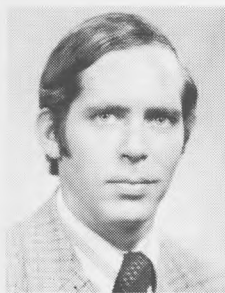
The success experienced with fee income on correspondent services is a slow and painful one. I personally feel it is picking up momentum. As many banks continue to increase charges on retail services, it will be easier to adapt in the wholesale area.

Our bank does offer data processing for respondent banks and requests for these services continue to grow. There has been a void left in this area by the number of correspondent banks abandoning this service. Some respondent banks are leaving commercial computer applications and have adapted in-house computer systems and are finding it to be a very time consuming and expensive venture.

Services used by respondent in order of usage are:

- Overlines
- Operation-transit activity, funds transfer, collection, etc.
- Bond purchases

“The pricing of Fed services initially will not affect either the quality or volume of correspondent services.”



GARY L. BIECK
Vice President
First National Lincoln
Lincoln, Nebr.

OUR EXPERIENCE with fees has been very limited. The vast majority of the respondent banks still prefer balances over fees, although, I feel, this attitude is changing, especially from those banks that have a large amount of activity. The charging of a fee for each and every service offered by a correspondent is not that far down the road, although, I believe, it will be implemented gradually.

Up until April, 1980, we offered our own EDP services to our respondents. In April we entered into a contract with a Texas based computer company. This company now offers services to our respondents through us.

City banks can offer a computer expertise which is often too expensive in the community bank. Since computer technology is changing so quickly, the community bank needs to rely on a city bank which is dedicated to computer services and organized well enough to be innovative, timely and knowledgeable.

Services most popular include: 1. Overlines, 2. Investment Services, 3. Computer Services, and 4. Bank Card Services.

Bankers associations can provide great benefits to the community bank in many specialized services. Of greatest value would be regularly scheduled seminars and workshops on various bank related functions; (i.e.) installment lending, investments, trust services, etc.



BEN G. EILDERS
Senior Vice President
Bankers Trust Company
Des Moines, Ia.

THE JURY is still out on what effect new reserve requirements and the Fed pricing schedule will have on correspondent banking. It could take six months to a year to shake out all the answers. At this point we feel the effect could be minimal and correspondent banks can and will be competitive. This reasoning is based on our ability to be more efficient and being able to offer a full range of services. We constantly look at improving our availability, and changing times will require us to continually review our pricing schedules. Future developments: an increase in the price of transit services, a greater trend toward fee income, and within two years truncation will be a greater part of the banking industry.

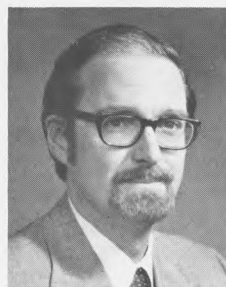
Correspondent banks have always embraced the concept of compensating balances and will continue to do so. Fee income is related to specific services such as data processing. Projections indicate that fee income will increase in the future, but certainly not at the expense of balances.

Yes, we will continue to offer EDP services. Expertise, equipment with the capability of providing a complete range of services and reports, and software that is continually updated and designed specifically for banking needs, will be our goal.

Our most prominent services used are:

- (1) Availability
- (2) Loan participation assistance
- (3) Data processing services
- (4) Purchases and sales of Fed Funds
- (5) Bank stock loans
- (6) Investments
- (7) Safekeeping
- (8) Coin & Currency
- (9) Trust services

I do not feel Banker Associations should provide any specialized services (such as an Ag Credit Corp.) that would bring them into direct competition with correspondent banks and the services they offer their respondents.



ROBERT D. HOUSTON
Vice President
United Bank of Denver, N.A.
Denver, Colo.

THE NEW reserve requirement options have forced correspondent banks into providing a service which, under normal market conditions, they might choose not to offer. The pricing of Fed services initially will not affect either the quality or volume of correspondent services. Over a period of time, unless the Fed can become more efficient and customer service-oriented, their existing customers may consider moving their business to a correspondent bank, even knowing that it will cost them more to do so.

Check collection services will continue to be offered to those banks who are willing to pay, in fees or balances, the increased costs. Banks will increase check collection fees due to Fed pricing and an increased awareness of handling costs brought about by narrowing profit margins.

Correspondent relationships will tend to weaken if respondents do not view that service quality is acceptable. New services revolving around non-operational respondent needs will be priced on a cash fee basis rather than against balances.

United Bank of Denver does not offer EDP services to respondents. We feel that such a service is a valuable adjunct to other fee generating opportunities but find it

difficult to justify front end and ongoing software and hardware expenses when technological, regulatory and customer demand for change occurs so rapidly.

According to a Rocky Mountain Regional Correspondent Banking Study prepared by United Banks of Colorado in July of 1979, the most often used services in descending order were: Fed Funds, Wire Transfer, Securities Safekeeping/Coupon Collection, Credit Card servicing, and Cash Letter & Cash Management Services.

Correspondent banks provide competition between themselves in the provision of specialized services to their respondents. As the spheres of influence by these banks increase, so will the competition. Banker associations need not enter the field of specialized services unless it can be proved over a period of time that correspondent banks are unable or unwilling to provide a specific service.



KENNETH A. WALES
Senior Vice President
First National Bank
Minneapolis, Minn.

THE COST of check collection will increase and volumes will shift, in some cases, in view of the Fed's new pricing schedule. However, we will be even more aggressive in offering our services which I believe will lead to even stronger relationships with our respondent banks. Some of the developments we anticipate the future may hold are increased prices, unbundling of pricing, more clearing houses, possible even regional clearing houses.

I don't think the time has yet come for full use of fees in place of balances, but it may well be here very soon.

Our bank has been a strong supplier of computer services to our respondent banks and we plan to continue this key service. We feel we have a better ability than some other sources to keep up with technical, legal and regulatory changes; for example, the whole area of electronics funds transfer and automated clearing houses.

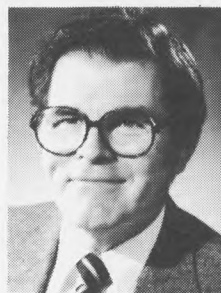
The most popular services we find used by our respondent banks are:

1. Check Clearing
2. Credit Services
3. Investments
4. Computer Services
5. Fed Funds
6. Wire Transfer
7. Security Safekeeping
8. Coupon Collection
9. Bond Portfolio
10. Management Advisory
11. Personnel
12. International

The first half dozen or so are practically a tie, in my mind.

I feel banker associations should be limited in their provision of specialized services to member banks. Beyond a certain point, they could be competitive.

"We will be even more aggressive in offering our services."



JOHN J. CROTTY, JR.
Senior Vice President
Drovers Bank of Chicago
Chicago, Ill.

THE NEW reserve requirements and pricing schedule will not have any immediate impact on correspondent banking. Initially, the reserve will be covered by vault cash. However, as the reserve requirements necessitate the need for cash reserves to be placed at the Fed, the respondent bank will start looking for additional service from the Fed. The city correspondent will have to be in a position to offer competitive pricing with the Fed. In order to maintain its relationship with respondent customers, Drovers Bank has elected to be a pass-through correspondent, which gives the respondent bank the option of maintaining its required reserves at the Fed or with Drovers pass-through account. It should be pointed out that the Fed will not relieve the city correspondent of providing such service as overline participations and seasonal liquidity participations.

The Drovers Bank offers services such as check collections. Thus, I must point out that we may have to become more aggressive in pricing to meet the Fed's fee schedule. I see correspondent relationships becoming stronger because the country correspondent will have more need in the future for knowledgeable correspondent banks to assist him in management problems, such as capital needs, organizational and regulatory. The city correspondent who makes a sincere effort in assisting his respondent banks will have a stronger relationship.

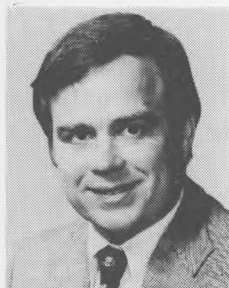
Regarding fees versus traditional balances I feel that the respondent bank still prefers to keep balances with its correspondent rather than pay fees. It may be that fees will become more important in the future but I do not see this happening until the large city correspondent banks become more consistent in their fee schedules. The large city correspondent bank is still not sure of its costs and there has been confusion on fees for services. The fees must cover their costs plus a margin of profit.

Some of our most popular services used by our respondent banks include check collecting, overline and liquidity participations, fed fund transactions, buying and selling of securities, safekeeping of securities, providing currency and coin, portfolio analysis and dealing in commercial paper, negotiable certificates of deposit and repurchase agreements. I would also like to point out that Drovers Bank is very active in bank stock carry loans, including the financing of one bank holding companies in which we offer special expertise and knowledge.

I don't feel banking associations should be providing

“If the correspondent system is to continue, it must be nourished by both parties to the relationship.”

specialized banking services. They should function in the area of training, information on regulatory changes, and legislative action that may affect the banking industry. Banking associations should disseminate the information needed by their members to make a decision on legislation that pertains to banking.



LANCE D. DAVENPORT
Vice President
Iowa-Des Moines National Bank
Des Moines, Ia.

THE NEW pricing schedule of the Fed will have a much greater effect on correspondent banking during 1981 than the new reserve requirements. Check collection charges will go up dramatically because of the Fed pricing and all banks will attempt to move these costs on to their depositors. At the same time, we will all be attempting to move some of our volume from the Fed to alternative means of check collection, such as direct clearance with more banks and use of clearinghouse arrangements when cost effective. This opportunity to expand clearing arrangements outside of the Federal Reserve System should be good for the correspondent business during 1981.

Most of our bank customers cover their service fees with balances and we expect that this tradition will continue. Under current regulations there are still some advantages of covering fees with balances. Each bank will have to determine which approach is best for it, particularly considering the expected higher charges due to Fed pricing.

Our bank continues to be very active in the sale and service of EDP services to respondent banks. The principal advantage of an off-premise processor over an in-house computer is the much better control and audit features provided with off-premise processing.

The most popular services used by our customers are: cash letter clearance, overline assistance, EDP services, Fed Funds and other investment services, and bank stocking financing.

Most of the innovation and development in the banking industry in the last few years has come from the initiative of individual banks attempting to gain an edge in either marketing or internal operating procedures over the competition. I am sure this desire to outperform the competition will continue to cause most of the changes in products offered and services provided. Sometimes, because of the enormous costs such as in EFT Services, an approach such as the Iowa Transfer System is an excellent result. When services can readily and economically be provided by individual banks, competition among those banks will keep prices and performance at a level that bank associations won't have to step in and provide their members with the service.



JOHN E. MANGOLD
Senior Vice President
Merchants National Bank
Cedar Rapids, Ia.

THE correspondent system is under legislative and regulatory manipulation and as a result correspondent bank services have become a very fragile relationship. If the correspondent system is to continue, it must be evaluated, enhanced, and nourished by both parties to the relationship. Traditional service goals have been eroded by recent competitive developments but, philosophically, banks must evaluate the cost and quality of inter-bank services and relate those costs to those offered by other suppliers, including the Federal Reserve System. The blurred lines of progression from a federalized payment system to a nationalized banking system appear to converge like a two lane highway in a snow storm.

The exact impact of Federal Reserve pricing for services and mandatory reserve requirements is difficult to predict. In the short run, they appear detrimental to the profitability of correspondent banking. Lower reserve requirements are promised for all banks in the long run. The phase-down is programmed over a five year period, but explicit pricing of services will be totally imposed during 1981. Although final pricing for specific services is still under consideration, Fed has the inherent power to maintain its net income even in the face of operational losses by raising reserve requirements. Fed also has interpreted the law to allow the pricing of selective services at a loss, if necessary, to maintain its perceived market share. These factors create questions about the ability of the correspondent bank to compete. In any event, the correspondent banking relationship must be a give and take proposition if the private sector is to remain viable. In the long run, direct check clearing to respondent banks and the interchange of items between city correspondents may prove to be the most cost effective way to enhance the payment system under a competitive pricing scenario.

A schedule of fees for services rendered is an option for the future as ancillary services are developed. Fees for data processing services are presently in place. In the future, asset/liability management counseling, personnel management services, regulatory compliance assistance, and credit analysis functions all have substantial fee potential. On the other hand, sophisticated analysis systems and daily float calculations are fine tuned for payment system services. Payment in balances for such services probably will continue in the future. The concept of marginal reserves favors the use of balances to pay for services. Under this concept the most efficient operation has the greatest profit potential. The deferred taxation of transactional profit and the potential for long term internal growth is

the capitalistic dream. Short run profits often are minimized for long term growth. We must analyze more closely the pressures which big government and deficit spending are exerting on our capitalistic society.

We offer data processing services through "BICS," a data processing subsidiary of Banks of Iowa, Inc. These data processing services are generally perceived by our correspondents to be provided by the bank. There is a highly tuned sensitivity between the bank and our data processing subsidiary. The products reflect our mutual desire for quality service. We know the golden rule that quality service may only on rare occasion be cheap service. Through our constant study of changes in regulations, coupled with an in-house programming staff, we have assured data processing products which are current, legal and responsive to the present requirements of the use.

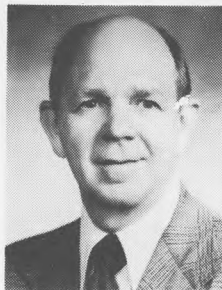
An accurate and reasonably priced data processing capacity, coupled with a commitment to a sophisticated check clearing procedure, is our number one service through which banks gain availability of funds and maintain their cash position. More and more banks realize the need for efficient presentation and payment of checks, to keep us from being destroyed by float in the payment system. Having many check clearing arrangements with city banks, we are able to present checks for our own bank and for respondent banks guaranteeing collected funds availability which beats the Fed collection schedule.

Overlines, loan participations and bank stock loans, are our next most valuable service to correspondents. This is the biggest part of our business and the Federal Reserve is no competition in this arena. We are concerned, however, with proposed legislation broadening the powers of the Farm Credit System. This far reaching legislation has the potential to adversely

" (Loans) are the biggest part of our business and the Federal Reserve is no competition in this arena."

affect the future of all agricultural banks and financial institutions. We also offer a cash management facility to enable banks to stay closely invested on a daily basis while at the same time maintaining their liquidity through sale or purchase of funds in the Fed Funds Market. This, too, is a very valuable service for our correspondents.

The function of bank trade associations seems to be in transition, like many other aspects of the banking business. Bankers are seeking services from sources outside the correspondent system because they often mistake positioning for competition. It is my opinion that a poorly positioned correspondent bank is, in fact, a deterrent to the correspondent system in the long run. A strong correspondent banking system promotes access to alternative and competitive banking services. The small community bank will have a real problem if its only alternative for services is a trade association or its own regulator.



WILBUR H. BAACK
Senior Vice President
National Bank of Commerce
Lincoln, Nebr.

THE FED'S proposal for explicit pricing of services has been discussed at length in recent weeks. Resolution of the controversy surrounding the proposals will likely take some time, and I would suspect that the implementation will be delayed. If, in final form, Fed's pricing schedule is competitive with the private sector, I would visualize the following effects on correspondent banking.

(1) The correspondent banking system will likely develop a sophisticated check clearing system outside

"There is also a possibility our respondent banks may form regional clearing houses."

the Fed. The key will be availability versus per item charges. Regional banks, like NBC, will develop operational procedures that will enable us to direct send to Money center correspondent banks for better availability. City clearing house associations will be formed to avoid Fed per item charges. There is also a possibility that our respondent banks may form regional clearing houses.

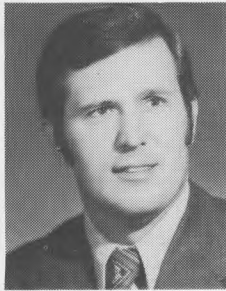
Because of Fed pricing the days of free service are over. All banks will have to bear the costs, either directly or indirectly, of Fed's pricing schedule. As a result, the respondent bank will have to evaluate its pricing policies and take a look at pricing or repricing the services it provides its customers.

The National Bank of Commerce is exploring its pricing of services and will be competitive in its pricing so that we will continue to provide the best possible service at a competitive price. We have developed explicit pricing for some receiving a separate fee, these services are paid for in the form of balances from our respondents. We provide our respondents with an account analysis that details the above.

Yes, our bank does offer EDP service to our respondents. The city banks can assist the respondents in the areas of management information, asset and liability management, seminars and in providing timely quality information.

The most popular services we provide for our respondents are handling check collections, offering overline and liquidity loan participations, purchasing of fed funds, fund transfers, selling fed funds, buying and selling U.S. Government and agency securities and EDP services.

The Bankers Association should provide update information on current banking issues. This can be done by newsletters, seminars and active participation on legislation matters.



BROCK L. HESSING
Vice President
Commercial National Bank
Peoria, Ill.

I FEEL that the new reserve requirements, at the outset, will have little effect on the majority of our respondent banks. Vault cash should cover their needed reserves. The new Fed pricing schedule presents an excellent opportunity for us as a regional bank to strengthen existing relationships and to add new ones. We have already taken steps to increase our transit operation capabilities and we intend to compete aggressively with the Fed on availability and pricing. Add to that our own transportation network established in 1978 (we entered the transportation service at the urging of our respondents) and our intended return to direct sends, we feel that the bottom line, dependable service, will be easy to sell.

Commercial National has and continues to advocate balances as opposed to fees. Our experience has been a very good one.

With regard to EDP service to respondents, our bank is in the midst of a major conversion to a total on-line system. A number of our respondent banks will convert to this system as well. However, many of our banks who cannot justifiably afford this type of service will over the next year or two look to other processors for whatever services they need. At this point, we will only be offering the total on-line package.

I feel that the most popular services used by our respondent banks are our cash letter services, bond department and money desk, and overline assistance.

Probably the only sure thing about correspondent banking in 1981 is that it will be more challenging and perhaps more rewarding than previous years.



JOHN A. EDMISTON
Senior Vice President
Denver National Bank
Denver, Colo.

WE KNOW there will definitely be some impact of the Fed on correspondent banking, but no one knows to what degree. The Fed is like the little devil in the bright red suit standing there with the three pronged pitch fork saying, "pay me now or pay me later," with each prong of the fork representing a service of the Fed; namely, monetary control, regulation and, now, correspondent services. It's my contention that correspondent services will continue to be strong if we innovate and profitably price products. Our business is

people-oriented and people do business with people they like.

As far as hard dollars are concerned, we would all like to pay on a fee basis when interest rates are high and, of course, vice versa when rates are low. We are certainly fielding questions from our correspondents regarding fees during the current economic environment. We do not see much happening yet because we don't really know where we will be in the price mode.

To move services at low cost is a major objective of all businesses. Data processing is certainly a vehicle to this objective. I see us getting back into this segment within a minimum range period.

I've visited with a number of bankers regarding why they do business with one bank versus another. The one thing that comes loud and clear is responsiveness—a certain caring for their problems—rapid clearing systems, rapid responses to participations, and day to day contact for investment advice just to name a few.

I feel that banker associations should get back to what they were designed for and that is to represent their constituencies in the political arena. Of course, keeping its membership informed through conferences and special seminars is paramount.



EDDIE A. WOLF
Senior Vice President
Central National Bank & Trust Co.
Des Moines, Ia.

AS VERY FEW non-member banks are required to post reserves, there will probably be little effect on correspondent banking. However, if non-member banks are allowed to set up clearing accounts with the Fed, this may remove balances from the correspondent bank system that we have in the past relied upon to offset cost of check collections, other services and overlines.

Central National Bank of Des Moines will be very aggressive in check collection and EDP services. We believe correspondent relationships will be stronger. It is our intention to maintain a strong experienced staff in correspondent banking.

Fees versus balances has yet to become a viable alternative. In time to come, should there be a deterioration in collected balances, fees will have to be assessed.

Yes, we offer EDP services to our respondents. Large correspondent banks will be in better position to provide software education and hardware selection to their respondents. Correspondent banks are also in a better position to provide proper guidance for an EFT program. Rest assured that computer programs provided are in proper regulatory compliance. To stay with the "State of the Art" in bank processing, it will be necessary to commit resources and research to the future of EDP Services. The fast moving pace of electronic

CORRESPONDENT BANKING. . .

(Turn to page 33, please)



ONE WAY OR ANOTHER, WE CAN LEAD YOUR CLIENTS TO WORKING CAPITAL.

Asset Power.

Your clients' assets can secure a tailor-made revolving credit line. Accounts receivable, inventories, machinery, equipment, land and buildings can be turned into Asset Money™. It's the smoothest route for companies short on working capital, those looking toward expansion or growing firms eager to increase sales. Or money for buy-outs, mergers and acquisitions. Bank participations.

Banco Financial Corporation can help get your clients off to a great future with Asset Money. Contact Clarence Adams, Lee Mork, Robert Olson, or Paul Weingart, (612) 372-7988, 830 Northwestern Bank Building, Minneapolis, Minnesota 55402.

BANCO[®]
FINANCIAL CORPORATION
An Affiliate of Northwest Bancorporation

Get more mileage out of each dollar.

Clients with considerable working capital may wish to conserve it by leasing needed equipment. Decide on a Lease Purchase Contract with a guaranteed purchase option at the end of the term. Go with a leverage lease or purchase equipment outright.

Whatever your clients' business, whatever the equipment they need — Lease Northwest, Inc. has the financing options that put it to work.

Contact Dave Michael in Minneapolis at (612) 372-7416, Roger Meier in Omaha at (402) 536-2310, Jim Sheedy in Des Moines at (515) 245-3392, or Chris Hoss in Fargo at (701) 293-8136

LEASE NORTHWEST, INC.
Affiliated with Northwest Bancorporation

BANCO[®]



PRESIDING—John W. Ballantine, v.p./gr. head, host bank.



ECONOMIC OUTLOOK is presented by Edward M. Roob, sr. v.p., host bank.

Predict Better Business in 1981

By MALCOLM FREELAND
Publisher

NEARLY one-half of the 660 bankers attending the First National Bank of Chicago's annual correspondent bank conference recently predicted the prime rate to be in the area of 10 to 12 percent by this time next year.

The poll showed that 48 per cent favored the 10-12 range; 40 per cent thought it would be 12 per cent to 14 per cent, and nine per cent felt the prime would be above 14 per cent.

Despite the fact that 67 per cent predicted better general business conditions next year, about 47 per cent believed the unemployment rate to be seven to eight per cent in 1981.

In the area of inflation, 56 per cent predicted that at the end of 1981, the rate would range from 8 to 10 per cent and another 42 per cent thought it would be higher.

Gary P. Brinson, chief investment officer of FNB, warned that the stock market seems to be "underestima-

ting" the risks associated with the government's new mandate to control inflation.

Long-term bond yields are expected to decline in 1981, he noted, as the pressures to control inflation begin to be felt.

Yields will still be at near-record-high levels of 10.5% in government bonds, but declines in these rates will bring about approximately 15% in price appreciation.

"When coupled with the current yield of over 12%," Mr. Brinson continued, "this combination produces a total return of over 27%. In fact, we believe that there is a fair chance that the total return from bonds between now and late 1981 may exceed 30%."

Here is what other bank officials said about the future of the economy:

Durable goods: Sales of 1981-model U.S.-manufactured automobiles will about match the 6.3 million

total of the 1980 model year, said vice president William S. Race. Imports will capture about 27 per cent of the market, or about 2.3 million units, he said.

He predicted a continuing strong demand for smaller, less profitable cars which he said would put further pressure on profits of automakers. "I would be surprised if more than one of the U.S. automakers were profitable in their domestic operations in 1981," he said.

Steel: The steel industry is seeing "some slight strengthening of orders," Race said, "But nothing of the magnitude needed to offset this year's dismal performance when earnings will be down 35 to 40 per cent below last year's level."

Housing: High mortgage rates will continue to depress the housing industry next year, said vice president Daniel Luciani. He predicted new starts will be "only in the 1.5 million unit range" compared with an estimated 1.25 million starts in 1980.

While high inflation and mortgage rates have put home ownership beyond the finances of many Americans, there should be a market for "higher density single family units," including townhouses and other units best suited for the shrinking size of the average household and to energy conservation, Lupiani said.

Construction of new office structures, on the other hand, will increase in 1981 as the result of \$9.5 billion in new permits issued during 1980, up from \$7.8 billion a year earlier, he said.

Agriculture: The price of farm land will increase 5 to 10 per cent next year, predicted vice president William E. Conway Jr., noting that factors that have increases farm values in recent years continue to exist—need for farm enlargement, competing uses for land, good export markets, and inflation. Still, next year's price increase will be below the 13 per cent average annual gain of the last 10 years, he said.

Retailers: The current fiscal year "will not be a banner one for retailers," said senior vice president James S. Brannen, who noted continuing problems of a soft economy, high unemployment, rising expenses, and high interest rates.

Discount retailers should do better than other segments of the industry, he said. While catalog showroom merchandisers have some of the same



MORE than 67 per cent of bankers attending the First of Chicago conference predicted better business conditions a year from now. Shown here from left are: **Ed Kalafat**, sr. v.p., First Bk. Systems, Minneapolis; **Al Simpson**, chmn., First Bk. of Milwaukee; **G.L. Bickle**, chmn., First Bk., Albert Lea; **Starr Kirkland**, pres., First Bk., Mankato; **Collin Johnston**, v.p., host bank, and **John Troutman**, pres., First St. Bk., Pekin, Ill.



Northwestern Bankers, Meet The Associates Money-For-Business Team. People Worth Knowing.

You'll like doing business with The Associates. For over sixty years, our financing professionals have been helping business people—manufacturers, processors, wholesalers—acquire the working capital they need for sound growth and expansion.

Through The Associates' participation programs, we have helped bankers maintain and enhance their relationship with their customers. Loans are frequently made to bank customers that would not ordinarily be possible when the bank is operating independently. With The Associates Money-For-Business Team, bankers are assured

the closest businessman-to-businessman cooperation, combined with decisiveness and professionalism.

For information about our bankers' participation programs, call The Associates, Business Loan Division. People worth knowing.



The Associates Business Loans

55 E. Monroe Street—Suite 3600
Chicago, IL 60603
(312) 781-5800

Business Loan Offices in Boston, Charlotte, Cherry Hill, NJ,
Chicago, Dallas, Los Angeles, Miami, Mobile, New York, Tulsa

Associates Commercial Corporation is a subsidiary of Associates Corporation of North America, a Gulf + Western Company.

CORRESPONDENT BANKING. . .

(Continued from page 30)

technology will find many in-house systems to become economically and operationally obsolete.

The most popular services used by respondents are:

1. Check processing (availability)
2. EDP Services
3. Overlines
4. Investments
5. Safekeeping
6. Trust services
7. Systems and procedures consultation

Association services should be limited to legislative measures, education and informational services. Associations should not be competing with their members. Central National Bank has never turned down a legitimate overline or direct loan because of liquidity. Central National Bank has committed the resources of its bank to support Iowa agriculture and industry.



JAMES K. FIGGE
Executive Vice President
Davenport Bank & Trust Co.
Davenport, Ia.

UNTIL final pricing schedules are released it will be difficult to determine the impact of the recent Federal Reserve actions. We assume, however, that a quality product priced competitively will continue to

advantages as discounters, Brannen said he expects a shakeout of the weaker chains.

In his formal talk at the annual banquet, Barry F. Sullivan, newly-elected chairman, called on correspondents to contribute ideas on ways to improve his bank's ties with their banks. Except in special circumstances in which the bank will make clear its intentions beforehand, the First of Chicago intends to avoid mistakes of the past and will not compete head to head with community banks, according to Mr. Sullivan.

Girard Bank Converts All Checking Accounts

Girard Bank of Philadelphia has automatically switched all of its 200,000 retail checking accounts to a 5¼% transaction account under the NOW account authority. Girard will pay interest on consumer balances in excess of the amounts needed to cover a \$2 a month maintenance charge and activity charge, such as 30 cents per check, 12 cents for bank-by-phone

payments and 10 cents for ATM checking account withdrawals, transfers from checking accounts and checking account inquiries. No minimum balance is required.

Girard will continue to offer a 7% credit on average monthly balances, and a double credit of 14% to direct deposit customers.

Philips Data of England To Market Diebold ATMs

Philips Data Systems of Colchester, England, and Diebold, Incorporated of Canton, Ohio, have announced the signing of an International OEM agreement wherein Philips will purchase and market the Diebold manufactured 9000 Series Automatic Teller Machines (TABS^(R)) Total Automatic Banking Systems in the United Kingdom. Philips Data Systems is a part of the worldwide group of Philips companies.

Philips will supplement its existing wide range of electronic banking terminals presently sold throughout

provide us with a fair share of the correspondent business. We believe most respondents will prefer to continue to handle the majority of their business with a local correspondent who can usually respond more quickly and meaningfully. It will be difficult for the Federal Reserve to provide the level of personal service our respondents are accustomed to. The end result may well be stronger correspondent relationships.

Our experience to date indicates that the vast majority of correspondent services are compensated with demand balances. The obvious exception would be data processing services which are normally on a fee basis. Although we anticipate no immediate changes in this structure, it would be fair to add that the new reserve requirements could substantially alter the amount of dollars kept by banks in their correspondent accounts. Regardless of how compensation is derived, correspondent banks will certainly be forced to price their services at a profitable level. With the current interest rate volatility, compensating balances become a highly unpredictable method of payment, for both the purchaser and provider of services. With this in mind, we may well see some movement towards fee pricing of correspondent services.

Yes. In addition to the obvious cost benefits of purchasing data services, a city correspondent can offer greater continuity of management and data communications specialists. Turnover of key personnel within a small operation can be critical. In addition, large city banks can offer assistance in keeping abreast of the ongoing burden of regulation, especially in the complex area of data processing. Lastly, there is the unquestionable benefit of the inter-bank relationship which is generated between city and community banks.

Data processing, cash letter processing, Federal funds, wire transfers, overlines, safekeeping of securities are the most used services.

the United Kingdom with the TABS 9000 which it will market under the Philips name. Philips will also provide the necessary technical, software and support service for the United Kingdom market.

Diebold Chairman, Raymond Koontz, noted that this was the second International OEM agreement reached with Philips. On October 1, Philips and Diebold announced the signing of a similar agreement with Philips Data Systems Ltd. of Canada. He further stated that this OEM agreement provides Diebold with major sales opportunities in the United Kingdom without the investment required to duplicate its U.S. sales, service, software and support organization there.

Mr. Koontz also said that the agreement is for the TABS product line only and has no effect on the business of Diebold, Incorporated in the export of its full line of bank and commercial security systems and equipment which it manufactures and markets internationally.



MERCANTILE Trust's old building of the late 1800s reflects that period while new building towers above the city.



Mercantile Observes 125th Anniversary

THE Missouri General Assembly, 125 years ago, granted nine St. Louisans a charter to establish a financial institution. On December 7, 1855, the group located its newly incorporated establishment, which it named the State Savings Institution, in modest quarters at the corner of Main and Vine, a site near which the north leg of the Gateway Arch now stands.

The State Savings Institution's beginnings were inauspicious. It opened in a rented one-room office with capital of only \$8,500. But the infant institution was destined to endure and, eventually, to occupy a significant niche in the commercial history of St. Louis.

The tiny State Savings Institution was the earliest forerunner of the bank that is today, by most measures, the largest bank in Missouri and among the largest in the country, Mercantile Trust Company N.A.

Despite the tumult of its early years, Mercantile's ancestor bank had grown strong enough to lend the Union Government, during the first six months of the Civil War, more than \$100,000.

Following the war, St. Louis resumed its role as gateway to the West. The State Savings Association, as the institution was then called, provided financial services to individuals and firms involved in

trade with the developing western and, particularly, southwestern territories.

Growth continued for the bank following the Civil War, as well as name changes—first to the State Bank of St. Louis, then to State National Bank of St. Louis. A series of mergers followed. One of these was with Mercantile Trust Company, the first to bear the bank's present name, which was founded in 1899. The building constructed for it after the turn of the century continues to serve today's Mercantile Trust as the main bank building.

In 1951, Mississippi Valley Trust Company and Mercantile-Commerce Bank and Trust were consolidated into today's Mercantile Trust Company. Numerous historical events are associated with the background of the merged banks. Mississippi Valley planned financing for the 1904 St. Louis World's Fair. An officer of State National Bank, later merged with Mississippi Valley Trust, loaned \$15,000 to help finance Charles Lindbergh's historic solo flight across the Atlantic in 1929.

Mercantile Trust today is one of the largest banks in the nation with more than \$2 billion in assets. Ten years ago, Mercantile Bancorporation was founded with Mercantile Trust as the lead bank in a holding company that now has 29 affiliate banks and 57 offices across the state.

Hibbard, O'Connor & Weeks Changes Name to Westcap

The Westcap Corporation is the new name of Hibbard, O'Connor & Weeks, Inc., investment bankers. Concurrently, two subsidiaries, Hibbard & O'Connor Government Securities, Inc. and Hibbard & O'Connor Municipal Securities, Inc. changed their names to Westcap Government Securities, Inc. and Westcap Securities, Inc. respectively.

"The name change culminates a year of reorganization for the company," said Clifton Iverson, Jr., president. "Frankly, the company had problems a year ago when I arrived," he continued, "but we believe those problems are behind us now. Our controlling stockholder, who took over last year from the former principal, has given the support and financial stability to effect these changes. The new management team is in place. We have new people in virtually all management positions. More importantly, we have a new business philosophy and different priorities."

"We've done our homework," Mr. Iverson emphasized. "Our new owners and new management have proved during this past year that the internal strengths of our company were intact and quite able to meet the needs of our customers. The name change is the end result of that work. Westcap will continue to be a strong regional distributor of securities serving our customers nationwide."

His banker has to be there in good times and bad.

When credit is easy, a successful farmer has lots of bankers knocking on his door. But chances are he'll stick with the banker who stuck by him when money was tight.

It takes a banker with a lot of foresight to build a relationship with someone in a cyclical business like this.

And it helps if your correspondent

bank has the same kind of foresight.

At American National, we've never backed away from correspondent business when money got tight.

Because bad times can be the best times to start a relationship with an aggressive correspondent bank. Shake hands with American National. The bank for business.



American National Bank

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

We're the bank for business.

Illinois

J. D. Lemmerman, pres., Monmouth
W. J. Hocter, exec. v.p., Chicago



AMBI Suggestions for State Legislation

STATE legislature proposals, suggested by the Association for Modern Banking in Illinois for introduction during the 1981 spring session of the Illinois General Assembly, have been announced by its chairman, Charles L. Daily.

He said, "Our AMBI Bankers' Legislative Advocacy Program for 1981 has been created to officially inform legislators of our position of endorsement on suggested proposals which we believe would be of significant benefit to the entire banking industry of the state by allowing banks to better serve their customers.

"The specific legislative proposals were developed following examination of the results of a statewide survey mailed this fall by AMBI to all Illinois banks. In addition to working for limited multi-bank holding company legislation, AMBI has been working for several years to improve the conditions under which all Illinois banks must operate. We have done this through a comprehensive legislative program - the AMBI Banker's Legislative Advocacy Program, which is designed to provide the industry with an assertive, positive voice in Springfield," Mr. Daily said.

The 1981 AMBI Legislative Advocacy Program is as follows:

*Legislation to allow for the amortization of bond premiums and the deduction for expenses incurred in generating the income from state, local and municipal bonds.

*Legislation to remove rate limitations on revolving and instalment loans.

*Legislation to authorize safety deposit boxes at limited service facilities.

*Legislation to allow bank security guards to carry weapons off premises.

*A new act regulating the

procurement and use of debit cards. Similar acts have been introduced in other states.

*Authorization for the billing of the state for expenses incurred by a bank in the inventorying of safe deposit boxes.

*Legislation for a provision under the revolving loan authorization to allow for the securing of revolving credit with an equity interest in real estate.

*Legislation to delete the requirement that school fund deposits be collateralized.

Mr. Daily said, "During past sessions of the Illinois General Assembly, AMBI, through its Legislative Advocacy Program, supported successful legislation, passed into law, which grants interest rate parity to state banks with national banks on single payment loans; grants banks the authority to write renegotiable rate mortgages and variable rate mortgages; allows exception to the interest rate limitation for loans made by a pension plan to a participant of such a plan; increases the maximum rate, term and amount of instalment loans; temporarily eliminates the usury ceiling for mortgages secured by residential real estate; and, disallows federal exemptions for an estate in bankruptcy and reinstates Illinois exemptions."

William Freese Dies

William J. Freese, 88, retired president and chairman of State Bank of St. Joseph, died recently. He was one of the organizers and first president and chairman of the board for the bank, which opened January 4, 1956. He held both positions and was a director continuously until the time of his retirement in January 1975. For 15 years, he was cashier of the Royal Illinois Bank and was a retired mortician.

Skopec Receives Award

Kenneth A. Skopec, president and director of The Mid-City National Bank of Chicago, received the Human Relations Award from the American Jewish Committee recently at the Chicago Palmer House.

Irving Rothman, director of development for the committee, said Mr. Skopec deserved the award due to "his outstanding contribution to programs that seek to elevate the quality of life for all people."

Mr. Skopec has been with the Mid-City National Bank of Chicago since 1952. His civic leadership roles relate to such diverse activities as Mary Thompson Hospital, Chicago Boys Club, St. Germaine School Board, West Central Association and Committee of Bank Management of the Illinois Bankers Association. On December 4, he was also installed as president of the Easter Seals Society of Chicago.

Harold McMillan Dies

Harold McMillan, 64, executive vice president of the Woodford County Bank of El Paso, died recently. He started his banking career with the Union National Bank of Macomb, and came to the El Paso bank in 1960. He was one of the organizers of the Bank of Carlock in 1971 and served as a vice president and a member of its board of directors.

Promoted at Sears Bank

Emory Williams, chairman and chief executive officer, Sears Bank and Trust Co., Chicago, has announced the following promotions: Wayne Hillock, vice president; Jean Wehrly, second vice president; Thomas Begg, assistant vice president; Patricia Painter, trust admini-



J. WEHRLY

W. HILLOCK

stration officer; Daniel Matthews, leasing officer, SBT Leasing Corp.; Elaine Levin, assistant trust administration officer, and Casimir J. Orlowski, operations officer.

American National Opens New Motor Bank



AMERICAN National's new 6th Street and 4th Avenue motor bank has opened in Rockford.

AMERICAN National Bank and Trust Co.'s new 6th Street and 4th Avenue motor bank has opened for business in Rockford, according to bank marketing vice president, Charles P.A. Frankenthal. The facility will replace the drive-in banking area attached to the main bank.

According to Mr. Frankenthal, the

new motor bank has nine drive-in lanes in addition to two business banking windows plus a staging area large enough to accommodate as many as 60 cars if necessary.

"This new facility will solve the peak-period traffic backup we have had concurrent with our rapid growth in recent years," Mr. Frankenthal said. "It will also almost quadruple

the number of transactions that can be handled per hour at our present main bank drive-in," he continued.

The building incorporates the latest technology for energy conservation, including a massive trombe wall system designed to help both heat and cool the building by absorbing or dissipating solar energy, as appropriate to the season.

Northbrook Names Officers

Northbrook Trust & Savings Bank recently named new officers in commercial lending and operations, president Larry G. Gillie announced.

Burt J. Miller has been elected a vice president in charge of the bank's commercial loan department and Caron S. Paulik has been named operations officer with responsibility for teller operations.

Prior to joining Northbrook Bank, Mr. Miller served as a vice president and head of the construction loan department in Sears Bank & Trust Co.'s commercial banking division. He also was an assistant vice president in the real estate department of the First National Bank of Chicago.

Mr. Miller holds an AB degree in political science from the University of Illinois in Urbana and an MBA degree in International Business from the University of Chicago.

Before taking her present position, Ms. Paulik served the Dempster Plaza State Bank of Niles, Ill. as



B.J. MILLER

assistant cashier. During her ten years in the banking field, she has held positions with the Capitol Bank of Chicago, the National Bank of Evanston and the All American Bank of Chicago.

New Charter Issued

A charter has been issued to the Morgan County Community Bank, 1342 South Main Street, Jacksonville, according to William C. Harris, commissioner of banks and trust companies.

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

Officers are: Lawrence W. Crawford, Jr., chairman of the board; James P. Bruner, president, and Thomas N. Wetherell, vice president.

Directors are: F.E. Gregory, Bluffs; Jon Gray Noll, Springfield; Larry A. Werries, Chapin; James P. Bruner, Lawrence W. Crawford, Jr., P. Devon Davidsmeyer, Ernest C. Downey, Cathleen C. Green, John W. Parrott, Jr., and Thomas N. Wetherell, Jacksonville.

The Federal Deposit Insurance Corporation has approved an application for Federal deposit insurance.

Fed Denies Application

The Federal Reserve Board has announced its denial of the application of Barrington Bancorporation, Inc., Barrington, to become a bank holding company by acquiring Barrington State Bank.

Bank Sponsors Student Exchange Program



COLONIAL Bank and Trust Company plans to sponsor a high school student in next summer's American Field Service student exchange program, according to bank president C. Paul Johnson. Mr. Johnson made the comments at a recent luncheon held for students who participated in last summer's AFS program. His bank sponsored a visit to Portugal for Laura Kennedy of Steinmetz High School. Pictured here in a meeting prior to the luncheon are (l. to r.): Dr. Joseph Sirchio, principal of Steinmetz High School; Mr. Johnson; Dr. Angeline Caruso, acting Chicago superintendent of schools, and Laura Kennedy.

Two ways to find out what we can do for you.

1. Send for one of our booklets
Our "Guide to Correspondent Banking Services" is designed to give you an overview of the different types of services we offer your bank. Call or write and we'll be glad to send one your way.

2. Send for one of us
If you want to find out *exactly* what we can do for you, send for one of us.

We'll come to your bank to discuss your specific needs and ex-

plain how we could work with you on a correspondent basis.

And, when you deal with us, you don't deal with a correspondent bank. You deal with a correspondent *banker*.

One who is assigned to you on a permanent basis so you develop a long-term, personal relation-

ship that will help set long-range plans and goals.

To request a booklet or a banker, write or call (toll free) (800) 322-2212.



Commercial National Bank of Peoria MEMBER F.D.I.C.
COMMERCIAL BANKING DIVISION
301 S.W. ADAMS • PEORIA, ILLINOIS 61631
PHONE: (309) 655-5000



Cliff Michael

Dorothy Newlin

Brock Hessing

Pat Barron

Ronalee Covington

Art Hipple

The American Fed funds market.

A rewarding experience for both of us.

When we buy or sell your Fed funds, you benefit and so do we. And that's what we think correspondent banking is all about.

You'll find your Fed funds transactions are handled quickly and accurately at American. Obviously, that's to our advantage as well as yours.

In addition to the purchase and sale of Fed funds, our correspondent services include: over-

lines, bonds, data processing, cash letters and many other services.

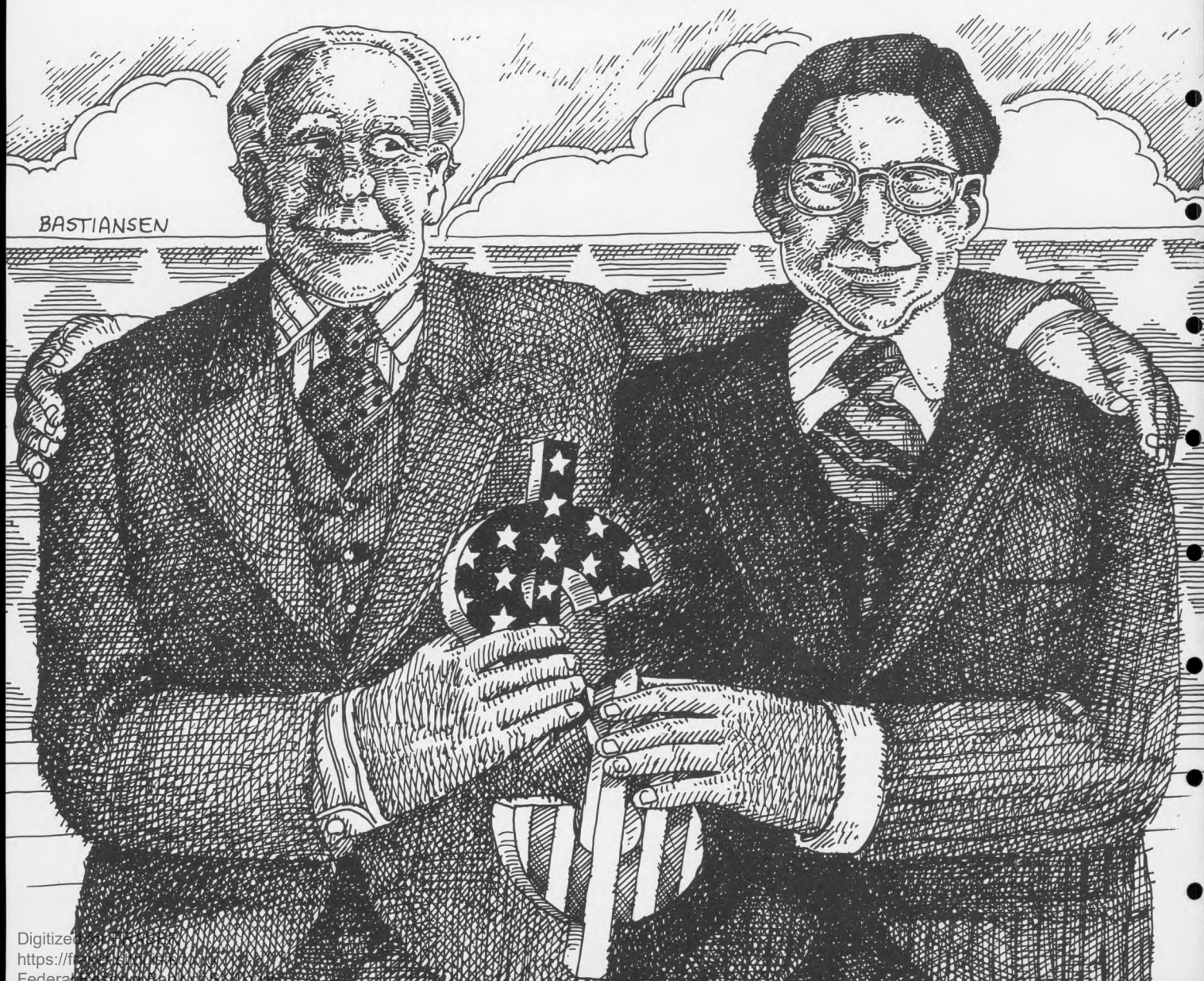
We understand the importance of correspondent services to you, the Independent banker. So we'll do our best to provide them as efficiently as possible. Because that kind of service can give us something we both want — a mutually profitable partnership.



**American
National Bank
and Trust
Company**

Correspondent Department
5th & Minnesota Street
St. Paul, Minnesota 55101
(612) 298-6331
Member F.D.I.C.

The Independent Bank's Correspondent Partner.



Minnesota

R. E. Gandrud, pres., Glenwood
T. L. Jeffers, exec. v.p., Minneapolis



Duluth Bank Tops \$1 Million in MHFA Loans

IN the past five months, First National Bank of Duluth has committed \$1,301,000 in low-interest loans to help Duluth area residents buy new homes, surpassing its original Minnesota Housing Finance Agency 1980 allocation by 60% and nearly tripling its previous MHFA mortgage loans allocation.

With all of its MHFA funds now committed, First National has applied for an additional allocation for the Duluth area, which should be determined by early December.

"Through direct participation in the MHFA program, First National Bank of Duluth has been able to assist 40 area families in purchasing homes this summer and fall during a difficult buying market, and we hope to expand our participation as financing is made available," said Kathleen Watzcak, First National mortgage loan officer in charge of the

MHFA program.

When authorized by the Minnesota Legislature, the Minnesota Housing Finance Agency sells revenue bonds to provide financing for low-interest loans and direct assistance to qualified home buyers. The 1980 MHFA allocations provided for an interest rate of 9.25%, currently 5% below the average market interest rate of 14% for home loans.

Bank Sale Announced

A group of local investors has bought the controlling interest in Cosmopolitan State Bank of Stillwater, A.R. Kircher, president, announced recently.

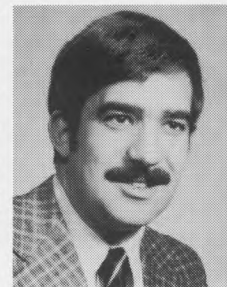
Mr. Kircher said both he and Arthur Edstrom, senior vice president, will remain in their positions with the bank, and that three new officers have been added to the management team. They are James H. Gillespie, executive vice president; John Z. Dahl, senior vice president, and L. Edwin Erickson, vice president and cashier.

The new owners of the bank are Mr. Gillespie; W. Andrew Boss, president of St. Anthony Park State Bank of St. Paul; Howard Guthmann, C.P.A., partner in the accounting firm of Wilkerson, Guthmann and Johnson; Reynolds Guyer, artist, composer and inventor; Leonard Ouardnik, president of Citizens State Bank of Montgomery, Minnesota, and Thomas Rohricht, attorney with the law firm of Doherty, Rumble and Butler.

Mr. Gillespie was president of Rio Verde Development Co., prior to joining the bank. Mr. Dahl has 25 years of banking experience with Northwest Bancorporation Bank in Duluth and Minneapolis and in Great Falls, Mont. L. Edwin Erickson brings 28 years of banking experience to CSB.

Elected at Benson

The board of directors of First Bank Benson has elected Vernon Smith president and managing officer. He succeeds N. Thomas Wiedeubush, who has been elected president and managing officer of First Bank Willmar. Mr. Smith was vice president and second officer of First Bank Benson since 1979.



V. SMITH

Mr. Smith joined FBS in 1973 as a management associate at the Vermillion Branch of the National Bank of South Dakota. He was promoted to assistant vice president in 1977.

Stockholders change Name

The stockholders of the Golden Valley State Bank have voted to change the corporation's name to Golden Valley State Bank, A United Bank.

Elected at Austin

The board of directors of First Bank Austin has elected William L. Connelly president and chief executive officer. Mr. Connelly succeeds William W. Strausburg who has joined First Bank System, Inc. as senior vice president and group executive, Minnesota South Group.



W.L. CONNELLY

Mr. Connelly began his banking career as a trainee at First Bank Austin in 1961 and from 1962 to 1964 served as an examiner for First System Services, Inc., the service subsidiary of FBS. He joined First Bank Edina in 1964 as assistant vice president and manager of the credit department. Mr. Connelly was elected president of First Bank Babbitt in 1969 and in 1972 was elected president of First Bank Northfield. He has held his most recent position as president of First Bank Grand Forks, N.D., since 1975.

Mr. Connelly holds a bachelor's degree in business administration from the college of St. Thomas, St. Paul.

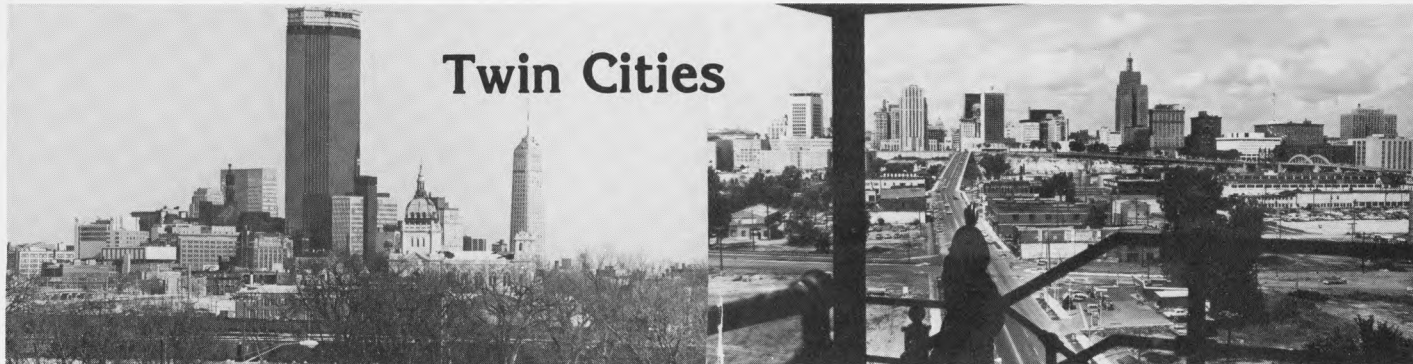
Name Change at Brooten

The stockholders of the State Bank of Brooten have voted to amend their certificate of incorporation to change the bank's name to Bonanza Valley State Bank.

Charter Issued at Alden

Commissioner of Banks, Michael J. Pint, has announced the issuance of a state bank charter to the Americana State Bank of Alden. The charter was issued for the purpose of conversion of the First National Bank of Alden. The bank address is 195 North Broadway. The stated capital stock of the bank will be 2,500 shares at par value of \$100.

The board of directors consists of William R. Johnson, E.E. Bentdahl, L.W. Grinolds, Douglas J. Thompson and Sally A. Robson. William R. Johnson is president and managing officer.



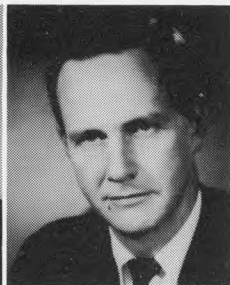
Twin Cities

THE board of directors of Northwest Bancorporation (Banco) has announced the election of a new management team for the Minneapolis-based bank holding company.

Chester C. Lind, presently president and chief executive officer, will remain chief executive officer and was named chairman. **John W. Morrison**, chairman and chief executive officer of Northwestern National Bank of Minneapolis, Banco's largest affiliate bank, was elected vice chairman of the corporation, and **Robert A. Krane**, executive vice president of Banco, was elected president and a director of the holding company.



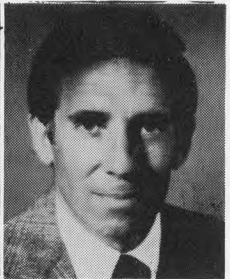
C.C. LIND



J.W. MORRISON



R.A. KRANE



E.P. GILLETTE, JR.

In a related move, the board of Northwestern National Bank of Minneapolis elected **E. Peter Gillette, Jr.**, president and chief executive officer of the bank. Mr. Gillette has served as president and chief operating officer since July 1979.

Mr. Lind explained that the boards' actions are intended to strengthen the corporation's management team to provide the corporation with a transition man-

agement team in preparation for his retirement.

Mr. Lind was named president and chief executive officer of Banco in July 1979 following the accidental death of Banco president and chief executive officer **Richard H. Vaughan**. Mr. Lind said he plans to step down as c.e.o. the latter part of 1981, and at that time, it is intended that Mr. Morrison will take over leadership of the organization.

Mr. Morrison will become a member of Banco's executive office, whose other members are Mr. Lind, Mr. Krane, **Walter C. Johnson**, executive vice president, and **Gerald M. Kanne**, executive vice president.

Mr. Lind has been with Banco for 45 years. He served as president of two Banco banks—First National Bank of Aberdeen, S.D., and the First National Bank of Duluth, Minn.—before being named executive vice president of the holding company and a member of the executive office in 1975. In February 1979, he was named senior executive vice president, a post he held until his election as president and chief executive officer.

Mr. Morrison joined Northwestern Bank as chairman and chief executive officer in July 1976. He had been with Honeywell Inc. for 28 years, as vice president and chief financial officer from 1968 and a director of the company from 1972.

Mr. Krane has served as president of two of Banco's largest banks—Iowa-Des Moines National Bank in Des Moines, Ia., from 1974 until 1976 and the United States National Bank of Omaha, Neb., from 1977 until 1979, when he was named executive vice president of the corporation and a member of Banco's executive office.

Mr. Gillette joined the bank in 1959 as a securities analyst and held a variety of positions in the trust, retail banking and commercial banking areas. In 1967, he was elected a vice president and advanced through

various management positions until being elected executive vice president in 1974.

* * *

SEVERAL senior promotions and changes in banking group responsibilities at First Bank Minneapolis have been announced by **D.H. Ankeny, Jr.**, chairman and chief executive officer.

Richard W. Schoenke has been advanced to executive vice president. **Alan F. Naylor**, **Warren T. Plante**, **James L. Reissner** and **Kenneth A. Wales** have been promoted to senior vice president.

Mr. Schoenke will head Banking Group I; **Robert J. Anderson**, executive vice president, will head Banking Group II, and **Joseph R. Kingman**, vice chairman, assumes responsibility for the retail metropolitan group and the trust group.

Mr. Schoenke's Banking Group I will be made up of the following: International Banking Department, headed by **H. William Anderson**, senior vice president; Midwest Banking Department, headed by Mr. Reissner, and National Central Division, headed by **Robert H. Scott**, vice president.

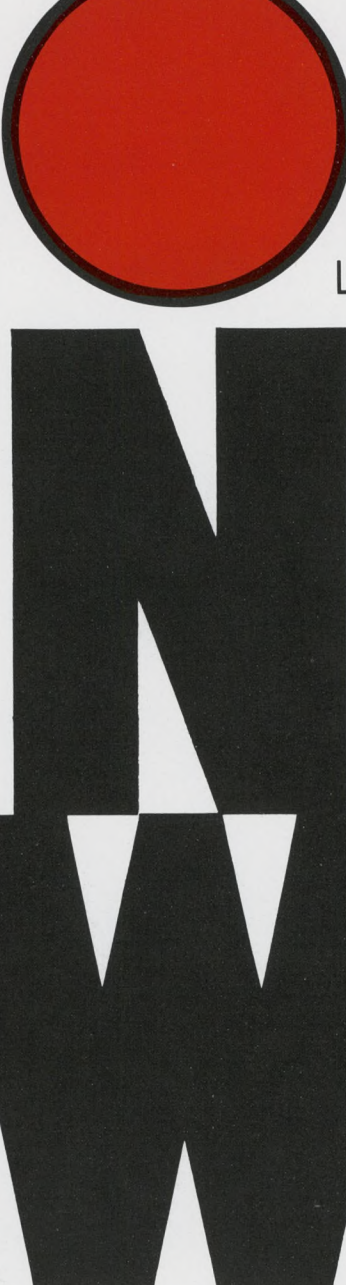
Mr. Anderson's Banking Group II will be made up of the following: National East/West Department, headed by Mr. Plante; Special Industries Department, headed by Mr. Naylor, and Correspondent Banking Department, headed by Mr. Wales.

Under Mr. Kingman, the Trust Group will be headed by **Donald R. Koessel**, executive vice president, and the Retail/Metropolitan Group will be headed by **David R. Christenson**, who returned to the bank December 1 after five years as



R. SCHOENKE

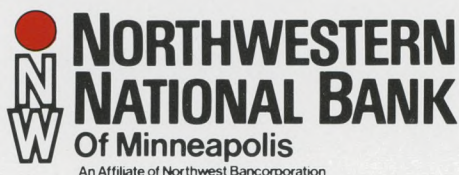
What this symbol means in the Midwest.



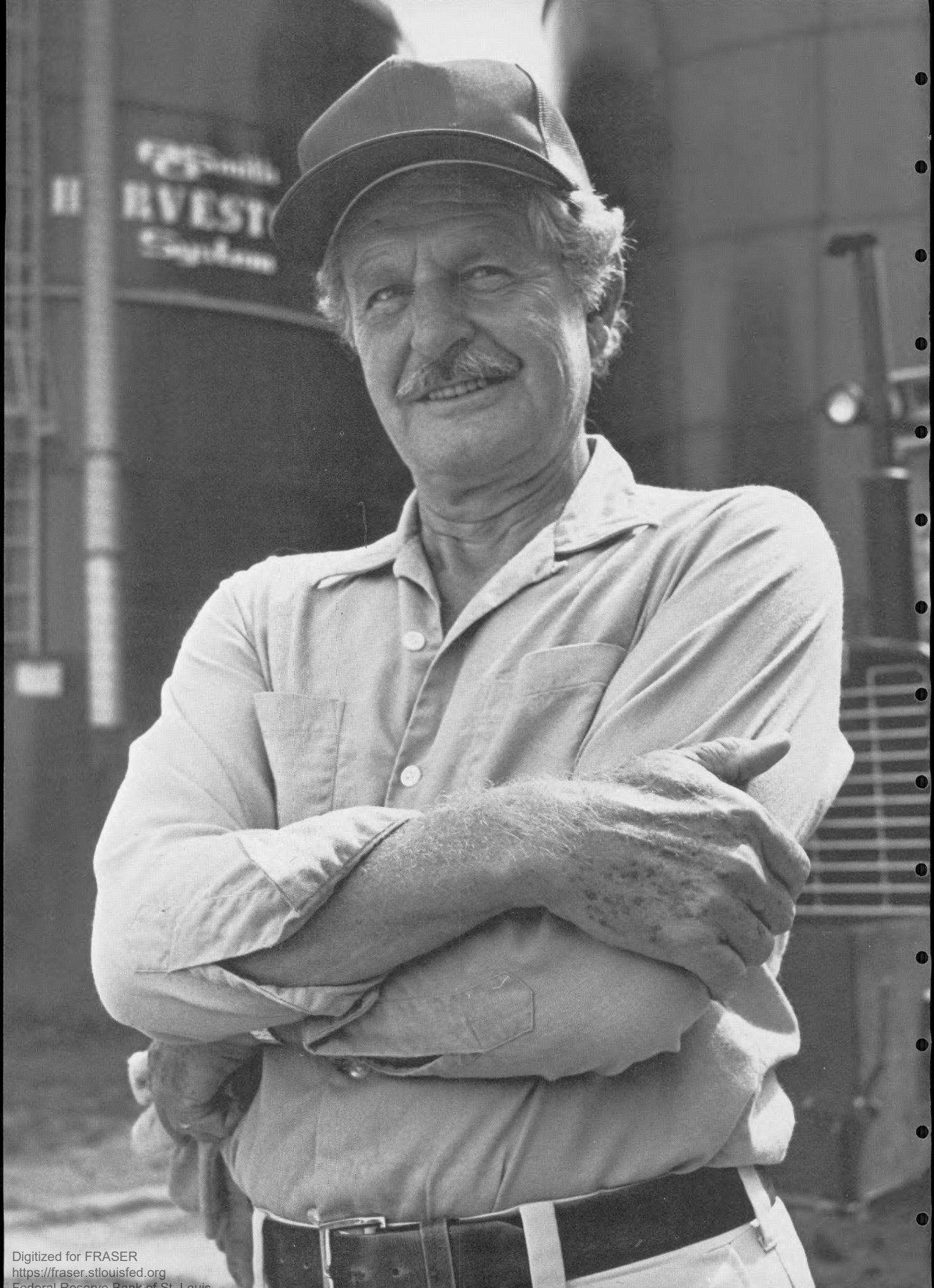
AGRICULTURAL OVERLINES
 BANK STOCK LOANS
 BANKERS ACCEPTANCES
 BOND SALES AND PURCHASING
 COMMERCIAL OVERLINES
 CREDIT CARD PROCESSING:
 MASTER CHARGE / VISA
 EFFICIENT CHECK COLLECTION SERVICES
 ELECTRONIC DATA PROCESSING
 ESTATE PLANNING
 FOREIGN COLLECTIONS
 FOREIGN CURRENCY AND TRAVELERS CHECKS
 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
 PENSION AND PROFIT SHARING
 PROMOTIONAL SERVICES AND CONSULTATION
 SECURITIES CLEARANCE
 STOCK TRANSFERS
 TELLER TRAINING
 TREASURY TAX AND LOAN SERVICES
 TRUST SERVICES

Call your full-service correspondent banker (612) 372-8200



Member FDIC



When farmers, feeders and ranchers have to produce, so do you.

Farmers, merchants, manufacturers, almost all of your customers. Their work can't wait for good times. And good times or bad, they all depend on you for help. So when you need a correspondent, you need one you can depend on.

You need First Minneapolis.

First Minneapolis gives you one simple commitment. When you need us, we'll be there. Period. It's official policy.

So when your customers are ready to produce and you find you need a correspondent who can produce, we'll be ready.

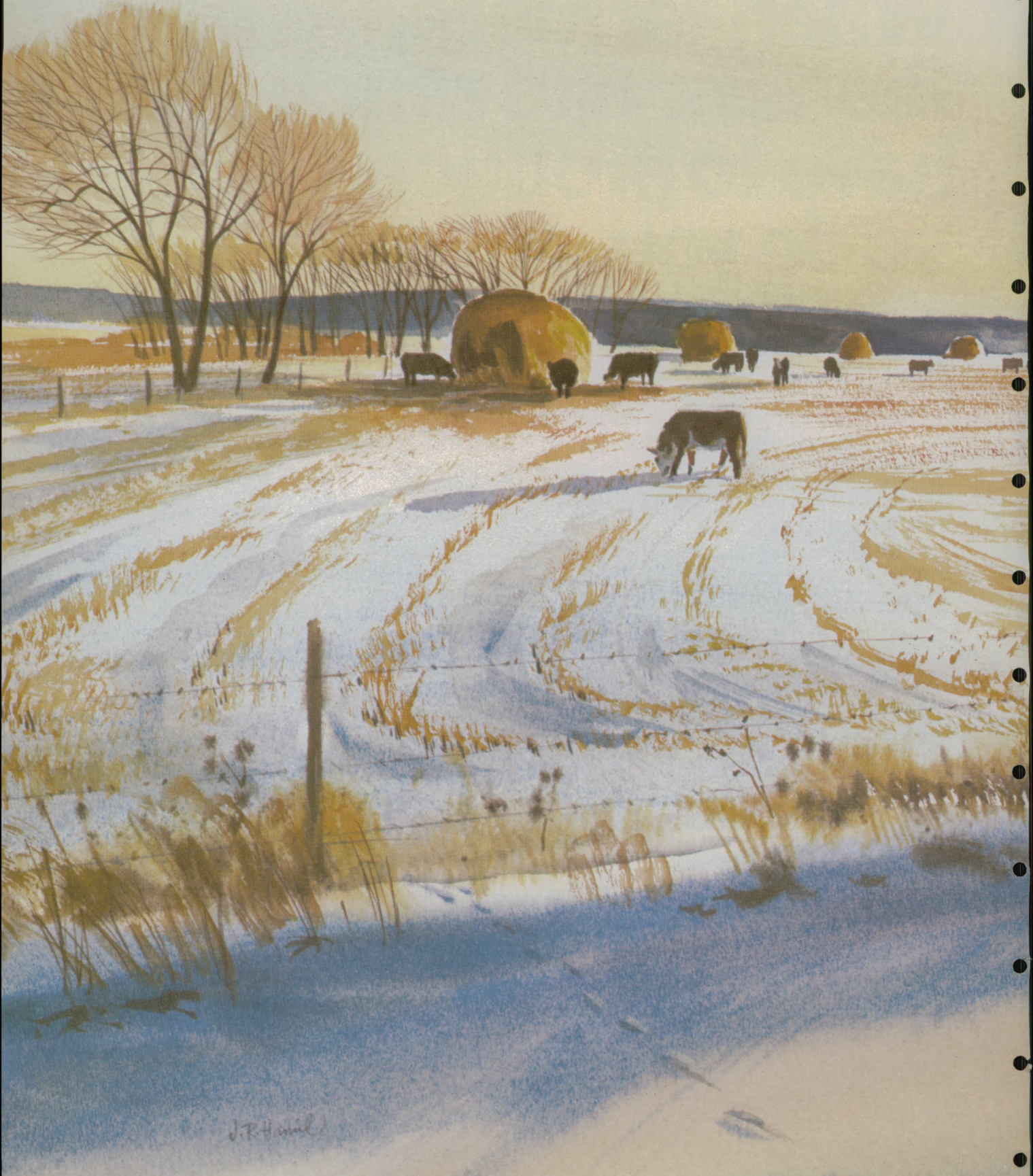
If you have questions about any of our Correspondent Services, call Ken Wales, Senior Vice President, (612) 370-4687. You'll get answers and a commitment you can count on.



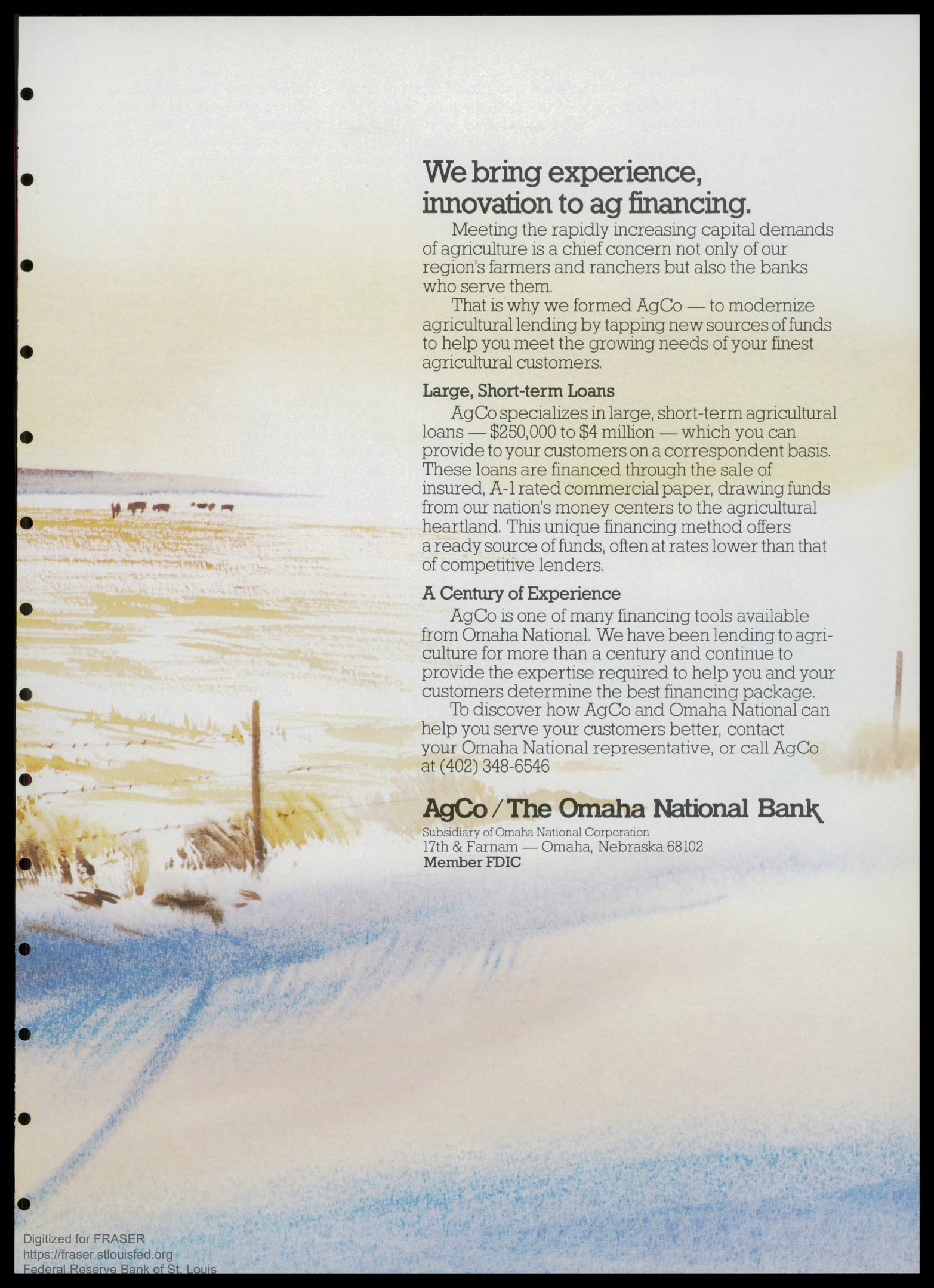
First Bank Minneapolis

"When you need us, we'll be there."

First National Bank of Minneapolis, 120 South Sixth Street • Minneapolis, MN 55402 • Member FDIC.



J.R. Hamil



We bring experience, innovation to ag financing.

Meeting the rapidly increasing capital demands of agriculture is a chief concern not only of our region's farmers and ranchers but also the banks who serve them.

That is why we formed AgCo — to modernize agricultural lending by tapping new sources of funds to help you meet the growing needs of your finest agricultural customers.

Large, Short-term Loans

AgCo specializes in large, short-term agricultural loans — \$250,000 to \$4 million — which you can provide to your customers on a correspondent basis. These loans are financed through the sale of insured, A-1 rated commercial paper, drawing funds from our nation's money centers to the agricultural heartland. This unique financing method offers a ready source of funds, often at rates lower than that of competitive lenders.

A Century of Experience

AgCo is one of many financing tools available from Omaha National. We have been lending to agriculture for more than a century and continue to provide the expertise required to help you and your customers determine the best financing package.

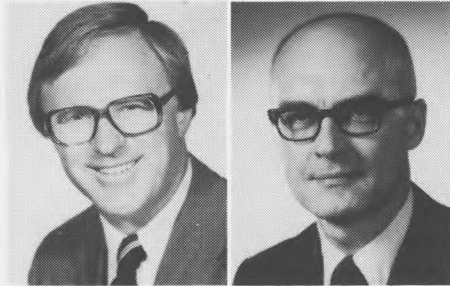
To discover how AgCo and Omaha National can help you serve your customers better, contact your Omaha National representative, or call AgCo at (402) 348-6546

AgCo / The Omaha National Bank

Subsidiary of Omaha National Corporation
17th & Farnam — Omaha, Nebraska 68102
Member FDIC

president of the Citizens State Bank, St. Louis Park.

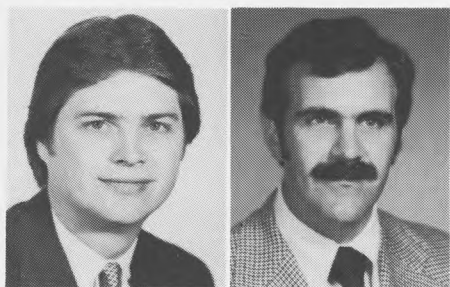
Included in the Special Industries Department will be the sales/equipment finance division, headed by **Wallace V. Blomquist**, vice president. Reporting to this division will be the sales finance division, headed by **Donald C. Haagenson**, vice president, and the equipment finance division, headed by **David A. McChesney**, vice president. In addition, the natural resources division will be headed by **John T. Morken**.



A. NAYLOR W.T. PLANTE



J.L. REISSNER K. WALES



M.C. LOSEY M.E. BONCHER

J. Robert Hoffman, vice president, will head the new Banking Group Services Division. Reporting to him will be **Roger W. Raina**, assistant vice president, cash management division, and **David N. Anderson**, assistant vice president, administrative services division.

Also at First Bank Minneapolis, **Michael C. Losey** has joined as a commercial banking officer in the metropolitan corporate banking division.

Mr. Losey formerly was a lending officer in the agricultural department of the Farmers & Merchants Bank

and Trust Co. in Aberdeen, S.D. He graduated from South Dakota State University in Brookings, S.D.

William Garber joined as an assistant vice president and assistant manager in the personal banking center. Mr. Garber formerly worked at First Bank Edina as assistant vice president and manager of their personal banking center. He holds a bachelor's degree in finance from University of Oregon.

Richard Briden joined as assistant vice president in the financial administration department. Mr. Briden formerly worked as corporate accounting manager for the H.B. Fuller Co. He is a certified public accountant and holds a master's degree in business from Washington University.

Stanley Gove joined as an assistant vice president in the metropolitan division. He is responsible for supervising and directing the activities in Small Business Administration and other government guaranteed loan programs. Mr. Gove was formerly with Summit State Bank in Richfield.

First Bank Minneapolis also announced the promotions of 17 employees. Included in the promotions are one vice president, nine assistant vice presidents and seven officers.

Michael Boncher was promoted to vice president in the east-west correspondent banking division from assistant vice president in the same division.

The following employees were promoted to assistant vice presidents: **Gerald Brennan** to assistant vice president in the equipment finance division from commercial banking officer in the same division; **Thomas Palumbo** to assistant vice president in the interim construction loans division from commercial banking officer in the same division; **Marianne Peterson** to assistant vice president in the trust agency/custody division from trust officer in the same division; **William Lavin, Jr.**, to assistant vice president in personal trust portfolio management division from trust officer in the same division; **Anthony Crea, Jr.**, to assistant vice president in the sales finance division from installment banking officer in the same division; **Minnie Shroeder** to assistant vice president in the bond department from bond investment officer in the same department; **Dolores Walstrom** to assistant vice president in the bond

department from bond investment officer in the same department, and **Edward Whelan** to assistant vice president in the bond department from bond investment officer in the same department.

The following employees were promoted to officers: **Larry Nelson** to bond investment officer in the bond department from senior bond sales representative in the same department; **Louise Minor** to cash management officer in the cash management division from cash management representative in the same division; **John Noble** to international banking officer in the IBD operations division from assistant manager/letters of credit in the same division; **Roger Boerger** to real estate officer in the mortgage loans division from sales representative in real estate marketing; **Mary Gooderl** to trust officer in the personal trust division from personal trust administrator in the same division; **Hope Binner** to operations officer in the methods research division from training coordinator in the same division, and **Jane Mitchell** to training officer in the human resources department from training representative in the same department.

* * *

Steven W. Johnston has been appointed liaison credit officer - southern Minnesota group for First Bank System, Inc.

Mr. Johnston has been associated with FBS since 1976 when he joined First Bank Fairmont, Minn., as a management training associate. He was promoted to assistant cashier in 1977. In 1979 he was appointed manager of the bank's detached facility. Mr. Johnston has most recently served as assistant vice president and agricultural loan officer for First Bank Fairmont.

A graduate of the University of Minnesota, Mr. Johnston holds a BS degree in agriculture.

* * *

Acquisition Approved

The Federal Reserve Bank of Minneapolis announced its approval of the application by Clara City Bancorporation, Inc., Clara City, to become a bank holding company through the acquisition of the Clara City State Bank.

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, Mike Bodeen, Jackie Dunn and Marge Lamosse. 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

WE'RE BIG ENOUGH
TO KNOW HOW, AND
SMALL ENOUGH
TO KNOW YOU.

*In North Dakota and South Dakota, call 1-800-328-8678.

MIDLAND NATIONAL
BANK Of Minneapolis **BANCO**

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

Donald J. Rose has retired from First Bank Bloomington Lake, Minneapolis, after 42 years with First Bank System.

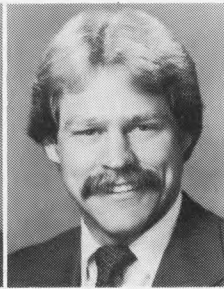


D. ROSE

Mr. Rose started his career with First Bank System in 1938, at the St. Anthony Falls office, as a messenger. He transferred to First Bank Robbinsdale in 1954, as assistant cashier. In 1957, he joined First Bank Bloomington Lake as assistant cashier in general loans. He was promoted to real estate officer in 1978.



C. MILLER



D. HAFNER

Cheryl Miller has been elected operations officer. Ms. Miller joined First Bank Bloomington Lake in November, 1976, as bookkeeping supervisor. She was made bookkeeping and proof supervisor in March, 1978, and has been working as operations assistant since November, 1979. **Doug Hafner** has been elected sales finance manager. Mr. Hafner started with First Bank Bloomington Lake in August, 1976, as a teller and was made teller supervisor in 1977. In June, 1978, he became the sales finance collector and was made sales finance manager in February, 1979.

Michael J. Shade has been named a senior vice president and manager of systems in the operations group at Northwestern National Bank.

Mr. Shade came to Northwestern from Raleigh, N.C., where he was president of a consulting firm dealing with electronic funds transfer systems. The new manager also has been director of marketing for TRW in Orlando, Fla., and director of research and manager of systems, computer operations and check processing at banks in the New York City area.

Frederick L. Deming, president, chief executive officer and director of National City Bancorporation, has announced several appointments to the Bancorporation's board of directors.

Those named were **Wendell R. Anderson**, **David L. Andreas**, **Dorothy Inez Andreas**, **Marvin Borman**, **Kenneth H. Dahlberg** and **Ben E. Fellows**.

Mr. Anderson is a partner with the law firm of Larkin, Hoffman, Daly & Lindgren, Ltd. Previously he served as a United States senator and as governor of Minnesota.

Mr. Andreas, formerly an officer at National City Bank of Minneapolis was named vice president of National City Bancorporation, in addition to being named a director. Mr. Andreas also serves as a director of National City Bank.

Ms. Andreas, a director of Channel 2 Public Television of Miami, Fla., serves as a trustee of Millikin University of Decatur, Ill. and as chairman of the board of trustees of Barry College, Miami, Fla.

Mr. Borman is a partner in the law firm of Maslon, Edelman, Borman, Brand & McNulty and serves on National City Bank of Minneapolis' board of directors.

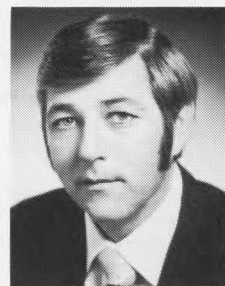
Mr. Dahlberg is chief executive officer and chairman of the board of Detection Sciences, Inc. and is a board member of National City Bank of Minneapolis.

Mr. Fellows, president of Twin City Barge & Towing Co. since 1979, previously served as president of Environmental Graphics, Inc. Mr. Fellows has also served as an officer with National City Bank of Minneapolis.

The new appointees join **Frederick L. Deming**, **Walter W. Heller** and **C. Bernard Jacobs** on the Bancorporation's board.

Thomas A. Hilt has been elected vice president-operations support of First Bank System, Inc.

Mr. Hilt joined FBS as an examiner in 1967. He was promoted to assistant vice president and operations officer—data processing in 1975. He has held his most recent position as assistant vice

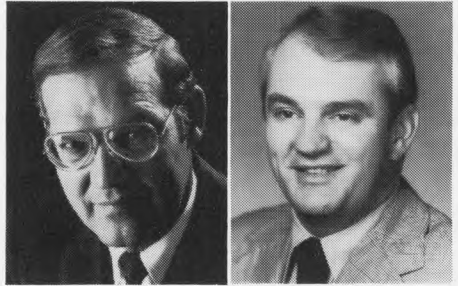


T.A. HILT

president and manager of banking systems in the operations and audits department since 1979.

A graduate of Northern State College in Aberdeen, S.D., Mr. Hilt holds a BA degree in business administration.

Two officers from Northwestern National Bank of Minneapolis have been appointed to American Bankers Association positions by ABA president **Lee Gunderson**.

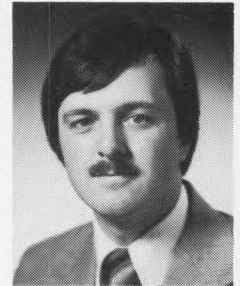


C.P. LINDHOLM D.G. PEDERSON

C. Paul Lindholm, senior vice president and head of Northwestern's consumer & offices banking group, has been appointed to the ABA council. Mr. Lindholm will represent Region Five for a one-year term.

Donald G. Pederson, senior vice president and head of the correspondent banking department of Northwestern was appointed by Mr. Gunderson to a three-year term on the ABA executive committee of the correspondent banking division.

John G. Stumpf has been elected assistant vice president in the commercial lending department of First Bank Security, St. Paul.



J.G. STUMPF

Mr. Stumpf has been associated with First Bank System, since 1976 when he joined First Bank State, St. Paul, as a management associate. In 1977 he joined the liaison credit division at First Bank System, Inc. as a credit representative and was elected a credit officer in 1978.

Mr. Stumpf holds a BS degree in finance from St. Cloud State University, and masters of business administration degree from the University of Minnesota.



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

“First, I take care of the customers’ problem ... then I take care of the paperwork.”

“In today’s fast-changing financial world, time is money. That’s why we stay abreast of the frequent market changes, the up-to-the-minute economic developments, the latest regulations. . .

“When you need fast answers, I know how to cut through all the red tape and get them. I take care of your problems . . . then I take care of the paperwork.

“There aren’t many problems I haven’t run into before, working with all my Correspondents. If a complex problem does arise, I can call upon the full resources of First Bank Saint Paul.

“We can provide you with cash management, portfolio analysis, international

letters of credit, EDP services . . . everything you need to remain competitive today.

“My job is to take some of the **work** out of your paperwork.”



**First Bank
Saint Paul**

Correspondent Bank Division

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

The First National Bank of Saint Paul • Member FDIC



MANAGEMENT CONFERENCE participants included from left: **John W. Morrison**, chmn., host bank; **Donald G. Pederson, sr.** v.p., host bank, and **Lee Gunderson**, pres., ABA, Osceola, Wisc.

NORTHWESTERN NATIONAL CONFERENCE DISCUSSES

Touch Challenges of the 1980s

MALCOLM FREELAND
Publisher

NEW complexities, new competition, an inflationary and volatile economy - the tough challenges of the 1980s - were discussed at the 16th Annual Correspondent Banking Management Conference and Duck Dinner, sponsored by the Northwestern National Bank in Minneapolis last month.

John W. Morrison, newly-elected chairman of Northwest Bancorporation, told the group of 550 bankers that when he left Honeywell to join the bank five years ago, a leading businessman advised him that "running a bank would be like shooting fish in a barrel and that you couldn't lose as long as you didn't get too greedy." Mr. Morrison said he was sure that the businessman did

not anticipate the tremendous changes now underway in banking.

George Drakey, principal with Peat, Marwick, Mitchell, St. Louis, described "How To Increase Bank Profits Through Asset/Liability Management." He suggested that all operations should be reviewed, including net interest margins, cash management/float, compensation for officers and employees and data processing techniques.

The agricultural outlook was presented by Arlan Tengwall, vice president, and Larry Wipf, assistant vice president, both from the host bank. They indicated that the December drop in grain prices was temporary and that the price trend has to be up for wheat, corn and beans. They predicted no big increase

in the cattle supply and a decline in hog numbers due to high corn prices. Farm production costs are scheduled to rise about 11 per cent in 1981, the same as 1980.

A key speaker at the Conference was Lee A. Gunderson, president of the American Bankers Association and president of the Bank of Osceola, Wisconsin. Mr. Gunderson reported on the major issues facing the ABA, including the McFadden/Douglas Acts; IRS resolutions on one-bank holding companies, the question of capital adequacy, and the Farm Credit Act (now passed even though opposed by ABA). He suggested that starting in early 1981, Senator Jake Garn (Utah), new head of the Senate Banking Committee, plans to look at current banking regulations with the thought of either reducing or eliminating a number of them.

Retail banking was discussed by C. Paul Lindholm, senior vice president. Using a "1989 vantage point," Mr. Lindholm "looked back" to see the following: NOW accounts (1981); EFT terminals not regarded as branches (1982); elimination of usury laws (1985); reciprocal state laws on branches (1987), and interstate banking (1989). Mr. Lindholm emphasized that fund management would be the name of the game in the 1980s. He added that controlled growth should be given serious consideration by community bankers.

Donald G. Pederson, senior vice president and head of the host bank's correspondent department, presided at the business session and at the duck dinner. Four members of the Minnesota Vikings answered questions from the audience.



AG LENDING was discussed by **Arlan Tengwall**, v.p., and **Larry Wipf**, a.v.p., host bank. **RIGHT** - Retail banking was discussed by **C. Paul Lindholm**, sr. v.p., host bank.

First State Bank Begins Construction



ARCHITECT'S drawing of the First State Bank, Grove City.

R. D. PETERSON, president of the First State Bank, Grove City, has announced that construction has begun on their new bank facility.

The new facility was designed by Dykins Associates, a Minneapolis based firm. Passive solar concepts have been designed into this new facility which allows the potential of incorporating proven active solar devices when they become available. The main banking level consists of 3365 square feet and 1670 square feet make up the mezzanine level.

The new banking facility provides a total of five teller stations which includes a new accounts station. Also provided is a safe-deposit vault and lobby with the balance of the main level consisting of an officers area, private offices, insurance office, bookkeeping and equipment space

with a drive-up teller. The mezzanine floor consists of future offices, open desk area, employes lounge and storage area.

The exterior of the building is brick and rough sawn cedar board siding with bronze colored windows and bronze colored metal spandrels.

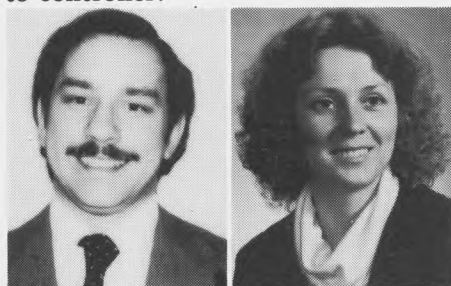
The interior of the building consists of acoustical tile ceiling with integrated lighting, wall materials of wood, vinyl fabrics and carpet. The floors will be carpeted and glazed tile will be used in the lobby and other high traffic areas.

The lighting, heating, ventilating and air-conditioning systems are provided with controls and devices for the conservation of energy where feasible.

Completion is scheduled for April 1981.

Promoted in Mankato

The Northwestern National Bank of Mankato has announced the promotion of Kathleen M. Pytleski to commercial banking officer and a change of title for Patrick M. Burnell to controller.



P.M. BURNELL

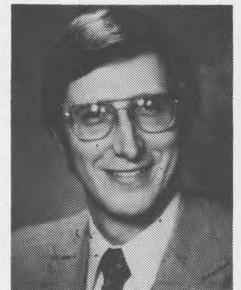
K.M. PYTLESKI

Ms. Pytleski started her career in banking at the State Bank of Fairmont in 1971. In June 1973 she joined the staff at the Northwestern National Bank of Mankato. In 1974 she left to join the Banco, Inc. auditing staff and returned to Northwestern in Mankato in 1975 as a credit analyst. She also worked as a personal banker and since October 1979 has been working in the commercial banking department.

Mr. Burnell started his banking career in 1974 with the Northwestern National Bank of Minneapolis in the controller's division. In January 1978 he joined Northwestern of Mankato as an accounting officer.

Elected at First National

Election of Dennis N. Whitmer to the position of trust officer by the board of directors of First National Bank of Duluth was announced by president Dennis W. Dunne.



D.N. WHITMER

Mr. Whitmer will specialize in marketing First National's Trust Department services and in new business development.

He holds a BS degree in history from Kansas State University, achieved in 1971; a master of science degree in education, majoring in guidance counseling, and a law degree from the University of Kansas School of Law, achieved in 1979.

Elected at Worthington

The board of directors of First Bank Worthington has elected Elden W. Rance president and managing officer. Mr. Rance was executive vice president and manager of the main office of the National Bank of South Dakota in Sioux Falls.



E.W. RANCE

Mr. Rance began his banking career in 1956 as bookkeeper at First Bank Minot, N.D. He joined the Huron Branch of the National Bank of South Dakota as an auditor in 1960. He held various positions at that branch and was promoted to assistant vice president and assistant manager in 1968. He was elected vice president in 1969.

Mr. Rance joined the Madison Branch of the National Bank of South Dakota as vice president and assistant manager in 1970 and was promoted to branch manager in 1973. In 1974, he joined the main office of the National Bank of South Dakota as senior vice president and manager. Mr. Rance has held his most recent position as executive vice president and manager since 1976.

Mr. Rance succeeds Francis M. Schreder, who was elected president and managing officer of First Bank Grand Forks, N.D.

Elected at Robbinsdale

Timothy J. Lacey has been elected vice president/second officer and senior credit officer of First Bank Robbinsdale, according to Kenneth C. Sheehan, president. Mr. Lacey began his career with the Bank of America in October 1971. He began with First Bank System at First Bank Billings, Mont., in 1978 as assistant vice president and was promoted to vice president in March 1979. Mr. Lacey graduated from the University of Montana with a degree in business administration and a degree of master in business administration from the University of Santa Clara Graduate School of Business.



T.J. LACEY

L.A. KALKA

Also at First Bank Robbinsdale, L. Al Kalka has been elected a vice president. Mr. Kalka began his banking career in 1970 as an instalment loan officer at First Bank Robbinsdale. In 1974 he joined First Bank System as a credit analyst. In 1978 he rejoined First Bank Robbinsdale as an assistant vice president. Mr. Kalka received a bachelor's degree in business administration from the University of North Dakota.

Harley R. Robinson was elected to the board of directors. Mr. Robinson is president of Burmeister Electric Co. in Robbinsdale.

Joins Staff at Buhl

The board of directors of the First National Bank of Buhl has announced that Robert C. Anderson has joined as assistant vice-president and loan officer. Mr. Anderson was previously employed as branch manager of Thorp Credit and Thrift office in Virginia since June of 1978. He had

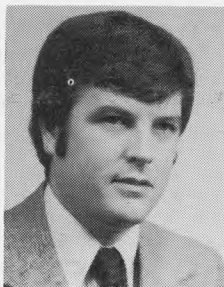


R.C. ANDERSON

been employed with Thorp since November of 1975 and has also managed the branch office in Burnsville. Mr. Anderson is a graduate of the Professional Business Institute of Minneapolis.

Wiedebush Elected

The board of directors of First Bank Willmar has elected N. Thomas Wiedebush president and managing officer. He succeeds Oliver H. Hagen, who has been elected president and managing officer of First Bank Fargo, N.D. Mr. Wiedebush has most recently served as president of First Bank Benson.



N.T. WIEDEBUSH

Mr. Wiedebush has been associated with FBS affiliates since 1968 when he joined First Bank Aberdeen, S.D. He joined First Bank System as a liaison credit officer in 1974. In 1975, he joined First Bank Miles City, Mont., and was promoted to vice president in 1976. He joined First Bank Benson as vice president and second officer in 1976 and was elected president in 1978.

Elected at Spring Valley

The board of directors of First Bank Spring Valley has elected Kenneth E. Churchill chairman and chief executive officer, and Thomas B. Johnson, president and a director.

Mr. Johnson began his banking career as a trainee at First Bank Mankato in 1969. He was elected an instalment loan officer in 1970, assistant cashier in 1971 and assistant vice president in charge of credit review in 1977. Mr. Johnson was elected to his most recent position as vice president and manager of commercial loans in January 1979. He holds a BS degree in mathematics from Mankato State University.

Mr. Churchill has been associated with First Bank Spring Valley since 1935, and was elected president and



T.B. JOHNSON

managing officer of that bank in 1963.

Banco to Purchase Worthington Bank

Northwest Bancorporation (Banco) has signed an agreement to purchase the State Bank of Worthington in Worthington, Minn., an action which has been approved by the boards of both organizations, Banco president Chester C. Lind and State Bank president John Troth have announced.

The acquisition is subject to approval by the appropriate regulatory authorities.

The Worthington bank, located in southwestern Minnesota, had assets of \$44.8 million and deposits of \$40.4 million as of September 30, 1980.

Application Approved

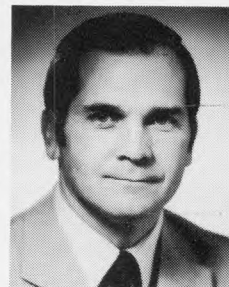
The Federal Reserve Bank of Minneapolis has announced its approval of the application by Raymond Bancshares, Inc., Raymond, to become a bank holding company through the acquisition of the Farmers State Bank of Raymond.

Elected in Burnsville

The board of directors of First Bank Burnsville has elected Robert L. Stehlik, president and a director. Mr. Stehlik succeeds Jeffrey T. Pearson who has accepted a position with D.A. Case Associates, Inc., manufacturers representatives to the electronics industry.

Mr. Stehlik began his banking career in 1956 with First Bank Austin. In 1958 he moved to First Bank Minnehaha in Minneapolis, and in 1974, he joined FBS Financial, Inc., the leasing and mortgage banking subsidiary of First Bank System. Mr. Stehlik became vice president and commercial loan manager of First Bank Southdale, Edina, in February 1976. He was promoted to the head of the lending division in January 1977 and to his most recent position as second officer of the bank in August of that year.

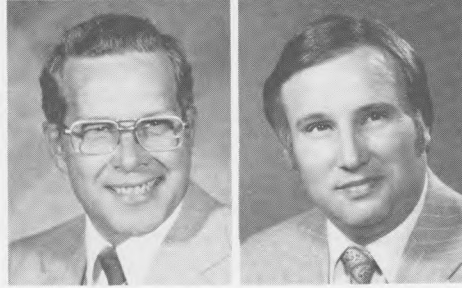
Mr. Stehlik received an associate of arts degree from Austin Junior College.



R.L. STEHLIK

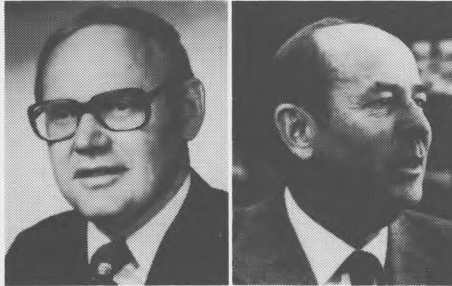
South Dakota

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



Elected at National Bank of South Dakota

THE BOARD of directors of the National Bank of South Dakota, Sioux Falls, elected Nels E. Turnquist chairman and chief executive officer and David S. Birkeland president and a director.



D.S. BIRKELAND N.E. TURNQUIST

Mr. Turnquist has been associated with First Bank System affiliates since 1951 when he joined First Bank Helena, Mont., as an assistant cashier. He was elected an assistant vice president in 1955, vice president in 1956 and president and managing officer in 1960. In 1968, Mr. Turnquist joined the affiliate liaison division of First Bank System as a vice president. He was elected president of the National Bank of South Dakota in 1972, and has served as president and chief executive officer since 1974.

A graduate of the University of Montana in Missoula, Mr. Turnquist holds a BA degree in business. He is also a graduate of the University of Wisconsin's Graduate School of Banking in Madison.

Mr. Birkeland began his affiliation with First Bank System in 1964, when he joined First Bank Rochester, Minn., as a management trainee. He joined First Bank Southdale, Edina, Minn., in 1966 and was promoted to assistant vice president in 1969. He was elected vice president of the commercial and real estate departments, and marketing for that bank in 1972. Mr. Birkeland joined First Bank La Crosse, Wis., in 1973 as vice president of commercial loans. In

1975, he joined First Bank Fargo, N.D., as a vice president and was promoted to senior vice president and trust officer in 1978. He was elected to his most recent position as president and managing officer of First Bank Fargo in 1979.

Mr. Birkeland holds a BA degree in business administration from Concordia College at Moorhead, Minn., and a law degree from the University of North Dakota at Grand Forks.

Irene Bank Acquired

The Federal Reserve Bank of Minneapolis has announced its approval of the application by Irene Bancorporation, Inc., Irene, to become a bank holding company through the acquisition of the Farmers State Bank.

Watertown Bank Additions

Melvin Breitag has joined First National Bank of Watertown as cashier. He was previously employed at Northwestern Bank of Helena, Mont., where he was assistant vice president in charge of operations. He replaces Rick Burcham who was transferred to Banco's affiliate at Dillon, Mont.

Mr. Breitag received his BS degree in business education from Northern State College in 1967. Following graduation he was employed by the First National Bank of Aberdeen and became an audit department manager. In 1976 he was named branch operations officer. In 1977 he was promoted to assistant vice president in charge of operations at the Banco Bank in Helena and served there until coming to Watertown.

Named to the bank's board were Eula Hinderaker, homemaker and civic leader, Merlin F. Jeitz, president of Cook's Inc., and Clark E. Redlinger, secretary/treasurer of Redlinger Bros. Plumbing and Heating Co., Inc.

Promoted at Sioux Falls

The board of directors of Northwestern National Bank of Sioux Falls announced the following promotions and staff changes, according to C.P. "Buck" Moore, president: Lynn C. Thormodsgard to controller, administrative group; Marilyn J. Murray to personal banking officer, downtown branch; Jeffrey G. Platek to credit/compliance officer, administrative group, and Melissa J. Miller to mortgage loan representative, downtown branch.



M.J. MURRAY L.C. THORMODSGARD



M.J. MILLER J.G. PLATEK

Mr. Thormodsgard graduated from the University of South Dakota in Vermillion with a degree in accounting and received his Certified Public Accountant certificate in 1975. Prior to being appointed controller of the administrative group, Mr. Thormodsgard was assistant vice president of Banco, Inc., Banco's internal audit affiliate in Sioux Falls.

Mrs. Murray has held a variety of clerical and supervisory positions at the downtown branch since 1974. Since January 1980, Mrs. Murray has been the personal banking/student loan supervisor at the downtown branch.

Mr. Platek received his bachelor's and master's degree in Economics from South Dakota State University and has been with Northwestern Bank since July 1978. Prior to moving to the credit department, Mr. Platek was a mortgage loan officer at the downtown branch.

Ms. Miller graduated from the

University of South Dakota with a degree in business management and has been a management trainee with Northwestern Bank since June 1980 until being reassigned to the real estate department, downtown branch.

Retires in Roscoe

Catherine "Kate" Meier, assistant cashier, First State Bank of Roscoe, retired recently.

She started work in November 1956 on a part-time basis as a bookkeeper. Within a short period of time, she went on full time as a teller and bookkeeper.

She was promoted to assistant cashier in January 1965.

The bank held "Kate" Meier day on November 21st.



C. MEIER

Celebrates Anniversary

The Farmers & Merchants State Bank of Plankinton recently hosted a 70th anniversary party for all their customers and friends. Approximately 1500 attended. A free turkey and dressing dinner was served, followed by a one hour program and a two hour dance featuring Myron Floren and his orchestra. The bank was started in 1910 and assets have grown from \$320,000 in 1920 to \$22,128,000 in 1980, according to H.R. Page, president.

Elected in Rapid City

Charles T. Undlin, president of the First National Bank of the Black Hills, announced Cajer Neely has been elected assistant controller at the main office in Rapid City.

Mr. Neely graduated from the University of Wyoming in 1976 with a BS degree in business administration. He started with the First National Bank in May 1977 as an agricultural representative and was transferred to the Sturgis office in October 1977 as an agricultural loan officer. In May 1980, Mr. Neely returned to the main office to work in the credit department. He has also completed two years at the Midwest School of Banking in Morris, Minn.

Wyoming

G. E. Cooke, pres., Powell

M. C. Mundell, exec. dir., Laramie



9th Western Ag Institute Jan. 13-16

THE 9th Western Agricultural Lenders Institute will be held January 13-16 at Laramie. The University of Wyoming-sponsored event was designed by bankers with agricultural loan officers, ranchers and farmers in mind.

Registration will begin at noon, Tuesday, January 13, in the Medicine Bow Room, School of Extended Studies & Public Services. Speakers Tuesday will include Howard Hjort, director, Economics Policy Planning & Budget, U.S.D.A., Washington, D.C.

Other speakers featured during the Institute will include Leon Miller, Alte Veroe Industry; Doug Agee, Extension Farm Management spe-

cialist, University of Wyoming; Less Jordan, Colorado National Bank, and H.H. Watt, First National Bank of Riverton.

Join First Wyoming

Steven D. Schafer, G. Robert Jourgensen and David W. Perino have joined the staff of First Wyoming Bank-Casper, according to Jay F. Bordewick, president.

Mr. Schafer joined the bank as vice president and cashier, the same position he held at Montgomery County National Bank of Red Oak, Ia., the past eight years. He also served as a director of the bank in Red Oak. Mr. Schafer graduated from Iowa State College with a BS in industrial administration.

Mr. Jourgensen has over 17 years of banking experience. He began working for First National Bank of Casper in 1961 and was a vice president in commercial loans when he left in 1978 to work for Bill Sauer Enterprises.

Mr. Perino joins the bank as a lending officer in the instalment loan department. He has a BA degree from Ambassador College in Pasadena, Cal. He was previously branch manager of Avco Financial Services.

Mr. Bordewick also announced the promotions of Jody Voelker to assistant vice president, Janet King to instalment loan officer and Pat Els to real estate loan officer.

Ms. Voelker joined the bank's real estate department in February 1978 and was formerly the Casper manager for Transamerica Mortgage.

Ms. Els has been with First Wyoming Bank-Casper since October 1979 and was previously associated with the Wyoming National Bank.

Ms. King has been with First Wyoming Bank-Casper since March 1978.

New Diplomas Available Through ABA's AIB

The fields of bank cards and bank marketing are the latest areas of study leading to diplomas available through the American Bankers Association's American Institute of Banking.

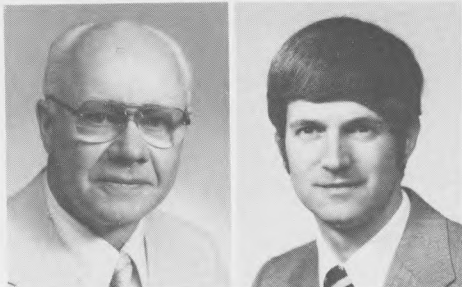
The diplomas—Applied Banking: Bank Card major and Applied Banking: Bank Marketing major—are now available. They bring to eight the total number of diplomas currently available through the AIB's new educational program. Both diplomas represent ABA's commitment to provide bankers with current information on topics essential to the improvement of human resources and banking productivity.

Bankers interested in developing expertise in bank marketing choose from courses and seminars such as marketing for bankers, selling bank services, consumer compliance, bank cards, new accounts and instalment credit.

For more information on AIB's new educational program, call Doug Crow, (202) 467-4156.

North Dakota

C. N. Davis, pres., Cando
H. J. Argue, exec. dir., Bismarck



NDBA Committee Agrees on Nominees

MORRIS NELSON, president of the Scandia American Bank, Stanley, and chairman of the NDBA nominating committee, has announced that the committee has unanimously agreed on nominees for the Association's officer positions in 1981-82. During the NDBA annual meeting in Fargo on May 19, 1981, the nominating committee will propose the following candidates for election by the general membership: For president-elect- John M. McGinley, American State



D. PETERSEN



T.A. RONEY



J.M. MCGINLEY

Petersen, Lakeside State Bank, New Town.

The office of president for 1981-82 will automatically be assumed by current president-elect Thomas A. Roney, Foster County Bank, Carrington.

Bank, Williston and for vice president and treasurer- Darold

Elected at Fargo

The board of directors of First Bank Fargo has elected Oliver H. Hagen president and managing officer. Mr. Hagen succeeds David S. Birkeland who has been elected president of the National Bank of South Dakota in Sioux Falls. Mr. Hagen has most recently served as president of First Bank Willmar, Minn.



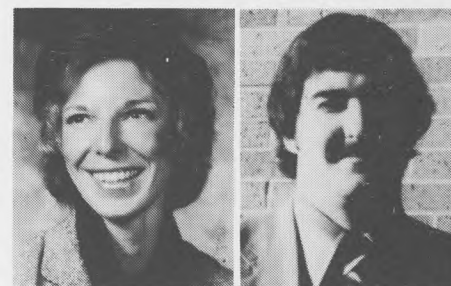
O.H. HAGEN

Mr. Hagen has been associated with First Bank System affiliates since 1959. when he joined First Bank Austin, Minn. He was promoted to vice president-commercial loans in 1968. He has been president of First Bank Willmar since 1975.

Promoted at Langdon

Recent action taken by the board of directors of the First Bank of Langdon resulted in the following promotions, according to an announcement by D.M. Mason, president:

DeLynn Carlson is promoted to insurance officer and will become a full time soliciting agent.



D. CARLSON

K.E. JOHNSON

Kenley E. Johnson has been elected loan officer and will be working in the agricultural department as well as other loan areas. Mr. Johnson is a graduate of the University of North Dakota

Schreder Elected Grand Forks President

THE BOARD of directors of First Bank Grand Forks has elected Francis M. Schreder president and managing officer. Mr. Schreder has most recently served as president and chief executive officer of First Bank Worthington. He succeeds William L. Connelly.

Mr. Schreder has been associated with First Bank System affiliates since 1957, when he joined First Bank Rolla as a loan officer and manager of the timepay department. He was promoted to assistant cashier in 1958, assistant vice president in 1963, and to vice president in 1966. In 1968, he was elected president and managing officer of the bank. Mr. Schreder has served as president and



F.M. SCHREDER

chief executive officer of First Bank Worthington since 1976.

Elected at Bismarck

Richard L. Klein has been elected vice president and manager of retail banking for First Bank of Bismarck, according to Robert E. Westbee, president.

Mr. Klein began his banking career with First Bank System in 1957 at First Bank Aberdeen, S.D., as an adjuster. In 1958 he was transferred to First Bank Austin, Minn., as an assistant cashier. In 1963, Mr. Klein was transferred to First Bank Virginia, Minn., as a vice president.



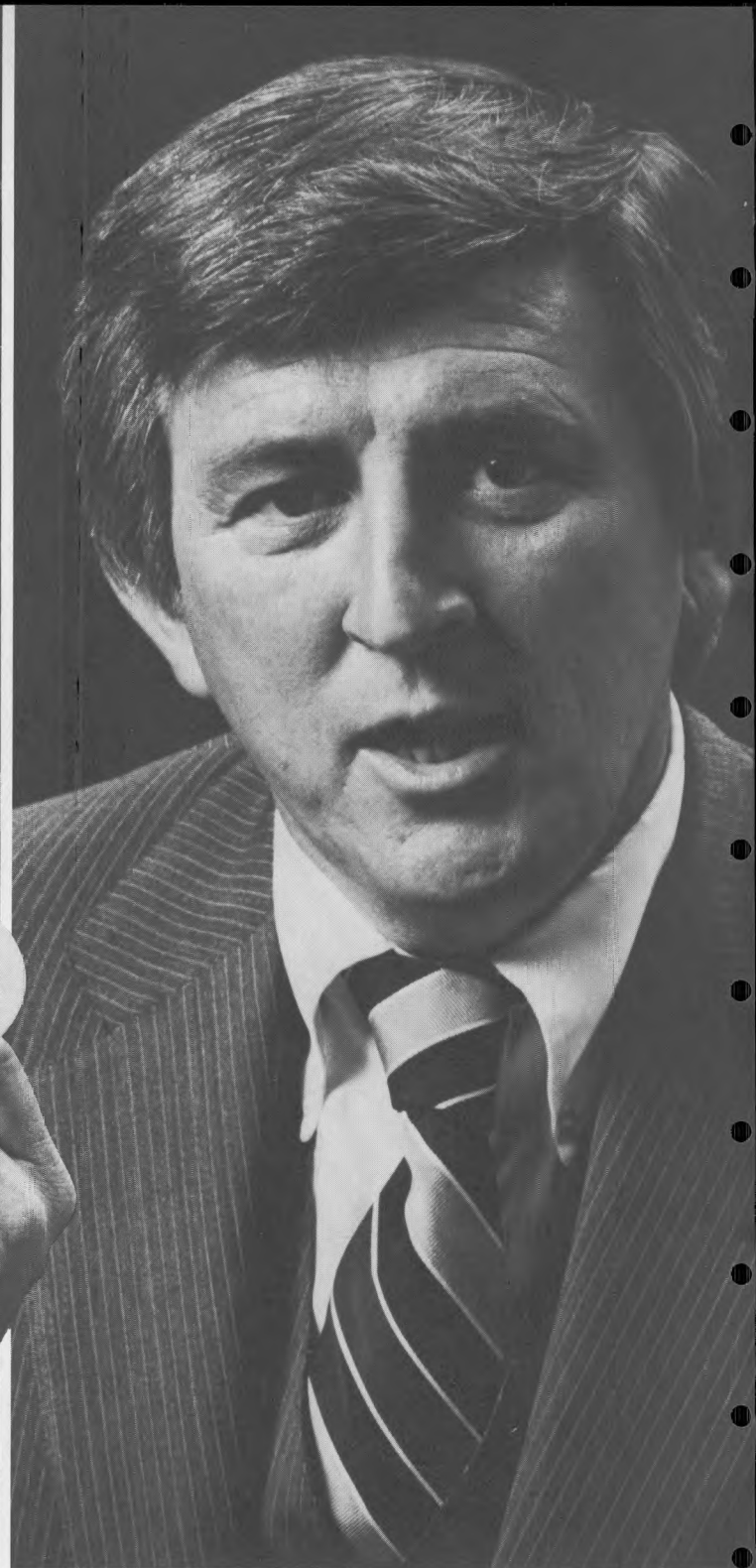
R.L. KLEIN

Elected at Valley City

Stanley O. Johnson was elected assistant vice president of the Northwestern National Bank of Valley City by the board of directors as announced by K. B. Cummings, president.

Mr. Johnson has been with the Northwestern National Bank over eleven years.

Donald H. Echtermeyer
Senior Vice President
Correspondent Banking Div.
Central Bank of Denver.



"See this button? What it says sets us apart from all those other banks. It has nothing to do with our looks. Or our clothes. It shows up in the way we do our jobs. The extra care and attention we give you and your needs.

"It's our commitment to serve you better that shows up in countless little ways. Whether we're making loans to buy banks. Or participating with you on loans to your customers. Or helping to manage your liquidity through federal fund transactions or check collection. Or sharing our expertise on things like ATMs and VISA[®]. Or a variety of services, such as EEO plans for human resources. Or municipal leasing.



"If you're a bank not currently working with us, we invite you to call. You'll discover, like our hundreds of other banking friends, that we have a genuine interest in correspondent banking."

"And you'll find out that better banking is a lot more than just a slogan on a button."

**Central
Bank**
of Denver

The Better Bankers.SM

1515 Arapahoe Street / P.O. Box 5548 T.A.
Denver, Colorado 80292 / (303) 893-3456

The Better Bankers is a service mark
of Central Bank of Denver.



Montana

J. B. Wallander, pres., Froid
J. T. Cadby, exec. v.p., Helena



Bank of Montana System in Top 100

BANK of Montana System, a multi-bank holding company headquartered in Great Falls is included for 1980 in the top 100 publicly-held companies within the ninth Federal Reserve District, according to Charles W. Rubie, chairman and chief executive of Bank of Montana System. The rating was published by Corporate Report, a business magazine whose circulation is in the upper midwest.

To qualify for the Corporate Report's 1980 Top 100 Performing Companies, each company had to obtain sales of \$24.6 million or more and be located in Minnesota, North Dakota, South Dakota, Montana, Western Wisconsin or the upper peninsula of Michigan.

Montana Power is the only other public company in Montana in the 1980 group. Bank of Montana System ranked 96th in the group and it is the first time it has been included in the Corporate Report's 100 Top Performers.

Bank of Montana System is a

Ag Conference Feb. 12-14

The Montana Bankers Association is holding its 32nd Agricultural Bankers Conference February 12-14 at the Holiday Inn in Bozeman.

Speakers will include Dr. William Tietz, president, Montana State University; Les Graham, Montana Department of Livestock; Dr. P.J. Hill and Dr. Terry Anderson, Department of Economics and Ag Economics, and Dr. James Welsh, Dean, College of Agriculture, Montana State University.

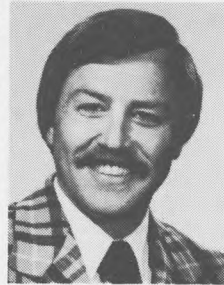
Workshops chaired by Dean Simons will be held Thursday, February 12.

These sessions are designed for the education and review of loan officers' techniques and procedures.

Montana-based bank holding company with fifteen affiliate banks in fourteen Montana communities.

Joins Western Bank

The Western Bank of Billings recently announced that George L. Balback has joined the staff as president and was elected to the board of directors. Mr. Balback was formerly associated with First Citizens Bank, Miles City, First Bank System, Bozeman, and Security N.A., Billings. He is a graduate of Montana State University with degrees in agriculture, business and economics.



G. BALBACK

Elected at Helena

Thomas J. Carruthers has been elected vice president and manager of the timepay department in First Bank Helena, according to Earl W. Johnson, president. Presently he serves as vice president and manager of the timepay department, the real estate department and personal banking center in First Bank Lewistown.

Mr. Carruthers attended the University of Montana in Missoula, majoring in business. He is a graduate of the Pacific Coast School of Banking in Seattle and the National Instalment Banking School in Boulder, Colo.

He began his employment with First Bank Livingston in 1965 and joined First Bank Lewistown in November 1967, and was elected vice president of that bank in January 1977.

Promoted in Billings

Charles Collins has been promoted to personal banking officer at Security Bank, N.A., Billings. He started with Security Bank in February 1979 as an account adjuster and was transferred to instalment loan department in May 1979. Mr. Collins graduated from Eastern Montana College.

N.A. Lopez Retires

N.A. (Nick) Lopez, senior vice president, has retired after 27 years with First Bank Miles City. Mr. Lopez terminated his 43 year banking career December 31. Starting in banking as a bookkeeper in his home town of Livingston in 1937, Mr. Lopez



N.A. LOPEZ

became auditor of the First National Park Bank in 1947. In 1950 he transferred to First National Bank in Helena, where he was assistant manager. In 1954 he came to Miles City as assistant vice president of First National Bank, and in 1958 was elected vice president. In 1976 Mr. Lopez was elected senior vice president, the title he held at retirement. He has also served many years as secretary to the board of directors.

Mr. Lopez is a graduate of the Graduate School of Banking in Madison, Wis., and attended other extension banking seminars and schools over his career. He was a president of Group II Montana Bankers Association.

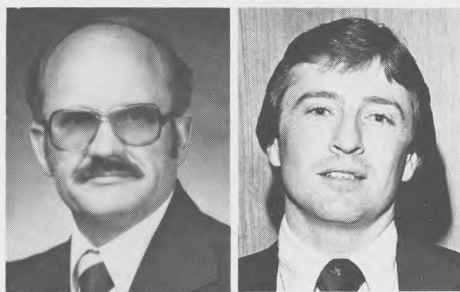
Promoted at Havre

The board of directors of First Bank Havre announced the promotion of Randy Smith to the position of assistant vice president and manager of the agricultural loan department.

Mr. Smith has been employed with First Bank Havre since October 1978 in the ag department. In November 1979 he was promoted to agricultural loan officer, and in July 1980 to manager of the agricultural loan department.

Colorado

J. J. O'Dell, pres., Brighton
D. A. Childears, exec. mgr., Denver



Denver National Opens New Headquarters

DENVER National Bank, one of the six largest commercial banks in downtown Denver, has moved its main offices to the new Denver National Bank Plaza at 17th and Lawrence Streets.

The bank occupies the first four levels of the \$40 million high-rise office center located in the Skyline Urban Renewal area of lower downtown. A seven-lane motor bank adjoins the facility, and underground parking is available for 500 cars.

A series of special events to celebrate the opening of Denver National's headquarters was climaxed by formal dedication ceremonies on November 23, attended by

bank customers, civic leaders and Denver Mayor William McNichols. Theme of the grand opening was "A New Beginning in an Historic Place," and the event was given an old-time flavor reflecting the heritage of the area where the bank is now located.

The historic site at 17th and Lawrence originally housed the frame cottage of George W. Clayton, a pioneer Denver merchant and member of the first city council. It also was the site of the original Denver Branch of the Federal Reserve Bank of Kansas City.

"Lower downtown and the urban renewal area are undergoing dramatic revitalization reflecting the healthy growth of Denver," said C. Gale Sellens, chairman and chief executive officer. "Denver National is proud to occupy this historic location and be a part of the urban renaissance."

The bank was chartered as Security National Bank on October 10, 1963, and last year changed its name to Denver National Bank. The office and motor bank at 16th and Glenarm will continue operation as a detached facility, according to Mr. Sellens.

A member of Affiliated Bankshares of Colorado, Inc., the Denver National Bank has grown from a staff of four officers and seven employees to 32 officers and 102 employees. As of September 30, 1980, the bank listed assets of \$227,531,127 and deposits of \$199,261,264.

Affiliated Bankshares, a Boulder-based holding company, operates 18 other banks in Denver, Loveland, Fort Collins, Greeley, Colorado Springs and Boulder.

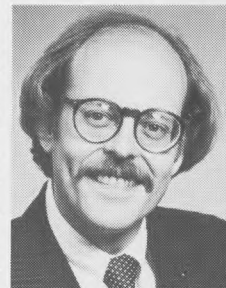
L.C. Fulenwider Inc., and Petry-Vappi Construction Co., both of Denver, developed the Denver National Bank Plaza with the national firm of Skidmore, Owings and Merrill as architects. Cushman & Chaffin as space planners and interior designers for Denver National Bank.

Vice Presidents Elected

The board of directors at Colorado National Bank recently announced the promotions of Jon L. Clark, David W. Fowler and Lester L. Hawley to vice presidents.

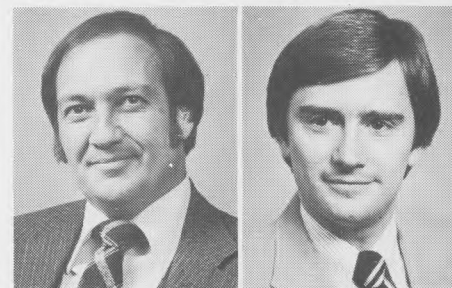
Mr. Clark began his career at Colorado National Bank in 1971 as an instalment loan representative.

He next moved to the credit department and then to the correspondent banking area of the regional division. Mr. Clark attended the University of Nebraska and the University of Colorado.



J.L. CLARK

Mr. Fowler joined Colorado National Bank in 1972 as a credit analyst. From that position he moved to commercial loans and then to the correspondent banking area of the regional division. Mr. Fowler graduated from Farleigh Dickinson University where he majored in accounting.



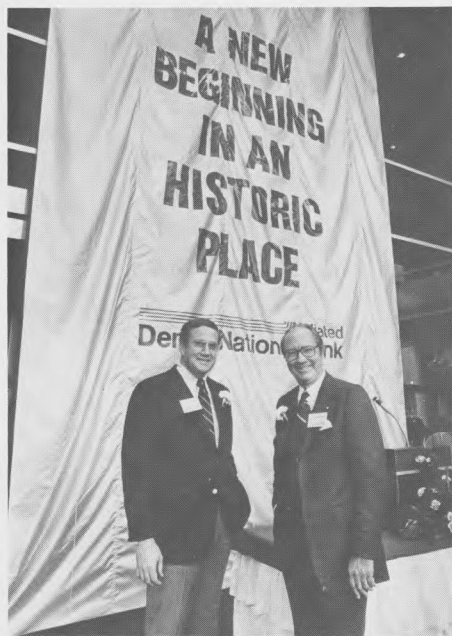
L.L. HAWLEY

D.W. FOWLER

Mr. Hawley began working at a Colorado National Bankshares, Inc. subsidiary, Northeast Colorado National Bank, in 1965 as a loan clerk. In 1979 he joined Colorado National Bank as an assistant vice president in commercial loans.

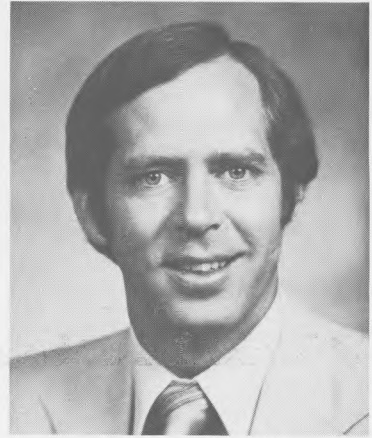
Bob Lee Named President, First National Denver

Robert E. Lee will join the First National Bank of Denver within a few weeks to become president and chief executive officer, it was announced by Theodore D. Brown, chairman and chief executive officer. Mr. Lee will be a director of the bank as well as First National Bancorporation and will serve on the executive committee of both institutions. He is currently president and chief executive officer of the Iowa-Des Moines National Bank in Des Moines, Ia., the largest bank in the state.



PRESIDING at opening ceremonies celebrating Denver National Bank's new main offices was C. Gale Sellens (right), chmn. & c.e.o., pictured with Samuel D. Addoms, pres. of the bank. The new headquarters are located in the Denver National Bank Plaza, a \$40 million high-rise office center at 17th and Lawrence Sts. The corner was the location of the frame cottage of pioneer Denver merchant George W. Clayton, and later housed the original site of the Fed's Denver branch.

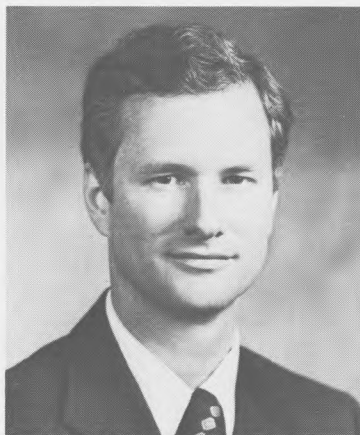
Specialists in fulfilling your every correspondent need...



GARY L. BIECK
Vice President



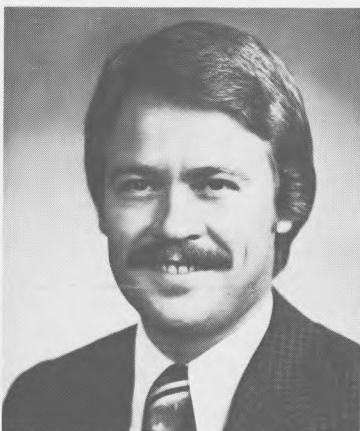
WILLIAM E. EDGECOMB
Vice President



CRAIG E. WANAMAKER
Vice President



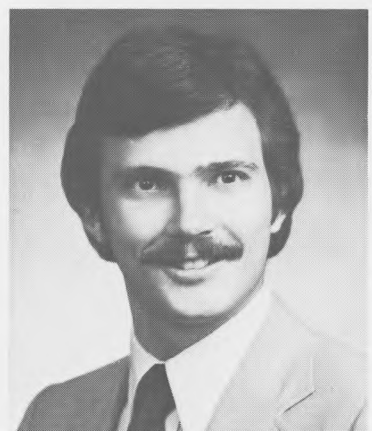
STEVEN L. ANDERSON
Assistant Vice President



MARVIN HEFTI
Correspondent Bank Officer



KATHY M. VOTAW
Correspondent Bank Officer



MARK A. ZABACK
Correspondent Bank Officer



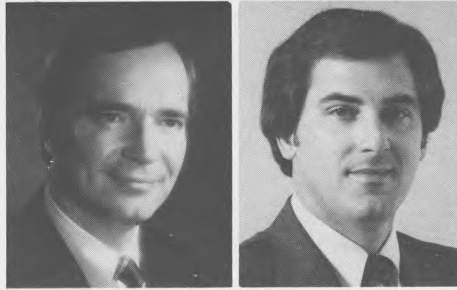
FIRST NATIONAL LINCOLN

13th & M Sts. • P.O. Box 81008 • Lincoln, NE 68501
Phone: (800) 742-7462

Member, F.D.I.C.

Nebraska

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



Omaha National Bank and TMS Corporation To Share Electronic Banking Terminals

THE Omaha National Bank and TMS Corporation have reached an agreement to share 55 TMS Corporation electronic banking terminals in cities across Nebraska, officials of both firms said in a recent joint announcement.

These terminals are in addition to the 25 terminals that Omaha National and TMS Corporation now share in the metropolitan Omaha. The two major cards used at the terminals are the Bank-In-A-Billfold card originated by Omaha National and now offered by eight Nebraska banks, and The Money Service Card offered through TMS Corporation affiliates.

Customers holding these cards have the added convenience of being able to make deposits and withdrawals from their accounts seven days a week at merchant locations near where they live, work or shop, or while traveling around the state.

In addition to Omaha National, banks offering the Bank-In-A-Billfold card are the American National Bank, Ames Bank, Omaha State Bank and Southwest Bank in Omaha, the Commercial National Bank in Grand Island, First National Bank of Bellevue, Gering National Bank and Ralston Bank. Customers of these banks will be able to use their Bank-In-A-Billfold card at any merchant location across the state.

The Bank-In-A-Billfold service will be phased in at the various outstate terminals over a period of several weeks which began in December. When the phase-in is complete, there will be shared terminals in Lincoln, Fremont, Wahoo, Blair, Waverly, Plattsmouth, Nebraska City, Auburn, Crete, Beatrice, Kearney, Hastings, Holdrege, York, Seward, McCook, North Platte, Norfolk, Columbus, Schuyler and Alliance.

Omaha National has been offering

its Bank-In-A-Billfold service since 1975. The Money Service terminals made national financial news in 1974 as the first off-premise electronic banking terminals in the country, and were dubbed the "Hinky Dinky Experiment," after the stores where the first terminals predominated.

Siouxland Banks Opens

Siouxland National Bank, South Sioux City, held its opening ceremonies recently. F.J. (Fran) Palmersheim, president of the new bank, said the Comptroller of the Currency, Washington D. C., issued the national bank charter to Siouxland National Bank to commence operations on December 1st. Siouxland National is the only national bank in Dakota County.

The new bank is capitalized at \$1,250,000 and is owned by 200 area individuals.

The officers, in addition to Mr. Palmersheim, are Robert K. Lynch, vice-president, and Garnet Blankenburg, operations officer. Those serving on the board of directors include Norm Christiansen, Pender; Dorothy Holstein, Winnebago, and Dee Engel, Leo Eriksen, Keith Ferris, Norma Graves, Lonnie Slaughter, Dr. Jerry Smith, Bill Stone, Dr. James Walston, Mr. Lynch and Mr. Palmersheim, all of South Sioux City. All of the board members are also organizers of the new bank.

The Bank will operate in a temporary facility at 39th & Dakota Avenue, until the permanent facility, now under construction, is comple-

ted. The permanent facility is scheduled for completion in early spring 1981.

Mr. Palmersheim previously was employed by Dakota County State Bank in South Sioux City and First National Bank in Ottumwa, Ia.

Changes at Campbell

Bonita J. Peterson has been elected president of the Campbell State Bank in Campbell. She succeeds her husband, William C. Peterson, who will continue as vice president of the bank while on leave to attend Creighton University Law School in Omaha, where he is in his first year of studies. Mrs. Peterson has been with the bank for five years, serving as secretary of the board of directors and managing the insurance department.

Appointed at Bloomfield

The board of directors of Farmers & Merchants State Bank of Bloomfield has appointed Mrs. Elva DeLaRoi assistant cashier.

Breta N. Green Dies

Mrs. Breta N. Green, wife of J. Wiley Green, chairman of the board of Wauneta Falls Bank, died recently. Mrs. Green had been associated with the bank for many years as cashier and currently was a director.

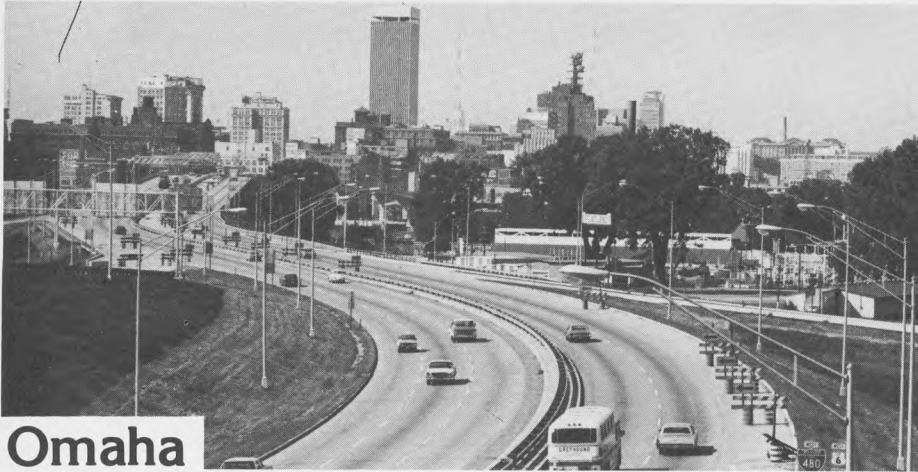
She is survived by her husband and a son, John M. Green, president of the bank.

NBA Convention Slated For Lincoln, May 7-9

The Nebraska Bankers Association annual convention is scheduled for Thursday, Friday and Saturday, May 7, 8 and 9 in Lincoln. All sessions will be held at Pershing Memorial Auditorium, where convention displays again will have special space. A golf tourney will start at 1:00 p.m. Thursday. The executive council and NETS board will meet Friday morning, followed by a general business session that afternoon and a banquet and entertainment Friday evening. The second business session will be held Saturday. The annual banquet Saturday evening will feature the Tex Beneke Orchestra for entertainment and dancing, complemented with another musical group that will play during intermissions.

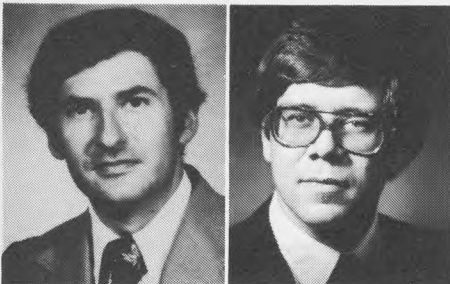


F.J.
PALMERSHEIM



Omaha

JOHAN M. Shonsey, chairman of the board of directors of American National Bank, announced the election of **Dennis M. Monaghan** to the bank's board, and **Selmer M. "Sel" Dahl** as new bank vice president and commercial loan officer.



D.M. MONAGHAN

S.M. DAHL

Vice president-sales and marketing of the Lozier Corporation of Omaha, Mr. Monaghan is also a member of the board of directors of Erickson Display, Inc., of Des Moines. An Omaha native, he joined Lozier in 1961, holding several production and marketing posts leading to his present position. He has an associate degree from the University of Nebraska at Omaha.

Mr. Dahl joins the bank from Plainview, Neb., where, for the past seven years, he operated his own accounting and tax service. Prior to opening his own firm, he was involved in banking and real estate in the midwest for nine years, including in Omaha. A graduate of Augustana College, Sioux Falls, S.D., he earned his bachelor's degree in business administration and accounting.

* * *

David C. Applegate, president, Nebraska State Bank, has announced **Cheryl K. Jacobsen** has been named an assistant vice president and facility manager. She joined the

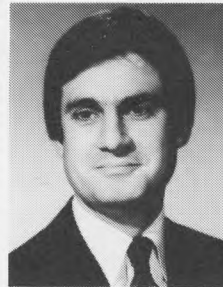
Nebraska State Bank in July, 1980. She was previously employed by the Elba State Bank.

* * *

The election of **John R. Miller** to second vice president and commercial loan officer at the United States National Bank of Omaha has been announced by chairman and chief executive officer **Donald J. Murphy**.

Mr. Miller has joined the U.S. National staff after six years with Northwestern National Bank of Omaha, where he most recently served as vice president of commercial loans.

Mr. Miller attended Missouri Southern College in Joplin, Mo. and the University of Nebraska at Omaha, graduating with a bachelor's degree in political science. In 1974, he earned a master's degree in public administration from UNO.



J.R. MILLER

Cascade Data Markets Micro Computer System

Cascade Data, Inc., Grand Rapids, Mich., announced last month the release of its Bank Information Management System in what has been for the firm a record year in the production of vertical industry software packages.

Cascade, which has operated as a subsidiary of Dash Industries, Inc., since its merger in 1979, has been designing and manufacturing business computers since 1969. Last fall, the firm announced it would enter the retail computer market by mid-1981 with software it has developed for small businesses.

The new Bank Information Management System is designed for small to medium sized banks handling less than 10,000 transactions per day. It includes proof of deposit, demand deposit, savings, CDs, loans, mortgages, payroll and general ledger. It also has memo posting and inquiry capabilities. Special features include these:

- Cascade Data Concept III computer system, 10MB of 20 MB of disk storage, a printer and two video display units. Up to 24 video display units may be attached to the system. An optional 11-pocket MICR sorter may be connected in order to capture data via MCR encoding, rather than through manual entry.

- Totally integrated from point of proof entry. It incorporates proof and posting functions in a single piece of equipment. Proof items are automatically separated and disbursed to all applications, including the daily statement. Deposits are proofed, rough-sorted and automatically posted while the documents are handled only once.

The entire BIMS (hardware and software) can usually be purchased for about the same price as a large 40-pocket MICR sorter, depending on bank size and hardware requirements. All of the software applications in the system may be purchased for \$12,500, and the inquiry capabilities for \$2,000.

- BIMS offers same-day reporting. Total information management provides small to medium sized banks the autonomy they desire, with total management in a single-entry, convenient, low-cost, proof of deposit computer system.

Wallgren to Direct ABA Trust Division

Robert A. Wallgren is the new director of the Trust Division of the American Bankers Association, assuming responsibilities for the ABA division serving the 4,000 member banks with trust powers.

Mr. Wallgren's selection was announced by Donald E. Stevens, executive director, ABA Banking Professions, who pointed out that Mr. Wallgren is a familiar face to many trust bankers who have known him during his 17 years with the Federal Reserve. He has been a frequent participant in ABA Trust Conferences and other association meetings.



Jim Flodine, George McFadden, Fred Kuehl, Don Ostrand, Ralph Peterson.

Trust your correspondent banking to our efficiency experts.

These superb professionals are dedicated to meeting all your individual correspondent needs. Call us for details on electronic data processing,



cash letter processing, overlines, fed fund transactions; or any other correspondent service. We'll show you how friendly efficiency can be.

first national bank
of omaha

In Nebraska call us toll free at 800-642-9907. Outside Nebraska call us toll free at 800-228-9533. Member FDIC.



Lincoln

THE board of directors of First National Lincoln Corp. voted to increase the cash dividend to be paid to shareholders for the quarter ending December 31, 1980, to 35 cents per share. Representing a 12.9% increase over the 31 cent dividend that has been paid for the past four quarters, the 35 cents per share dividend will be paid on January 2, 1981, to shareholders of record as of December 19, 1980.

In making the announcement, William C. Smith, president, noted the action by the directors to increase the dividend was based on the current and projected earnings and the

continuing growth of the corporation's wholly-owned subsidiaries, First National Bank & Trust Co. of Lincoln and First Savings Co. of Lincoln.

* * *

The board of directors of Citizens State Bank has announced the election of Susan L. Green as assistant cashier, loan administration.

An Omaha native, Ms. Green has been associated with Citizens since 1976 and has held positions in the customer service and loan departments.

ABA Seminars Will Help Banks Implement Truth-in-Lending Changes

HELPING banks prepare for implementation of significant changes affecting consumer lending is the object of four Truth-in-Lending (Reg Z) seminars to be offered next June by the Bank Card and Instalment Lending Divisions of the American Bankers Association.

The revisions authorized by the Truth-in-Lending Simplification Act will require changes in virtually every consumer lending form that contains credit disclosures—both open and closed-end credit. Banks are encouraged to take immediate steps by inventorying all forms that will be affected and controlling the reordering of such forms carefully to avoid excessive supplies.

The ABA Reg Z seminars will provide specific techniques for implementing the changes in the law, in addition to helping bank lending officers and compliance officers understand the effects of the new regulations expected to be issued by

April 1, 1981, with an effective date of April 1, 1982.

Panelists at the two-day regional seminars will be federal regulators, bankers and attorneys with compliance expertise. A Reg Z seminar manual, focusing on the changes in the law and containing checklists and sample forms to aid compliance, will be provided to seminar participants. In addition, a new, revised edition of the ABA's Comprehensive Regulation Z Compliance Manual will be available by mid-year.

The four Reg Z seminars are scheduled for June 1-2 in Philadelphia, June 4-5 in Chicago, June 15-16 in Dallas and June 18-19 in Denver. For additional details, contact Mike Stoll, assistant director, Bank Card Division, American Bankers Association, 1120 Connecticut Avenue, NW, Washington, DC, 20036, or call (202) 467-4863.

Plans are also being formulated to offer co-sponsored ABA/state bank-

ers association seminars subsequent to the four regional meetings. The Program Development Committee of ABA's State Association Division is currently working with the Bank Card Division on this joint program.

Lewis G. Odom Retires

Comptroller of the Currency John G. Heimann has announced the retirement of Senior Deputy Comptroller Lewis G. Odom Jr. from federal government service. Mr. Odom has served as a member of the Policy Group of the Office.

First Chicago Offers Precious Metals Program

First Chicago's highly successful Precious Metals Passbook Program prompted The First National Bank of Chicago to begin offering financial institutions a prototype plan, according to Patrick Hurley, vice president and product manager.

The convenient investment product enables a participating institution to sell both gold and silver to customers under its own name. The program is structured so that a participant need never take delivery of the metals, thereby eliminating storage and security problems, as well as minting and assaying costs.

The program permits financial institutions to structure their precious metals sales in keeping with their organization's marketing guidelines. Some organizations, for example, may want to pattern their sales after First National's passbook plan while others may opt for statements of ownership. Each financial institution sets its own commission schedule for purchases and withdrawals.

The agent receives a guaranteed price for the customer over the telephone. When an order is placed, bullion is purchased and stored by First National; all orders are covered 100% with actual product. The program allows financial institutions to take advantage of competitive prices made possible by the bank's big-volume transactions.

Participants in the program have the option of using a merchandising kit from First National that includes: consumer ad mats, consumer brochure, statement stuffer, point-of-sales posters, a 60-second radio commercial script and sample consumer press release. In addition, the bank will help train agents' personnel.

Consistent Leadership.



Today, we see a period of rapid change in the financial environment. These changes are spurred by government regulation and deregulation, our roller-coaster economy, and the need to be extremely competitive.

It's a challenge that is most successfully met by a bank that offers consistent leadership. These NBC bankers offer the experience of 75 years of combined length of service. 65 of those years are with National Bank of Commerce. These bankers and their team of experienced professionals provide the necessary continuity at NBC.

They share a dedication to high performance banking in every service that NBC offers.

Call them. They're eager to share their experience and enthusiasm for the future.

Wilbur Baack, Senior Vice President;
Jim Nissen, President;
Tom Potter, Senior Executive Vice President.

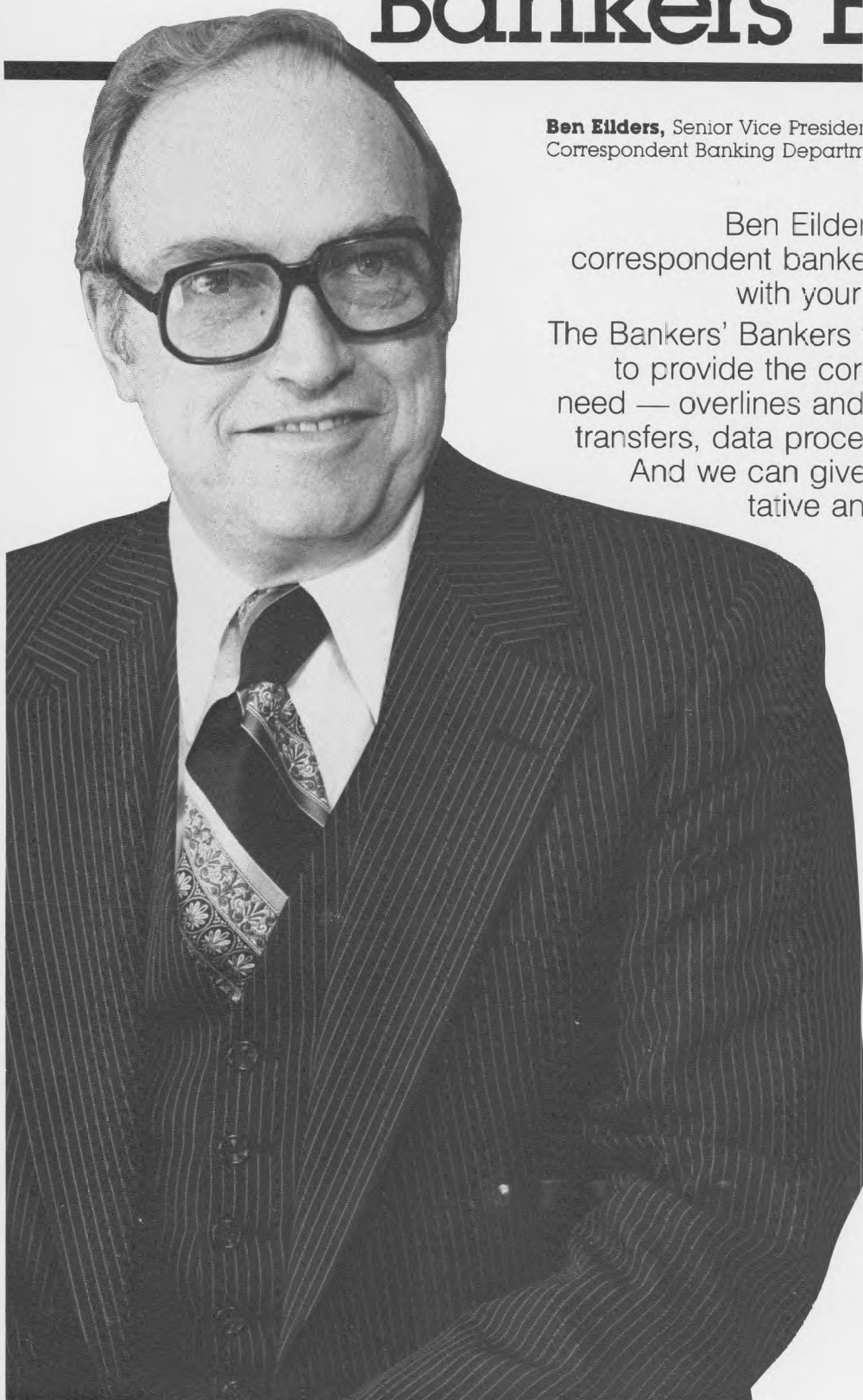
NBC

National Bank of Commerce
The Bank with the Plus

NBC Center, 13th & O St., Lincoln, NE 68508
Telephone (402) 472-4321, WATS 800-742-7317

MEMBER FDIC
Accounts Insured to \$100,000

Grow with a Bankers' Banker



Ben Elders, Senior Vice President
Correspondent Banking Department

Ben Elders and our Bankers Trust correspondent bankers are ready to help you with your growing responsibilities. The Bankers' Bankers welcome the opportunity to provide the correspondent services you need — overlines and loan participations, wire transfers, data processing and trust services. And we can give you immediate, authoritative answers to your questions.

You'll be pleased with the service you receive from our expanded correspondent banking department. We're growing! Come grow with us.

Bankers Trust
Come Grow With Us

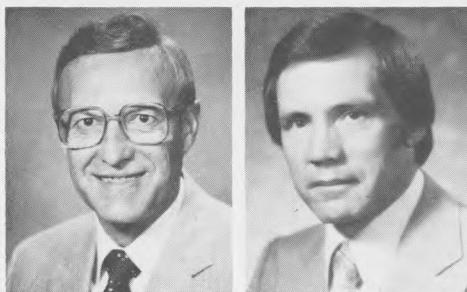
Correspondent Bank Department
Des Moines, Iowa 50304
Member: FDIC/Federal Reserve System

Use our toll-free WATS line:
800-362-1688

Des Moines' largest locally owned, independent bank

Iowa

E. L. Tubbs, pres., Maquoketa
N. Milner, exec. v.p., Des Moines



Iowa Banks Are Now Offering Approved IDEA Annuity to Attract New Deposits

IOWA banks will be able to offer the IDEA Annuity contract to their customers as soon as an employe is licensed for this activity by the state insurance department and as soon as materials are received from the Iowa Bankers Insurance & Services office in Des Moines. IBIS created the new product in conjunction with American Republic Insurance Company of Des Moines.

The annuity offers depositors, in amounts ranging from \$10,000 to \$250,000, a new instrument for accumulating tax deferred income. For the bank depositor, IDEA Annuity, reports IBIS, will offer the following:

1. Tax deferred accrual.
2. Safety.
3. Guaranteed interest.
4. Valuable collateral.
5. Probate free.
6. Guaranteed income for life.
7. Emergency withdrawal privileges.
8. Tax-favored retirement income.
9. Multiple pay-out options.
10. Flexible financial planning tool.

Al Tinder, managing officer of IBIS, states that payment options need not be selected by the bank customer until the pay-out period begins, and that can be postponed until age 85, with many options available.

IBIS currently has nearly 300 Iowa banks participating in the IDEA Annuity contract program. Workshops were held last month to acquaint bankers with the necessary details for handling the product. Life licensing schools also have begun so that each bank may commence offering the product as soon as at least one employe is licensed to sell the annuity to customers. For the bank, IBIS lists six advantages accruing to the annuity, stating it will:

1. Attract new deposits.

2. Increase deposit retention.
3. Expand depository base.
4. Open new avenues for service.
5. Strengthen bank-customer relations.
6. Increase bank revenues.

Neil Milner, executive vice president of the Iowa Bankers Association, said, "We feel that we have structured the best possible product; one that will add an entirely new dimension to the full service capabilities of participating banks. The staffs of IBIS, American Republic and the IBA are to be commended on their fine work in producing this valuable competitive tool for Iowa's banks."

A True Annuity

The IDEA Annuity contract was developed in response to a similar product offered last year for the first time by Iowa savings and loan institutions. Subsequently, that product, as predicted by IBA and IBIS attorneys, was declared non-qualified by the Internal Revenue Service. IBIS and IBA continued to develop the new product now being offered with a view to writing the contract in the necessary way to conform to IRS requirements.

In the case of the savings and loans, the product was wrapped around an existing CD owned by the depositor. IRS ruled that since the CD owner could in fact control the investment of that money, it was not a true annuity and, therefore, not permissible for tax deferral.

The IDEA Annuity, on the other hand, is a premium purchase from American Republic of an annuity. American Republic keeps the funds invested in CDs in the bank, but at that point the investment contract is between the company and the bank. The customer has an approved annuity contract for which the

insurance company is obligated to deliver tax-deferred funds later in accordance with contract terms.

Sioux City Banks Name Clearing House Officers

Richard C. Taylor, president of the First National Bank in Sioux City, has been elected president of the Sioux City Clearing House Association by member banks in that city. He succeeds R.E. Gene Hagen, president of Security National Bank. Named vice president is



R. C. TAYLOR

Leslie H. Olson, president of the Toy National Bank. Bunny Traver, secretary to Mr. Taylor at First National, will be secretary of the Association.

The Sioux City Clearings House traditionally is host to Group 1 bankers at their meeting in Sioux City. That meeting is scheduled for February 13-14.

Seminars to Begin Jan. 19

To assist Iowa's banks in making the best possible sales presentation to the public, the Iowa Junior Bankers Association is offering "A New Twist-Turning Prospects Into Customers." This series of 12 informational dinner/seminars will feature the expertise of Financial Shares Corporation, one of the nation's leading financial marketing and training firms.

All of the 1981 Bank Staff Training Seminars will open with registration at 5:30, followed by dinner at 6 p.m. The 2½ hour seminars will begin promptly at 7:00. The fee is \$26 per person.

The seminar locations are: January 19, Ottumwa, Ottumwa Country Club; January 20, Cedar Rapids, Stouffer's; January 21, Des Moines, Hyatt; January 22, Council Bluffs, Best Western; January 26, Fort Madison, Holiday Inn; January 27, Davenport, Black Hawk; January 28, Dubuque, Midway Motor Lodge; January 29, Waterloo, Conway Civic Center; February 9, Sioux City, Hilton; February 10, Emmetsburg, Iowa Lakes Community College; February 11, Fort Dodge, Starlite Village, and February 12, Mason City, Holiday Inn.

Bob Lee to Leave Iowa-Des Moines

ROBERT E. Lee, president and chief executive officer of the Iowa-Des

Moines National Bank, will be resigning within a few weeks to become president and chief executive officer of the First National Bank of Denver, according to an announcement



R. E. LEE

from Robert L. Sandblom, chairman of the Iowa-Des Moines' executive committee of its board of directors.

"Speaking for our board and the entire senior management of Northwest Bancorporation, we accept Bob Lee's decision with extreme regret," Mr. Sandblom said. "Everyone associated with the Iowa-Des Moines has come to appreciate Bob Lee's talents and leadership; it's easy to see why another bank would work so hard to get him."

Mr. Lee will head the oldest bank west of the Mississippi and one twice the size of the Iowa-Des Moines. It is also the lead bank of First National

Bancorporation, Colorado's largest bank holding company with 13 affiliates. Mr. Lee will be on the boards of directors and executive committees of both corporations.

"Certainly my leaving will pose no problems for the Iowa-Des Moines," Lee continued. "We have a very sound, very talented management team and the bank will be in good hands. As for my successor, that choice will be made by our board of directors and the management of Northwest Bancorporation, with a decision to be made during my period of transition."

Promotions Announced

William Griggs, president of the Clay County National Bank of Spencer, has announced the following promotions and changes of personnel:

David Woodcock has been promoted to cashier. Mr. Woodcock moves to his new position from the commercial loan department.

Tom Malmgren has moved from vice president instalment loan manager to vice president and

commercial loan officer. He has been with Clay County National Bank since April 1974.

Steve Charlson has moved from instalment loan officer to manager of instalment loan department. He has been with Clay County National Bank since April 1978.

Candi Whittenburg has moved from her secretarial position to assistant loan officer in the instalment loan department. She has been with Clay County National Bank since July 1973.

Joins Hills Bank

Gordon Hinz has joined the Hills Bank & Trust Co. as a vice president.

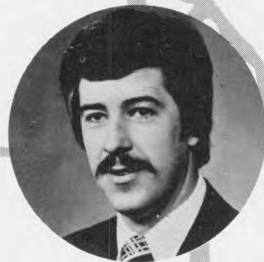
Mr. Hinz has been associated with the Media-polis Savings Bank for the past 11 years and prior to that he was an eastern Iowa farm loan representative with Metropolitan Life Insurance Co.



G. HINZ

For Northwestern's World of Service

SEE



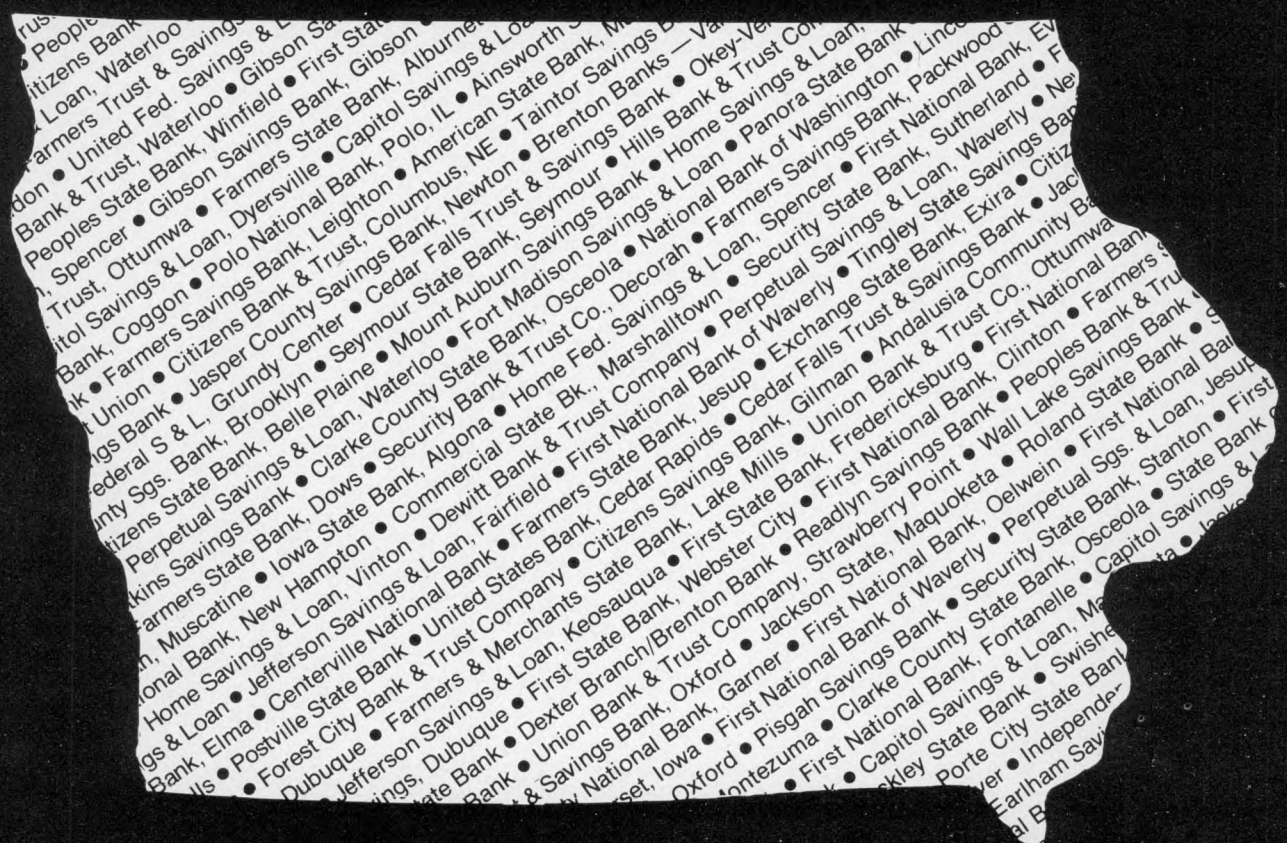
Tom Pohlman

NORTHWESTERN BANK

Of Sioux City

An Affiliate of Northwest Bancorporation





Over 150 Iowa financial institutions have used Kirk Gross Co. services! Do they know something you don't?

Kirk Gross Co. has a solid reputation in Iowa for designing new financial institutions and remodeling present ones. If you are thinking about a new facility, put the responsibility and worrying in the hands of the **TURN KEY** professionals. We keep up on the latest ideas on planning, designing, construction and furnishings. That's why we have completed more than 150 projects since 1971. The best part of this unequalled record is that so many are repeat, satisfied customers. Let Kirk Gross Co. explain how our complete **TURN KEY** program will save you time and money.

If you'd like to know what other bankers know about Kirk Gross Co., call at your earliest opportunity. (How about right Now! Phone 319-234-6641)



4015 Alexandra Drive
P.O. Box 2097
Waterloo, Iowa 50704

Group 1 Bankers Meet February 13-14

SIOUX City bankers anticipate another registration of 800 or more bankers and wives for the annual Group 1 meeting scheduled for their city February 13-14. As it has been for several years, the meeting will be conducted at the Marina Inn in South Sioux City.

Presiding at the business meeting will be Howard Logan, chairman of Group 1 and president, First Trust & Savings Bank, Merville. Assisting him will be Harold Harms, secretary of the group and president, First State Bank, Brunsville, who is slated to succeed Mr. Logan as chairman at the bi-annual election during the meeting.

Hosting the Friday night reception will be members of the Sioux City Bankers Association. President of that group this year and official host is Richard C. Taylor, president of First National Bank in Sioux City.

Principal guest speaker at the business session will be Robert L. Peterson, president of Iowa Beef Processors, Inc., Dakota City, Nebr. Other speakers are Edward L. Tubbs, president of the Iowa Bankers Association and president, Maquoketa State Bank; Neil Milner, IBA executive vice president, Des Moines, and Thomas H. Huston, Iowa superintendent of banking. The meeting will adjourn at 2:30 p.m. Saturday, and will conclude that evening with a banquet and entertainment. The complete program follows:

Friday, February 13

- P.M.**
 6:00 Registration desk open—Marina Inn.
 8:00 Social hour and hors d'oeuvres, courtesy Sioux City Bankers Association.

- Saturday, February 14**
A.M.
 9:00 Registration—Marina Inn. Exhibits open on convention floor.
 11:30 Ladies Luncheon—Marina Inn. Bus service available between the Hilton Inn and Marina Inn. Style show, courtesy of Younkers.
 11:30 Delegates' luncheon—Marina Inn.
 Presiding—Howard Logan, chairman, Group 1.
 Invocation—Rev. A.J. Washington, senior minister, First United Methodist Church, Sioux City.
 Report of nominating committee and election of officers.
 IBA Activities—Edward L. Tubbs, president, Iowa Bankers Association.
 Remarks—Neil Milner, executive vice president, Iowa Bankers Association.
 Remarks—Thomas H. Huston, Iowa superintendent of banking.
 "The Future of the Beef Industry in the '80s"—Robert L. Peterson, president, Iowa Beef Processors, Inc., Dakota City, Nebr.

- P.M.**
 2:30 Adjournment.
 6:30 Social Hour.
 7:30 Banquet.
 Entertainment—Greg Spevak Orchestra for your listening and dancing pleasure. □

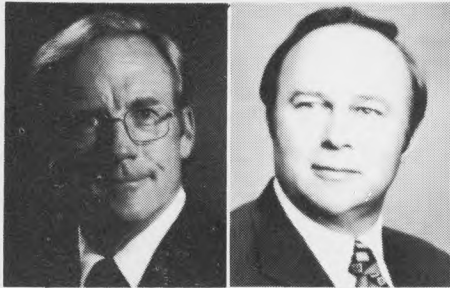
New Directors Appointed

The board of directors of Mineola State Bank has announced the appointment of R.G. (Dick) Wood to the board. Raymond Maaske was elected chairman of the board and L.F. Druse was appointed honorary director.

Dr. J.H. Atkinson Dies

Funeral services were recently held for Dr. J.H. Atkinson, 63, one of the original directors and chairman of the board of the Community State Bank of Rockwell. Dr. Leo Schmall has been elected as chairman of the board and Richard W. Ermer has been elected director to fill the vacancy.

ACORN Sale Registers
 "Accepted, Sale Registers by Bank Clerks Everywhere"
 For information write
THE ACORN PRINTING CO.
 Oakland, Iowa



H.M. LOGAN

R.C. TAYLOR



R.L. PETERSON

E.L. TUBBS



N. MILNER

T. HUSTON

U.S. CHECK BOOK COMPANY

welcomes you to

Iowa Bankers Group 1 Annual Meeting

February 13-14, Sioux City

Visit us in our hospitality room at

The Maid's Quarters — Marina Inn

Ed Batchelder John Rasmussen John Kohring

Glen Altfillisch Wayne Kincaid

United States Check Book Company

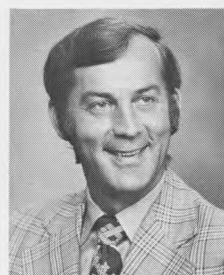
1201 SOUTH 16TH STREET — OMAHA, NEBRASKA 68108
 In Nebraska Call 402-345-3162 Out of State Call Wats Line 1-800-228-9248

COMMITMENT: A GOOD REASON TO USE OUR CORRESPONDENT SERVICES.

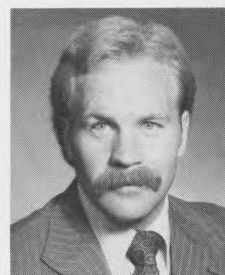


"We are committed to correspondent banking. Our performance proves that whether you need a specific service, or just an idea or two, First National is always ready to help you."

Richard C. Taylor, President



Gary Stevenson
Vice President
712/277-0618



Doug Schmidt
Correspondent Officer
712/277-0614

Choose one of our services or as many as you need:

ITEM CLEARANCE

You get an accurate, efficient system for obtaining the best availability of your funds to help increase the profitability of your bank.

LOANS

You get a full range of loan services including overline and liquidity loans, assistance with your ag loans, commercial loans and others.

CREDIT CARD SERVICES

You get a total program for both Master Charge and Visa that includes card issuing, processing, corporate cards, account servicing and assistance with merchant calls. And you get the geographic advantages of being closer to your Bank Card Center.

TRUST ACCOUNTS

You get an entire department of Trust professionals to assist you in meeting your client's needs.

DATA PROCESSING

You get the speed and efficiency of the Banks of Iowa computers, plus the most successful EFTS/Instant Access processor in the territory.

INVESTMENTS

You get experienced help and fast action in handling Federal funds transactions, money transfers, security purchases and sales.

**SEE YOU AT THE GROUP I MEETING
IN SIOUX CITY FEBRUARY 13 & 14.**

First National Bank

MEMBER FDIC • 712-277-1500 • Sioux City, Iowa 51101 • A 'BANKS OF IOWA' BANK

One-Half Million Use Convenient Banking

FOR the first time in its 3½-year existence, over 500,000 consumer banking transactions have been made in one month through terminals connected to Iowa's unique "Convenient Banking" system.

The announcement was made jointly by Iowa Bankers Association executive vice president Neil Milner and Iowa Transfer System executive director Dale Dooley following the release of figures for the month ending October 31, 1980. Total October transactions were set at 503,713, topping the previous high of 491,315 set in August.

Mr. Milner, who helped coordinate the development of the system and its enabling legislation prior to the start of operations in February 1977, called the half-million figure "a significant milestone," adding that "this reflects the substantial and growing acceptance of electronic banking in Iowa by customer and banker alike."

"Convenient Banking" is an identifying name for all banking terminals connected to the Iowa Transfer System's Switch, a central computer electronically tied to over 200 terminals and 85 banks across the

state. Through the Switch, all participating Iowa banks are able to "share" terminals deployed by their banks to the benefit of all bank customers.

When the first-of-its-kind system went into operation in 1977, the few participating banks yielded only a few thousand consumer transactions. Since the end of that year, however, the system has shown annual growth of nearly 100 percent. The Switch, which has been located at the Iowa Bankers Association offices in Des Moines for nearly two years, processed 163,327 "shared" transactions in January, 1980.

"This landmark demonstrates that, given a positive experience, the general public will appreciate and even prefer electronic funds transfer as a safe and convenient medium of exchange," said Mr. Dooley. "Ultimately, this growing acceptance will result in decreased cost and increased convenience for banks, and therefore for their customers."

The Iowa Transfer System is an independent corporation created to provide electronic data processing services to its members. Its

administrative offices and computer system are located alongside the offices of the Iowa Bankers Association in Des Moines.

Robert Starr Retires

Robert E. Starr, vice president-instant loan, retired from the Council Bluffs Savings Bank recently after a career spanning 42 years. An open house was held to commemorate his years of service to the bank.



R.E. STARR

In addition to his bank duties, Mr. Starr served as treasurer of the Council Bluffs Community School District for 20 years.

Join Bussey Staff

Cliff Danner has joined the staff of the State Bank of Bussey as assistant vice president. He was formerly with Community National Bank of Knoxville. Linda Furman has been named cashier.

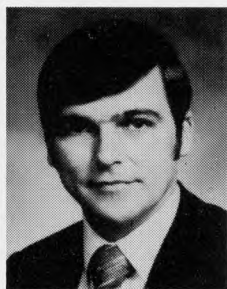
Joins West Liberty Bank

Ricci Aquilani has joined the West Liberty State Bank as cashier, according to Robert T. Rehmke, president.

Mr. Aquilani was a state bank examiner the past four years. He is a graduate of the University of Northern Iowa with a business finance major.

Promoted at Council Bluffs

Ed H. Spetman, chairman of the board and president of Council Bluffs Savings Bank, announced the promotion of Emmet Tinley III from acting auditor to auditor. Mr. Tinley was also recently recognized as a chartered bank auditor by Bank Administration

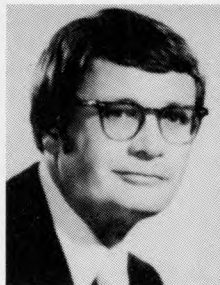


E. TINLEY III

Institute, the nation's research and educational organization for the banking industry. He is a graduate of Creighton University, Omaha.

Joins Drake Staff

Robert H. Clark, Jr., has resigned as vice president and trust development officer at Central National Bank and Trust Company to become director of planned giving for Drake University, Des Moines. His new appointment was effective December 1.



R.H. CLARKE, JR.

Mr. Clark received his BA degree from Drake in 1950 and his JD degree from Drake Law School in 1953.

From 1964-68 he spent four years in England helping to open and run a new bank in Birmingham for International Bank of Washington, D.C. He joined Central National in the commercial lending division in 1968 and was advanced to vice president in 1969. In 1974 he was given the responsibility for opening Central's detached office in West Des Moines. He managed that facility until returning to the main bank a

year later to head the marketing and public relations division. Mr. Clark's transfer to the trust department took place in early 1978.

Named Cutty's Treasurer

John T. Waters has resigned as vice president and head of the installment lending department at Central National Bank & Trust Company to accept appointment as treasurer of Cutty's Inc., of Des Moines. Cutty's operates four campgrounds on a

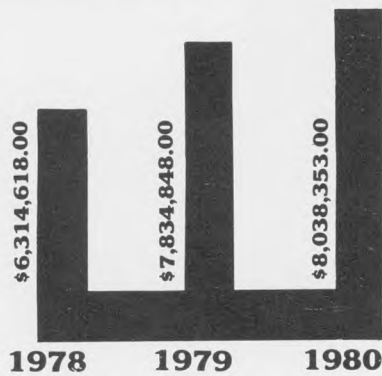


J.T. WATERS

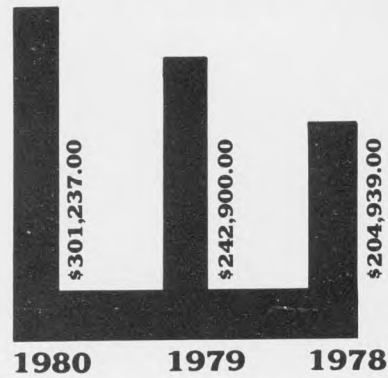
membership basis in Colorado, Indiana and Ohio, as well as Des Moines.

Mr. Waters joined Central National in 1963 in the installment lending department. As part of the bank's management training program he worked three years in the credit department before returning in 1969 to the installment lending department.

AGENCY PREMIUM VOLUME



DIVIDENDS PAID



*Plus a one-time transfer of \$140,000.00 from earnings to IBBP reserve fund.

“Who cares?”

An insurance company growth chart. Not exactly the most interesting thing to read.

Unless you're an Iowa Banker's Insurance & Services customer.

Because being an IBIS customer makes you a shareholder. So greater growth brings you greater dividends.

From the same people who provide you with expert help in designing insurance programs tailored specifically

to your bank's needs — Bonds, Property-Casualty, Directors' & Officers' Liability — Employee Benefit Programs — Creditor Protection.

So who cares? Iowa banks like yours.

For more information, call 515-286-4300. Or dial 1-800-532-1423 toll-free. And find out how much more we care about you.



IOWA BANKERS INSURANCE & SERVICES, INC.
430 Liberty Building, Des Moines, Iowa 50308

Selling insurance protection just to banks.



Des Moines

THE Federal Reserve has announced their approval of the acquisition of Capital City State Bank by Hawkeye Bancorporation. The bank became the 25th affiliate bank of Hawkeye.

The main bank is located at E. 5th and Locust and has three offices. This bank with assets of \$95 million is the second major bank in the Des Moines area as it joins First Federal State Bank as an affiliate of Hawkeye. With the acquisition of Capital City, Hawkeye will become a \$1.1 billion company.

"It is the intention of Hawkeye to operate both banks as separate entities and not merge the institutions," stated Paul Dunlap, president of Hawkeye. Mr. Dunlap also said that Larry Wenzl, president of First Federal State Bank, assumed the presidency of Capital City January 1. Prior to becoming president of First Federal, Mr. Wenzl was president of Clay County National Bank, Spencer, also an affiliate of Hawkeye. Charles Gustavson, president of First National Bank, Clinton, succeeded Mr. Wenzl as president of First Federal.

Other acquisition plans were announced recently by Hawkeye with the filing of an application to the Federal Reserve for Hawkeye to acquire United State Bank, Cedar Rapids. This bank has assets of \$40 million.

* * *

Duane D. Jensen has been elected vice president and cashier of Brenton National Bank of South Des Moines. Mr. Jensen joined the bank in October 1979, as assistant vice president. He previously worked at

the Warren County Brenton Bank in Indianola from 1975 to 1979. He worked for Des Moines Savings and Loan Association and Plaza State Bank in 1973 and 1974. He is a 1974 graduate of the Iowa School of Banking, University of Iowa and has his BA degree from University of Northern Iowa.

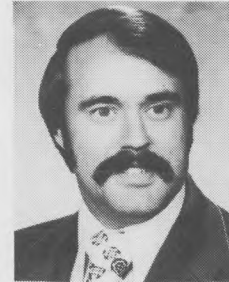
* * *

Robert E. Lee, president and chief executive officer of the Iowa-Des Moines National Bank announced these personnel changes following the December meeting of the board of directors:

Thomas N. Hammelman has been elected senior vice president



T.N. HAMMELMAN



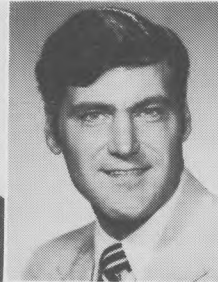
K.D. ELGENA



W.E. CLARK



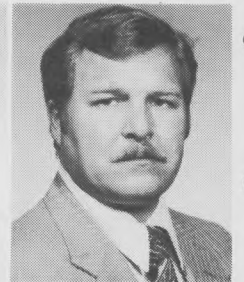
M. AUSTIN



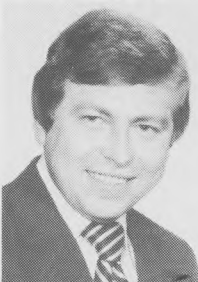
D.R. MORRISON



G.R. RASMUSSON



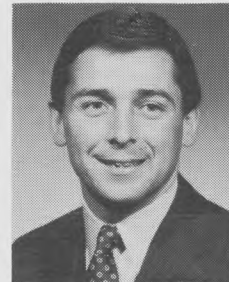
T.H. FELD



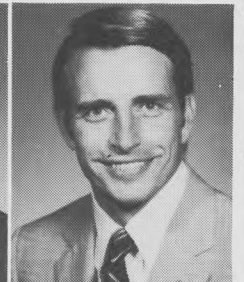
V. VANAGS



G.E. GIESLER



G.H. LITTLE



M.R. CARVER

and manager, BankCard Services. He joined the Iowa-Des Moines in 1979 as vice president of BankCard services. Prior to joining the bank he was with the Mercantile Bancorporation, St. Louis, Mo. as Manager of Product Planning and Development.

K. David Elgena has been named vice president and manager, cardholder operations-BankCard Services. He joined the bank in 1972 in Retail Banking where he held several positions including managing officer of the bank's Euclid office before joining BankCard Services. Prior to joining the Iowa-Des Moines he was the assistant cashier with the Delaware National Bank.

William E. Clark will join the Iowa-Des Moines as second vice president and manager, BankCard marketing. He has been with the U.S. National Bank of Omaha since 1960 serving most recently as marketing customer services officer - BankCard department.

Gary R. Rasmusson has been elected group vice president, operations. He joined the bank in 1975 and has held several positions in operations. Prior to joining the Iowa-Des Moines he was with Northwestern National Bank of

A short guide to choosing a correspondent bank.

Nearly every large bank has a correspondent banking department.

Q. So how do you choose which bank to do business with?

A. Talk to the people.

Find out how knowledgeable they are. How professional. Make them explain how their correspondent banking department can help you.

Are they easy to deal with? They should be. A correspondent banker and his client need to work in harmony.

Check their reputation. Are they dependable and reliable? All solid relationships are built on trust. In a banking relationship, trust is the most important element.

Be certain that frequent communication will be maintained between the correspondent bank and your bank. If one or both of you aren't aware and well informed, there's bound to be trouble.

Of course, at Central National, we think the people in our correspondent banking department can do the best job for you. But you be the judge. Call us toll free, 1-800-362-1615. Make an appointment. Then put us to the test.



Left to Right: William B. Greaves, Vice Pres.; Margo Foxhoven, sec.; Raymond Schneider, Corsp. Bk. Officer; Eddie A. Wolf, Sr. Vice Pres.; Jeannine Gathercole, sec.; Cyrus D. Kirk, Vice Pres.

We're determined to do the best for you.

“**C**”

Central National Bank & Trust Company

DES MOINES MEMBER FDIC
AFFILIATED WITH CENTRAL NATIONAL BANCSHARES, INC.

Minneapolis, an affiliate of North-west Bancorporation.

Dennis R. Morrison has been named vice president and controller. He began with the Iowa-Des Moines in 1979 as controller. Prior to joining the Iowa-Des Moines Dennis was vice president-tax administration with the Mercantile Bancorporation, St. Louis, Mo.

Voldemar Vanags has been elected vice president, investment services. He joined the Iowa-Des Moines in 1972 in the computer services area. Since then he has served positions in correspondent banking and most recently, as second vice president, investment services.

Michael Austin has been named vice president, international banking. He joined the Iowa-Des Moines in 1974 and has held various positions in real estate, corporate services, and most recently, international banking. Prior to joining the bank he was with the Security Pacific Bank in California.

Gary E. Giesler has been elected vice president, commercial banking. He joined the Iowa-Des Moines in 1977 and has held several positions in the lending area. Prior to joining the bank, he was with the Savana State Bank, Savana, Illinois.

J. Lanier Little has been named vice president, commercial banking. He began with the bank in 1973 as an intern. He has held several positions in retail banking, and has served most recently as second vice president, commercial banking.

Michael R. Carver has been elected vice president, retail banking. He joined the bank as a management trainee in 1965. He has held several positions since, most recently as second vice president, retail banking, main bank.

Northwest Computer Services Company has named **Thomas H. Feld** director of the Des Moines regional center. He joined NCS in November, 1979 as manager of the Des Moines Office.

* * *

Dave Reeves joined the Federal Home Loan Bank Board of Des Moines recently as director of regional check processing centers. This network in Des Moines, Minneapolis, Kansas City and St. Louis will process third party payment transactions initiated by savings and loans in the FHLBB's

Banks of Iowa Names Holmes Foster C.E.O.

BANKS of Iowa board of directors has named Holmes Foster to succeed F. Forbes Olberg as chief executive officer. Mr. Olberg will continue to be active in the affairs of Banks of Iowa as chairman of the board and chairman of the executive committee. He will maintain his office in Cedar Rapids. Mr. Foster, president and chief operating officer, has moved his office to Des Moines



F.F. OLBERG

H. FOSTER

where the corporate headquarters will be located. Also moving to Des Moines are Tom Mecredy, assistant

five-state area after that service becomes authorized for members banks January 1.

Mr. Reeves formerly was manager of the Federal Reserve Bank's Regional Check Processing Center Des Moines office before resigning to accept the new post.

* * *

J. Locke Macomber, president and chairman of the board of Valley National Bank, announced the following election of officers and changes in responsibility.

Will J. Hoekman has been promoted to senior vice president and will be responsible for the lending division. He had previously been vice president in charge of the trust division.

Verne C. Bates has been promoted to vice president and trust officer and will be responsible for the trust division. He had previously been trust officer/employee benefits and was a pension specialist with the IRS.

Mark L. Hamilton has joined Valley National Bank as vice president/business development responsible for business development,

vice president, and Jan Burch, personnel coordinator.

Decision to transfer the corporate headquarters to Des Moines and preliminary action of the top level management appointments were made by the board at its meeting last May. Banks of Iowa Computer Services, Inc., a wholly owned subsidiary, will continue to have its headquarters in Cedar Rapids.

Mr. Olberg was elected executive vice president in 1969, president and chief executive officer in 1971 and chairman in 1975. During that time Banks of Iowa has grown to become the largest Iowa bank holding company with assets in excess of \$1,380,000,000.

First step in the management succession program came in March 1979, Mr. Olberg said, when Mr. Foster was named president and chief operating officer. Prior to joining Banks for the State of Iowa. Previously, he was with the Federal Reserve Bank of Chicago.



V.C. BATES

M.L. HAMILTON



S.B. ROBINSON

J. HENDERSON

advertising, public relations and other marketing activities. He had previously been an officer with Central National Bank. Mr. Hamilton joined Valley Bank effective December 1, 1980.

Sandra B. Robinson has been promoted to vice president/loan administration where she will be responsible for all lending operations.

Janette Henderson has been promoted to the manager/audit department where she will be responsible for all audit functions and preparation of reports.

**"The Drovers Difference"
starts here.**

I WANT TO
SEE THE
PRESIDENT.

HE'S ON THE TOP
FLOOR... YOU CAN'T
GET THERE FROM
HERE!

When you correspond with Drovers you have a direct line to the full senior management team. Starting with President Frank Bauder, Sr. Executive Vice President Jim Carmody, and Executive Vice President Bob Corey.

They're backed up by some of the best correspondent bankers in the business. People like John Crotty, Max Roy, Andy Ruments and Kathy Hardy.

Drovers people are "The Drovers Difference." They're the reason the bank's correspondent accounts have just about doubled in under two years.

So if you're looking for more service with your services . . . Put us to the test! Just pick up the phone and call Frank, Jim, Bob, John, Max, Andy or Kathy.

You deserve "The Drovers Difference."



Drovers Bank of Chicago

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

Member Federal Reserve System



PARTICIPANTS in the 1981 Iowa Business Trends conference conducted by the Iowa-Des Moines National Bank last month were, left to right: Seated—**Dr. Arthur B. Laffer**, professor of business economics, U. of So. Cal., Los Angeles; **Robert E. Lee**, president of the host bank, and **Robert L. Peterson**, pres. & c.e.o., Iowa Beef Processors, Inc., Dakota City, Nebr. Standing—**Donald R. Sloan**, dep. chmn., Peat, Marwick, Mitchell & Co., New York; **T.N. Payne**, mgr., office systems mktg., IBM Corp., White Plains, N. Y., and **Robert M. Powers**, pres., A.E. Staley Mfg. Co., Decatur, Ill.

At Iowa-Des Moines Conference—

Business Leaders Outline Productivity, Technological Challenges for 1980s

By **BEN HALLER, JR.**
Editor

PERSUASIVE reasons for a tax cut were voiced at the 1981 Iowa Business Trends Conference by Dr. Arthur B. Laffer, professor of business economics at the University of Southern California. Speaking at the noon luncheon for the annual business seminar hosted by the Iowa-Des Moines National Bank, Dr. Laffer cited results from the tax cuts initiated in 1961 by President John F. Kennedy.

Those results, he said, make it imperative that a similar process be pursued now in order to put the United States back on its feet with increased production, increased income for all its people and decreased inflation.

Dr. Laffer classified administrations of the past 60 years as "redistributionists" or "growthists." The former, he said, "take for granted that output is a given figure." The latter, he contends, "don't believe output is fixed. They

believe the pie can be expanded by private production and incentives." The new administration is an avowed follower of the "growthist" philosophy, he believes, and tax cuts, consequently, will most certainly be a priority item—not only for turning the economy around, but as a strong weapon to fight inflation in the process.

Dr. Laffer classified Harding, Kennedy and Reagan as "growthists" and put practically all other presidents in the "redistributionist" category—Roosevelt, Truman, Eisenhower, Johnson, Nixon and Carter.

Citing the Kennedy administration results liberally, Dr. Laffer said GNP grew at a 5½% annual rate, unemployment dropped below 4½% because the 1962 corporate tax cuts gave incentives for capital investment that created jobs. "It was an era of massive economic growth," he said.

"There is a nationwide movement to remove the redistributionists," Dr. Laffer said in his concluding

remarks, "and put in growthists. Witness what has happened in Massachusetts, Delaware, California, Minnesota, Wisconsin and other states (he cited various tax cuts and changes in each state). Further than that, this move is seen in the world around us. My vision of what's going to happen in the United States in the next two decades is unprecedented growth, based on less taxes, improved production, greater employment and increased tax collections on a lower base."

Robert E. Lee, president and chief executive officer of the Iowa-Des Moines National Bank, welcomed a record crowd of 650 business people to the Iowa Business Trends panel which was presented prior to the luncheon. The four panelists were executive officers from the fields of agriculture, data communications, management and meat packing. After the panelists gave their 15-minute presentations, the conference was adjourned to the nearby ballroom where 550 were served lunch, then heard Dr. Laffer's remarks. Summaries of the panelists remarks follow:

Robert M. Powers, president and chief operating officer, A.E. Staley Mfg. Co., Decatur, Ill.: Corn and soybeans are becoming more valuable due to their responsiveness to technological progress. In addition to world-wide use in food products, the soybean has applications for production of paint, plastics, resins and pharmaceuticals.

Technological progress is unlocking further uses of corn, especially in Iowa which has five corn refining plants. For the midwest corn farmer, this industry is his second largest and fastest growing market. Corn refiners in 1980 processed 500 million bushels of corn for a multitude of products.

The greatest technological advance has been in developing corn sweeteners—corn syrups, dextrose and high fructose syrups. The latter is the newest and most important for it is the first sweetener to compete with sugar on a sweetness basis and is causing a revolution in that industry. In 1980, 4 billion pounds of high fructose corn syrup was used by the nation's producers of food products.

The beverage industry accounts for one-fourth of all domestic sugar consumption and today, 34 soft drink and beverage producers in the U.S. have approved high fructose corn syrup to replace at least half of the

sugar in their brands. The industry now is adding 3 to 3.5 billion pounds of new high fructose corn syrup capacity.

For the long-term, corn starch may prove to be of even greater significance to the nation. The first sign is the corn refining industry's growing stake in producing power alcohol for use in motor fuel blends—gasohol. Production is being stepped up to boost the output of power alcohol to 500 million gallons by late 1981. This translates into 200 million bushels of corn. If all new plants on the board enter full production, they will require one billion bushels of corn. Iowa has seven power alcohol plants announced, and 20 more will be built elsewhere in the midwest.

This is leading to more consumption of the nation's corn supply than annual production—6.5 billion bushels produced in 1980 and consumption estimated at 7.7 billion bushels. For the long-term, Staley would prefer to see technology developed utilizing a waste biomass as the raw material for an alternate fuel, rather than our feed grain crop, and we are pursuing this with the federal government and a noted eastern university.

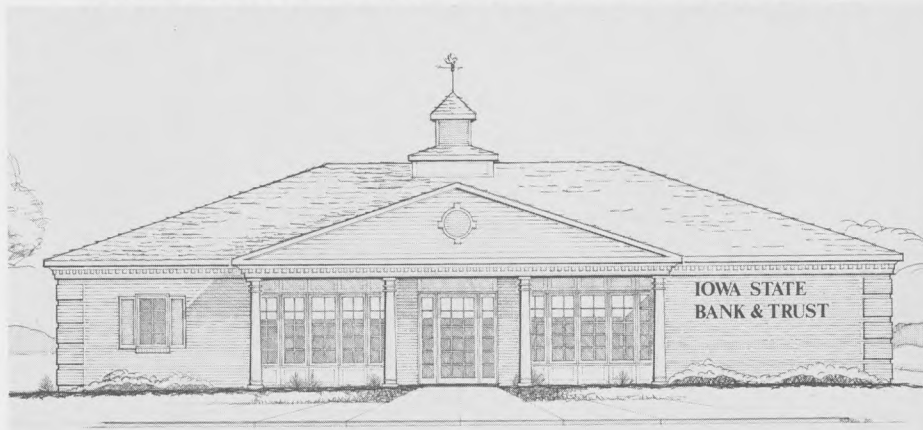
Further use of corn may include developing products based on petrochemicals that we use each day. This will help recapture some lost markets and initiate new ones.

T.N. Payne, manager, office systems marketing, IBM Corporation, White Plains, N.Y.: Since the launching of Sputnik I October 4, 1957, some important breakthroughs have impacted our industry. For example, a million dollars of hardware in the 1950s costs less than \$20 today; some of today's systems are 100,000 times faster than those in the 1950s; today's solid state circuits are 10,000 times more reliable than the vacuum tube technology of the fifties.

Some experts estimate as much as 30% of the U.S. workforce relies on data processing for its daily work. By 1985, it will increase to 70%.

At IBM we are addressing the future through a concept we call the Enterprise System, an approach to the merger of data processing, office systems and communications. Its basic elements include a central computer complex, multi-function terminals available to an increasing number of users; high-speed, wide-band communications within the

Iowa State Bank Plans New Building



DESIGNERS sketch of a new bank building for the Iowa State Bank at Center Point. A traditional style will be carried inside as well as out. The bank will have three offices, three teller stations and drive-up facilities. Completion is expected to be in June. **Earl F. Kooker & Associates** bank design consultants of Spencer are handling the project for **William R. Bernau**, chairman and president of the bank.

Enterprise; capability of interconnect computer networks of unconnected organizations via common carrier facilities; office functions to increase productivity of all workers.

Enterprise goals are to cut paper flow; capture data once and use it again and again; improve the productivity of principals, professionals, managers, administrative, clerical and other personnel. Office workers make up 25% of the workforce today. By 1985 they will increase to 40% and by 1990 to over half.

We see a trend ahead of more people doing their work outside the office. For example, an electronic briefcase for executives while traveling or at home, and home terminals for employees to complete work there via contact with office terminals.

Teleconferencing is a new approach to reducing the time, cost and effort involved in problem solving or decision making among people in different parts of the country. This can significantly reduce travel time and cost associated with face to face meetings. At IBM we use teleconferencing extensively between our centrally located engineering organizations and our far flung manufacturing facilities. We estimate our teleconferencing the past year has resulted in a savings of more than \$1 million in travel alone—plus the savings in time of the people involved.

Donald R. Sloan, deputy chairman, Peat, Marwick, Mitchell & Co., New York: To cope with uncertain-

ties, the successful manager of the 1980s will learn to devote more of his resources to long-range planning efforts. Long-range planning is an ongoing exercise closely integrated into short-range operational planning efforts. It is not a process for predicting the future, but one for intelligently selecting alternatives that will best permit us to cope with the uncertainties of the future.

Some of the measurement tools that will impact decisions made by managers include these:

Inflation—It is measured by the Consumer Price Index, an unreliable measure. The Labor Department is supposed to revise this index periodically and the last change was made in 1973. It includes the cost of housing, but most Americans don't buy a house every year. It does not include taxes, and most Americans do pay taxes every year. If we don't use this measure, then we must use another, such as GNP deflator, which is much broader. By this index, 1979 inflation would have been measured at 10% rather than 13% calculated by the CPI.

Unemployment rate—It includes not only the truly unemployed but also those seeking temporary work, those on temporary layoff, those looking for jobs but not yet available for work, and those between jobs which are temporary by their nature—construction, substitute teaching and the like. Eligibility requirements for food stamps add two percentage points to the unemployment index. As managers, we must understand the short-

comings of the unemployment index.

Money supply—The problem here is one of concept. The measures have been changed so much and managers must understand them.

Financial measurement and disclosure—The next decade will require the similar giant strides made in this measurement in the past 10 years. We will see a shift in importance from profits as we now define them to cash flow and liquidity ratios. Forecasting will become more common, as will reports on management performance. The '80s will see the historical cost concept slowly replaced in importance by methods of reporting which more truly reflect the realities of the day.

I predict that one of the great crises of the 1980s will be the insufficient funding of the nation's pension system—both public and private. I hope I'm wrong—but if I'm not, the impact on American business will be enormous.

Robert L. Peterson, president and chief executive officer, Iowa Beef Processors, Inc., Dakota City, Nebr.: The '80s will bring social and economic change at the state,

national and international level. The biggest change will be in diets, social habits and change caused by inflation and interest rates. Inflation will cause the consumer to have more interest in protein than ever. At Iowa Beef we're prepared to move ahead in the '80s to cope with the changing attitude of people to fit their budgets.

Without the production of Iowa black soil being used in the world, we won't garner our share of the world's dollars, but we're optimistic about this. The only shortage we see coming is food. The amount of recognition given OPEC will be insignificant when the shortage of food hits the world.

Last year Iowa sold \$5 billion in beef and \$2 billion in pork. That's more pork the past year than ever before and we see hogs going to \$64 and may be even \$70.

We will continue to automate so that in the future we will be able to sell a pound of red meat for the same or less than today. Before it's over we will be utilizing the entire animal carcass for products not yet produced—either edible or inedible products. □

400 Attend Banquet

More than 400 cattlemen and bankers from southwest Iowa attended the 1980 Council Bluffs Savings Bank Cattle Feeders Banquet. It was held at the Lakeshore Country Club in Council Bluffs.



ED. H. SPETMAN

Ed H. Spetman, bank chairman of the board and president, pointed out that the event, which was begun more than 50 years ago, is held annually in recognition of the close working relationship between banks and farmers.

Guests at the banquet were treated to "good Iowa corn-fed beef," according to Doug Larson of Underwood, who raised and showed one of the two steers bought by the bank for the occasion. Dave Casson, also of Underwood, raised the other steer.

Savings bonds were presented to two young women who raised the West Pottawattamie County 4-H baby beef champions for 1980. They were Lori Thomas Overholtzer of Honey Creek, grand champion winner and Cheryle Grosvenor of Underwood, reserve grand champion winner.

Featured speakers were Henry Schriver, a farmer-philosopher from Grafton, Ohio, and E.H. Shoemaker, Jr., North Platte, Nebr.

Llewellyn Metcalf Dies

Llewellyn J. Metcalf, 70, retired president of the Exchange State Bank of Lime Springs, died recently. He was a graduate of the University of Minnesota Law School, and engaged in private practice of law in Osakis, Minn. In 1951, Mr. Metcalf became president of the Farmers State Bank in Hope, Minn. In 1962, Mr. Metcalf purchased the Exchange State Bank of Lime Springs, and continued as its president until 1977 when he retired.

E.F. Kooker Associates
**BANK
DESIGN CONSULTANTS**
BOX 87 PH. 1-712-2621499
SPENCER, IOWA 51301

There are
only two
decisions when
planning a new
facility.

MEMO:

1. select Control-o-fax
2. plan the Grand Opening

Designers and Builders
of Financial Institutions

Control-o-fax®
CORPORATION

3070 West Airline Highway
Waterloo, Iowa 50704
(319) 234-4651

Botanical Center Display

"Holiday Wonderland," the Des Moines Botanical Center's annual poinsettia show, continues through February 3.

Featuring more than 5,000 poinsettia plants and special holiday displays of larger-than-life toys, this year's show is sponsored by Bankers Trust, Des Moines.

"We're pleased to support this growing holiday tradition in Des Moines," commented Herman Kilpper, president and chief executive officer of Bankers Trust. "We hope all of our friends and customers will be able to enjoy this colorful poinsettia extravaganza."

"Holiday Wonderland" will feature dozens of poinsettia varieties, from the traditional red, white and pink-leaved types to the seldom-seen, pink-and-white "marble" poinsettia, as well as several experimental varieties.

Shrubby specimens up to five feet tall will dot the Botanical Center's dome, and a poinsettia "tree" will rise above the quiet waters of the Center's lower pool.

Viewing hours are 10:00 a.m. - 6:00 p.m. Monday through Thursday, 10:00 a.m. - 9:00 p.m. Friday, and 10:00 a.m. - 5:00 p.m. Saturday and Sunday.

"Last year, more than 62,000 people viewed the Botanical Center's poinsettia show, Mr. Kilpper remarked. "This year's show promises to be even bigger and better, so we wanted to help bring it to a larger audience. It's our way of wishing the people of our community a happy holiday season from all of us at Bankers Trust."

Miracle Mile Branch Opens

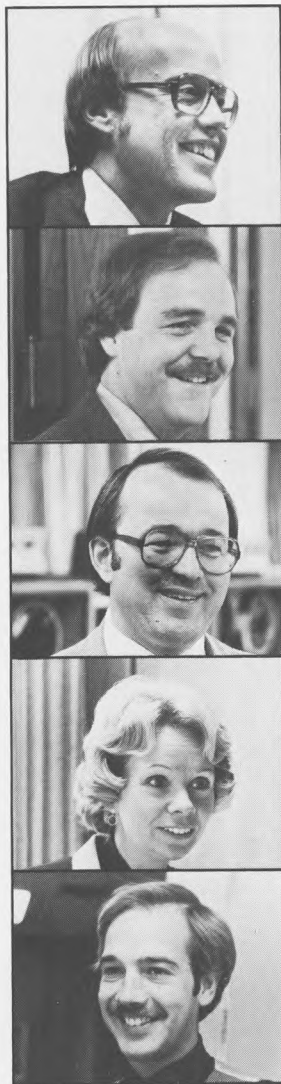
First National Bank of Clinton's new Miracle Mile Branch on Highway 30 West has officially opened for business. A public open house with prizes was held.

The branch facility expands First National Bank's ability to serve the community, particularly the west and south sections of Clinton. It will offer both drive-up and lobby service including loans, safe deposit boxes, savings accounts and checking accounts.

Donna Pinter has been named vice president and manager of the Miracle Mile Branch. Her staff includes assistant manager Bruce Christensen, Deb Cozzolino, Kathy Larson and Sharon Sloan.

We're interested in making profitable investments.

For you.



At Security Bank we're people with an interest in your success. People you can turn to for investment service and all your correspondent banking needs.

Security people are experienced professionals who know how to represent your interests and get the most for your investment dollars. They know their business...and yours.

Start corresponding with Security. For investment services, data processing, ag lending and overlines. We're people with an interest in you.

Security Correspondent Bankers
Top to Bottom
Jim Hongslo
Steve Hatz
Ken Roeder
Wilma Weeks
Jim Young

People with
an interest
in you.



SECURITY NATIONAL BANK

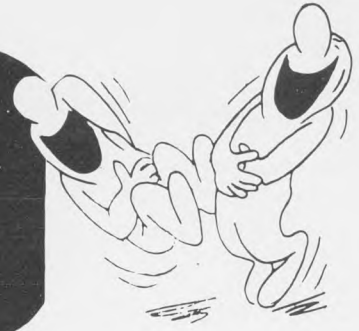
Western Iowa's Largest

SIoux CITY, IOWA 51101 712 / 277-6554 MEMBER F.D.I.C.

©1980 Security National Bank



In the DIRECTORS' ROOM



The package arrived from the counterfeiter. But when the crook opened it, he found he had spent his good money for a batch of \$18 bills instead of the \$20 bills which he had ordered. Since complaints were frowned upon by his supplier, he decided to try passing them off on some unsuspecting hill folk deep in the heart of the Ozarks. At a crossroads general store, he presented one of the bills and asked for change.

"Sure thing," said the storekeeper. "Howdy want it—two nines or three sixes?"

☆☆☆

Overheard: "My wife loves to buy anything marked down. Today she came home from the store with two dresses and an escalator."

☆☆☆

A golfer sliced the ball from the tee over the hill into a valley. Hearing a yell, he dashed over the brow of the hill to see a man lying unconscious.

When he ran up to the prone man, the stricken fellow opened one eye and said calmly, "I'm a lawyer and I'm going to sue you for \$5,000."

"I'm so sorry," the other golfer replied, "but I did yell 'fore.'"

"I'll take it," said the lawyer.

☆☆☆

"What do you mean by publicly insulting me in your newspaper?" roared the politician.

Editor: "Now just a minute. You told us you resigned as City Treasurer."

"I did," shot back the politician. "But where did you put the news? You put it in the column devoted to public improvements."

☆☆☆

A schoolteacher tried to impress her pupils about the need to be honest in all things.

"Suppose," she asked the class, "you were walking along Main Street

and found a briefcase that contained \$500,000, a half million dollars in cash! What would you do?"

Little Johnny in the back row raised both his hands and the teacher called on him.

"Well," said Johnny, "if it belonged to a poor family, I would return it!"

☆☆☆

A desconsolate-looking farmer

stood on the steps of the town hall during a political meeting.

"Who's talking in there now?" demanded a stranger briskly. "Or are you just going in?"

"I've just come out," said the farmer. "Congressman Smiffkins is talking in there."

"What about?" asked the other. "Well," continued the farmer, puzzled, "he didn't say."



INDEX OF ADVERTISERS

Acorn Printing Co.	72
American Express Travelers Cheques	13
American Natl. Bank & Trust Co., Chicago	36
American Natl. Bank & Trust Co., St. Paul	40
Associates Commercial Corp.	33
Banco Financial / Lease Northwest	31
Bankers Trust Co., Des Moines	68
Brandt Systems	85
Carroll, McEntee & McGinley	7
Central Bank of Denver	58-59
Central Natl. Bank & Trust Co., Des Moines	77
Commercial National Bank, Peoria	39
Continental Bank, Chicago	11
Control-o-fax, Waterloo	82
Daktronics, Inc.	10
Deluxe Check Printers, Inc.	3
Drovers Bank of Chicago	79
First National Bank, Lincoln	62

First National Bank, Minneapolis	44-45
First National Bank, Omaha	65
First National Bank, St. Paul	51
First National Bank, St. Paul (Bonds)	15
First National Bank, Sioux City	73
Gross Co., Kirk, Waterloo	71
Iowa Bankers Insurance & Services	75
Iowa-Des Moines National Bank	86
Kooker Consultants, E.F.	82
Merchants National Bank, Cedar Rapids	2
Midland National Bank, Minneapolis	49
Mosler Safe Co.	17
National Bank of Commerce, Lincoln	67
Northwestern National Bank, Minneapolis	43
Northwestern National Bank, Sioux City	70
Omaha National Bank	46-47
Security National Bank, Sioux City	83
SLT Warehouse Co.	19
Travelers Express Co.	20
United States Check Book Co.	72
United States National Bank, Omaha	4-5
Van Wagenen Co., G.D.	16
Westcap Corporation	9

FEW FOUNDRIES MAKE CASTINGS GOOD ENOUGH FOR A BRANDT SORTER. SO WE POUR OUR OWN.

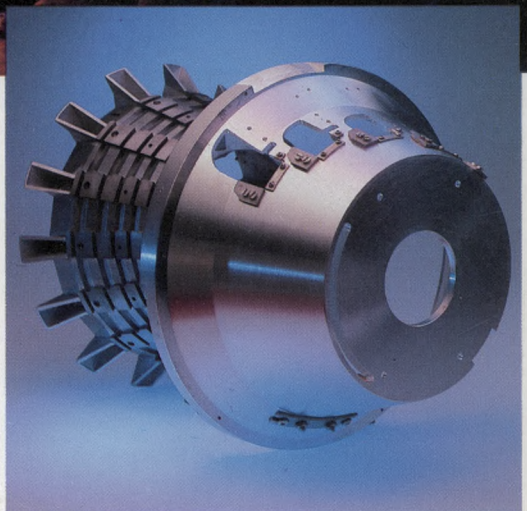


Tour the Brandt, Inc. manufacturing plant in Watertown, Wisconsin, and you'll see something unusual. Our own foundry. It's one way we control quality standards and delivery. But, pouring our own castings isn't all.

We check and double check every product before it's shipped to you — with up to 86 different tests. Everything from a "hot room" where we monitor for electrical safety during extended use, to tensile strength tests on key components.

And, new products undergo a "quality audit." That means we take a product apart and examine it piece by piece. If a part doesn't measure up to standards, it's rejected. Period.

We believe you deserve a quality product, delivered on time. That's been our philosophy for the past 90 years, and we don't intend to change it. Because now, more than ever, a lot of important people are counting on us.



At the heart of every Brandt sorter is a casting we pour in our own foundry.

Brandt Systems 
Brandt, Inc. Watertown, WI 53094 Brandt® Cashier® Countess®
everyone counts on us

The only bank we work harder for than ours is **YOURS.**

Promises don't deliver results. Hard work does.

That's why more than 400 banks count on our skilled professionals for total correspondent services.

But hard work is just part of it. We back that up with comprehensive computer capabilities. International

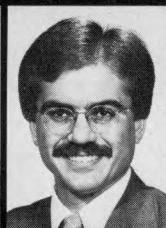
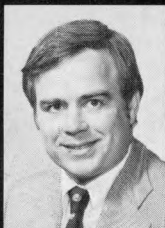
banking connections. Sophisticated bankcard services. And sheer financial strength.

For any correspondent need you might have — large or small — you can count on results and a lot of help for your money from the hardest working correspondent bank in Iowa.

IOWA-
Des Moines BANCO®
NATIONAL BANK

You can get a lot of help for your money.

Member FDIC An Affiliate of Northwest Bancorporation (BANCO)
7th & Walnut, Des Moines, Iowa 50304 (515) 245-3131



Lance Davenport

Bernie Kersey

Bob Buenneke

Linda Collins

John Rigler

Garry Frandson

Mark Conway

Dorothea Wolfe