

NORTHWESTERN *Banker*

SEPTEMBER
1981



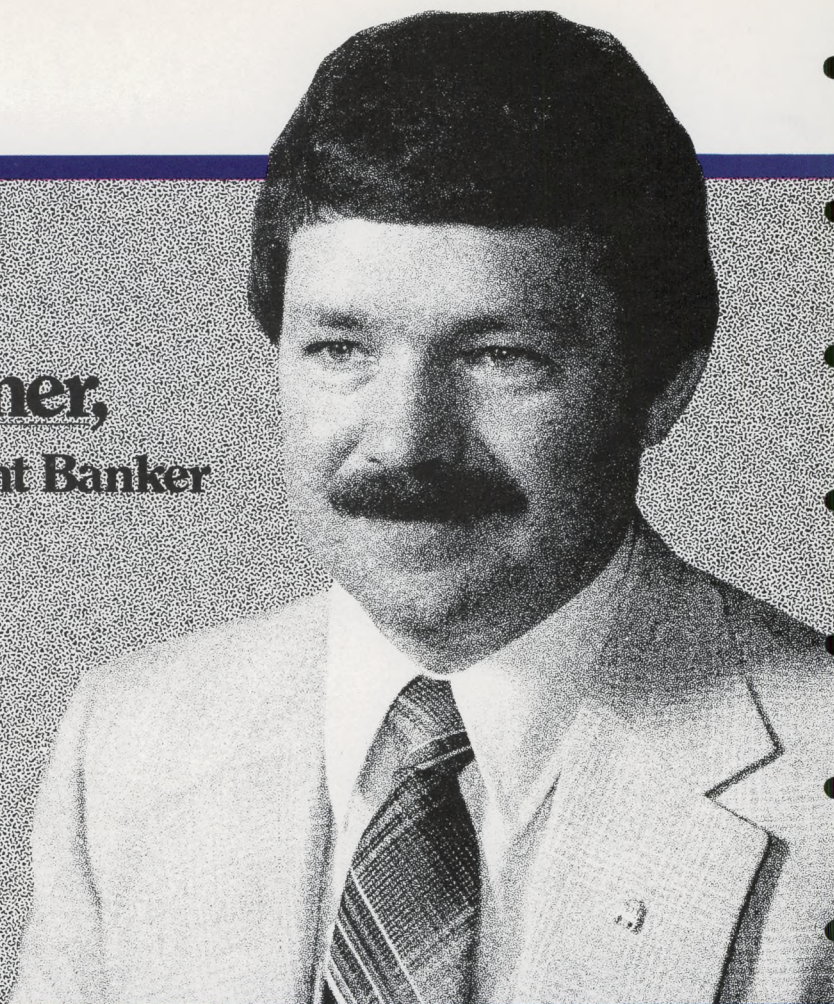
ABA President-Elect
Lew Jenkins

. . . at work . . . and at play



- ABA convention program
 - Iowa convention program
 - Annual livestock and ag outlook

Stan R. Farmer,
MNB Correspondent Banker
talks about
"The importance
of timing."



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The inside story about the ingenious lock that's revolutionizing safe deposit boxes.

Originally invented to provide total security in military applications (where cost is no object), this patented double key-changeable lock is offered exclusively by LeFebure for safe deposit boxes and lockers.

Available at no extra cost

It was designed around the premise that changing keys is a lot easier than changing locks. When changes must be made to preserve security, this lock provides unmatched convenience.

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- ☐ Because it's double key-changeable, unrented boxes can be used for bank storage using different guard keys to assure internal security.
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- ☐ Eliminates the cost of keeping an expensive inventory of extra locks or the need to rotate locks. All unrented boxes are always available for rent.
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While others are content to build safe deposit boxes the way they were built decades

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It's an example of the ways we improve banking through innovative thinking.

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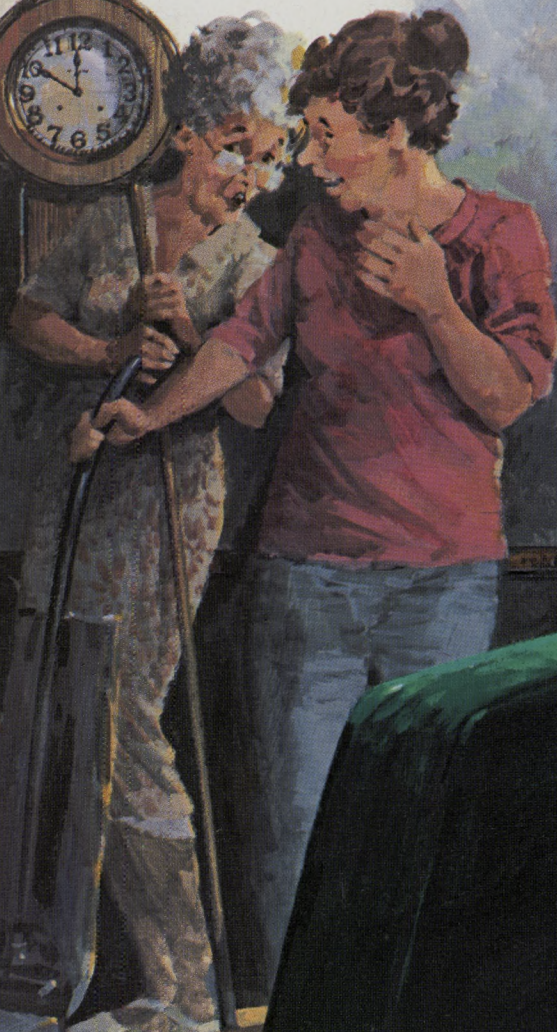
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ON THE COVER

ABA President-Elect Llewellyn Jenkins is pictured on the front cover testifying before a Congressional committee on behalf of ABA, and also relaxing with Mrs. Jenkins as they start out for a round of golf. Lew Jenkins is slated to take over as president of ABA at the National convention in San Francisco October 7. He is vice chairman of Manufacturers Hanover Trust Company, New York, where he has been a noted part of senior management for some years. As ABA president, he will succeed Lee E. Gunderson, president of the Bank of Osceola, Wis. Details of the ABA's 107th convention program start on page 30.

ANNUAL LIVESTOCK & AG OUTLOOK

37 Introduction

38 Part I - The outlook

Area bankers assess near-term conditions

42 Part II - Deregulation and farmers

Ag bankers comment at ABA media conference

44 Part III - Bright, uncertain outlook

Midwest Banking Institute instructors comment

48 Part IV - Industry at crossroads

Farm leader outlines 3 key areas for stability

IOWA CONVENTION SECTION

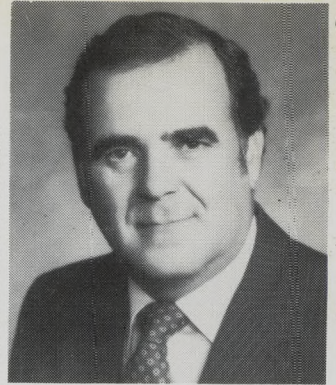
- 97 95th Annual Convention Program
- 98 You Will See Them at the 95th Convention
- 116 Interview with Top IBA Executives
- 122 Group Chairmen Report Area Conditions
- 126 Mail Ballot Used to Elect IBA Officers
- 130 Des Moines News

DEPARTMENTS

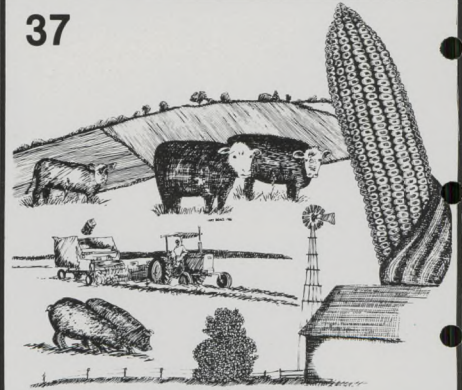
- | | |
|--------------------|--------------------------|
| 8 Calendar | 80 Colorado |
| 14 Bank Promotions | 84 Wyoming |
| 24 Corporate News | 86 Montana |
| 54 South Dakota | 89 Nebraska |
| 57 Illinois | 90 Omaha |
| 60 Minnesota | 94 Lincoln |
| 62 Twin Cities | 136 Index of Advertisers |
| 76 North Dakota | |

30

Lee E. Gunderson, president
American Bankers Assn.



37

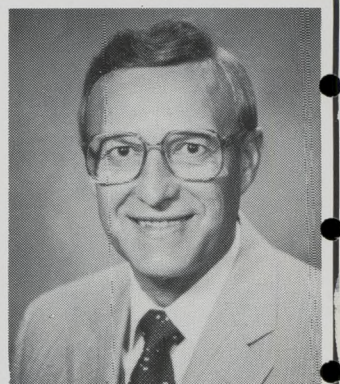


42



97

Edward L. Tubbs, president
Iowa Bankers Assn.



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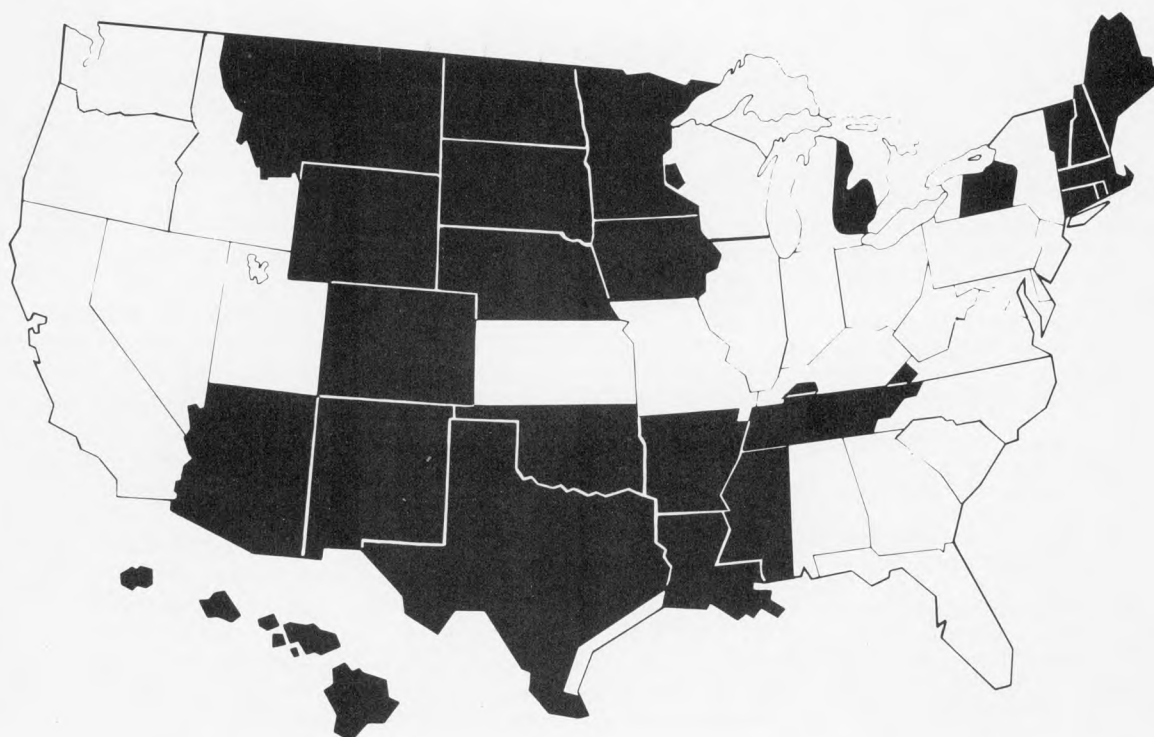
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Convention Calendar

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

National Conventions & Schools

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. 18-20—ABA International Banking Conference, Grand Hyatt, N.Y., N.Y.
Oct. 18-21—BMA Commercial Marketing Conference, Boston, Mass.
Oct. 18-22—IBAA 22nd Bank Executive Development Seminar, Ball State University, Muncie, Ind.
Oct. 25-31—ABA National Compliance School, Univ. of Okla., Norman, Okla.
Oct. 28-30—BMA Marketing in a Community Bank Seminar, Dallas, Tex.
Nov. 8-11—BAI 57th National Convention, Sheraton Waikiki, Honolulu, Hawaii.
Nov. 8-11—IBAA Seminar/Workshop on Bank Ownership, Hyatt Regency, Atlanta, Ga.
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.
February 10-12, 1982—ABA Bank Invest-

ments & Funds Management Conference, Hotel St. Francis, San Francisco, Cal.

State Conventions & Schools

Illinois:

Sept. 16-17—IBA Agricultural Credit Conference, Ramada Inn, Champaign, Ill.
Oct. 28-30—BMA Marketing in a Community Bank Seminar, Dallas, Tex.
Nov. 8-11—BAI 57th National Convention, Sheraton Waikiki, Honolulu, Hawaii.
Nov. 8-11—IBAA Seminar/Workshop on Bank Ownership, Hyatt Regency, Atlanta, Ga.
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.
March 14-18, 1982—IBAA 52nd annual convention, Sheraton Waikiki Hotel, Honolulu, Hawaii.

Iowa:

Sept. 20-22—95th annual IBA convention, Des Moines.

Minnesota:

Sept. 14-24—Minnesota District Meetings; see schedule in Minnesota News section.

North Dakota:

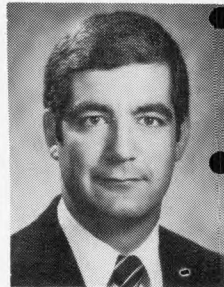
Sept. 16-18—Independent Community Banks of North Dakota annual convention, Holiday Inn, Dickinson.
Sept. 21-24—NDBA Group Meetings; see schedule in North Dakota News section.

South Dakota:

Sept. 14-18—SDBA Group Meetings; see schedule in South Dakota News section.

William Isaac Named Chairman of FDIC

William M. Isaac was named Chairman, effective August 3, of the Federal Deposit Insurance Corporation. He succeeds Irvine H. Sprague, who will remain on the agency's three-member board of directors.



W.M. ISAAC

Mr. Isaac commended Mr. Sprague on the leadership he provided the FDIC during his chairmanship, adding "I look forward to his continued service on the board of directors in the year ahead."

Mr. Isaac, 37, was appointed to a six-year term on the FDIC's board in March, 1978. From 1974 to 1978 he was vice president, general counsel and secretary of First Kentucky National Corporation and its subsidiaries, First National Bank of Louisville and First Kentucky Trust Company. From 1969 to 1974 he practiced law with Foley & Lardner, Milwaukee, Wis.

A native of Bryan, Ohio, Mr. Isaac received his undergraduate degree from Miami University, Oxford, Ohio, and his law degree (summa cum laude) from The Ohio State University, Columbus, Ohio.

Sheshunoff to Run PSI With American Express

American Express Company announced July 30 it has reached an agreement for a joint venture with Sheshunoff and Company, Inc., of Austin, Tex., concerning the management of Payment Systems Inc., a wholly owned American Express subsidiary.

Founded in 1971, Sheshunoff and Co. is a leading firm which specializes in increasing bank profitability and today has over 8,000 bank clients. Under the terms of the agreement, Sheshunoff will manage the activities of PSI for a period of three years and has an unqualified option to purchase PSI for an undisclosed price.

Based in Atlanta, PSI for a leading information and research firm in the fields of new banking technology, affluent consumer marketing, deregulation and new product development for financial institutions.

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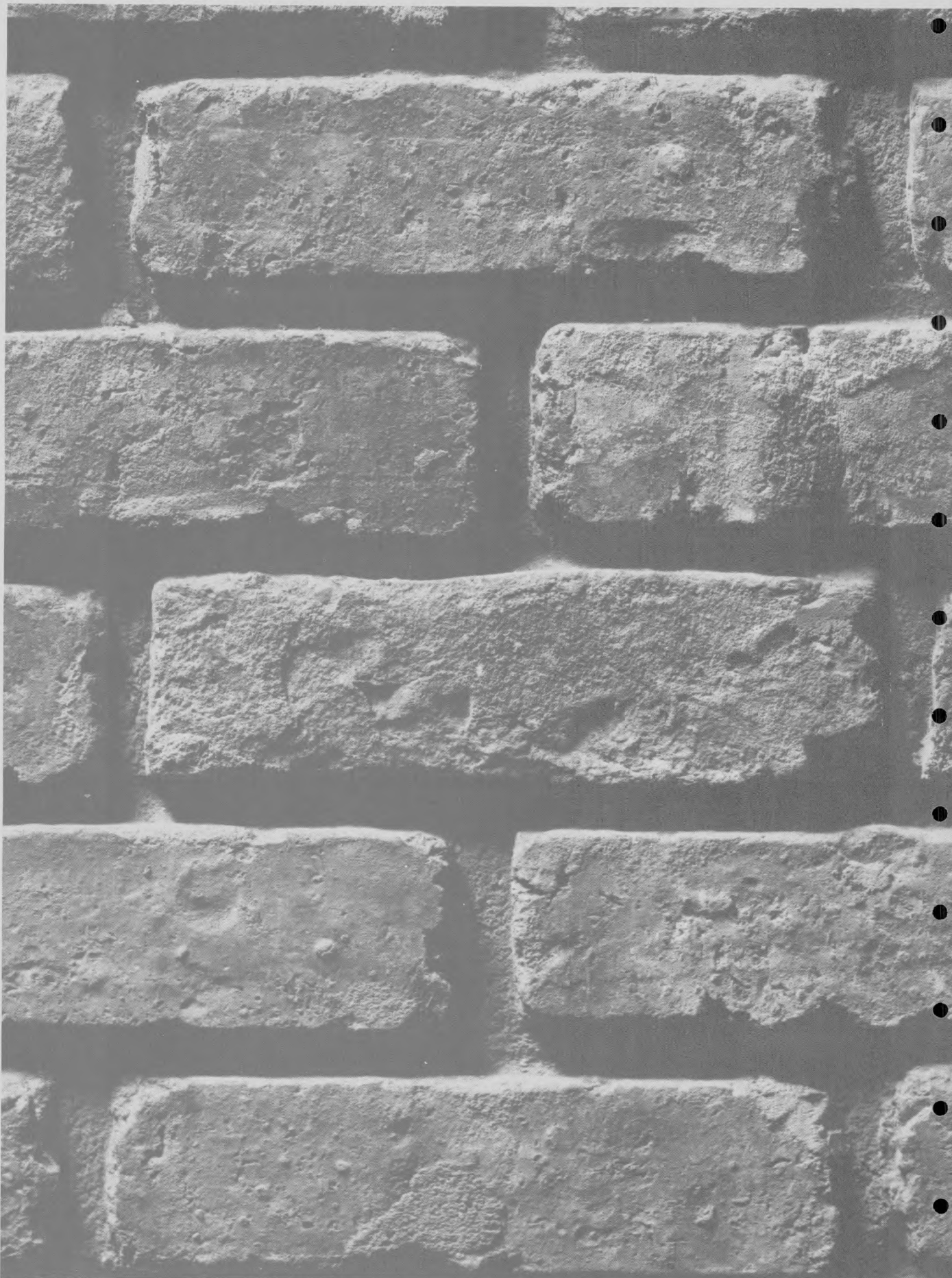
The Financial Institution Money Orders (FIMO®) are printed with your name and supplied at no cost. You pay a modest fee for each money order sold, but you control the profit because you decide what to charge.

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There are many obstacles to keep you from handling secured lending. It can be costly. Time consuming. And without a highly-qualified staff, it can become risky. So your profits suffer by missing an attractive market.

You can remove these obstacles, by participating with Heller. The Heller staff becomes your secured lending department. With over a half-century in the secured financing business, Heller people pioneered many of the modern lending techniques.

Our people perform eight functions necessary in administering your secured loan, while your staff concentrates on your primary banking business.

Field Examinations.

Heller's field examiners conduct audits in the borrower's place of business at well-timed intervals. Their reports highlight correctable "conditions" before they become problems. Your bank receives copies.

Verification.

Frequent verification of collateralized receivables checks their authenticity, amount and terms. This way, exceptions can be personally and considerably resolved—something computers can never be taught to do.

Credit Administration.

Our account executives keep a current picture of the borrower's financial position, following trends affecting collateral and operations. This continual review leads to a reduction in bad debt expense.

Processing.

Heller's policy is to process disbursements or pay-downs respecting the customer's loan on the day we receive the collateral or payments.

Reconciliation of Agings.

Each month Heller determines which of a borrower's invoices represent eligible collateral. We evaluate the individual pieces of collateral in terms of their "real dollar" value, as opposed to computing their eligibility through some mathematical formula.

Legal Work.

While mindful of their obligation to protect the legal positions of both Heller and the bank participant, our attorneys are also business-minded. They seek ways to make a safe loan, drawing upon their experience to avoid qualifications that may sour the dealings.

Supplemental Loans.

When a secured loan includes inventory and/or chattels, additional controls are needed. We revolve our inventory loans and keep them under close, continuous control. Chattel values are determined by specialists in machinery and equipment.

Liquidations.

Yes, occasionally they happen. What follows is the complex and demanding period called a "workout," a time when only the specialized experience of the lender and cool determination to "see it out" can prevent a loss. Heller's record in handling these situations is probably the best in the business.

More banks are entering into secured lending through participations with Heller. Your customer's financial needs are served. You keep your customer, continue to provide his normal banking functions, while you generate interest income from your portion of the loan.

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For more information, please write or call Merrill R. Johnson or Randall C. Peck, Regional Specialists in Financial Futures Hedging, Dean Witter Reynolds Inc., 1818 Douglas Street, Omaha, Nebraska 68102. (402) 449-1600.



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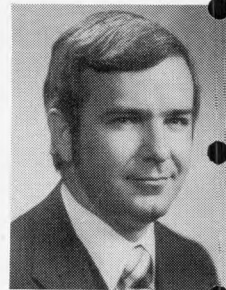
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12 State Associations Move Ahead with Plans

As announced in an earlier issue, 12 state banker associations ranging from Minnesota through Texas and covering the plains and north central states have been forming an organizational plan, and have been moving ahead with implementation of that plan in recent days.



R.E. HARRIS

Robert E. Harris, executive vice president of the Oklahoma Bankers Association, who has been appointed spokesman for the group, said last month that a further meeting of interested state association officials was held in Chicago July 21 during the Central States Conference. The 12 interested state associations are Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Iowa, Illinois, Missouri, Kansas, Oklahoma and Texas.

Mr. Harris said they propose to form a holding company to be owned equally by the 12 groups, with three representatives from each state association on the governing body. It will be funded by a minimal capital injection from each association, as well as a loan from each state. The 12-state group will be called Mid America Banking Services Co., Inc.

He stated further that research is being undertaken on four projects:

1. A Bankers Money Market Fund.
2. An insurance company.
3. An Ag Credit Corporation.
4. A secondary mortgage company.

These four Task Forces are to have their reports ready within a matter of weeks. Each association has a deadline of September 3 to declare whether it will be a member by contributing its capital and making its loan. The Bankers' MMF has top priority as the first goal. The Task Forces met July 21 in Chicago at the Central States meeting.

Mr. Harris said any member association may choose to utilize or bypass any or all of the four programs. Income from the projects will pay off the loans to the 12 state associations. When organized the new group will represent 7,500 banks holding \$315 billion in deposits.

In the race against time the Chase is on.

Everywhere you look, the financial service industry is in revolution. Volatile money markets swing 100 basis points in a single day. Decisions must be made in hours or minutes, instead of weeks or days.

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Chase can tell you exactly what you have in any bank in the U.S. With our InfoCash® system, we can execute and confirm your money transfers all within minutes.

And we've automated securities processing too. Our real time access link lets you retrieve and forward your securities from your own terminal. In hours, not days. That's banking on Chase Time and that's what we'll do for your money.

Now more than ever, time is money. So call the Chase Manhattan Bank. In the race against time, the Chase is on.



 The Chase is on.

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Bank Promotions

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

American National Bank, Chicago: John R. Tilton has been elected a senior vice president of the bank and will continue in his position as the head of the newly organized investment management group. Mr. Tilton joined the bank in June, 1977, as a vice president in the trust department, became division head of investment research and strategy in May, 1978, and was appointed to his current management post in June of this year.



J.R. TILTON

A graduate of Southwestern College at Memphis, Mr. Tilton holds an M.B.A. degree from Indiana University.

American National management also announced that Nathaniel B. Jones, Stephen P. Manus and Robert J. Schank were named vice presidents in the investment management group. Mr. Jones joined American National recently with 12 years of previous business experience. Mr. Manus joined the bank in 1976 as a portfolio manager. Mr. Schank joined the bank as a credit analyst in June, 1966.

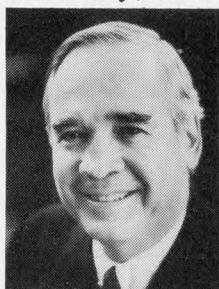
Also, four staff members were elected to officer positions: Ted R. Charanian to second vice president, investment systems; Mark A. Lustig to second vice president, auditing division, and Diedre A. Eichelberger and Arthur P. Hofstetter to trust investment officers, investment management group.

Bank of New York: Owen M. Quattlebaum has been elected a senior vice president, it was announced by Elliott Averett, chairman and chief executive officer. Mr. Quattlebaum joined the bank in 1960 and is manager of the bank's investment counsel division.

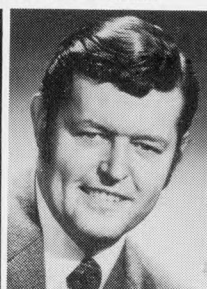
He received a BA degree in history in 1957 from the University of Georgia, Athens, and an MA degree in law and diplomacy in 1959 from the Fletcher School of Law and

Diplomacy, Boston. He is a Chartered Financial Analyst.

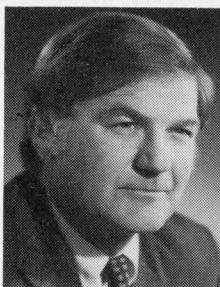
Continental Bank, Chicago: Robert A. Hanson, president and chief operating officer of Deere and Company, has been elected to the board of directors of Continental Illinois Corporation and its principal subsidiary, Continental Bank.



R.A. HANSON



J.J. ANDERSON



G.K. BERGMAN



E.R. CROISANT

Directors of the holding company and bank also elected four new executive vice presidents. They are J. Joseph Anderson, Gerald K. Bergman, Eugene R. Croisant and Hollis W. Rademacher. All were previously senior vice presidents.

Mr. Anderson, 43, is responsible for the controller's and the systems research and development divisions. He received his undergraduate degree in 1960 from the University of Notre Dame, joined Continental in 1963, and earned his MBA degree from the University of Chicago in 1968.

Mr. Bergman, 47, is head of the special industries department, which is responsible for the bank's lending to energy, transportation and construction industries. He was graduated from the University of Minnesota in 1957, joined Continental the same year and became head of the special industries divisions in

1974. He also serves as a director of several subsidiaries of Continental.

Mr. Croisant, 44, is responsible for corporate personnel services and corporate communications. After receiving his undergraduate degree from Loyola University in 1959, he joined Continental the same year, then later earned a graduate degree from Loyola of Chicago in 1966.

Mr. Rademacher, 46, is head of the U.S. banking department, which is responsible for commercial lending to customers in the United States. He is also a 1957 graduate of the University of Minnesota and joined Continental the same year. Mr. Rademacher was named head of the western divisions in the commercial department in 1975. He was elected a senior vice president and named head of all the national divisions in 1976, assuming responsibility of the newly-formed U.S. department earlier this year.

Federal Reserve Bank of Kansas City: Roger Guffey, president, has announced the promotion of Richard Rasdall to vice president, and Virgil Jones, manager of statistical services in the research division, to administrative officer.

Mr. Rasdall will provide senior official supervision over the fiscal agency and money departments.

Richard J. Klein, assistant vice president, replaces Mr. Rasdall as supervising officer of the planning and control department.

Carroll H. Wilkerson, assistant vice president, replaces Mr. Klein as head of the supervision support department.

Thomas M. Hoenig, vice president in charge of bank holding company supervision, has been assigned additional support department.

First National Bank of Chicago: Curtis G. Anderson, 40, joined the bank September 1 as senior vice president and head of the financial products department. In his new post he is responsible for international merchant banking, venture capital, trade finance, corporate finance, and leasing. He will report to President Richard L. Thomas.

Mr. Anderson previously was a senior vice president at Citicorp in New York, with which he had been associated since 1967. For the past year he served as head of the tax-exempt securities division of the financial markets group. He also served 12 years in international banking operations, the last four in



H.W. RADEMACHER

“In an age when computers talk to computers, we never lose sight of what has made Manufacturers Hanover the recognized leader in correspondent banking: the human element. After all, silicon chips and integrated circuits cannot replace the instincts, reasoning and decision-making capabilities of our calling officers.”

Donald H. McCree, Jr.
Executive Vice President
Manufacturers Hanover Trust Company



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Non-credit services move "stage center."

In the current economic climate, many urban and community banks are buffeted from two sides: the pressure to remain competitive locally and the pressure of costs in developing operational services of their own.

Relief rests with Manufacturers Hanover.

In recent years, our substantial investment in computer hardware and telecommunications equipment has placed us among the pacesetters in automated banking operations. Equally important, we have applied this technology to formats that are useful to correspondents of all sizes.

Systems, systems, systems.

In securities handling, MHT has created a processing and reporting system called GEOPAC that establishes a direct link between a dial-up terminal in your offices and MHT in New York. Instantly, it relays the status of trades and availability of funds.

To help serve the cash management needs of your corporate customers, MHT offers TRANSEND—a computer-based system that's part information source,



anover is known as America's premier "banker's bank."

part analytical tool, part funds mover. For unparalleled accuracy in stock transfers, MHT's TRANSIFAC is the only system that enters data twice to catch errors before a record is made.

It takes well-developed systems, too, for MHT to provide correspondents with the most complete bank-sponsored package of insurance services. Now, in addition to employee benefit plans, we have expanded our line to include comprehensive casualty coverage to protect bank officers against modern-day risks.

Our distinctive approach.

When our competitors call on correspondents, it's not unusual for the cast of bankers to change with every service.

We do it differently at Manufacturers Hanover.

Rather than a parade of unfamiliar faces, we serve correspondents through individual calling officers who concentrate on a geographic region. These knowledgeable, all-around bankers not only know the territory—the problems and priorities—but they are also able to establish a steady and respectful rapport with their local counterparts.

And that, above all, is what has made us what we are today—the premier "banker's bank" from one end of the country to the other.

MANUFACTURERS HANOVER



Here are all the ways Manufacturers Hanover serves the nation's bankers. How can we serve you?

SECURITIES SERVICES

- GEO PAC Safekeeping
- GEO PAC Depository Processing (DTC)
- GEO PAC Information Exchange
- GEO PAC Securities Lending
- Security Drafts
- Coupon Collection

CASH LETTER SERVICES

- Availability Schedule
- Automated End-Point Reporting System
- Early Bird Relay (to beat the 10 A.M. New York Clearing House Deadline)

INSURANCE PROGRAMS

- Dental Assistance Plan
- Group Life Insurance Plan
- Group Medical Plan
- Long-Term Income Protection Plan
- Retirement Program
- Casualty Insurance

TRUST DIVISION SERVICES

Corporate Trust Services:

- Debt Service Trustee
- Debt Service Registrar and Paying Agent
- TRANSIFAC Equity Service Transfer Agent
- Equity Service Registrar
- Equity Service Dividend Reinvestment Agent
- Municipal Paying Agent Services
- Issuing Agent Services (Certificates of Deposit and Commercial Paper)
- Escrow Services

Institutional Services:

- Professional Investment Research/Computer Aided (PIR/C)

- Fixed Income Research Strategy Trends (FIRST)
- Trust New Business School
- Personal Financial Planning Program

PORTFOLIO AND INVESTMENT BANKING SERVICES

- Bankers Acceptances
- Federal Funds
- Repurchase Agreements
- MHC Commercial Paper
- Other Commercial Paper
- Certificates of Deposit
- Municipal Securities
- U.S. Government Securities and Federal Agency Issues
- Investment Counselling Program for Correspondents

INTERNATIONAL SERVICES

Export/Import Services and Financing:

- Reimbursement Letters of Credit
- Export/Import Letters of Credit
- Standby Letters of Credit

Money Transfer Services:

- Foreign Remittance
- International Money Orders
- Foreign Currency Banknotes Bought and Sold

Other International Services:

- Eurodollar/Eurocurrency Transactions
- International Bank Statement Spreads
- Foreign Credit Information
- Foreign Exchange Trading
- Foreign Exchange Advisory Service

CREDIT SERVICES

- Participations/Overlines
- Real Estate Participations
- Loans to Bank Holding Companies
- Reserve Position Loans

MANUFACTURERS HANOVER COMMERCIAL CORPORATION

- Factoring
- Commercial Financing

MANUFACTURERS HANOVER LEASING CORPORATION

- Tax Leases
- Equipment Finance Structures

GENERAL BANKING SERVICES

- TRANSEND (a communications-based cash management system)
- Due From Account
- Domestic Collection
- Money Transfer & Wire
- Bank Money Orders
- Register Checks
- MOREC—Money Orders Reconciliation
- Gift Checks
- FINTECH (a library of 35 analysis programs to assist in financial planning)

OTHER SERVICES

- Business Credit Investigations
- New Business Referrals
- Travel Service/Personal Service
- Sales and Product Knowledge Program
- Marketing Consultant

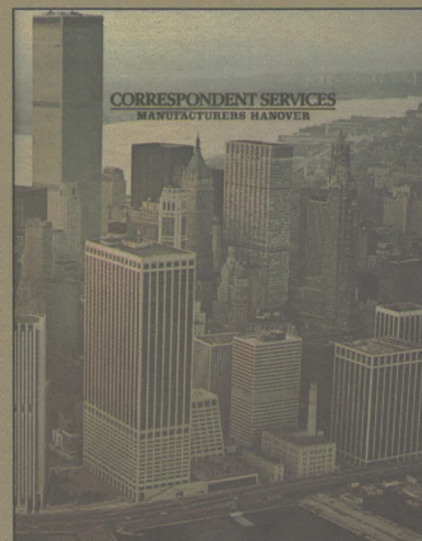
GEO PAC, TRANSEND and TRANSIFAC are service marks of Manufacturers Hanover.

Member FDIC

Ask now for your copy of our newly updated, service-by-service guide to the correspondent services of Manufacturers Hanover.

This new edition of our brochure contains page after page of detailed descriptions of all the services named above. It further reinforces the fact that no other correspondent bank offers such a complete catalog of bank-to-bank services. For your copy, or answers to any questions, see your Manufacturers Hanover Calling Officer. Or write for the brochure, enclosing your business card, or call:

Donald E. Paul, Vice President
Manufacturers Hanover, National Division
350 Park Avenue
New York, N.Y. 10022
Telephone: (212) 286-5787



charge of merchant banking activities in the Asia-Pacific region. He holds BA and MBA degrees from the University of Washington in Seattle.

First National Bank of Kansas City: Michael A. Luby, Jr., and Thomas G. Papa have been advanced to senior vice presidents.



M.A. LUBY, JR.

T.G. PAPA

As manager of the national department, Mr. Luby is responsible for the bank's commercial customers beyond the midwest. He joined the bank in 1973. He has BA and MBA degrees from Southern Methodist University in Dallas.

Mr. Papa recently was named head of the correspondent/regional department and directs correspondent and commercial banking for the midwest area. After serving with another Kansas City bank for eight years, he joined First National as vice president in 1979. He holds a BS degree from the University of Kansas at Lawrence.

First National Bank in St. Louis: William J. Barnett, Jr., vice president, has been named head of the correspondent division, it was announced recently by Clarence C. Barksdale, chairman and chief executive officer. Mr. Barnett succeeds T. Barton French, senior vice president, who has been appointed head of the special industries group.

Mr. Barnett joined First National in 1974, holding management positions in several lending divisions of the bank.

Mr. Barksdale also announced the election of seven new vice presidents



W.J. BARNETT, JR.

R.K. BASS, JR.

and three new assistant vice presidents.

The new vice presidents are: T. Ellis Barnes, III, international; R. Kenneth Bass, Jr., correspondent banking; John G. Borders and F. Howard Manning, Jr., national accounts; Jeffrey N. Miller, metropolitan; Harold C. Mueller, real estate, and Dennis L. Noah, international operations.

The new assistant vice presidents are: Joseph K. Hahn, energy; Alfred H. Kerth, III, community affairs, and John D. Spencer, cash management.

Harris Bank, Chicago: Two new executive vice presidents have been elected. They are David S. Finch, head of the trust department, and Dennis E. LeJeune, who heads the investment department and treasury office.

Mr. Finch, 39, joined Harris in 1967 as a trainee and has held a series of managerial posts in the trust department.

Mr. LeJeune, 39, joined Harris in 1966 and served in international banking until 1980, when he assumed responsibility for the bank's municipal and government bond trading and bank funding, including money markets, Eurodollar and foreign exchange trading and portfolio management.

Richard J. Brown, vice president, Harris Bank, has been named general manager of the bank's London branch. Mr. Brown previously headed the bank's Planning Office.

Morgan Guaranty Trust Company, New York: Rohit M. Desai and Edgerton G. North, Jr. have been appointed senior vice presidents in the trust and investment division. Mr. Desai, 43, joined Morgan in 1964 and will head an expanded special investment group. Mr. North, 54, joined Morgan in 1950 and heads the division's institutional investment and management group.

Northern Trust Company, Chicago: Directors have appointed J. David Brock as vice president of Northern Trust Corporation with responsibility for holding company acquisitions and expansion planning. He will continue as a vice president of the bank.

Directors also announced the promotions to second vice president of:

Kathleen M. Almaney and Virginia B. Gasink in the human resources department.

Jerome L. Gelfand and Anna Maria

Quinlan in the operating department.

Pat E. Garrett, William G. Hart and Steven R. Schneider in the trust department.

From outside the bank, Elizabeth Konker

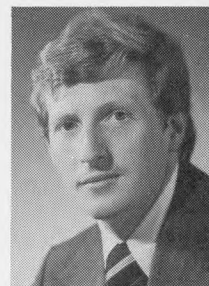
Rauner was named a second vice president in the commercial banking department and Gilbert S. Levine was named a trust officer.

Patrick D. Leary was appointed a second vice president in the Nortrust Farm Management, Inc. subsidiary.

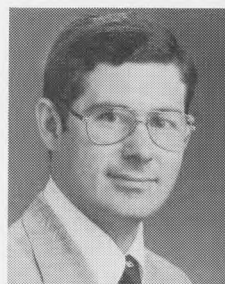
Northern Trust also announced two appointments at corporate affiliates. Anton L. Janik has joined The Northern Trust Company of Arizona (Phoenix) as a vice president in trust business development, assuming marketing responsibilities for business development.

Alfred H. Cole has been appointed vice president in trust business development, responsible for business development marketing, at the Security Trust Company of Palm Beach. Mr. Cole previously was with Philadelphia National Bank trust department.

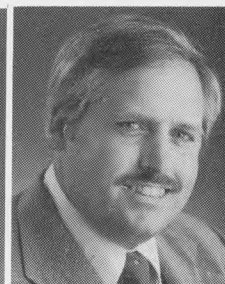
National Boulevard Bank, Chicago: Directors have announced the following promotions: John F. X. Harahan and Michael C. Keeling to vice presidents; Richard J. Rosner to operations officer, and Robert J. Dennis to assistant cashier.



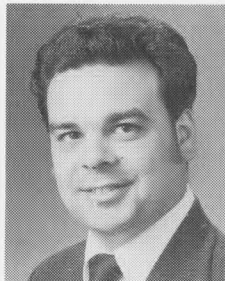
J.D. BROCK



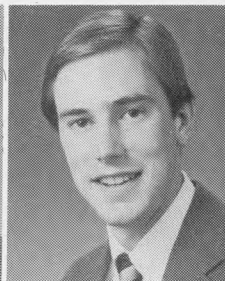
J.F.X. HARAHAN



M.C. KEELING



R.J. ROSNER



R.J. DENNIS

American Express Adds More Services

American Express Company announced that in-bound travelers visiting the U.S., Canada, Puerto Rico and the U.S. Virgin Islands from many countries are now eligible to receive five special services, provided free-of-charge to qualifying individuals whose American Express Travelers Cheques have been lost or stolen.



M.E. LIVELY

Previously, the new services—introduced in March, 1981—were available in the U.S. and Canada to refund claimants who purchased American Express Travelers Cheques in those countries.

The new services are:

- **Check Cashing.** After authorization, refund claimants will be able to cash personal checks up to \$200 (subject to governmental and banking regulations as well as currency restrictions) during business hours at the network of travel service offices of American Express Company in the U.S., Canada, Puerto Rico and the U.S. Virgin Islands.

- **Credit Card Cancellation Assistance.** Refund claimants whose U.S. and Canadian or major foreign credit cards (American Express, Carte Blanche, Diners Club International, Mastercard, Eurocard Access and Visa) have been lost or stolen can arrange to have them cancelled 24 hours a day when they call American Express to report their missing

Travelers Cheques.

- **Temporary I.D. Card.** Refund claimants who have lost all identification may arrange to obtain a temporary I.D. Card at any one of the network of travel service offices of American Express Company.

- **Reservation Assistance.** For refund claimants who need to re-schedule their travel plans, American Express will make available its 24-hour, toll-free, multi-lingual "Travel Hotline" to help with airline, hotel and car rental reservations.

- **Message Service.** A Western Union Mailgram or cablegram will be sent upon request, 24 hours a day, to notify one individual — family, friend, or business associate — of a change of itinerary.

"Our special refund services," explained Michael E. Lively, president, American Express' Travelers Cheque Division, "were developed as a direct result of our market research, which showed that all of our customers world-wide have major concerns in addition to getting their Travelers Cheques refunded. From our research and experience, we know that if individuals experience a loss or theft of Travelers Cheques, they often lose such other valuables as cash, credit cards and identification.

"In addition, they typically are in a strange city or country and, due to their loss, find their travel plans delayed. In short, it's a period of high anxiety. We're confident our five newly-expanded services will provide practical assistance at a time when travelers need help the most."

United Missouri Bank of Kansas City, N.A.: Richard W. Brooks has been named senior vice president in charge of the national division of the commercial business development department. Mr. Brooks joined United Missouri in March, 1978. He attended Avila College and the University of Missouri at Kansas City, as well as the Nebraska Advanced School of Banking and the Missouri Bankers School of Agriculture.

United Missouri directors also elected the following new officers: Mary F. Rand and Norman E. Greene as personal trust officers; Lon J. Canaday and Marla E. Rivard as assistant cashiers in the commercial loan department, and William W.

Mantz as commercial banking officer in the new business department.

Continental Bank Opens Subsidiary in Canada

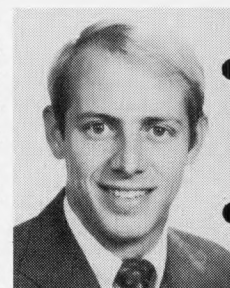
Continental Illinois National Bank and Trust Company of Chicago has opened a banking subsidiary in Canada through the conversion of Continental Illinois (Canada) Ltd., announced Jennings F. Werner, chief general manager of the new subsidiary, Continental Illinois Bank (Canada).

Approved by the Canadian Minister of Finance as of this date, the new banking subsidiary will have an authorized capital of Canadian \$40 million.

Continental Bank of Chicago is one of four U.S. banks and 12 non-Canadian banks given permission to establish Canadian banking subsidiaries at this time. This is the first time foreign banks have been allowed to open banks in Canada since 1932.

Elected at Zions Utah

Harris H. Simmons has been elected assistant vice president and a director of Zions Utah Bancorporation in Salt Lake City. Prior to accepting this position he was a credit analyst, commercial loan officer and assistant to the president of Allied Bank of Texas in Houston.



H. SIMMONS

Mr. Simmons is a graduate of the University of Utah with a BA degree in economics. He received an MBA from the Harvard Graduate School of Business Administration.

ABA Announces 1981 Chief Financial Officer Seminar

The second annual American Bankers Association Chief Financial Officers Seminar has been scheduled for November 4-6, 1981 at the Boca Raton Hotel and Club, Fla.

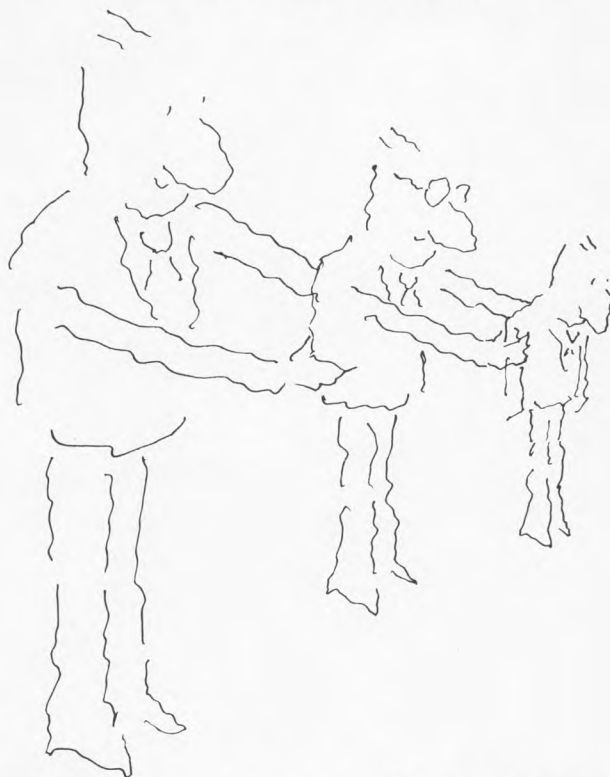
Sponsored by ABA's Chief Financial Officer Executive Committee, this is the only national meeting devoted entirely to the growing constituency of policy-making bank officers who are responsible for an integrated approach to financial management and control.

Announcing the seminar, executive committee chairman Donald C. Miller, vice chairman, Continental Illinois National Bank, Chicago, said it will offer attendees a "unique opportunity to exchange important timely ideas and information with fellow financial officers." Topics under consideration for this year's program include cost control, capital raising, investor relations, interest rate volatility and management information systems.

Additional information on the program is available by calling Stephen Thormahlen in the ABA Bank Investments and Funds Management Division. His telephone number is (202) 467-4087.

**“A holding company
is a holding company
is a holding company.”**

Or is it?



W. L. C. H. M. A.

Let's face it. Holding companies aren't always alike.

So if your correspondent bank thinks all holding company financing is the same, maybe it's time to look for a different correspondent bank.

Like Continental Bank. At Continental we don't have any pre-conceived notions about what a holding company in your situation might need. We put together a credit especially made for a holding company of your size, in your state, and in your circumstances. With the combination of terms your individual situation calls for. And with any necessary regulatory modifications, evaluation analyses, and even negotiation assistance you might require.

That's the sort of flexibility you expect. And deserve.

You expect decisiveness, too. At Continental, you get it. Credit requests don't go from committee to committee. They go directly to your account manager—the person who can say “yes” or “no” on most loans. You get a decision fast. From the person who made it.

Call John Tingleff at (312) 828-2191 about your holding company financing. We won't try to put you in one pigeonhole or another. We'll just work out the credit that's best for you.

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

Adjustable rate mortgages give you flexibility. But what about the risk?

Challenge: Structuring
ARMs for Profit and Safety

The Adjustor: MGIC Protection for
Risk Analysis:
A Detailed Evaluation

Adjustable Rate Mortgages

Standard coverage vs. Adjustor coverage. Sample claim settlement.

Original property value \$111,000. Loan amount \$100,000. Initial LTV 90%. Standard coverage 90% LTV 20% coverage. Adjustor coverage, the greater of the standard coverage or the claim amount in excess of 75% of the original property value. Default occurs, end of 36th month. Claim occurs, end of 46th month.

Loan with negative amortization

	Standard coverage	Adjustor coverage
Principal balance	\$113,772.00	\$113,772.00
Delinquent interest 10 mo — 18%	17,065.80	17,065.80
Subtotal	\$130,837.80	\$130,837.80
Claims related expenses	4,150.00	4,150.00
Total claim		
Payment option	\$134,987.80 x 20%	\$134,987.80 -83,250.00
Claim payment	\$26,997.56	\$51,737.80
Lender exposure in dollars	\$107,990.24	\$83,250.00
As a % of original value	97.3%	75.0%

Exposure on ARMs can fluctuate dramatically. That's why MGIC introduces The Adjustor, the first coverage specifically for ARMs.

With the flexibility of ARMs comes increased exposure. Exposure that standard mortgage insurance just wasn't designed to cover.

MGIC can help with its new AdjustorSM coverage. It fully protects the added risks of varying monthly payments, even the negative amortization associated with ARMs.

An example.

Shown on the left is a loan with modest negative amortization. With standard mortgage insurance, lender exposure is 97 percent. With The Adjustor, your exposure is limited to 75 percent of the original property value, regardless of the loan balance at the time of claim. The Adjustor is unique because of its first-of-a-kind treatment of negative amortization—it covers 100 percent of any increase over the original balance. It also provides greater protection for loans with some amortization because it covers all claims-related expenses.

You get full and flexible ARM protection for yourself and your secondary market investors.

Fannie Mae requires Adjustor-type coverage.

FNMA recognizes the special risks of ARMs. That's why they require this type of coverage on all loans with an LTV of 80 percent or greater. More and more secondary market investors will be wanting similar guarantees.

Send for an ARM kit.

To help you structure your own ARM program we've developed a comprehensive kit. It contains information every mortgage lender needs to know, including the results of a nationwide lender ARM survey, an in-depth ARM risk analysis, plus guidelines on index selection and federal regulations.

For your free kit and more information about MGIC's new Adjustor coverage for ARMs, send the coupon today. Or contact your local MGIC representative.

MGIC

Working hard to earn your business

Mortgage Guaranty Insurance Corporation
P.O. Box 488, Milwaukee, Wisconsin 53201

Please send me your complete ARM kit.

Name _____

Title _____

Company _____

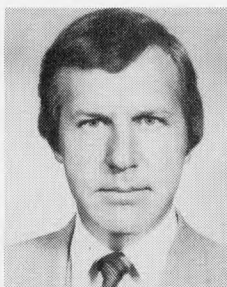
Address _____

City/state _____ Zip _____

Corporate

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

Associates Commercial Corp., Chicago: James Day has been named vice president in charge of the business loans division office in Atlanta, Ga. He will report to Russell D. Donahue, executive vice president of the ACC business loans division.



J.A. DAY

Mr. Day, 39, served as assistant house counsel at Walter E. Heller & Co. in Atlanta before joining The Associates. He was graduated from the University of North Carolina-Asheville with a BA degree and from the Woodrow Wilson College of Law in Atlanta with a JD degree.

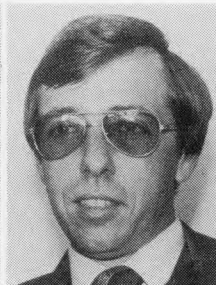
Brandt, Inc., Watertown, Wis.: Steven W. Kendall and Brian E.

Nicholas have joined the company in key marketing staff positions.

Mr. Kendall, former marketing manager, consumer division, at the Brunswick Corporation in Skokie, Ill., is the Watertown firm's new director of marketing, coin products division. He joined Brunswick in 1972 as a special marketing assistant, became a product manager at the Mercury Marine Division in 1974, and moved to his most recent position at corporate headquarters in Skokie in 1976. He received a BA degree at DePaul University in 1969 and an MBA degree at Ohio State University three years later.



S.W. KENDALL



B.E. NICHOLAS

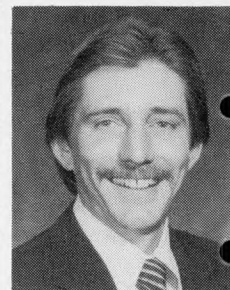
Mr. Nicholas, former market planning manager at A.B. Dick Company, Chicago, takes a second newly created position, corporate market planning manager. He joined A.B. Dick in 1975 as a sales representative in Rochester, N.Y., and was promoted to market planning manager in 1979. He received BS and MBA degrees in 1970 and 1979 at Rochester Institute of Technology.

The company also announced the appointment of David N. Krause as an authorized district manager for Brandt, with sales responsibility for the company's line of money handling equipment in the western portions of Washington and Oregon. He headquarters in Seattle and also has a sales and service operation in Portland. He was formerly a sales representative for Brandt in Dallas the past four years.



D.N. KRAUSE

Collateral Control Corporation, St. Paul: Edward A. Ames, senior vice president, has been named regional manager of the St. Paul region. Mr. Ames is responsible for all operations and marketing efforts throughout the region, which includes Minnesota, Iowa, Wisconsin and North Dakota. Previously, he served as regional sales manager-San Francisco, for this national collateral management company.



E.A. AMES

Daktronics, Inc., Brookings, S.D.: Jeff Robbins has been appointed district sales manager for northern Illinois and Wisconsin. He replaces Ed Weninger, who has been named manager of the customer service department at corporate headquarters in Brookings.

Mr. Robbins is a 1980 graduate in Agri-Business from South Dakota State University and worked in the sales training program while attending school. As a part of that program he participated in demonstrating the use of Daktronics electronic equipment at athletic tournaments and conventions throughout the midwest, making him conversant with the entire Daktronics line of solid state systems and displays.

Lincoln Benefit Life Company, Lincoln, Neb.: Acquisition of Lincoln Benefit Life as a wholly-owned subsidiary of Dean Witter Reynolds Organization Inc., was announced July 29 following a board meeting held in Salt Lake City. The Dean Witter firm also owns Surety Life Insurance Co. of Salt Lake City.

Elected to the Lincoln Benefit Life board of directors were: L. James Ellsworth, president and chairman of Surety Life; Douglas F. Gaer, Evelyn A. Rauch, Steve W. Sutton, William S. Pratt, II, Keith A. Poelman, Clemens T. Young and Clair Munyon.

New officer appointments at Lincoln Benefit Life were: Mr. Ellsworth, chairman and chief executive officer; Mr. Young, president; Mr. Pratt, executive vice president and chief operating officer; Ms. Rauch, vice president and secretary, and John H. Schumann,

SINGLE INTEREST INSURANCE

For Installment Loans

BLANKET SINGLE INTEREST

INDIVIDUAL SINGLE INTEREST PROGRAMS

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PROTECT YOUR LOANS AGAINST THOSE PHYSICAL DAMAGE LOSSES.

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American Express Travelers Cheques

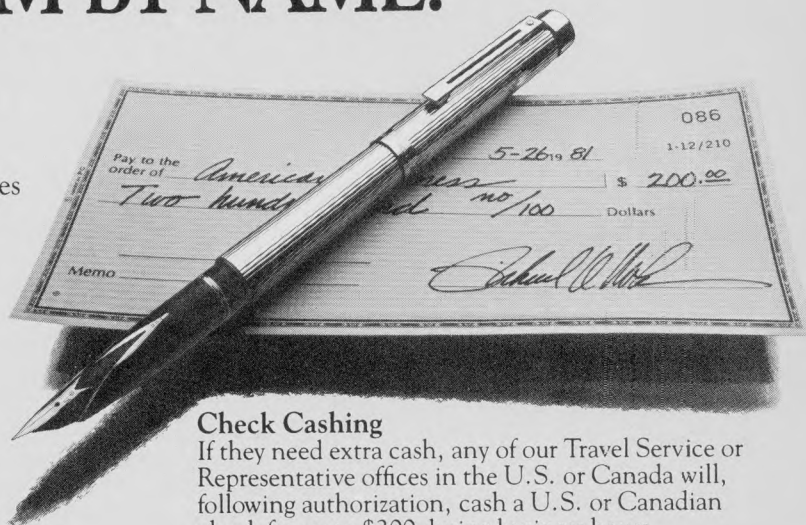
MORE REASONS WHY YOUR CUSTOMERS WILL ASK FOR THEM BY NAME.

Every year, lots of things are lost or stolen with people's travelers cheques.

Like credit cards, cash, and identification.

That's why American Express® Travelers Cheques has introduced 5 special services designed to help protect your customers during those times when they may need more than a travelers cheque refund.

Extra vacation protection at no extra cost throughout the U.S. and Canada. All, only from American Express Travelers Cheques.



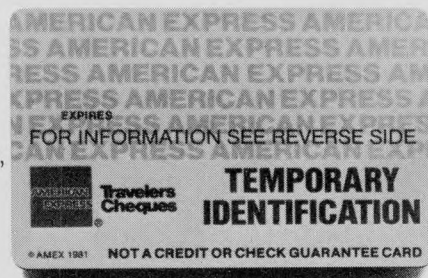
Credit Card Cancellation

If your customers lose credit cards with their travelers cheques, we'll help them cancel their cards. When they call our Refund Center to report their travelers cheque loss, they simply tell the refund representative that their credit cards are also missing. No matter what time it is, they'll be switched to someone who will assist in cancelling all their U.S. and Canadian-issued cards.



Temporary ID Card

If they lose all their identification with their travelers cheques, we'll issue them a temporary ID. Following verification, they can pick up the ID at an American Express Travel Service office in the U.S. or Canada during business hours. It's an ID with their name and our name on it, so they can use us as a reference wherever they go.



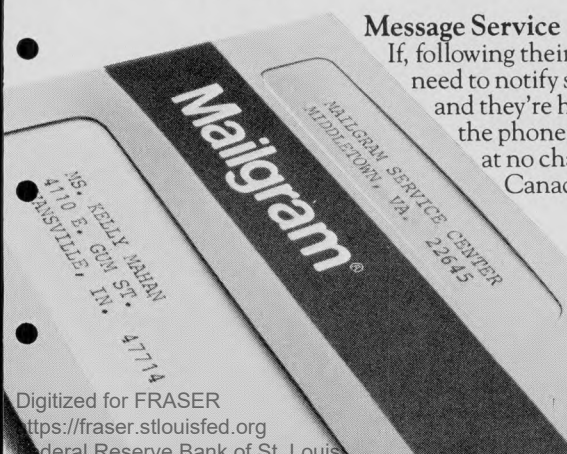
24-Hour Travel Service Hotline

If they need to change travel plans because of their travelers cheque loss, one of our refund representatives can transfer them to the American Express Travel Service Hotline which can help arrange air-line, car and hotel reservations.



Message Service

If, following their travelers cheque loss, they need to notify someone of a change in travel plans and they're having trouble reaching them on the phone, we'll send a Mailgram® for them at no charge, anywhere in the U.S. or Canada. At any hour of the day or night.



Now we protect more than just their money.
Now we help protect their vacation.

vice president and assistant secretary.

Mr. Sutton, newly elected to the board, continues as vice president in charge of credit life insurance sales to banks throughout the midwest.

Lincoln Benefit Life Company was chartered in 1938 and domiciled in the city of Lincoln. The company recently reached the milestone of one billion dollars of life insurance in force. It operates in 24 central and western states.

Mosler Safe Co., Hamilton, Ohio: Arthur D. Lewis, Jr., has been

named general manager of Mosler Canada, it was announced recently by Charles H. Comfort, II, vice president of marketing, international and government for Mosler. In this new assignment, Mr. Lewis is responsible for the sales, service and installation of Mosler's line of security, transaction and materials distribution systems for financial institutions and commercial businesses in Canada. His headquarters is in Bramalea, Ontario.



A.D. LEWIS, JR.

Mr. Lewis joined Mosler April 1, after resigning as managing director of the international division of Diebold. Prior to that he was with Mobil Oil in various assignments in New York, Caracas, Venezuela and Singapore.

Diebold TABS First ATM's Selected For ADP Network

An agreement has been signed between Diebold, Incorporated, the manufacturer of TABS Total Automatic Banking Systems ATM's, and the newly formed Electronic Financial Services Division of Automatic Data Processing, a leading supplier of computing services. ADP has selected the TABS 9000 Automatic Teller machine for the first site which it owns and operates in its new ATM network serving financial institutions throughout the United States. Diebold TABS also was the first ATM supported by the ADP network, with the August connection of an ADP client who is also a TABS user.

CSBS Survey Lists State EFT Activity

A MAJORITY of the states now have electronic funds transfer legislation in place, and a large number provide for either state-wide authority or some form of cross-state permission, according to a survey just released by the Conference of State Bank Supervisors.

The EDP/EFT Committee of CSBS, investigating the various state laws found that:

- Thirty four states—better than two-thirds of the total—now have EFT statutes on their books.

- Twenty-six states—better than half—provide for state wide offering of EFT services, either through the placement of facilities or agreements to use existing facilities. Seven states, 14%, allow their banks to provide EFT services out-of-state and nine states, 18%, permit out-of-state banks to offer EFT services within their borders.

- Fourteen states, 28%, permit customers of out-of-state banks, by contract or agreement, to have access through in-state EFT facilities and services to their deposit accounts in their home financial institutions.

The survey was conducted as part of a CSBS policy urging state action in developing EFT services to ensure that customers of financial institutions are well served by the most advanced technology and that EFT developments are regulated as necessary at the state level.

The CSBS policy statement on EFTs, as adopted by the Conference's board of directors, stipulates that:

1. States should encourage the establishment of unmanned electronic funds transfer systems within their borders by banks or others which, by contract or agreement, will enable the customers of local financial institutions to obtain financial services when they are away from their banks. This procedure will enable individual banks to both better serve their customers and retain their customer bases.

2. States should encourage the

establishment and operation of such EFT systems, subject to reasonable requirements as the states may choose, including the nature and geographic scope of transactions to be offered.

3. States should supervise and examine state-chartered institutions providing EFT services for customers of institutions located elsewhere; and the Comptroller of the Currency or the Federal Home Loan Bank Board should supervise and examine respectively federally chartered institutions.

4. Should an amendment to Section 36(c) of the National Bank Act (The McFadden Act) be found necessary to enable national banks to make use of the state statutes proposed herein, CSBS should either support, or alternatively, agree to the necessary Congressional action.

The current status of state EFT statutes is summarized in Appendix A following:

APPENDIX A

1. States permitting customers of out-of-state bank access to EFT services:

Alabama	Montana
Arkansas	Nebraska
Georgia	Oregon
Illinois	South Dakota
Iowa	Utah
Maryland	Virginia
Minnesota	Wisconsin
(within 20 miles)	

2. States allowing state wide offering of EFT services:

Colorado	New Jersey
Connecticut	New Mexico
Florida	New York
Idaho	North Carolina
Illinois (POS)	North Dakota
Iowa	Oklahoma
Kansas	Oregon
Maine	Rhode Island
Maryland	South Dakota
Michigan	Tennessee
Minnesota	Utah
(at retail locations)	Washington
Nebraska	Wisconsin
New Hampshire	

3. States permitting out-of-state banks to offer EFT services and/or place EFT facilities within their borders:

Alabama	Oregon
Illinois (POS)	Utah
Maryland	Virginia
Minnesota (from a contiguous state and within 20 miles)	Wisconsin

4. States permitting the banks they charter to provide EFT services out-of-state:

Alabama	Oregon
Arkansas	Utah
Illinois (POS)	Virginia
Minnesota (within 20 miles)	

Only Iowa specifically prohibits this activity.

"The agreement between Diebold and ADP," stated Robert Barone, Diebold vice president and general manager-automatic banking systems, "represents a significant opportunity for institutions to combine the proven advantages of a leading data processing service with

the most reliable and accepted ATM in the industry."

Computing services for more than 1500 financial institutions are now provided by ADP which operates a network of centers in the U.S., Canada, the United Kingdom and Brazil.



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NABW Announces Convention Program

"BANKING '81: Capitalize on Change" has been announced as the theme for the 59th annual convention of the National Association of Bank Women, Inc. The convention will be held September 27-30 at the Hyatt Regency, Chicago. Presiding at general sessions will be NABW President Jane McGavock Smith, vice president, First & Merchants National Bank, Richmond, Va.

Convention sessions will center on the impact of recent economic, legislative, regulatory, and technological developments in banking; the issues and questions they raise for the future of the banking industry; and the strategic responses that will determine banking's survival in the tough competition of the '80s.

The convention will open at 8:30 a.m. on Monday, September 28, with a welcome message from Mayor Jane M. Byrne. Immediately following, the keynote address will be given by Frank Cappiello, the finance and economics analyst who is well-known as a panelist on PBS Television's "Wall Street Week." In his speech, "What's Wrong With Banking," Mr. Cappiello will delve into the reasons behind the banking industry's loss of its traditional edge in the marketplace.

The keynote will be followed by a general session, "A Banker's Perspective," during which Mr. Cappiello will moderate a panel of three bankers representing banks of all sizes. In responding to the keynote, these bankers will present their perspective on their bank's strategic response to recent and forthcoming change.

Tuesday, September 29, will feature two general sessions. During the first, held from 9:00-10:00 a.m., a noted economist will discuss the impact of a fluctuating economy upon banking. The second, held from 10:30 a.m.-12:00 noon, will feature Donald Jacobs, dean of Northwestern University's J.L. Kellogg Graduate School of Management, who will discuss recent regulatory reform and its ongoing impact upon banks.

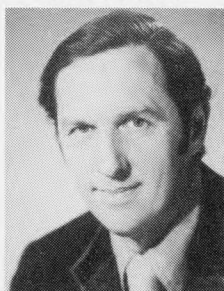
Both days will feature afternoon sessions of concurrent banking and management workshops on topics such as strategic planning, marketing, product development, and pricing. In addition, on Monday, Thomas Wageman, president of



J.M. SMITH



D.P. JACOBS



T.J. WAGEMAN



G.M. MELICK

LaSalle National Bank, Chicago, will conduct a workshop on asset and liability management and, on Tuesday, Gail Melick, executive vice president of operations and management services, Continental Bank, Chicago, will conduct an operations workshop.

On Wednesday, September 30, the association will hold its annual meeting, officer installation luncheon, and annual banquet. Also scheduled is a general session on management development entitled "Banking '81: More Change, More Challenge, More Commitment."

Prior to convention, NABW members will be able to attend two of the Educational Foundation's Management Development Seminars. The Management Process Seminar is scheduled for Friday, September 25, and the Management of Conflict and Change Seminar is set for Saturday.

In addition, the Educational Foundation is holding its annual dinner on Sunday, September 27, with Ellen Goodman, nationally syndicated columnist, as the featured speaker. At that time, winners of the association's National, Memorial, and Jean Arnot Reid scholarships will be announced.

Carter Golembe to Keynote BAI National Convention

Carter H. Golembe, managing associate, Golembe Associates, Inc., will be the keynote speaker at the opening general session of Bank Administration Institute's 1981 na-

tional convention. Mr. Golembe, who is one of the nation's preeminent financial consultants for banks and bank holding companies, will discuss "Deregulation in the Financial Services Industry."

The BAI convention, which will be held in Honolulu, Hawaii, November 9-11, will also feature John G. Heimann, former Comptroller of the Currency, who will address an all-delegate and spouse luncheon on "The Economic Outlook." Other general session speakers will be Guy W. Botts, chairman of the board, Barnett Banks of Florida, Inc., on "Strategic Planning for the '80s," and Austin H. Kiplinger of the Kiplinger Washington Editors, on "The Financial Community Today."

The program will include twenty concurrent sessions covering a variety of key banking concerns including interstate banking, Fed pricing, float management, the Bank Secrecy Act, capital ratios, productivity measurement, net interest margins and product strategies, ATM development, information systems management, and data processing contingency planning.

Participants will have the opportunity to view an extensive vendor exhibit area. Special leisure time activities have been scheduled throughout the convention including optional tours and on all-Hawaiian floor show.

Northern Trust Acquires O'Hare Banc Corp. Stock

Northern Trust Corp., which owns The Northern Trust Company Bank in Chicago, apparently is the first major bank to announce an acquisition under new Illinois law that becomes effective January 1. Northern Trust announced last month it has agreed in principle to purchase all the 616,093 shares of O'Hare Banc Corp. for \$32.61 each. The latter's subsidiary, O'Hare International Bank, had \$165 million in assets June 30.

The recently enacted Illinois law permits banks to begin acquiring other banks in their own region and one contiguous region, from among the five regions set up for the state. Banks also may open a third limited facility in their own community.

Thomas F. Seay, who with his family owns 57% of O'Hare Banc shares, is chairman of that company and the bank.

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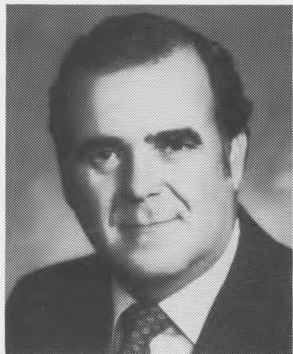
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C.C. HOPE, JR.
Chairman ABA Council

ABA's San Francisco convention will feature Community Banker

COMMUNITY bankers will find themselves on center stage at the 107th annual convention of the American Bankers Association in San Francisco, October 3-7. Stating that "the community banker is alive and well," ABA has titled a session at the 1981 convention as "Not Quite Ready to Quit, Yet." ABA pre-convention material says community banker skill and vitality will be a major focus of the convention, which is expected to draw more than 12,000 bankers, spouses and exhibitors to colorful San Francisco.

Emphasizing the theme noted above will be a Community Bankers Division meeting for all registrants on the final morning. ABA President Lee E. Gunderson will be presiding at that session as well as other general sessions of the convention. He is uniquely qualified to assume those duties since he is president of the Bank of Osceola, Wis., and has spent his 29-year banking career in community banks.

Scheduled to succeed him as ABA president at the annual election is Llewellyn Jenkins, vice chairman of Manufacturers Hanover Trust Co., New York, the third largest bank in the nation. Mr. Jenkins has served this past year as president-elect. The third member of the ABA officer team is Virgil E. Solso, vice chairman of The Oregon Bank in Portland, Ore., who has served as treasurer. The fourth member of the team is C.C. Hope, Jr., who served as ABA president in 1979-80 and has

been chairman of the ABA council this past year. Completing the management team is Willis W. Alexander, Jr., ABA executive vice president, who heads the association staff in Washington, D.C. headquarters.

Headliners who will address this year's convention include U.S. Treasury Secretary Donald Regan, Fed Chairman Paul Volcker, former CIA director William E. Colby, American Express Chairman James Robinson, and the Agronsky & Co. panel of noted national reporters.

Special sessions of interest to bankers and wives from banks of all sizes will be offered at various times during the convention, as well as general sessions open to the entire list of registrants. The program outline follows:

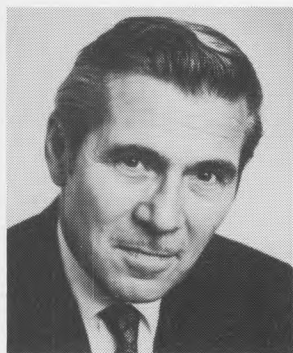
Friday, October 2

Early bird registration will be available all day at the St. Francis Hotel.

Saturday, October 3

9:00 AM: Grand opening ceremonies begin at the front of the Civic Auditorium. The exhibits, Convention Central and registration also open.

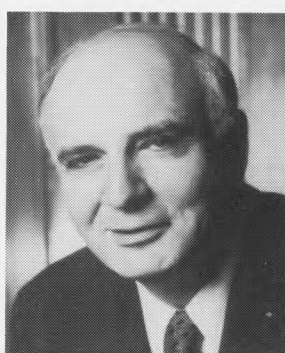
10:00-11:15 AM: A series of thought-provoking workshops are planned, under the direction of ABA's Banking Professions Divisions, with special guidance



W.W. ALEXANDER
Exec. Vice Pres.



D.T. REGAN
Secy. of Treasury



PAUL VOLCKER
Chmn., Federal Reserve



W.E. COLBY
Former Dir., CIA



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ABA convention program . . .



J. ROBINSON
Chmn., Amer. Express

from the Community Bankers Division. Examples of the timely topics to be covered include variable rate lending, asset-liability management, pricing services and staff retention.

Afternoon: Noted economists will present the economic/investment outlook for year-end 1981 and beyond.

4:00 PM: The exhibits and Convention Central close.

Sunday, October 4

8:00 AM-3:30 PM: The exhibit hall and Convention Central are open. Early birds will get the worm—that is, free coffee and doughnuts in the exhibit hall.

9:30-10:30 AM: The Reverend Robert Schuller is the featured speaker at the Fellowship Gathering. Rev. Schuller's weekly one-hour television program, "Hour of Power," is broadcast on more than 140 stations in every state in the U.S. and several foreign countries.

10:45-11:45 AM: A series of concurrent special interest sessions will be held on vital banking subjects.

Evening: ABA hosts a gala reception at the architecturally innovative Hyatt Regency Embarcadero, appropriately located in San Francisco's financial district.

Monday, October 5

7:30 AM-12:30 PM: The exhibit hall is open.

7:30 AM-12:30 PM: Convention Central is open.

8:00-9:15 AM: Another series of concurrent workshops will be presented. Topics of special interest to community bankers will be among those featured.

9:30 AM-Noon: ABA President Lee E. Gunderson leads off the first general session, followed by former C.I.A. Director William E. Colby. American Express Chairman James Robinson will then address the crucial question of non-bank competition.

2:00-4:00 PM: Planning and management are addressed through a forum and breakout sessions, organized by bank size.

Tuesday, October 6

7:30 AM-4:30 PM: Convention Central is open.

7:30 AM-4:30 PM: The exhibit hall is open.

8:15-9:15 AM: Monday morning's concurrent workshops are to be repeated.

9:30-11:45 AM: ABA elects the officers that will lead the banking industry during the coming year. After remarks by ABA Executive Vice President Willis Alexander, Agronsky & Co. will be featured.

2:00-4:30 PM: The previous afternoon's program continues with a turn to techniques and innovations for success.

4:30 PM: A grand prize drawing will be held in the exhibit hall.

Evening: ABA will attempt to outdo its Sunday reception with an extravaganza at the world-famous Fairmont Hotel on Nob Hill.

Wednesday, October 7

8:30-10:30 AM: The closing session is scheduled to include addresses by U.S. Treasury Secretary Donald Regan and Federal Reserve Board Chairman Paul Volcker. Also on the agenda is "Not Quite Ready to Quit, Yet," a certain-to-be inspiring explanation by several community bankers (and possibly a community banker's spouse) of why they are convinced that community banks "ain't dead yet."

10:30 AM: The 1981 ABA Annual Convention adjourns. Begin planning to attend next year's convention in Atlanta, October 16-20.

MasterCard Travelers Cheque Program Attracts 29 Banks as Charter Members

A TOTAL of 29 U.S. and Canadian banks agreed to become charter members of the MasterCard Travelers Cheque program during the U.S. Charter Period which ended June 30. Several more financial institutions have expressed interest in participating in the MasterCard Travelers Cheque program, and further announcements are expected soon.

"Though MasterCard Travelers Cheques are the most recent entry in this field, we're gaining ground rapidly," stated Russell Hogg, president and chief executive officer of MasterCard International. "Despite the various numerical projections of our competitors, we expect MasterCard Travelers Cheques will

soon surpass Visa in the number of issuers and will become the principal challenger to American Express in the very near future."

Among the larger financial institutions that have recently become charter members of the MasterCard Travelers Cheque program are: National Bank of Detroit, Bank of Montreal, First National Bank of Boston, Mercantile Trust Co. N.A. (St. Louis) and First Hawaiian Bank. The first banks to announce their participation in the program and issue MasterCard Travelers Cheques were: Bank of Virginia (Richmond), Continental Illinois National Bank and Trust Co. (Chicago), First National Bank of Cincinnati and

Seattle-First National Bank.

Mr. Hogg said "MasterCard gives medium-size and even smaller banks the advantage of a readymade product and the economies of large-scale operations without the need to establish their own system. The MasterCard program," said Mr. Hogg, "has simply been designed to give the banks a much greater share of the profits."

Members of the MasterCard Travelers Cheque program will contribute .1% of sales as part of their fee for the amortization of startup costs. When the program is fully amortized, charter members will be reimbursed for their contributions on a 2-for-1 basis. Financial institutions which agree to join the program during the current Initial Issuers Period will be reimbursed on a 1-for-1 basis.

What can we do for you?

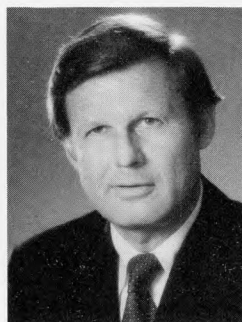
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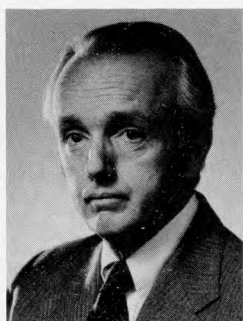
P. V. Miller, Jr.
Vice Chairman



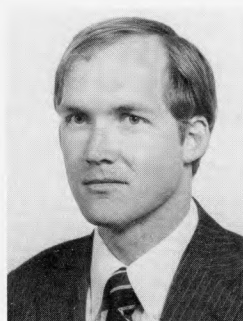
David A. Rismiller
President



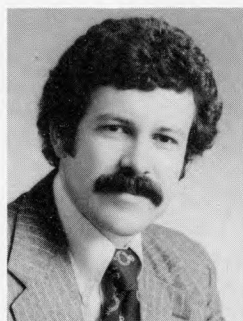
B. M. Lamberson
*Vice Chairman,
Commerce Bancshares, Inc.*



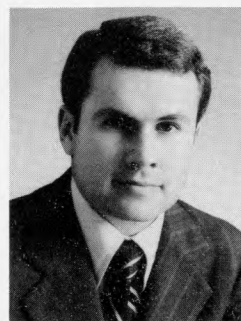
John R. Owen
Executive Vice President



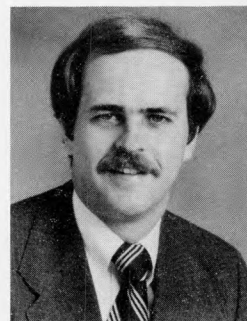
David W. Kemper
Senior Vice President



John J. Williams
Senior Vice President



H. C. Bauman
Vice President



Lawrence H. Holden
Vice President

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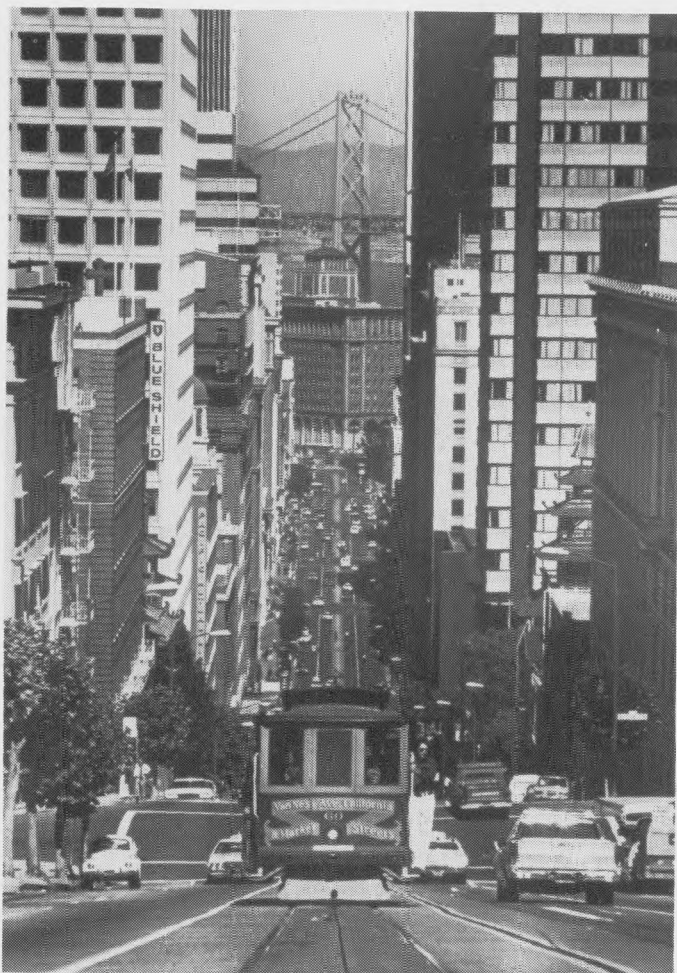


BEAUTIFULLY restored Victorian dwellings from San Francisco's by-gone nostalgic years appear to have turned their backs on the 20th century with complete disdain. The business skyline of the City by the Bay forms the background for this picturesque setting. **RIGHT**—Chinatown's photogenic front door, gateway to the West's biggest Chinese settlement, is guarded by temple dogs and roofed with green, glazed tiles surmounted by other dragons.



San Francisco has it all!

CABLE CAR tracks for the Van Ness Ave., California & Market Streets line lead past luxury hotels on Nob Hill, up-turned roofs of Chinatown, high-rise building's of San Francisco's "Wall Street" to the bay area on this steep, 10-block stretch.



WHETHER you call it the Paris of the West, Baghdad-by-the-Bay, the Gateway to the Orient or just San Francisco, the site of this year's American Bankers Association annual convention is one of the most exciting and scenic cities in the world.

Sightseeing Musts

Hosting more than 3 million visitors a year, San Francisco's principal attractions are its century-old cable cars, America's only mobile National Historical Landmark . . . the 80-some year-old Cable Car Barn at Washington and Mason Street . . . Fisherman's Wharf with its bayview restaurants and colorful fishing craft . . . Pier 30's village of waterfront attractions . . . The Cannery restaurant-retail complex and adjacent Aquatic Park, home of the Maritime Museum, Ghirardelli Square and a flotilla of vintage ships.

There's also Alcatraz, once the site of the U.S.' toughest maximum security prison, now a National Park . . . Chinatown, the largest oriental enclave outside of Asia . . . Golden Gate Park with its Japanese Tea Garden, Steinhart Aquarium, Morrison Planetarium, de Young Memorial and Asian Art Museums and over 1,000 wooded acres . . . Mission Dolores founded by the Spanish padres in 1776 . . . the pagoda-crowned Japan Center . . . Jackson Square, a handsome pocket of historic Barbary Coast buildings, now a home furnishings center . . . the Victorian shopping sector known as Cow Hollow on outer Union Street . . . Ocean Beach and Seal Rocks . . . the North Beach night life district.

The city supports an opera with a glittering tradition, a symphony orchestra in its 68th season, a ballet that has won world acclaim, an annual International Film Festival, four public art museums and dozens of galleries, legitimate theaters presenting top offerings from New York and London and the local production circuit and a resident repertory company, the American Conservatory Theatre, of exceptional caliber.

Built on a series of more than 40 hills, almost every other street points the way to a panoramic view of the San Francisco Bay. The principal hills, which early earned San Francisco the Roman sobriquet of "City of Seven Hills," are Nob, Russian, Telegraph, Twin Peaks, Mount Davidson, Rincon and Lone Mountain.

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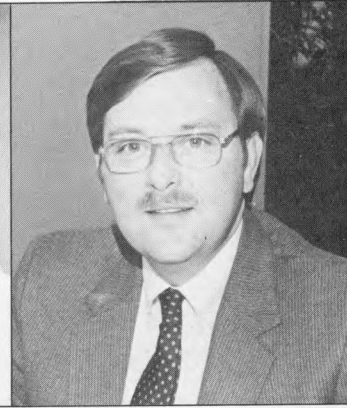
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Vice President*



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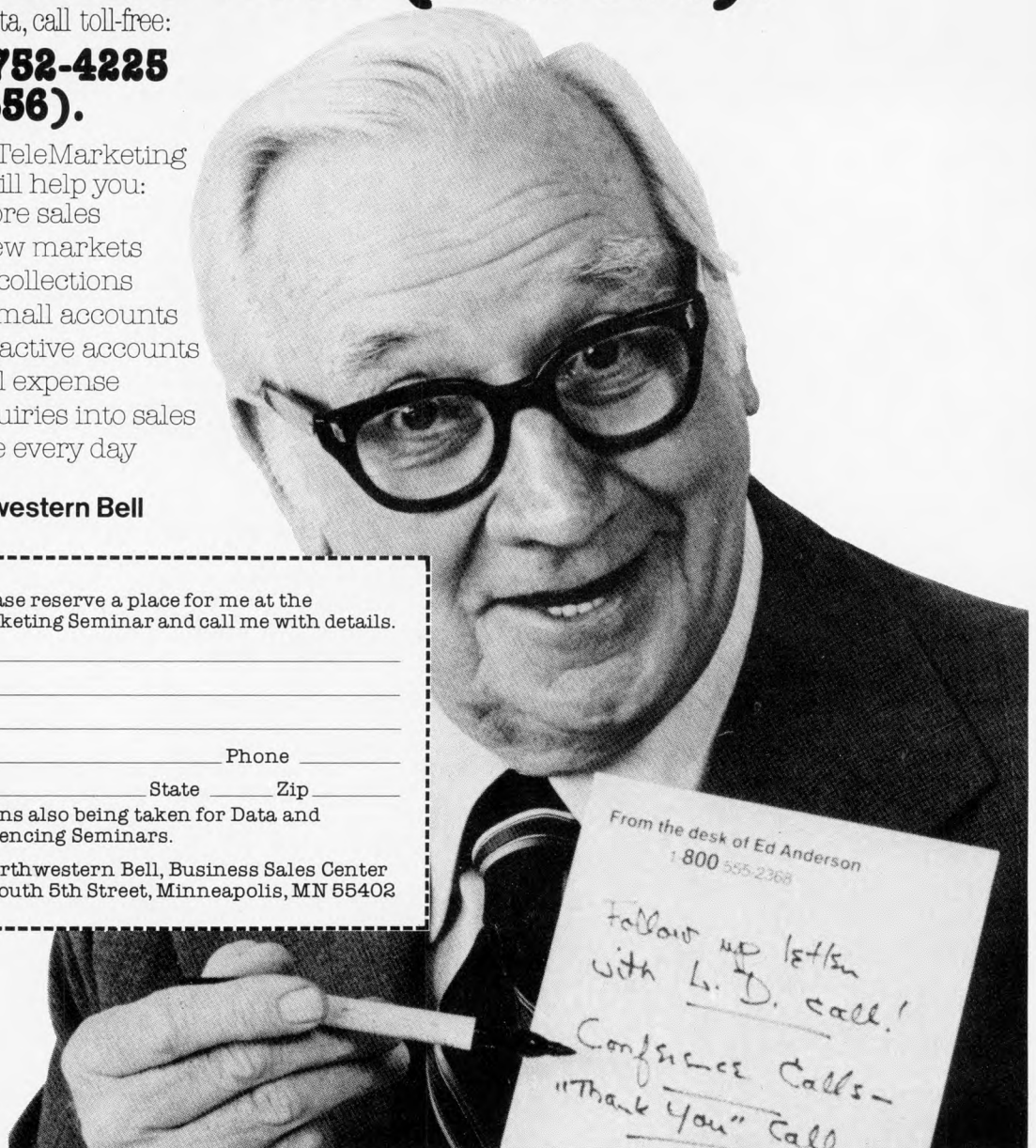
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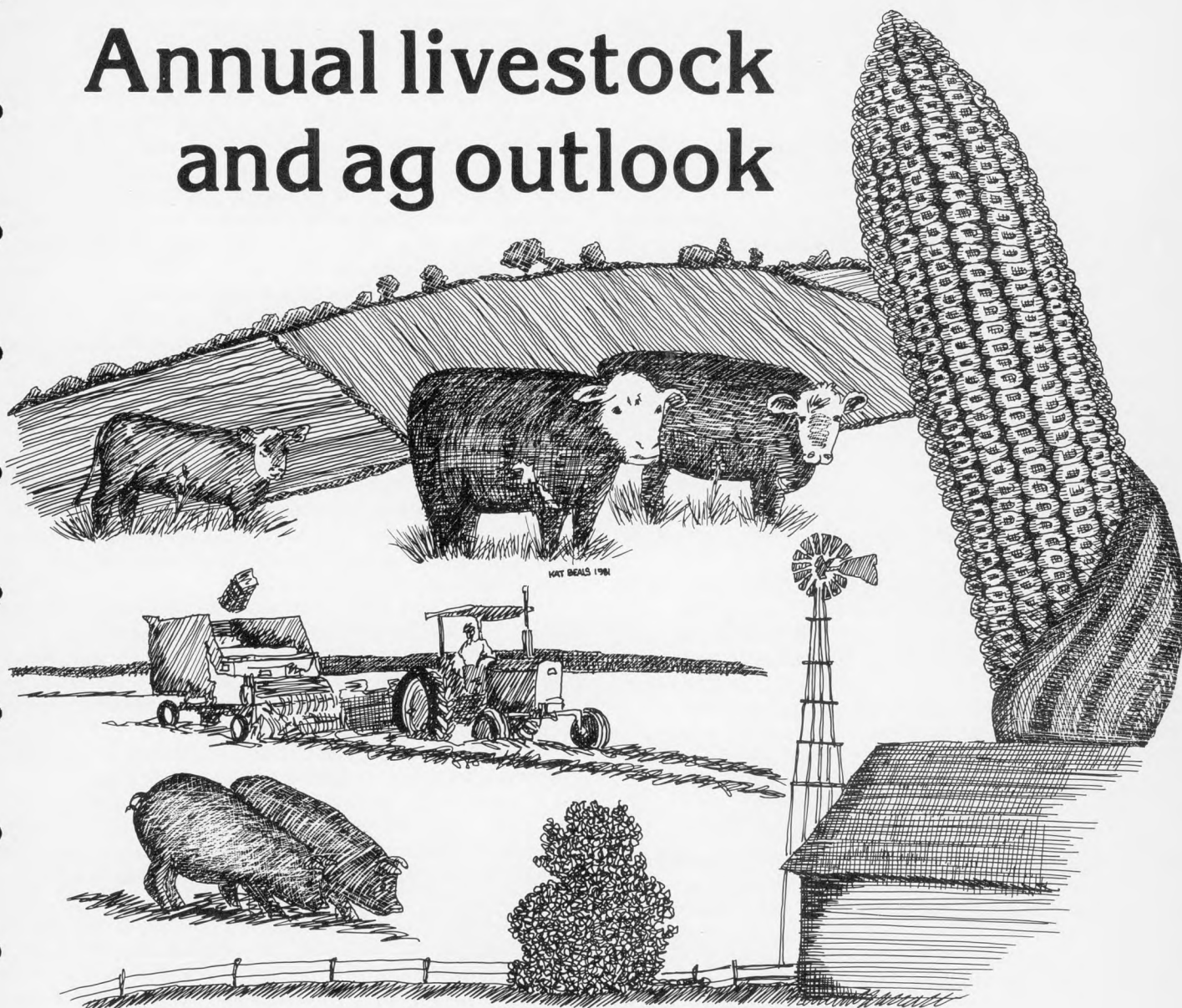
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Annual livestock and ag outlook



—A Northwestern Banker Survey—

DESPITE predictions of another bumper crop in 1981, most farmers and ranchers appear to be facing another bleak year of little or no profit, due to weak prices for both grain and livestock, escalating input costs, and continuing high interest rates. But, with the eternal optimism that has characterized the American agricultural scene for centuries, the nation's farmers continue to set a productivity pace that should be emulated by all other industries.

In this Annual Livestock and Agricultural Outlook issue, a number of agricultural bankers express their viewpoints assessing agriculture's current status, dramatic changes that are developing, and its potential for this nation and the world. This exclusive survey is conducted annually by the NORTHWESTERN BANKER.

On the following pages, the first part of the ag study reflects banker response to the annual ag survey itself. The second part contains a summary of remarks given by four of the nation's leading ag bankers at the

American Bankers Association's Agricultural Banking News Media Seminar at Iowa State University in Ames in July. This press conference marked the opening of the ABA's first National Advanced Agricultural Banking School at Iowa State, which will be an annual ag school on that campus. The third part is a report from the Midwest Banking Institute, a two-year ag program held one week each summer at the Morris, Minn., campus of the University of Minnesota and sponsored jointly with the University by the Minnesota Bankers Association. The fourth part consists of an exclusive report from a professional livestock farmer, James A. Mullins, who is chairman of the National Livestock Meat Board Beef Industry Council. He takes a candid look at the three areas he says will hold the key to future financial stability for his important industry.

This special four-part report is intended to give our readers more information from their fellow ag bankers and experienced ag teachers that might be helpful. □

Part I

Annual livestock and ag outlook

JERRY HENRY, Asst. Vice Pres. & Ag. Rep.
Crawford County State Bank, Robinson, Ill.

HOG SUPPLY will continue about the same as the last two years, with very little expansion. Prices will continue in the mid \$40 to low \$50 range thru the year end. Some producers will break even, some will continue to lose. Cattle supply will decrease and rates will make it impossible. Yearlings will cost \$2-\$3 over fat cattle prices this fall.

Grain production will be a little below average. Late plantings will hurt corn yields, but favorable growing conditions may offset this. A lot of bean acreage, but again, late plantings. Weather will be the big factor. Prices locally, with lower livestock numbers will be depressed thru harvest. Corn will be under \$3, beans under \$7. Export demand will probably shape the grain market.

Local financial institutions should be able to handle ag loans in the future. I believe any major expansion plans by farmers have been shelved for the time being. Any adverse weather (early frost) could change this outlook, overnite. We are currently in the 18-19% range on ag loans. Overline financing costs the customer much more, and he is aware of it.

JACK A. KOBERG, President
Fairmont National Bank, Fairmont, Minn.

THE OUTLOOK for beef and hogs for the remainder of 1981: There is an ample supply of beef in our area. Prices are averaging in the mid to high \$60 range. There is an ample supply of hogs, with the average in the high \$40's. We anticipate yearlings to be in the high \$60's to low \$70's this fall. Supply seems to be able to more than keep up with demand.

Probable grain production in our marketing area: Corn and bean crops look excellent in our trade area, with the exception of a few areas where hail has done much damage. Corn should average in the neighborhood

of 125 bushels, and we are estimating the price to be in the \$2.75 to \$3.00 price range at harvest. We anticipate 40-bushel beans, with a price range at harvest in the neighborhood of \$6.75 to \$7.00.

Funding of ag loans: Banks should have no trouble funding ag loans in our trade area. Loan demand has been very static over the last twelve months. We are currently charging a rate of 18½% for our best ag customers. The city banks are anxious to get overlines, but we have been able to satisfy our overline demand through other rural banks that we are acquainted with.

The PCA is a good source of funds for community banks. In our area the PCA is very active in the farm sector, and as of this point we have not had the need to work with the PCA for funding in our bank. We have certainly indicated a willingness to cooperate if the need arises.

DONALD G. JORGENSEN, Vice President
Converse County Bank, Douglas, Wyo.

WE ARE NOT able to predict prices in our area, but when it comes to price - we ask what will the feeders pay for the yearlings? We have had plenty of rain during our grass season and should have good weight on yearlings and calves this fall.

Ranchers last fall did anticipate some demand for breeding stock in this drought area in other adjoining states, but it continued into the spring of '81, and so we did not sell them before as they thought, and we increased some of our herds over and above replacement numbers, so supply is good in this area.

We are in need of good snow this winter to build up reservoir supplies and fill dams in grazing lands.

Prices anticipated by ranchers in this area are going to be in a range of probably 65 cents to 70 cents on yearlings. With the range in good condition in most areas they will probably hold them for a couple of extra weeks.

Our bank presently is experiencing no difficulty in financing our ranch needs. The rancher has felt higher expenses as probably everyone has and this means some have had higher loans than in the past. Our current loan rate is 19.5% and most ranchers are paying this rate of interest.

Banks in our area appear to have funds to serve agriculture and would experience no problem handling ranch loans now or next spring. Many ranchers have dual incomes - meaning cattle and oil. This helps out many problem areas.

As a whole, we are looking to 1982 to be a better year for our entire economy.

ROBERT D. PATTEN, Vice Pres. & Farm Mgr.
Monticello State Bank, Monticello, Ia.

THE TOSS of a coin is a definite way to make a decision but, would you believe it, it's just likely to become stuck on edge in a crack in the floor. Forecasting for the next six to twelve months may be compared with the above coin toss. The pain of forecasting may be eased by being brief.

Cattle: Very few cattle feeders have been happy the past two years. Celebrations are not in order for this year, although some recovery of fat cattle prices may occur this fall. Lots of forage, grain and the fat market



price recovery will stimulate the urge to bid up feeder cattle prices.

Hogs: Still worth the effort to stay in the business, especially if a producer has the management ability.

Corn: Bumper crop prospects. In spite of poor crop conditions in some corn belt areas, prices will average lower the remainder of this year. Prices will average under \$3.00 for the balance of the year.

Soybeans: Excellent crop prospects. The same statement regarding price can be made about soybeans, as was stated about corn. Estimated at \$6.50 per bushel and under for the balance of the year.

Loans: Sufficient funds for agriculture. We have no overlines with correspondent banks. Current interest rate on agriculture loans is 17%. (Please do not ask what the rate will be next month. The coin just landed on edge!)

WALTER D. NYSTUEN, Senior Vice President
Foster County Bank & Trust Co., Carrington, N.D.

WE HAVE no commercial producers of hogs in this country.

As for cattle, most producers are not very optimistic for year end prices. They are expecting yearly prices to be about 60 cents.

In our area, early reports are that the small grain will bear good yields; however, there will be a large variation in quality. Nearly all small grain will go into storage since we expect prices will not be much over loan.

Sunflower crops appear excellent so far, but most fields are in early bloom so most fields will need another month of frost-free weather to mature.

Most farmers here expect more problems with marketing than with production of their crops.

Yes - most community banks will be able to fund ag loan needs. They will be able to make arrangements through correspondents or credit companies available to them. We in North Dakota are fortunate to have the Bank of North Dakota which has given us good service and cooperation.

Since our bank has its own credit company, which discounts loans with FICB, we do not use the local PCA as a source of funds.

GERALD C. HUNKE, Chairman & C.E.O.
First National Bank, West Point, Nebr.

SINCE West Point is predominantly an agricultural trade area, your feature title - Annual Livestock & Ag Outlook Report - is the crystal ball for which answers become more important each year.

In checking with local buyers, we see no problem with obtaining feeders for the lots this fall. Longer term we may see fewer numbers available, as some cow calf sets were sold in drought stressed areas, with the cows going for slaughter and calves weaned earlier than usual. This came about because of the high cost of hay, where pastures could not support their usual numbers.

This fall we will not have dollar a pound calves, as 400 weight steers are bringing \$72 to \$74 a hundred, and heifers \$64 to \$66, with 600 weight cattle at \$66 a hundred for steers and \$58 to \$60 for heifers. Many of our farmers are diversified. Along with their cattle operation they are farrow to finish in the hog business. It takes a certain kind of person to run a good hog operation and we are fortunate to have many of them. With February hogs



at \$54 on the board, it would seem we could lock in some profits in the hog business. Longer range we must remember hog numbers can increase within a six month period, depressing prices again.

Irrigation is expanding rapidly in our county, but most acres are still dry land crops. Grain production ranges from below normal to excellent, with most fields looking very good. We were dry early, but rains coming in mid-July changed the potential greatly, especially on soybeans. With the potential crop coming up we could see corn under \$3.00. Soybeans are currently around \$6.55 cash, with fall delivery of new beans at \$6.33. An early frost would be about the only thing that would cut soybeans yields in our area.

Banks in our trade area should be able to fund the ag loan needs. The important aspect of lending today is to monitor credit to avoid potential losses. Currently, rates run around 17½% to 18½% in our rural area; however, for overline lending, they can expect rates of 19½% to 20¼%. Country banks may find it some what more difficult to overline, with city correspondents, but I still think we need to look at all credits very closely, and this will make them easier to sell.

We set up an Agricultural Credit Corporation with FICB prior to the PCA having a full-time office in our community; therefore, we have not had an opportunity to overline with them. Our Agricultural Credit Corporation has worked well for us.

DICK VAN PELT, President
Bank of Laramie, Laramie, Wyo.

IN OUR AREA, we have had an excellent grass year after an easy winter. We did not harvest the hay crop that we usually cut but most ranchers had a considerable amount of carry overs. Depending on the winter, hay should sell in a range of \$65-75/ton.

As of today, early August, the fall cattle market looks a bit tough for the producer. There has been very little interest in contracting cattle in our area because of reluctance of both buyer and seller to put their names on the dotted line. Feeder cattle prices have dropped substantially since last fall and I am not optimistic about much improvement in the near future. Even with reduced numbers, the whole system lacks vitality.

I think we will sell yearling steers in a wide range this fall with the bulk going out at \$60-63/cut for 700 lb. steers in October and \$67-72 on 400 lb. calves. Prices could improve in November and December if there is any



improvement in the fat cattle market and a lowering of interest rates.

Our current interest rate on ag loans is 18% and we will be able to fund our ag customers in their needs as I think most banks in our area will be able to. We also have an excellent relationship with our correspondent bank on our over lines.

ROBERT L. REIQUAM, President
First National Bank in Miles City, Mont.

THE OUTLOOK for cattle this fall is not good. While numbers are down in Southeastern Montana because of the previous two years of drought, this evidently isn't the case nationwide, as USDA tells us the current cattle count is up to 125 million head. We had some lifesaving May - June rains that grew some grass and there should be good weights on both calves and yearlings.

As of early August we have not had any contracts on either calves or yearlings. Our producers need \$1.25 on steer calves and \$1.00 on yearlings, but current markets, futures prices, feed prices, interest rates and other costs of the feeders tell me we'll be darn lucky to see 75 cents and 65 cents. That won't pay up many bills, pay interest and certainly won't retire much debt and allow any for living with cost factors as they are.

Grain production in Southeastern Montana is just short of phenomenal. Winter wheat yields are about the best ever, where hail has not been the grim reaper. Again, price is not exciting. Freight is a killer from here and it looks like the low \$3.00 area is about where the market will start on dark hard winter wheat. Increased sales to Russia or China would be a psychological boost, but I am not optimistic about that happening before the end of this year.

Community banks could certainly fund ag loan demands, but rate advantage for PCAs is making competition a bit rough. We have not had any difficulty in funding overlines with big city banks, but customers have balked at "prime plus" interest rates. We establish in-house rates for ag and commercial loans on a weekly basis dependent on six-month market costs, as these assets-liabilities are nearly a direct offset. Six month maturities or rate adjustments are a maximum, as we try to keep pace with the gyrating money markets. The first week of August "best rate" was 19%, but it will change again next week.

I don't see anything good about PCAs for commercial banks. PCAs have done an outstanding job of providing liberal credit at lower cost to farmers and ranchers, and their expanded powers under the Farm-Credit Act Amendments of 1980 will provide opportunities far beyond that ever expected when the concept of co-op lending was formed. The FCA will be back to Congress in the future wanting a few more little favors like trust powers, leasing authorities and transaction accounts. They will appreciate commercial banks continuing to purchase their state tax-exempt bonds, however.

The division of the banking community over the Farm Credit Amendments of '80 was clever strategy for the proponents. It will be interesting to see how many commercial banks benefit from this act. It appears to me that a good many of the larger banks will be eliminated because they will be accused of having other sources of funds, the small banks because of insufficient capital, and a good many in the middle because of other technicalities. I hope I'm wrong.

Ag financing, as with all small business, will be tough in the next couple of years. There will be many failures, both of the businesses and in the attempt for constructive financing. The survivors will be much wise and financially sound.

KEN TROM, Senior Vice Pres. & Ag Rep.
First National Bank of Blooming Prairie, Minn.

BASIC outlook on cattle and hogs - market steady with increasingly higher production costs that will continue to narrow margins on both.

Basic outlook on grains - without some news, bullish or bearish, we expect steady markets for the coming year.

If country bankers will take the initiative to explore other sources of funds they should have no big problem supplying credit to ag in their areas. The only problem with overline financing with city correspondent banks is the high rates being charged relative to other sources of credit.

We feel PCA is an excellent source of funds for our bank in that they have very competitive rates and their people have a good deal of expertise in local agricultural problems. Our local PCA has been participating our overlines for nearly eight years. Our relationship with PCA has been very beneficial to our bank and our customers. We are presently exploring the possibility of a financing relationship with FICB directly also.

ROGER J. HOLCK, Vice Pres. & Ag Loan Officer
Citizens National Bank, Charles City, Ia.

THE GENERAL condition of crops in north Iowa is excellent. Frequent rains and ample heat units have produced potential record corn yields. There is concern, however, that the soybean crop may suffer some yield loss because of excessive moisture. The exception to the bumper crop potential is the large area that has suffered hail damage. A late June hail storm caused excessive damage and thousands of acres of soybeans were replanted. In the event of an early frost, the replanting effort would be fruitless.

Grain prices remain stable and in many situations the return from grain will not meet production costs. The

primary variable element is land usage cost. Continued efforts must be made by farmers and lenders to seek creative ways to insure a higher return and, in turn, hedge against the risk of high production costs. Opportunities are available now with the use of the futures market and forward contracting to "lock in" a profitable return for both the 1981 and 1982 crops.

The livestock outlook remains depressed. Producers who are carrying a large facility debt have little, if any, profit remaining once production costs are met. Again, a marketing plan which involves the use of the futures market has and will continue to allow a profitable return. Producers who market frequently seem to have an advantage, because of cash flow, over the producer who markets once or twice a year. The beef producers must respond to the consumers' demand for lean beef and not let pride cause them to over-finish cattle and consequently take a dock on the market price. This fallacy is also complicated because of lower feed efficiency; therefore, less return per bushel of corn fed. Livestock expansion will be at a minimum until profitable returns become the rule rather than the exception.

DICK STINSON, Vice President

Rock Falls National Bank, Rock Falls, Ill.

FEEL the outlook for the following will be:

Hogs

Supply: Feeder Pigs - up. Fat Hogs for market - up.

Prices: Feeder Pigs - steady. Around 90 cents to \$1.00 per lb. Fat Hog Market - up to \$50.00 then lower into winter and spring.

Cattle

Very little incentive to feed cattle!

Feeders: Supply should be large; demand slow; prices - steady to high.

Fat Cattle: Price outlook - below profit levels - \$70 range.

Grain Production - Excellent: Bumper corn and soybean yields of good quality grain.

Price: Expect grain prices to move up to \$3.40 range. Soybeans to stay in \$7-7.50 range. Reduced livestock opportunity will keep grain prices on the low side.

Banks - We will allocate plenty of money to finance our farmer's production costs! 3-5 year intermediate money will be even more available as banks try to match funds coming in on longer term investments.

Interest Rates - currently at 19%, will stay high. Farmers may sell grain earlier to reduce debt and attempt to take advantage of the high interest they can earn on CD's and 2½ year investments. Don't see any big problem with correspondents, but we don't use them much.

P.C.A. - could be a source of funds, but I'd rather go to FICB than to the competition.

DOUG R. ANESI, Vice President

First Wyoming Bank, N.A.-Lander, Wyo.

THE SUPPLY of cattle in the Fremont County area of Wyoming this fall and up to year-end is going to be very good, primarily due to the very mild winter we experienced. The majority of the calf crops looked very good going onto grass this spring and with the early spring moisture we were blessed with, those calves got a

very good start. Prices on the other hand do not look good at all. There is very little action taking place for fall contracts and those that are being talked about are in the low to mid-fifties with only a two to four cent spread between heifers and steers.

Some order buyers have indicated that prices on yearlings may be in the low to mid sixties. There are very few hogs raised in this area. Not a sufficient amount to test the market.

Grain production in our area is being described as "the best crop ever." Malting barley is the primary grain crop grown in Fremont County and this season growers are averaging 80 to 100 bushels to the acre. The Coors Brewing Co. has contracted malting barley for \$8.00/cwt and on the open market it is being purchased at an average of \$6.25/cwt. Feed barley is being purchased for \$5.00/cwt. The limited oat production is described as good with yield averages of 80 to 85 bu/acre and an average offering price of \$5.75 cwt.

The community banks in our area have funds available for agricultural loan needs but because of the extremely high interest rates most agricultural borrowers have moved their lines of credit from the banks and are now financing with P.C.A., the Federal Land Bank and F.H.A. Our bank's best rate today on agricultural loans is 21%. Resultingly, we are not experiencing any problems with overline financing.

The P.C.A. office in our area does not as a rule provide funds for community banks nor do they buy over lines. Most of the agricultural operators deal directly with the P.C.A. office. At the present time the local P.C.A. office is writing its ag lines at 16.9%, with a 10% stock fee, resulting in a new interest rate of 18.75%; not good, but lower than local banks.

OLIVER A. HANSEN, President

Liberty Trust & Savings Bank, Durant, Ia.

AT THIS STAGE (August 3rd) it would appear this area is headed for an excellent corn and bean harvest. Even though we benefit from a river market, no one is overly optimistic about the price outlook. Unless something develops which will increase exports, the price this fall shows little chance of an increase.

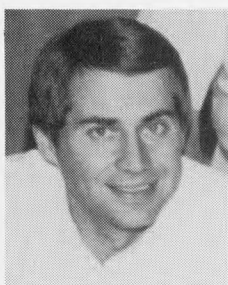
In the past this usually meant the purchase of more feeder cattle. Losses of recent months, present prices of fat cattle and interest rates have really dampened any enthusiasm about feeding cattle. If feeders remain in the low 60's and fats work up toward 70 again there might be some enthusiasm. Many feeders of former years have simply dropped out of the business and it is not too likely they will want to go back to winter chores.

If corn prices don't work upward I'm certain we will not see a drop in hog production. Should this happen nationwide, we have the capacity to overproduce pork very rapidly with cheap grain. With plentiful grain selling at a low price and unemployment affecting demand for meat products, one can't be overly optimistic.

Loan demand has been very quiet and ample funds are available. It isn't the supply but the price, even though we have remained extremely competitive on rates. Unless we see general price improvements for farm commodities, some operators will find out what "cash flow" really means this fall and winter. After harvest, statements could be interesting! □



Funding ag loans



ALAN R. TUBBS
President
First Central State Bank
DeWitt, Ia.

TRADITIONALLY, nearly the entire source of funding for bank loans has come from the small depositor who invested in bank savings and certificates at rates regulated by law. In effect, the small saver was subsidizing the borrower. The overall increases in the general level of interest rates, accompanied by the offering of the money market certificate at rates reflecting money market yields, began a significant change in the structure and costs of small bank deposits. The new structure reflects higher and more volatile costs and shorter maturities.

Agricultural banks have learned to accommodate this changed liability structure by changing loan pricing strategies and matching asset maturities to the average maturity of liabilities.

While the money market certificates have allowed banks to compete for deposits with other regulated intermediaries, the competition from unregulated competitors continues to lure away deposits which otherwise might be available to the agricultural bank and in turn used to finance agriculture.

Money market mutual funds are by far the largest and most successful competitor for deposit dollars. Their growth in the last two years is a story in itself. Since January, 1979, the assets of money market mutual funds have increased from approximately \$10 billion to well over \$120 billion today and recently they have been growing at nearly \$2.5 billion per week. Their assets today are approximately equal to the assets of the 8500 smallest banks (these are the agricultural banks) in the United States. Some of the investment in the money market mutual funds gets channeled back to banking but rarely does it get back to the agricultural bank.

FUNDING AG LOANS . . .
(Turn to page 120, please)

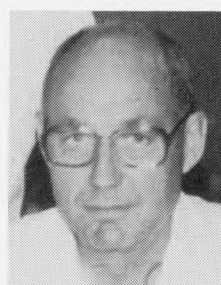
Part II

How bank

FOUR experienced agricultural bankers and a professor of agricultural finance told more than a dozen agricultural reporters and editors recently how banking regulatory changes and inflation are altering the way banks do business with their ag customers.

The occasion for the press conference was the opening of the American Bankers Association's first National Advanced Agricultural Banking School at Iowa State.

Cost of deregulation



LESLIE W. PETERSON
President
Farmers State Bank
Trimont Minn.

WITH deregulation, we have seen some relief from rigid usury laws, permitting banks to price their loans to preserve their margins. They have done this by matching maturities of loans to deposits to permit rate changes as costs change. This, however, is often a cumbersome method, particularly in financing agriculture where structuring loan maturities to income flow is a necessity. A banker doesn't like to be assessing interest payments when his farm customer has no cash flow.

Many bankers are finding the use of variable interest rates on loans a much more satisfactory method to maintain their margin. Though variable rates are new to many country banks and farm borrowers, they are both finding advantages in this method.

For the bank;

1. It permits pricing at a constant margin, enabling the bank to pass the incremental cost to the borrower.
2. It enables the bank to pass on the cost of marginal funds in periods of tight money and high rates.
3. It permits the bank to adjust rates competitively to cheaper core deposits in periods of slack loan demand.
4. By being able to pass on the price of purchased funds, a bank can comfortably make seasonal commitments in advance to farmers which may exceed the banks core deposit base.

For the borrower;

1. He is not locked in to today's high rates.
2. He has more assurance that funds will be available on a continuing basis, even though the cost is not known.

COST OF DEREGULATION . . .
(Turn to page 66, please)

deregulation affects farm customers

University in Ames, Ia. The four bankers discussed how ag loans can and will be funded, the cost of deregulation, innovative bank/ag services and the long range focus.

Dr. Peter J. Barry, professor of ag finance at the University of Illinois, Urbana, and moderator of the press conference, gave an overview of inflation and banking deregulation. He said the farm sector is the fastest growing domestic user of credit. He noted that

"since 1975, total farm debt grew at 14.4% per year; non-real estate farm debt grew at more than 16% and farm real estate debt grew at a 12% rate." The fastest growing component of farm costs today, he said, is interest payment.

Dr. Barry reviewed many of the problems, risks and pressures of farming today, then introduced the bankers whose remarks are summarized below.

Bank/Ag services



WALTER W. MINGER
Senior Vice President
Bank of America
San Francisco, Calif.

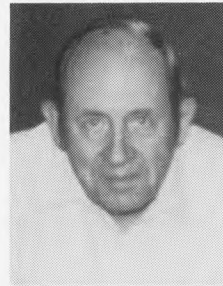
WE SHOULD talk about financial services, not banking services. The increased competition that will arise from a growing number of institutions for agricultural business will benefit users, but it will also increase the pressures on each of the institutions for performance in areas in which they may not presently be involved. The thirst that agriculture and agribusiness will have for capital, to which one must add the uncertainty arising from volatility of commodity prices, will require not only increased borrowing, but also better management of the assets and liabilities controlled by farm and agribusiness operators. The financial entities will develop services that will provide a competitive edge, albeit possibly short-lived, to meet the needs of their agricultural customers.

- Control Data Corporation is using its electronic sophistication to provide information systems for small farmers. My understanding is that this pilot program has been relatively successful. It means that smaller banks can provide extension of up-to-date information to their customers, large or small, to make each of their borrowers stronger operators. With compatible equipment in banks, and terminals in the offices of their borrowers, operating budgets can be initiated and kept up to date with great ease. Some of these terminals can be utilized to display some of the information that Control Data is providing to its pilot group of farmers. Market information on commodities, local real estate data, leasing and rental information, notices of sales, and weather information can be quickly made available to a bank's entire serving area.

- Combining portable ground stations with a satellite and a centralized computer which ties into the U.S.

BANK/AG SERVICES . . .
(Turn to page 83, please)

Long range focus



C. N. FINSON
President
National Bank of Monticello
Monticello, Ill.

AGRICULTURAL bankers will face new challenges as banking emerges from 50 years of tight regulation and a generation of Regulation Q. These challenges will affect the manner in which banks service the needs of their farm customers and will influence all aspects of bank operating policy.

A look back at agricultural banking during this 50-year period of regulation will identify several conditions. Low interest rate regulation of savings and time deposits tended to keep the cost of funds to rural banks relatively low. These banks were then able traditionally to loan to their farm customers at lower than money market rates. As loan demand increased, rural banks were limited in their ability to compete for funds outside of Regulation Q as could money center banks and institutions by offering money market funds. Banks, under Regulation Q, have tended to be stereotyped since all came under the same rate limitations and regulations. Innovation and individuality among banks and bankers have been discouraged.

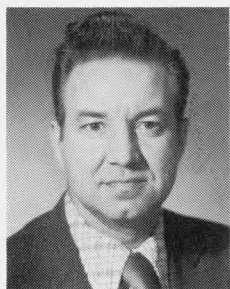
It is reasonable to assume that many of the existing financial trends in agriculture will accelerate in the future. Farming units will continue to increase in size. Ownership may tend more and more away from the family farm to off-farm ownership structures. The heavy load of estate taxes and increasing capital requirements will make it more difficult to pass family ownership from generation to generation. Agriculture will specialize to even greater degrees and production will improve in quantity and quality. Capital requirements will increase, not only because of greater unit size, but because of the development of more sophisticated, automated labor saving equipment. Profit margins will

LONG RANGE FOCUS . . .
(Turn to page 83, please)

Part III

At Midwest Banking Institute—

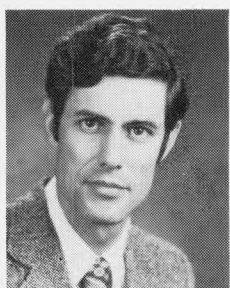
Ag outlook: Bright but uncertain



P. HASBARGEN



D. DERR



O. DOERING



W. BERTHIAUME

THE OUTLOOK for agriculture in the 80s is generally bright but somewhat uncertain predicted several instructors at the Midwest Banking Institute, which wrapped up its annual week-long session at the University of Minnesota, Morris Campus, Friday, July 31, 1981.

"I'm optimistic about agriculture," Paul Hasbargen, ag-extension economist at the University of

Minnesota, told some of the more than 200 bankers attending the Institute. We'll see a strong agriculture economy in the 80's as a result of tight grain supplies. "The price of grain will continue to increase at least as fast as the general inflation level," he predicted. Because of high inflation rates though, higher debt farmers will have lower earnings. "Those farmers who are highly leveraged will have difficult years," he said.

According to Derl Derr, director of the Agricultural Bankers Division of the American Bankers Association, the overall outlook for farmers is favorable, although future government programs will play a key role in the growth of farm income. Specifically, Mr. Derr pointed out that inflation rates, international trade, transportation and energy policies could potentially have a major effect on farm income.

Otto Doering, professor of ag-economics at Purdue University in Indiana, painted a less rosy prospect for farmers. "Farm land prices may go down or stabilize during the next year," he said. "The best we can expect is that farm prices will remain stable . . . which means that land values will actually drop." This will present major problems for a good proportion of the farming community.

"In the past, the farmer has lived with high inflation by being able to count on land going up in value." But, if land values no longer continue to increase, farmers are going to have difficulty obtaining adequate short-term funds. A reduction in farm lending, however, will not occur if commodity prices go up enough to compensate for stabilizing land prices, Mr. Doering pointed out. Thus, if commodity prices rise quickly, through a grain sale or other change in the world market, this potential problem could be averted.

Mr. Hasbargen, Mr. Derr, and Mr. Doering were just three of the more than 30 faculty members participating at the Institute. The lecturers, representing academia, government, farming and banking, spoke on topics ranging from estate planning to livestock marketing, with primary emphasis on how bankers could improve their financial analysis of farming operations and their financial counseling services to farmers.

Specific topics included credit analysis, futures trading, business lending, effective communications, as well as the economic outlook for farming.

"Today's farmer and banker must be a skilled manager with expertise in science, economics, engineering, and agronomy," Wayne Berthiaume, Institute administrator and administrative vice-president of the Minnesota Bankers Association, told Institute students. "Amateurs don't survive. Not in farming, and not in agricultural finance. The successful banker also must know about agri-business relations, the sources of funds, farm financial planning, pricing of services, credit analysis, plus a variety of other areas dealing with the ultimate survival and profitability of the bank and farmer."

The goal of the Institute, according to Mr. Berthiaume, is to help bankers become more professional in their handling of agricultural lending issues.

Established fifteen years ago, the two-year Institute program, which is held one week each summer at the Morris Campus of the University of Minnesota, has grown to enroll some 200 students annually. □

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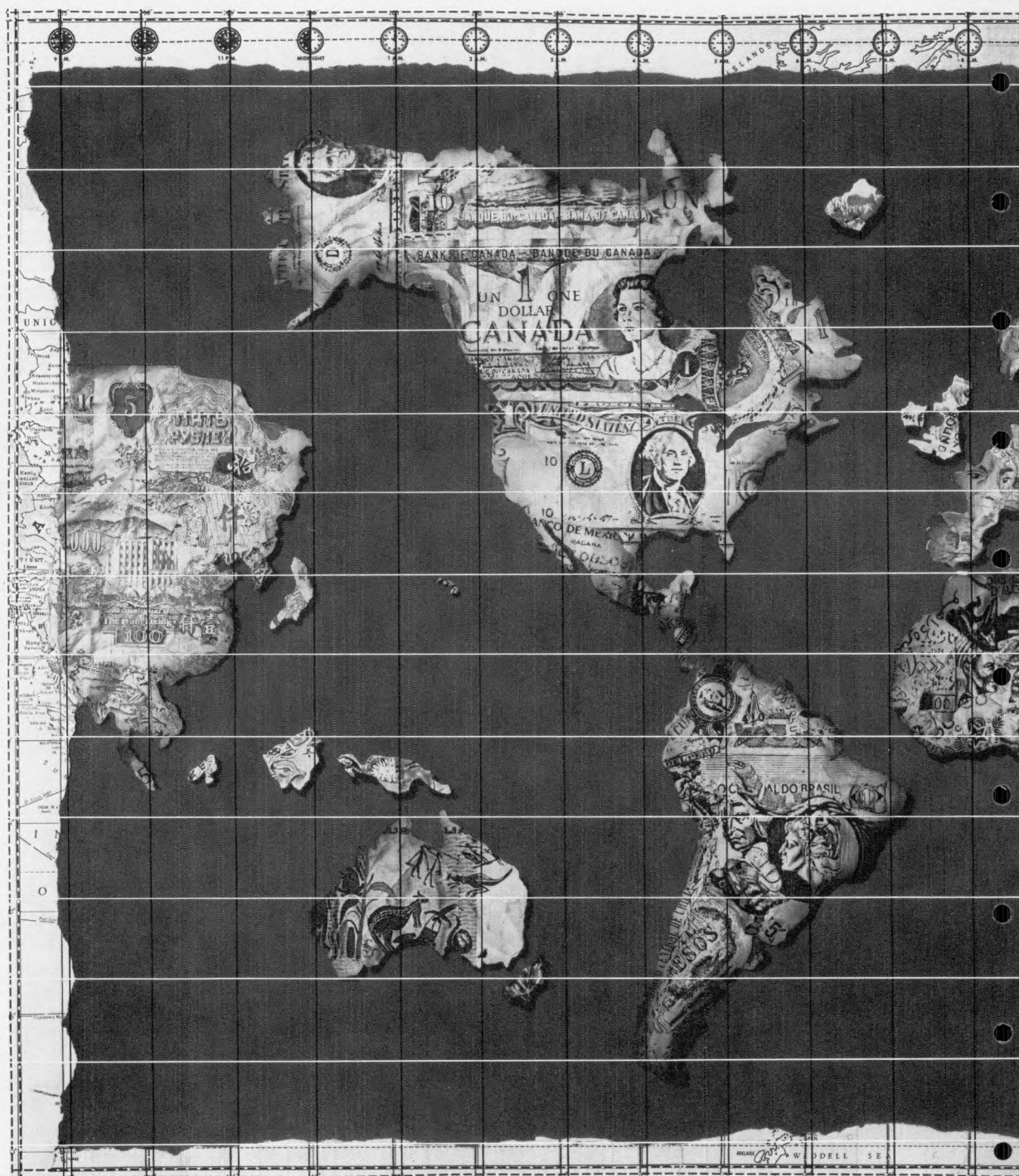
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IF IT HAS ANYTHING TO DO WITH



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MONEY, ANYWHERE IN THE WORLD, WE CAN HELP.

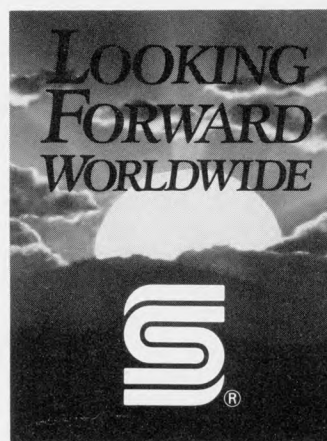
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If you're a corporate officer, remember this: Each day the sun rises, there's a bank that can help you find opportunities anywhere you want to look for them. Security Pacific Bank.

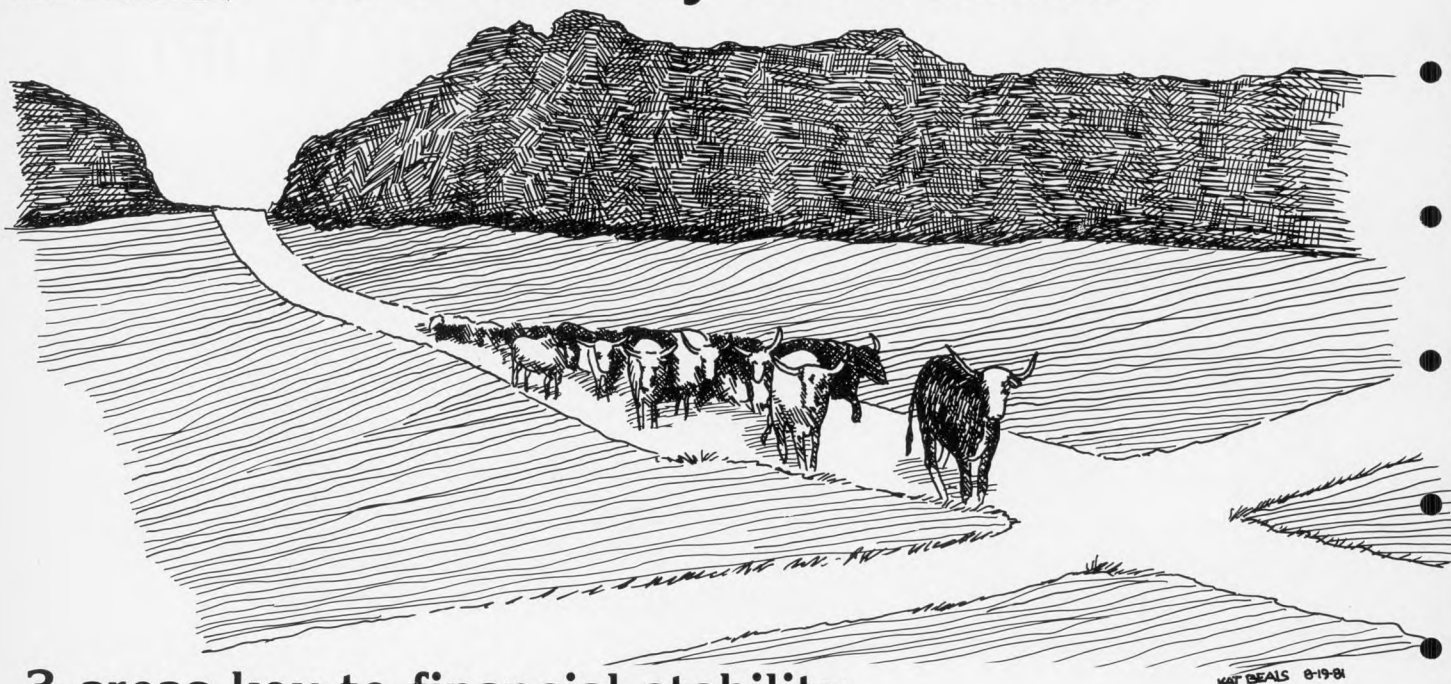


SECURITY PACIFIC BANK

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Part IV

Beef industry at crossroads



3 areas key to financial stability

Written especially for THE NORTHWESTERN BANKER

By JAMES A. MULLINS

Chairman, National Livestock and Meat Board
Beef Industry Council, Corwith, Ia.

THE BEEF industry is at a cross roads. We must come to grips with problems in three key areas to regain a semblance of financial stability. These areas are the kind of product, product volume and level of promotional activity cattlemen will support.

Kind of Product

- What does the consumer really want? I don't think the industry today knows the full answer to that question. We know the consumer wants a product that is lower in cost, contains more lean meat and maintains its traditional taste, nutrition and versatility.

Today's consumer is changing. We need to study the various segments of the market, determine their needs and wants and produce for them. For example, two of the fastest-growing population segments are persons age 25-44 and working women. Their needs are different from those of the "traditional" family, which makes up less than 20% of today's households. The new consumer is different in terms of size and meal preparation time.

Cattlemen can meet these new demands in two ways. First, a change in the grading standards can focus production on the desirability of a leaner, shorter fed animal. Secondly, through more closely defined genetic objectives, the industry can produce animals that will be more economical to raise, fit the grading standards, and still meet consumer quality demands.

Product Volume

- The production level in 1980 was 105 pounds carcass weight per person. We sold at a loss, although the level was down from a high of about 130 pounds per person. Obviously, we are producing too much beef for the demand to make the business profitable.

We recognize that a major reason for decreasing beef demand is a poor economy. Other contributing factors include the diet/health controversy and vegetarianism. The industry will start to react to declines in demand by cutting production further. That indicates a liquidation phase over the next couple of years — just when reports indicate we had started building herds. This will keep further pressure on cattle prices during the coming inventory reduction phase, a move necessary to return some profitability to the industry. That profit level may be only 80-90 pounds per person in consumption.

Level of Promotional Activity

- Finally, what level of promotional activity will cattlemen support? We need to include all programs of human nutrition and product research, educational activities for students and adults and paid advertising with retail coordination.

Today, the industry is investing 3 cents per consumer. By mid-1982 we hope to triple that investment. That longer term goal is 30 cents per consumer.

With these dollars we'll find out, in more detail, what advantages beef has in nutrition and what consumer attitudes are toward beef and competitive products. We'll develop educational programs, based on the research, for K-12 students, and concentrate advertising and point-of-purchase materials reaching the consumer.

Problems Are Long-Term

The problems facing the cattle industry are long-term and complex. It's easy to look at the negatives and paint a discouraging picture. But there are real plusses for the industry, not the least of which is consumer's preference for beef. We've taken the first steps to build our efforts through financial contributions by cattlemen to sustain a national promotional and research effort. Short term benefits will be minimal. Long term results will mean survival for those innovative and efficient producers who will make up tomorrow's industry. □

**INCREASE
PROFITABILITY**

**PREVENT
LOSSES**

**GUARANTEED
MAXIMUM
YIELD**

**The ICS Home Equity
Loan Profit Program**

Home equity loans represent too great an opportunity to overlook in today's market. Loans of this type will generate substantial income and the home owner is your most stable customer. In addition, your cash flow will be improved since the funds will not be committed for long periods of time, as is the case with first mortgage financing.

The no risk ICS Home Equity Loan Profit Program provides an incentive to pursue this business in a vigorous and aggressive manner. We offer a flexible, dynamic program designed to provide 100% coverage against loss on home equity loans.

ICS guarantees prompt, 100% reimbursement of the unpaid principal, plus interest and costs. You determine the rate of return on all home equity loans written. Full loss protection guarantees that return.

When you determine a loan is uncollectible, simply file the loss, and payment will be made within 10 days.

ICS, a subsidiary of Old Republic International, brings you 27 years of underwriting and marketing expertise. Currently, over 1700 financial institutions are enjoying the benefits of our unique and innovative programs covering both property improvement and home equity loans.

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John D. Mangels Elected RMA President

JOHAN D. Mangels, president, Rainier National Bank, Seattle, Wash., was elected president of Robert Morris Associates, the national association of bank commercial loan and credit officers, in the association's annual election on August 7.



J.D. MANGELS

Douglas W. Dodge, executive vice president, Mercantile-Safe Deposit & Trust Company, Baltimore, Md., was elected first vice president. Jack R. Crigger, executive vice president, American National Bank & Trust Company, Chattanooga, Tenn., was elected second vice president. All terms are for one year.

In addition, four new directors were elected to the RMA board for three-year terms. They are John Langeland, president, Zions First National Bank, Salt Lake City, Utah; Robert P. Priest, senior vice president, Merchants National Bank of Topeka, Kan.; Glenhall E. Taylor, Jr., executive vice president, Wells Fargo Bank, San Francisco, Calif., and Edward J. Williams, treasurer, Brown Brothers Harriman & Co., New York, N.Y.

Also, Michael J. Horgan, who is completing a three-year term on the RMA board, was elected to fill an unexpired one-year term. Mr. Horgan is senior vice president, Citibank, N.A., New York, N.Y.

The new officers and directors began their terms of office on September 1, 1981.

RMA President Mangels has been with Rainier National Bank since 1950. He was named vice chairman of Rainier Bancorporation in 1975 and president of the bank in 1976. Mangels is a member of RMA's Puget Sound Chapter.

Chilton Offers Consumer Class Action Insurance

At the recent annual meeting of the Chilton Corporation in Dallas, Tex., Chairman J.E.R. Chilton, III announced formation of Chilton Insurance Company and explained its new product to shareholders in attendance. Through a national

general insurance agency, Chilton will market to banks and savings and loan associations a previously unavailable program of insurance known as Consumer Credit Class Action Insurance.

A totally new coverage for the financial industry, this insurance protects the insureds against awards of actual damages, civil penalties, court costs and attorney fees resulting from class action lawsuits brought under the Federal Truth in Lending Act, Fair Credit Billing Act, Equal Credit Opportunity Act, and Electronic Fund Transfers Act.

It is the opinion of the Federal Reserve Board that many small and medium sized institutions are not in total compliance with these acts and regulations because of the prohibitive expense involved in doing so. And, in spite of the fact that violations of these statutes are subject to suits for up to \$500,000 in class actions, this type of coverage has been, to this point, non-existent in the market.

Mr. Chilton stated, "With our company's market position and reputation, as well as our established relationships with so many firms in the financial services industry, we feel that providing a product such as this makes a lot of sense. As you know, we've been heavily involved in credit legislation affecting our customers for quite some time. Not

only have our people lobbied extensively on these acts, but we have also sponsored numerous seminars to acquaint our customers with compliance measures and techniques. In our view this is one more way we can help our customers in the credit expansion area of their business. We believe the insurance product will lead naturally into many new areas of assistance in the future."

Doane-Western Unveils New National Logo

The new company formed by the recent merger of Doane Agricultural Service and Western Farm Management Company is "Doane-Western, Inc." A totally new logo has been designed for the national firm to use in advertising, and in signage for the more than 70 offices from coast to coast.

Farm and ranch management, real estate brokerage, mortgage loans, appraisals, consultation and feasibility studies will be services available from virtually all offices. The company will maintain dual headquarters in St. Louis and Denver. Nationwide Doane Marketing Research services will continue to be offered from the St. Louis headquarters and all Doane publications will be edited there. William A. Clymor, president and chief executive officer, is located in the Denver headquarters.

Continental Offers Futures Service

CONTINENTAL Bank, Chicago, has introduced a new advisory service for corporations, banks, savings and loans, and government entities to help them manage their exposure to interest rate fluctuations through the use of financial futures markets.

The new Financial Futures Advisory Service, which is offered through the bond and treasury services department, will provide continuing measurement of a client's interest rate risk and strategic recommendations for managing it most effectively.

"The use of financial futures as a means to hedge interest rate fluctuations is not yet widely recognized," said Dennis J. McDonnell, vice president. "However, we believe they soon will become a commonplace financial management tool."

Mr. McDonnell added that the bank's initial task will be to introduce clients to financial futures concepts and the risk management results that can be obtained.

Specifically, the new fee-based service will explore with clients the feasibility of hedging floating or fixed rate assets or liabilities, design specific hedging programs and assist in their execution, and monitor hedged positions.

Mr. McDonnell said the factors leading to the bank's decision to offer the advisory service include its position as a primary government securities dealer, its proximity to and long association with major commodities exchanges, its experience with financial futures instruments, and the need of a wide variety of its customers for improved ability to manage the risk caused by highly volatile interest rate movements.



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additional
help.
We make
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We've been lending money to farmers and the agricultural community for years and years. As a matter of fact, we have two officers who do nothing else.

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National Leader Gabriel Hauge Dies

GABRIEL Hauge, 67, one of the nation's leading international bankers for over two decades and former economic advisor to President Eisenhower, died July 24.

From 1971 until his retirement in 1979, Mr. Hauge was chairman of the board of Manufacturers Hanover Trust Company, the nation's fourth largest bank, and its parent company, Manufacturers Hanover Corporation. Before that he served as president of MHC and MHT and vice chairman of the Trust Company.

His tenure included a period of legal challenge and of dynamic growth. The 1961 merger of Manufacturers Trust Company and The Hanover Bank was challenged for five years by an antitrust suit. After settlement, the organization grew from \$7.7 billion of assets in 1966 to \$55 billion in 1980; from 200 offices in a single city to a national network of more than 700 offices in 31 states and 100 facilities in 40 foreign countries.

Born in Hawley, Minn., the son of a minister, Mr. Hauge was an economist by training. He received a bachelors degree from Concordia College in Moorhead, Minn., and an M.A. at Harvard. Following World War II service as a U.S. Navy officer aboard battleships in the Pacific, he returned to Harvard for his Ph.D. He received honorary degrees from Concordia, Muhlenberg and Gettysburg Colleges and in recent years, honorary degrees from Pace College, Yale University and Hampden-Sydney College.

A thoughtful and eloquent speaker as well as a polished writer, Mr. Hauge had enjoyed an impressive career in education and journalism before turning to government service. He was assistant dean of men and coach of forensics at his alma mater, taught economics at both Harvard and Princeton, and served with Federal Reserve Bank of New York and the New York State banking department before moving to Business Week as editor of its "Trend" editorial page. Subsequently, he was named assistant to the

chairman of the executive committee of McGraw-Hill Publishing Company.

In 1951, Mr. Hauge served as director of research for "Citizens for Eisenhower" and in June, 1952, took a leave of absence to join Mr. Eisenhower's personal campaign staff. After the election, President Eisenhower appointed Mr. Hauge administrative assistant for economic affairs and subsequently special assistant for economic affairs.

In 1958, after nearly six years in the White House, Mr. Hauge joined Manufacturers Trust Company as a director and chairman of the finance committee, despite the offer of a cabinet post by President Eisenhower.

In September, 1961 Mr. Hauge was elected vice chairman of Manufacturers Hanover Trust Company, formed after the merger of the Manufacturers Trust Company and Hanover Bank. In July, 1963, he was elected president of MHT and, in 1969, president of MHC, when the parent holding company was formed;

John F. McGillicuddy, chairman of Manufacturers Hanover Corporation & Manufacturers Hanover Trust, made this statement on the death of Mr. Hauge: "Some will remember Gabe Hauge as that rare combination — successful businessman and certified intellectual, a man of the mind but at home in the marketplace. And so he was. But I think of him in the words he once used to describe me, 'as my close friend and closest colleague.' What set Gabe apart was not only the brilliance of his mind but the character of the man behind it: the humor and compassion he brought to work every day; the drive for excellence in all things great and small; his active involvement as a truly public man, working to make things better in a community extending far beyond finance and business; his love of language and ideas and the elegance to make himself heard. As he said on the passing of a close associate, 'May God keep him. I wish we could.'"

in February, 1971 he was named chairman of the board of the flagship bank and of MHC, the position he held until retirement in 1979.

Minneapolis Site for ABA Blanket Bond Symposium

To help bankers deal effectively with revisions to the Bankers Blanket Bond policy, the American Bankers Association's Insurance and Protection Division will offer a Bankers Blanket Bond Symposium on October 22 at the Marriott Hotel in Minneapolis, Minn.

The one-day program, designed for risk and insurance officers, insurance managers, and agents or brokers, will analyze the Bankers Blanket Bond on a line-by-line basis and give background information on the reasons for and ramifications of the changes.

The Bond Standard Form No. 24 was revised by the Surety Association of America in July, 1980. Coverage under the new Form 24 begins for each Bank on the premium anniversary date of its bond.

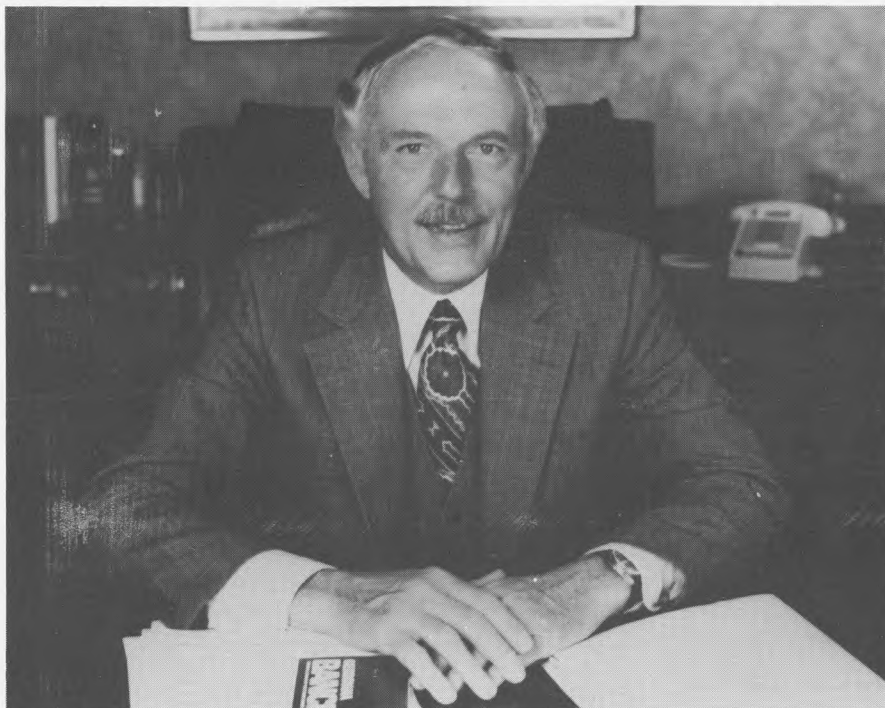
Faculty members for this symposium have served on the ABA Bankers Blanket Bond subcommittee that was initiated in August, 1977, and which worked with the Surety Association's Bond Revision Subcommittee toward the completion of the revisions.

Raymond V. Brady, vice president of Frank B. Hall and Company of New York, Inc., is also manager of the company's financial institution department and a former vice president of Chase Manhattan Bank, in charge of its insurance department. Paul V. Higgins is vice president of Bankers Trust Company in New York, where he is responsible for the worldwide risk and insurance management function of the bank holding company and its subsidiaries. The third member of the faculty, John Robert James, vice president of Chemical Bank, New York, is responsible for risk and insurance management for the bank, its holding company and their subsidiaries.

Cost of the Bankers Blanket Bond Symposium is \$135 for ABA members and \$170 for nonmembers. For more information, contact Shelly Davis, ABA, 1120 Connecticut Ave., NW, Washington, DC, 20036, (202) 467-4047. This is the only Bankers Blanket Bond symposium offered this year.



G. HAUGE



"FISI's primary thrust is the generation of fee income for financial institutions. Expertise in marketing and employee training are natural outgrowths of our years of experience. That is why we remain the nation's largest bank marketing firm with more than 2,000 client banks.

The advent of electronic banking and increased competition through the Eighties serves to disclose exciting new horizons to FISI and our clients.

We welcome this challenge with enthusiasm and confidence.

And we welcome the opportunity to talk with you about increasing your services and your profits."

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Chairman and President



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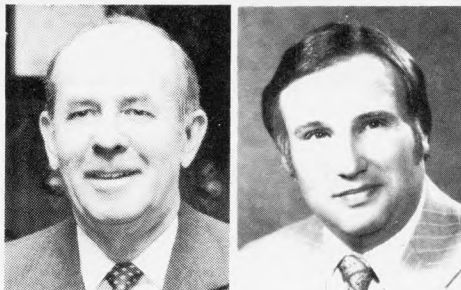
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South Dakota

N. E. Turnquist, chmn., Sioux Falls
J. M. Schwartz, exec. mgr., Pierre



member of United Way's board of directors. His campaign organization will be responsible for raising over \$1.25 million for local youth and social service agencies.

Elected at First Mitchell

Dennis Everson has been elected vice president of First Mitchell National Bank and will supervise the agricultural loan department. He joined the bank in 1976.

Don Bohr has joined First Mitchell as agricultural loan officer. Mr. Bohr has gained banking experience in Wyoming, Montana and Wessington, S.D.

Eden Acquisition Approved

The Federal Reserve Bank of Minneapolis has approved the application by Eden Bank Holding Company, Inc., to become a bank holding company through the acquisition of the First National Bank of Eden.

Black Hills Elections Told

Charles T. Undlin, president of the First National Bank of the Black Hills in Rapid City, announced the following elections: Dennis P. Studer to vice president-human resources, John C. Brown to personal loan officer and Carol Tacke to loan officer at the Sturgis branch.



D. STUDER

Mr. Studer is a graduate of South Dakota State University. Mr. Brown earned a BS degree from Eastern Montana College in Billings, Mont. Ms. Tacke has a BS degree from Creighton University in Nebraska and joined the bank as a trainee in 1979.

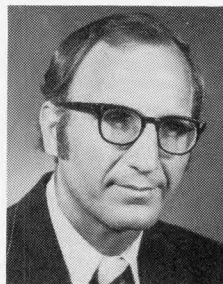
Moore to Head Fund Drive

C.P. Moore, president of Northwestern National Bank of Sioux Falls, has been named chairman of the city's fall 1981 United Way campaign. Mr. Moore is a current

Daktronics Unveils Two New Electronic Units

Daktronics, Inc. of Brookings, S.D., held a two-day sales conference in Brookings for sales representatives from the nine state area and department managers from the corporate divisions at the home office.

The highpoint of the meeting was the unveiling of the two new products which will be marketed during the coming year. A new economical message center entitled "Olympian 80," to be used in sport applications and as an advertising medium for financial institutions and other businesses.



A. KURTENBACH

The second is a swimming printing timer/display system. Dr. Aelred Kurtenbach, president, said he was encouraged by early market acceptance of the products.

Other speakers at the meeting were Van D. Fishback, vice president of First National Bank in Brookings; Ernest Edwards, superintendent of the Brookings school district, and Tom Lang of the Dodge Report division of McGraw-Hill Company. Each presentation was related to selling procedures and suggestions when working with their respective institutions.

Daktronics, Inc. is a designer of microprocessor based scoreboards and information display systems and sells to financial institutions, schools, municipalities and the sports market.

Aberdeen Bank Installs New Message Center



FIRST NATIONAL Bank of Aberdeen has installed a new three-sided message center display at its branch in Milbank. The new Banco office is located on Highway 12 downtown.

The Venus 3000 system was supplied by Daktronics, Inc. of Brookings and features two 64 column message centers and a time and temperature system within the three-sided design. The display is mounted on a granite pillar supplied by the Dakota Granite Company of Milbank and installed by a local craftsman. The system features a seven day program schedule, 8000 character memory, programmable graphics and is operated from a keyboard entry within the bank.

South Dakota Group Meetings

Group	Date	Location
5	Sept. 14	Hotel Alex Johnson, Rapid City
4	Sept. 15	Wangler Motor Inn & Mobridge Country Club
2	Sept. 16	Lantern Inn, Milbank
3	Sept. 17	Holiday Inn, Mitchell
1	Sept. 18	Minnehaha Country Club, Sioux Falls

If you think your correspondent bank is stringing you along, maybe it's time you severed the ties.

Sometimes, getting the answers you need from your correspondent banker can be a frustrating experience. One that consumes too much of your valuable time. And one that could contribute to your loss of a customer.

At Midland National Bank, we won't string you along. Because most of our business as a bank comes from dealing with businesses and other banks. So, frankly, we're willing to put a lot of effort into making our relationship with you work.

We've organized our bank in a way that allows you to deal directly with a decision maker, rather than having to go through several review committees. Our correspondent team is dedicated to responding to your needs quickly. And, our expertise with small and mid-sized businesses puts us in a unique position to understand your customers' needs.

So the next time you feel like your correspondent bank is giving you the business, call the Midland National Bank correspondent team, toll free at 1-800-752-4200*. And see how the bank for business can go to work to improve yours.

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

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Together we have more to offer.



By joining hands we can do a lot better for our customers and ourselves.

National Boulevard can help augment your banking operations, expanding the scope of existing services and implementing new ones for your respondent customers.

Our "One-On-One" correspondent banking professional works closely with his coun-

terpart at your bank. His job: to coordinate financial resources, facilities and capabilities for maximum benefit.

At National Boulevard there's only one way—the One-On-One way—for us to work together. And when we do, we make a combination that's practically irresistible—and highly profitable.



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Illinois

J. A. Fitch, pres., Chicago
W. J. Hocter, exec. v.p., Chicago



New Computer Addition in Skokie



NEW COMPUTER sorting equipment recently installed in a controlled climate room in the First National Bank of Skokie main banking offices in downtown Skokie, is shown to members of the banks' board of directors by management personnel of the bank. The new sorting equipment speeds up the processing time by as much as 24 hours.

AMBI Schedules Workshops

A new law which allows multi-bank holding companies in this state will be the subject of a series of workshops throughout Illinois in August and September.

The eight, one-day multi-bank holding company seminars will be sponsored by the Association for Modern Banking in Illinois. Another provision of that law, permitting a third limited service facility, will also be discussed.

AMBI was the only major banking association in the state to support and work for passage of SB 578, which creates multi-bank holding companies and one additional limited service facility. Governor James R. Thompson signed the measure into law July 3, 1981. It will become effective January 1, 1982.

James B. Watt, president of AMBI, said, "Shareholders, boards of directors, chief executive officers

and the legal profession will be interested in learning the effect of this new law on the banking industry. Faculty for our seminars will include some of the best experts who have worked with structuring and acquiring multi-bank holding companies throughout the midwest.

"Those Illinois bankers who wish to acquire banks, who wish to be acquired and who wish to remain independent are encouraged to attend," said Watt.

Dates and locations are: August 26, Marriott O'Hare, Chicago area; September 2, Buckley's Ramada Inn, Fairview Heights; September 3, Buckley's Ramada Inn, Fairview Heights; September 9, Marriott Oakbrook, Chicago area; September 10, Marriott Oakbrook, Chicago area; September 15, Holiday Inn, Bloomington; September 21, Hilton, Springfield; September 23, Marriott O'Hare, Chicago area.

New Branch in Lynwood

Gilbert J. Rynberk, Jr., president of the First National Bank of Lansing, has announced the opening of a branch facility in Lynwood. The branch is located at 19500 Torrence Avenue and will be managed by Annette Jordan.

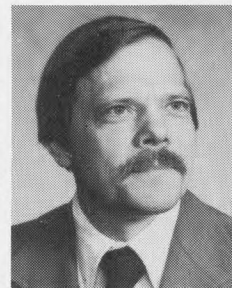
Thesis Receives Honors

Roger A. Reese, vice president and controller of American National Bank & Trust Co. in Rockford, has received library honors by the American Bankers Association's Stonier Graduate School of Banking. His thesis was titled "Development of Electronic Funds Transfer Systems—An Illinois Perspective."

Among the 344 bankers graduating from the school this summer, only 28 received this high honor for their theses. Those papers will be added to the permanent collections of the ABA library; Rutgers State University Library, New Brunswick, N.J., and the Harvard University Graduate School of Business Library, Cambridge, Mass.

Joins Bank in Huntley

Paul H. Reed has joined the State Bank of Huntley as vice president and cashier, President Wayne Miller has announced. Mr. Reed will work primarily in operations and lending. He has 18 years of banking experience, the last 10 years as chief executive officer of the Bank of North Aurora.



P. REED

John G. Heimann Joins Investment Banking Firm

John G. Heimann, 52, former U.S. Comptroller of the Currency, has joined Warburg Paribas Becker-A.G. Becker, the international investment banking firm, as a managing director and chairman of the firm's executive committee. In addition, he has been appointed to the board of directors of S.G. Warburg & Co. Ltd., the London based merchant bank, and to the advisory committee of the board of Paribas International, each of which maintains a 20% interest in the firm.



Chicago

SEARS Bank & Trust Co. has announced the following promotions, according to **Donald Thornburg**, chairman and chief executive officer:

To second vice president: **Joseph Zawacki**, investments. To assistant vice president: **Diana Efsthathiou**, per-



J. ZAWACKI



D. EFSTATHIOU



M.M. FLEMING



J. MERLIN



W. SISKI

sonnel; **Malcolm M. Fleming**, commercial banking; **Jennifer Merlin** and **William Siska**, correspondent banking; **Roger Wittmer**, finance and **Jane Zilch**, trust.

Promoted to officer status in the trust division: **Laurence Badesch**,



R. WITTMER



J. ZILCH

Madeline Gallagher, **William Grossman**, **Maureen Rafa**, **Janice Cannestra** and **Guy Mandler**. Other officer advancements include **Robyn Matsil**, personnel, and **Linda Sistowic**, investment.

* * *

Robert A. Klamp has been promoted to cashier of **Gladstone-Norwood Trust and Savings Bank**, President **Kenneth H. Fox** has announced. Mr. Klamp has been with the bank since its inception five years ago, and was promoted from assistant vice president.

* * *

At **Mid-City National Bank**, **Marvin Kolvitz** has been appointed vice president and **Ronald A. Stewart** assistant vice president, President **Kenneth A. Skopec** has announced.

Mr. Kolvitz joined the bank three years ago after 28 years of banking management experience. He was named manager of the **Executive Banking Center** in 1980.

Mr. Stewart has been with **Mid-City** for 15 years. He was promoted from assistant cashier.

* * *

Gavin Weir, chairman, **Chicago City Bank & Trust Co.**, has announced the promotions of **Dallas H. Himm** to senior vice president, director and personnel, marketing and security officer, and **Richard A. Ross** to commercial loan officer.

Mr. Himm joined the bank in 1975



D.H. HIMM



R.A. ROSS

as assistant vice president, and was promoted to vice president in 1979. He has a BA degree from **Northern Illinois University**.

Mr. Ross joined **Chicago City** in 1969 as a teller trainee and was promoted to credit manager in 1980.

* * *

O'Hare International Bank has become the first in the metropolitan area to be directly linked to the **Federal Reserve Communications System** and its on-line terminal network for the purpose of speeding wire funds transfers. Through the directions of depositors, **O'Hare Bank** transmits messages on the **FRCS** which are transmitted immediately to the **Federal Reserve Data Center**.

The communication is then electronically switched and printed on a terminal at the bank receiving the funds. This entire transaction takes only minutes. The **FRCS** has increased the movement of wired funds through **O'Hare Bank** to \$30 million per day.

* * *

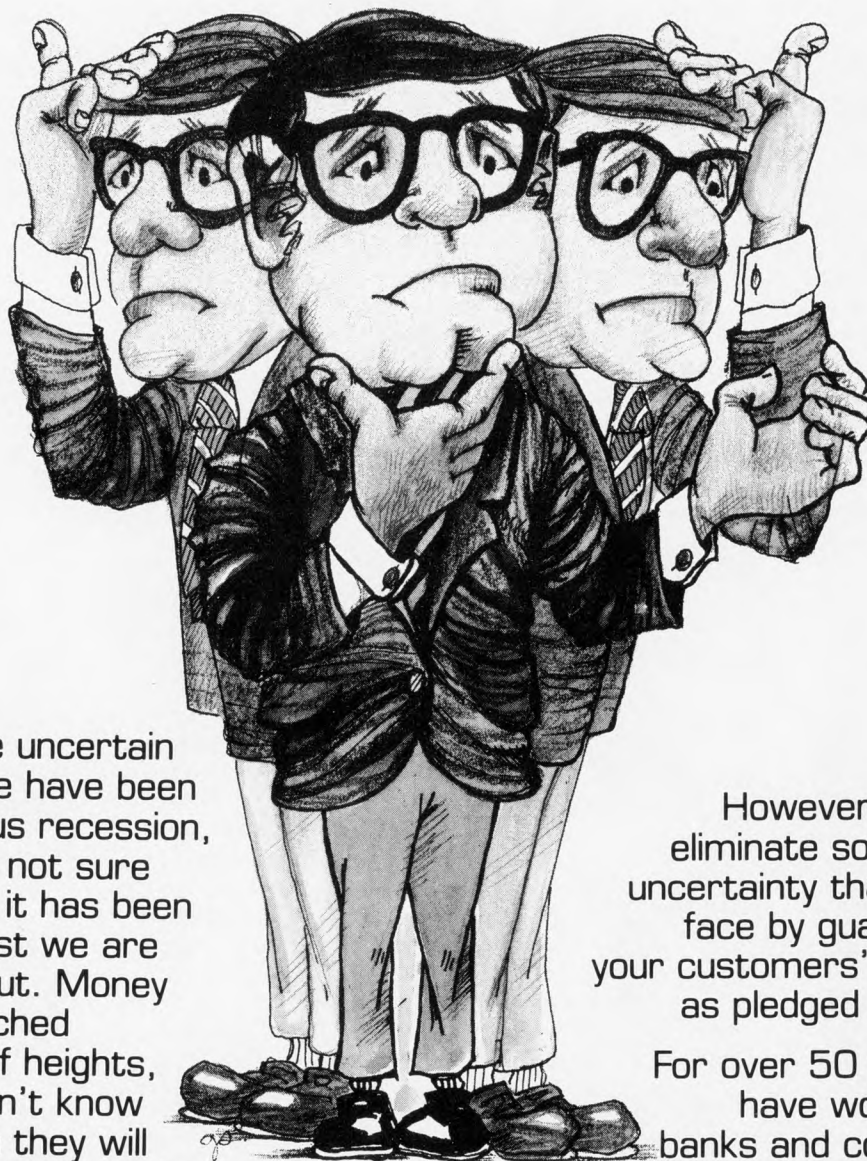
In a ceremony attended by more than 100 executives and political figures, **Seaway National Bank** recently celebrated the opening of its \$1 million, 19,000 square foot addition to its main office structure.



CUTTING the traditional ribbon are, from left: **Walter E. Grady**, pres., **Ernest T. Collins**, chmn., and from **Commonwealth Edison Co.**, **Al Westbrook, Jr.** and **Cleatrus T. Henderson**.

The ground floor of the new addition is leased to **Commonwealth Edison** as a bill paying and customer service center.

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.



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T. L. Jeffers, exec. v.p., Minneapolis



Recommends Officers for MBA Posts

THE MINNESOTA Bankers Association nominating committee met recently and has recommended John P. Ingebrand, Herbert A. Lund, Galen T. Pate and James R. Jorstad for endorsement for the top elected officers in the association for 1982-83, according to Morris Anderson, First National Bank, Rushford, chairman of the 1981 nominating committee. Recommendations will be acted upon at each of the nine MBA district meetings in September.



J.P. INGEBRAND

H.A. LUND



G.T. PATE

J.R. JORSTAD

John P. Ingebrand, president, Kanabec State Bank, Mora, is the proposed candidate for MBA president for 1982-83 to succeed Robert J. Welle, chairman, First National Bank of Bemidji. Mr. Ingebrand is currently serving as first vice president of the association.

Herbert A. Lund, president, Security State Bank, Albert Lea, is proposed for MBA first vice president for 1982-83 to succeed Mr. Ingebrand.

Galen T. Pate, president, Signal Hills State Bank, West St. Paul, is the recommended 1982-83 candidate

for MBA second vice president.

James R. Jorstad, chairman, Citizens State Bank, Hayfield, is recommended for MBA treasurer to succeed Donald A. Sirek, president, State Bank of New Prague.

The nominating committee includes the nine MBA district presidents. The recommendations will be presented at the MBA district meetings and elections will take place at the June 1982 Minnesota Bankers Association annual convention to be held in St. Paul.

A special session titled "Regulation Z—the Truth in Lending Reform Act" will be held for approximately three hours at each of the district meetings. Leading the program will be John Jackson, MBA general council; Michael Harper, attorney with Faegre and Benson of Minneapolis, and either Sheldon Azine or John Schrank, both with the Federal Reserve Bank of Minneapolis.

Following will be the annual district business meeting, which will consist of the election of district officers and directors; election of an MBA board member from districts 7, 8, and 9, and the endorsement of MBA state officers.

The following portion of the program, "MBA in Action—For All Minnesota Banks" will feature Mr. Ingebrand and Truman Jeffers, executive vice president of MBA.

Mr. Welle will preside over the dinner program. The after dinner speaker for the September 15, 16 and 17 meetings will be Ross Hersey, who will speak on "Excellence and Enthusiasm in the '80s." Speaking at the September 21, 22, 23 and 24 meetings will be Newt Hiesher, whose speech is titled "The Contagious Cure."

Four Promoted in Rochester

Northwestern National Bank of Rochester has promoted Marlo Anderson to vice president-real estate and Stephen Coleman to vice president-commercial real estate. Ms. Anderson has served in various capacities since joining the bank in 1952. Mr. Coleman joined Northwest Bancorporation in 1975 and transferred to Rochester in 1980.

Elected new officers were Karl Aaro to assistant vice president-financial services and Jill Wirth to real estate lending officer. Mr. Aaro is an attorney and joined the bank this spring. Ms. Wirth has been with the bank since 1976.



M. ANDERSON

S. COLEMAN



K. AARO

J. WIRTH

1981 Minnesota District Meetings

District	Date	Location
3-4-5	September 14	Holiday Inn International Airport, Bloomington
6	September 15	Sunwood Inn, St. Cloud
8	September 16	Best Western Kahler, Hibbing
9	September 17	Best Western, Crookston
7	September 22	Best Western, Marshall
2	September 23	Orchid Inn, Sleepy Eye
1	September 24	Holiday Inn Downtown, Rochester

WHAT TO LOOK FOR IN A GOOD AG LENDER.

Business relationships. They're the core of banking. Perhaps in no other area of banking are they as vital as in agricultural financing. And perhaps in no other area of banking are they put to the test as often.

As a banker in a rural community, you sit at the center of a number of growing business relationships. Your customers—farmers, ranchers, and agri-businessmen,—are dependent on your insight and resources to help them through present and future opportunities or challenges. Their business depends on yours, and yours on them.

But, as a partner in a correspondent banking relationship you may not find yourself in as mutually cooperative a situation. Although your ag business may rely heavily on the help of your regional bank, the reverse may not seem to hold true. And if your regional bank no longer meets that growing need for help, it's time to move.

But whether you're looking for a new correspondent relationship or merely taking a critical look at your existing relationship, there are certain criteria banks can and do use to evaluate a correspondent bank.

Capability

Of course the regional bank must have the financial resources to meet your ag financing needs. The bank must have the capacity that can give you the flexibility to plan for today and tomorrow.

And large dollar lending limits are not enough. Capability should also be measured in terms of human resources—professional skills and expertise.

The bank's size is important, because it certainly affects not only the amount of ag loans that can be funded, but also the number of ways in which those loans can be funded. A "bankers acceptance," for example, is one such means of funding.

Dependability

Solid banking relationships can't be transient. Bankers must share the mutual trust and understanding necessary for long-term growth.

Unfortunately, many financial institutions and associations get into the ag lending market without a long-run commitment to that market. They "dabble" while times are good, and somehow disappear when times are troubled.

Dependability isn't easily discerned. It's a quality proven over time and based on a bank's reputation, the risks it's willing to take, and its availability when you need help.

Flexibility

For one reason or another, some correspondent financial institutions and associations may try to "run" a loan. This may confuse customers and make local banks less sensitive to their needs. Even worse, it indicates poor trust in both the borrower's and the local lender's judgement.

A good regional bank, on the other hand, listens to the need to stay flexible enough to let local banks adapt to changing situations.

Innovation

Using financial tools in new and different ways can be the lifeblood of a good correspondent banking relationship. And because a local bank can never predict the changing needs of customers years in advance, it pays to develop a relationship with a regional bank which not only has financial tools, but also the expertise, desire, and commitment to continuously work with them.

And in a world where interest rates can rise and fall in a matter of days, the best regional bank is the one with the talent and desire to innovate and react thoughtfully and quickly.

Dedication

First, a country bank must be dedicated to its own business—ag financing. To do this effectively its regional bank must recognize the needs of the local bank's own customers, and offer help with needed services. Services like regional agricultural economic advice, estate planning, trust services, or speedy collection of large deposits. Not all banks can readily offer these.

Secondly, a regional bank must be dedicated to the country bank's welfare in its ag business market. Correspondent bankers must be willing to join local bankers out in the field, to become acquainted with customers and their problems first-hand,

and, if necessary, to help educate them in the growing complexities of ag finance. For example, the process of hedging as a market tool, and what it means for bankers and borrowers alike.

Look for an expert.

Obviously, this isn't a complete laundry list of criteria, and it's not really meant to be. What it is designed to do, however, is to give you a solid starting point for a realistic evaluation of your correspondent relationship.

At Northwestern National Bank of Minneapolis, we know how important an ag banking correspondent relationship is to you, and how important your selection of your regional bank can be to your success. And of course we like ag loan assets and recognize the tremendous importance of agriculture in this region.

That's why we're so deeply involved in that area. From top management on down, we've made a sincere commitment to servicing the ag needs of local banks and their customers.

And we can offer local banks the types of overlines and related banking products they need to keep their customers growing.

Our commitment, coupled with our flexibility, our expertise, and our size, has helped our bank grow rapidly over the past four years, to now rank 30th in size nationally in ag loan volume.

When you're looking for an ag partner, ask the experts. Ask us. We'll help you serve the needs of your most important customers—the farmers, ranchers, and agri-businesses in your community. We're on your side.

ASK THE EXPERTS.
ASK US.

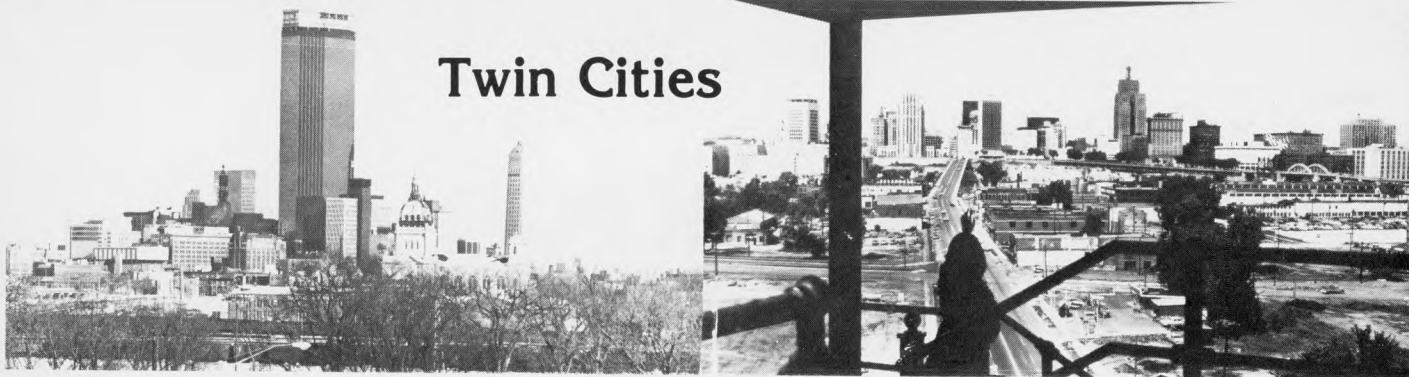


Correspondent Banking
Department

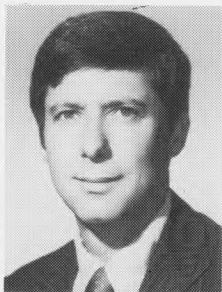
**NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

Telephone (612) 372-8200 **BANCO**®

Twin Cities



STAFFING of three key positions in the bond group of Northwestern National Bank of Minneapolis has been announced by **Robert C. Brown**, senior vice president of the bank. **John S. McCune** was elected vice president and manager of sales; **W. Gerald Jurgenson**, vice president, has been named head of the fund management division, and **Jennifer A. Freeman**, assistant vice president, succeeds Mr. Jurgenson as manager of the asset liability management division.

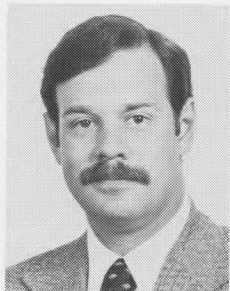


J.S. McCUNE

Mr. McCune has been vice president and manager of investments for the U.S. National Bank of Omaha. He had been with the Nebraska bank since 1968. Mr. Jurgenson joined Northwestern National Bank of Minneapolis in 1977, moved to Northwest Bancorporation in 1978 and back to Northwestern in 1979. Ms. Freeman joined Northwestern in May after serving with the treasury staff of Honeywell and First Chicago Bank.

* * *

William J. Wallman was promoted to senior vice president and trust officer and **Fred P. Mann** was promoted to vice president, according to **Harry C. Benson**, president and chief executive officer of Midland National Bank of Minneapolis.



F.P. MANN

Mr. Wallman joined Midland in 1957. He was elected trust officer in 1963. He advanced to vice president and trust officer in 1970.

He is a graduate of the University of Wisconsin-Madison with a BA degree in economics and finance and a JD degree.

Mr. Mann joined Midland in 1978 as assistant vice president in commercial lending. His career background includes service in the First State Bank of New Brighton, Minn.; Lloyd's Bank in Los Angeles, Calif.; and as branch manager at Household Finance Corporation in Chicago, Ill.

Mr. Mann received a degree in psychology from El Camino College, Manhattan Beach, Calif. and a BA degree in business administration from the University of California, Santa Barbara.

* * *

First Bank Minneapolis has announced the following promotions:

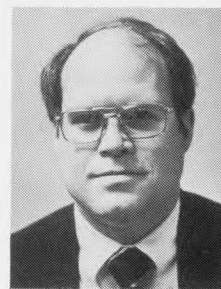
From assistant vice president to vice president: **Clark H. Sweet**, financial counseling, and **Douglas G. Haines** and **Lee E. Johnson**, personal trust.

From officer positions to assistant vice president: **James G. Senger**, foreign exchange; **Martin F. Cooney**, midwest corporate banking I; **Kathryn B. Brewer**, special loans; **Ralph C. Haugen**, trust accounting; **Wayne H. Ripley**, trust systems; **Cheryl E. Keindl**, commercial audit, and **Beverly A. Antonich**, trust audit.

Promoted to officer status: **Evelyn H. Roden**, **Fred S. Johnson** and **Blanche G. White**, EDP operations and programming; **Kathleen W. Flanagan**, financial counseling; **Barbara B. Engen**, IBD operations; **Margaret M. Bannon**, midwest corporate banking I; **Melvin R. Holm**, commercial audit; **Marilyn A. Grochala**, metropolitan corporate banking; **Penny J. Thompson** and **Barbara A. Knowles**, personal banking center; **Kenneth P. Swanson** and **Kay P. Robinson**, corporate

trust; **Lorraine Charboneau**, advisory and management agency; **C. Matthew Olson**, portfolio management; **Janice S. Belbeck**, government trading, and **Nancy F. Shockley**, deposit operations.

James D. Sherard has rejoined



C.H. SWEET



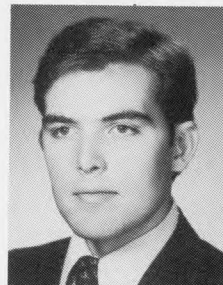
D.G. HAINES



L.E. JOHNSON



J. SENGER



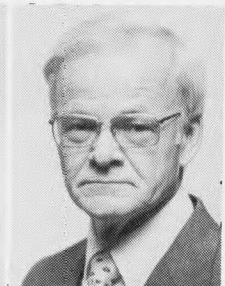
M.F. COONEY



K.B. BREWER



R.C. HAUGEN



W.H. RIPLEY



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

Use Your Asset Power.

Your 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 company off to a great future with Asset Money. Contact John Olson, Lee Mork, Robert Olson or Paul Weingart, (612) 372-7988, 780 Northstar Center, Minneapolis, Minnesota 55402. Or Jack Hart, (303) 571-0515, One Denver Place, Suite 1512, 999 18th St., Denver, Colorado 80202.

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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, Chris Hoss in Fargo at (701) 293-8136, or Jim Fetzer in Billings at (406) 657-3581.

LEASE NORTHWEST, INC.

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C.E. KEINDL

B.A. ANTONICH



J.D. SHERARD

K.I. GRAY



C.S. HEFNER

W.J. SWANSTROM

First Bank as a vice president-metropolitan banking. Mr. Sherard was with the bank from 1970 to 1977. He was most recently with the Metropolitan Economic Development Association, and has an MBA from Indiana University.

Joining the bank in officer positions: **Nancy J. Johnson**, cash management, banking group services; **Debra J. Gackle**, trust investment, personal trust portfolio management; **Kate I. Gray**, retail banking, professional banking; **Christine S. Hefner**, retail banking, executive banking, and **William J. Swanstrom**, human resources, compensation.

* * *

Western State Bank has finalized plans for major remodeling of its building at 663 University Avenue in St. Paul. Total cost of the project is estimated at \$400,000 with completion scheduled for mid-December 1981.

The remodeling will include a new stairway for public access to the lower level and complete remodeling of the lower level for the bookkeeping, proof and reconciling departments. The remodeling will also include new

carpet and furnishings on the main floor, a lounge area for members of the Time of Your Life Club, a new conference room and lounge area for employees.

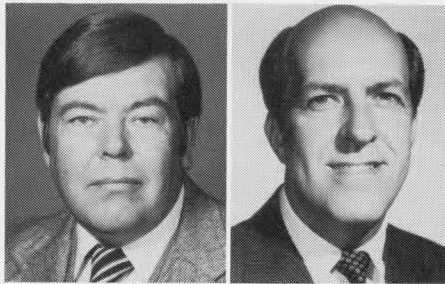
* * *

Patrick J. Donovan has been elected vice president of Northwestern National Bank of St. Paul, according to **Larry D. Buegler**, chief executive officer and chairman.

Mr. Donovan recently joined Northwestern as manager of the bank's capital banking division. Formerly he was manager of the business owners division at First National Bank of Minneapolis. He is a graduate of the University of Minnesota.

* * *

Northwest Bancorporation has elected **John P. Sampson** vice president, eastern division-banking business group and **Larry H. Hansen** vice president, western division-banking business group.



J.P. SAMPSON

L.H. HANSEN

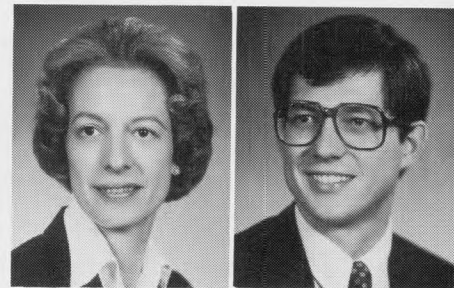
Mr. Sampson joined Banco in 1975 and most recently served as assistant vice president, eastern division-banking business group. He has a BS degree from Northern State College, Aberdeen, S.D. and is a graduate of the Stonier Graduate School of Banking, Rutgers University, New Brunswick, N.J.

Mr. Hansen joined the United States National Bank of Omaha in 1962 and most recently served as vice president and manager-correspondent bank division. He holds a business degree from North Park College, Chicago.

* * *

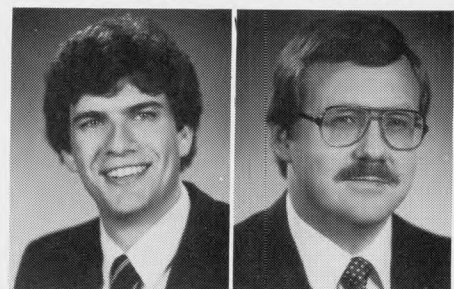
American National Bank & Trust Co. in St. Paul has made the following promotions: **Katharine A.**

Huart to international banking officer, and **Kevin E. Sevcik** and **Peter M. Bradt** to commercial banking officers. **Daniel F. Walen** has joined the bond division as an investment officer.



K.A. HUART

K.E. SEVCIK



P.M. BRADT

D.F. WALEN

Ms. Huart joined the bank in 1976 as a specialty teller, and has a BA in economics from Colby College in Waterville, Maine. Mr. Sevcik joined American National in 1979 as a credit analyst, and has a BA in economics from St. Olaf College.

Mr. Bradt joined the bank in 1978 as a credit analyst, and graduated from St. Thomas College in political science and business administration. Mr. Walen has 14 years of banking experience, and received his degree from Moorhead State University.

* * *

J. Robert Stassen, president of West St. Paul State Bank, was recently appointed by Governor

Albert H. Quie to the Metropolitan Airports Commission. Mr. Stassen was a state senator from 1972 to 1976, and has a BA degree from the University of Minnesota. He was president of North Central Life Insurance Co. in St. Paul before joining West St. Paul State Bank.



J.R. STASSEN

* * *

The Class of 1950 Award from Dartmouth College was given



Michael Mishou, Assistant Vice President, Wisconsin, Michigan-Upper Peninsula, Iowa (612) 291-5573

“Part of my job is to give you ideas that make you think twice.”

“Are you using lock box accounts to reduce float? Are you minimizing the float in your correspondent account? How much could you save by a cash management reporting system.

“Raising questions like these is part of my job. The other part is providing the answers. My Correspondents look to me for new ideas backed by concrete facts. Facts that will make you think twice.

“To be the best possible resource, I’m constantly searching for new approaches to problems . . . asking questions of my colleagues and customers . . . getting out into the field.

“When complex questions arise, I can call upon the full resources of First Bank Saint Paul to answer them.

“As a result, our Correspondents know they can rely on us for the service they need to compete in today’s fast-changing banking world.

“When they need a second opinion, they think of the First.”



First Bank Saint Paul

Correspondent Bank Division

We do our job. You get the credit.

The First National Bank of Saint Paul • Member FDIC

posthumously to **Richard H. Vaughan**, former president and chief executive officer of Northwest Bancorporation, for his contributions to society. Mr. Vaughan's daughter **Carol** received the award on behalf of the family during the class' 30th reunion this summer.

Mr. Vaughan joined Banco in 1951 following graduation from Dartmouth's Amos Tuck School of Business Administration. He was elected Banco president in 1971 and became its chief executive officer in 1977.

* * *

American National Bank and Trust Company of St. Paul recently announced that it will offer floating interest rates on four-year savings certificates beginning August 1st. It is one of the first banks in the nation to offer a floating rate of return on long-term deposits.

The new deposit plan is a result of recent changes in U.S. banking regulations by the Depository Institutions Deregulation Committee which eliminated rate ceiling on deposits of four years or more.

The interest rate on the American Four-Year Money Market Certificate will be one-fourth of one percent higher than the U.S. Treasury index for 30-month Treasury notes. This interest rate will change every two weeks in response to fluctuations in the index. However, American National Bank guarantees a minimum return of ten percent on the

certificates. A \$5000 minimum deposit is required.

First Bk. Merchants Breaks Ground in North St. Paul



GROUNDBREAKING ceremonies were held recently for First Bank Merchants' new North St. Paul bank at 2401 North McKnight Road and Highway 36. Participants were, from left, **Bob Gatti**, city mgr. of North St. Paul; **Shirley Johnson**, asst. v.p. and mgr. of the new bank; **Dave Waddington**, pres., First Bk. Merchants; North St. Paul Mayor **Bill Sandberg**, and **Doug Paquay** of Gene Hickey Assoc., architects for the new building. Completion is hoped for late fall.

Northwestern National Bank of Minneapolis has established a reciprocal correspondent bank relationship with the Bank of China in seven Chinese cities, **E. Peter Gillette, Jr.**, Northwestern's presi-

dent and chief executive officer, has announced.

The new agreement will facilitate trade between China and businesses in the upper midwest, Mr. Gillette said. He and officials of the bank's international banking group went to Beijing at the invitation of the Bank of China.

First National—Duluth To Offer "Parents' Loans"

Parents pressed to contribute toward the cost of a son or daughter's college education may now obtain financial help through a new loan program for parents.

First National Bank of Duluth has completed the first "parents' loan" in Minnesota under the new program and is accepting applications now for the 1981-82 school year.

Peggy Scandin, loan officer, said parents of undergraduate, dependent college students who need financial help for education may now apply for loans guaranteed by the Higher Education Assistance Foundation, St. Paul. Such parents' loans do not preclude the student from application for individual student loans.

Parents who can demonstrate need for financial assistance to the undergraduate student who is dependent (identified as a dependent on income tax forms) may obtain up to \$3,000 per academic year to a maximum of \$15,000. The loan must be repaid within 10 years; monthly payments of at least \$30 begin within 60 days after the loan is received.

Cost of deregulation . . .

(Continued from page 42)

3. In country banks, this rate may be several points below the quoted "prime" of the money center bank because "core deposits" make up a larger portion of the "liability" side of the country bank's ledger than in money center banks.

Rate deregulation does have its cost, however. In the short run, banks have absorbed some of this cost, but as rapidly as they can adjust, they are passing this cost and the risk of this changing cost on to others.

The second "implication" of banking deregulation, then, is the impact it has on the borrower and on the production side of the farm economy.

Higher and fluctuating interest rates are one more element of risk added to all of the others in agricultural production. Variable interest rates become an unknown cost where, in the past, interest had been a relatively known cost. High rates become a major cost item, where in the past they were a minor item.

Of even greater consequence, this new element of cost

and risk is not shared evenly by the production sector of the farm economy. The less well established and more highly leveraged farmer is at a disadvantage. The operator with fixed low cost funds has a competitive advantage now and for the life of his loans. The farm operator with funds to finance his own operation has the best of all worlds. The return on his own funds used in the farm operation may well exceed the net return in operating the farm. The disparity of net income flow will widen.

There is a new cost and new risk in the nation's farm economy that comes with banking deregulation. Banks are passing their risk on to the borrower in the short run. In the long run, this new risk and cost will impact the borrower and the problem may then return back to the banker in "asset quality."

Fed float prices also will have an effect. The market rate of interest will be assessed against items in float, which will increase the cost of money. But, it also will accelerate the use of new electronic equipment in small banks and that will change the ways we handle money by helping to reduce costs and serve farm customers better.

Who will bear the cost of bank deregulation in the farm economy? Only time will tell. □

While you are re-evaluating costs and charges for your services, take a hard look at your money order program. Even small things like money orders can contribute to profits or increase expenses. We believe that Travelers Express has some important reasons for you to switch from your own money order program to ours:

- Save tellers' time in issuing.
- Simple reporting and record keeping.
- No cost for money order forms and reporting forms. And, we control the inventory for you.
- Savings in space and overhead because we store paid items for you.
- Less backroom work; we do it for you.
- Fast exception item handling.

- Good customer relations—we handle the “nuisance” problems and do the “look-up” work.
- Balances build because they are not reduced by daily clearings.

No other organization can process money orders more efficiently than Travelers Express. That's because we are money order specialists handling around 65 million a year; we have the equipment, the staff, the know-how!

And, you can trust the stability and financial integrity of Travelers Express. As a Greyhound Company we are part of one of America's largest corporations and are backed by substantial resources.

Our financial representatives are nearby. Please contact your nearest Travelers Express office or call me at 612 546-6161.

“I urge you to take a good hard look at the profitability of your own money orders.”

*C.A.E. Anderson, Jr.
President
Travelers Express Company, Inc.*



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A GREYHOUND COMPANY

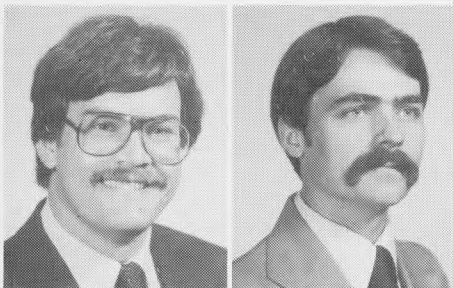


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*Toll free WATS line

Two Promoted in Blaine

First Northtown National Bank in Blaine has promoted Charles MacArthur to assistant vice president-instalment loans and marketing and Donovan McGuire to personal banking officer.



C. MacARTHUR

D. McGUIRE

Mr. MacArthur joined First Bank Northtown in January, 1981 from the First National Bank of Waukesha, Wis. Mr. McGuire has served the bank as a personal banking representative since 1979.

Holds Annual Rose Show



FIRST AMERICAN National Bank held its 9th Annual Rose Show recently. The event is co-sponsored by First American, the St. Cloud Flower and Garden Club and Granite City Rose Society. The theme of this year's show, "Banking With Roses," was reflected in the entry categories: Balanced Budget, In the Red, The Gold Standard, Float-a-Loan and others. Anyone is eligible to enter roses for judging, and prizes include ribbons, plaques, certificates and silver plates and bowls. The show was coordinated by Janet K. Cotton of the bank's staff.

Austin Promotions Told

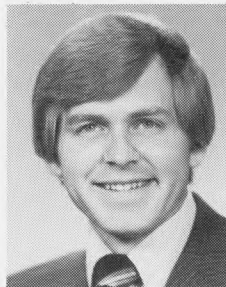
Allyn C. Martinson, president of Northwestern State Bank of Austin, has announced the promotion of Jerry Helin to assistant vice president-instalment loans and Rod L. Meyer to ag loan officer.

Mr. Helin joined the bank in 1969 as a teller. Mr. Meyer started with the bank in 1980 as an ag trainee.

Elected EVP in Wayzata

Steven E. Rykkeli has been elected executive vice president of the First National Bank of Wayzata.

The past 10 years Mr. Rykkeli has been on the staff of the American National Bank and Trust Company of St. Paul. Most recently he has been a vice president in that bank's correspondent bank department. Mr. Rykkeli holds a degree in business administration from Mankato State University.



S.E. RYKELLI

Commissioner Announces New Examination Policy

A new examination policy was announced recently by Minnesota Commissioner of Banks Michael J. Pint. Under the new policy, most state-chartered banks will be examined in alternate years by state and federal authorities, rather than by both authorities during the same year.

The Commissioner said the Banking Division of the State Department of Commerce has reached final agreement on a cooperative arrangement with the Federal Deposit

Insurance Corporation and the Federal Reserve Bank of Minneapolis to proceed with the alternate examination program, the aim of which is to reduce unnecessary supervision over banks exhibiting no significant financial problems. Such banks will be examined in alternate calendar years by the state and the appropriate federal agency.

Mr. Pint said that over 90 percent of the 556 state banks would currently qualify under the new program. The remaining banks, which require more than normal supervisory attention, are not included under the divided examination schedule and will be examined more frequently under existing policy.

Elected to Slayton Board

Northwestern State Bank of Slayton has elected Jerry Moline and Ruth Dawson directors, according to Palmer "Duffy" Hoffland, president. Mr. Moline farms and is a licensed public accountant, maintaining an office in Slayton. Mrs. Dawson and her husband own a variety store in Slayton.

Also announced was the election of Lynette Kanne to assistant insurance agency manager of the Murray County Insurance Agency. She joined the bank's insurance agency in 1977 as a secretary.

New Quarters for Long Lake Bank



ARCHITECT'S drawing of the State Bank of Long Lake's new building.

STATE Bank of Long Lake will have new quarters by year-end according to Rodger Bense, president.

The facility, nearly 7,000 square feet, was designed by Dykins Associates of Minneapolis and is being constructed by Crawford - Merz Construction Company, also of

Minneapolis.

The new building will provide customers a pleasant atmosphere in addition to more services, including eight teller stations and four drive-in banking lanes.

The new building is located in downtown Long Lake just off Highway #12.



around money the finest is **"STEEL-STRONG"**
TRADE MARK®

1 AUTOMATIC COIN WRAPPER

Amounts and denominations automatically indicated by patented "red bordered windows". Amounts in windows always in register... eliminates mistakes. Accommodates all coins from 1c to \$1.00.

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Especially designed for machine filling... a real time-saver. Packed flat. Instant patented "Pop Open" action with finger tip pressure. Denominations identified by color coding... 6 different standard colors.

3 RAINBOW COIN WRAPPER

Color coded for quick, easy identification. Red for pennies... blue for nickels... green for dimes... to indicate quantity and denominations... eliminates mistakes. Tapered edges.

4 DUZITALL COIN WRAPPER

Extra wide... extra strong. Designed for areas where halves are wrapped in \$20.00 packs... "red bordered window" for ease of identification. Accommodates \$20.00 in dollars, \$20.00 in halves. Tapered edges.

9 BANDING STRAPS

Ideal for packing currency, deposit tickets, checks, etc... do not break or deteriorate with age. Size 10 x 7/8 inches and made of strong brown Kraft stock with gummed end for ease of sealing. Packed 1000 to a carton.

5 OLD STYLE COIN WRAPPER

Basic coin wrapper in extra strong kraft stock. Printed in 6 different standard colors to differentiate denominations. Triple designation through colors, printing and letters. Tapered edges.

6 KWARTET COIN WRAPPER

Wraps 4 denominations in half size packages. A miniature of the popular "Automatic Wrapper"... 25c in pennies, \$1.00 in nickels, \$2.50 in dimes, \$5.00 in quarters.

7 FEDERAL BILL STRAP

Package contents clearly identified on faces and edges by color coded panels with inverted and reverse figures. Made of extra strong stock to assure unbroken deliveries. Only pure dextrine gumming used.

8 COLORED BILL STRAP

Entire strap is color coded to identify denomination. Printed amount appears on top and bottom of package. Extra wide for marking and stamping. Extra strong stock for safe delivery and storage. Pure dextrine gumming.

SEE YOUR DEALER OR SEND FOR FREE SAMPLES

THE C. L. DOWNEY COMPANY • HANNIBAL, MISSOURI • DEPT.

Morris Bank Opens Detached Facility



CITIZENS Bank in Morris' new detached banking facility.

E. J. LaFAVE, Jr., president of the Citizens Bank in Morris, has announced that the first detached banking facility in Stevens County opened for business recently. The first 50 customers at the facility on that day received gift certificates redeemable at the Morris merchant of their choice.

Citizens South features include three drive-up lanes, a walk-in teller service, a loan office area, a night depository, and ample parking facilities. The vestibule will house a new computerized Diebold automatic teller machine which will provide 24-hour banking, seven days a week. Mr. LaFave indicated that the facility is a full-service bank, able to provide all of the services of a conventional bank.

Mr. LaFave also announced that construction is underway on the

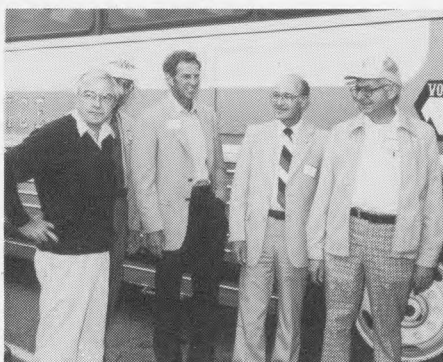
complete remodeling of the downtown Citizens Bank. The downtown bank will feature an enlarged lobby, provisions for sit-down teller service, a new 800 square foot addition, expanded officer facilities, and a new insurance department on the first floor. The second floor of the remodeled bank will house an environmentally controlled book-keeping room, a customer meeting room to accommodate 75 people, a bank library to hold 600 volumes, and an employee lounge. The new Dewey Nelson law office and Citizens Realty complete the offices on the second floor. The second floor is reached by elevator. Both the newly remodeled Citizens Bank downtown and Citizens South provide complete access for the handicapped. Work on the downtown bank is expected to be completed in December, 1981.

St. Cloud Bank Sponsors Ag Awareness Day

The First American National Bank of St. Cloud sponsored an Agricultural Awareness Day recently, featuring a bus tour of Stearns County agribusinesses.

Bank officers hosted area business-people on the five hour tour to Anderson Farms near Belgrade, a 1,500-acre crop, cattle and farrowing operation; Fiedler's Butter Day Farms near Sauk Centre, a 240-acre dairy farm and Imdieke's Turkey Farm, Inc. near Melrose, a 290-acre farm with Holsteins, turkeys and extensive crop irrigation.

The tour was conducted to show how agriculture is of prime importance to the central Minnesota and the national economy.



PART of the group attending the recent bus tour of Central Minnesota farms sponsored by First American National Bank of St. Cloud. From left: A.D. Didier, pres., First American; Francis Januschka, Stearns County Extension agent, and St. Cloud businessmen Don Helgeson, Earl Pleticha and Don Volkmuth.

New Director in Edina

David A. Orlady, president of First Bank Southdale in Edina, has announced the election of Walter H. Bruning to the board. Mr. Bruning is vice president of retail marketing for Control Data Corporation.

Promoted at Kanabec State

Ellen Regan has been promoted to vice president/cashier of the Kanabec State Bank. She joined the bank in 1953 as a teller, and was promoted to cashier in 1977. Ms. Regan is an AIB course instructor.

Holding Companies Approved

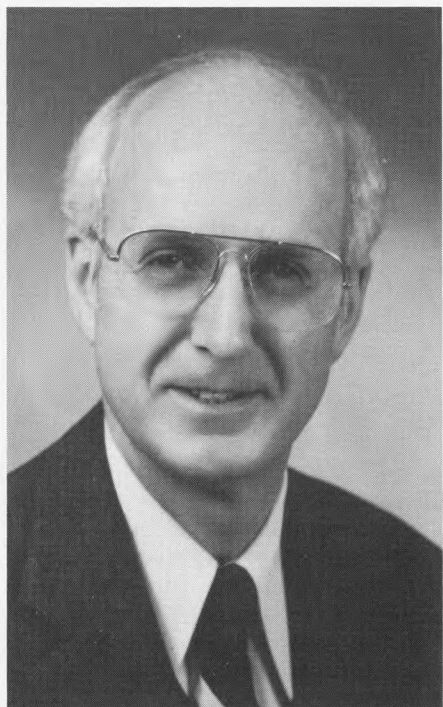
The following applications to become bank holding companies through the stated acquisitions have been granted federal approval:

- Olivia Bancorporation, Inc. — American State Bank of Olivia;
- Walker Ban Co. — First National Bank of Walker;
- Winthrop Bancshares, Inc. — Winthrop State Bank;
- Crosstown Holding Company, Ham Lake - Crosstown State Bank of Ham Lake, Inc.;
- Remer Bancorporation, Inc. — Security State Bank of Remer;
- Lakeville Financial Services, Inc. — First Lakeville State Bank;
- Hugo Bancorporation, Inc. — First State Bank of Hugo;
- Good Thunder Bancshares, Inc. — First State Bank of Good Thunder;
- Keewatin Bancorporation, Inc. — First National Bank of Keewatin;
- Perham State Bancshares — Perham State Bank;
- Zappco, Inc., St. Cloud — Zapp National Bank of St. Cloud;
- Wood Lake Bancorporation — Wood Lake Corporation, which owns 90% of the State Bank of Wood Lake.

- Southwest Bancorporation, Inc., Minneapolis — First American State Bank of Brownsdale;
- Lac Qui Parle BanCorporation, Inc., Boyd — State Bank of Boyd;
- Royalton Bancshares, Inc. — Royalton State Bank;
- Hartman Bancshares, Inc., Okabena — First State Bank of Okabena, and
- Kimball Bancshares, Inc. — State Bank of Kimball.

The Federal Reserve Board denied the application of Buhl Bancorporation to become a holding company by acquiring the First National Bank of Buhl.

Look for us in San Francisco



Jim Reagan



Bob Sipple



Bob Jacobson

We look forward to seeing our banker friends at the American Bankers Association Convention.

We hope to see you there and to talk with you about how American's full line of correspondent services can benefit your bank.



American National Bank and Trust Company

New Facility Opens in Albert Lea



SECURITY State Bank in Albert Lea's new 10,500 square foot facility.

SECURITY State Bank in Albert Lea has opened a new 10,500 square foot facility, according to Herb Lund, president. The old building, built in 1905, has only 2,500 square feet of space. The old building is now partially a dentist's office and other rentable space.

The new parking lot has 30 parking places. The auto-bank was remodeled by adding a fourth lane and modernized with brick facing which matches the main bank.

The theme of the grand opening

was "Millionaire for a Day," and the bank gave away interest on one million dollars for a day to two people. Short wave radios and calculators were also given away. The highlight of the celebration was the giving away of a calendar depicting 12 historical buildings of Albert Lea that was reproduced from actual penned drawings by Ron Hunt, Mantorville artist.

A VIP party was also held for Twin Cities correspondent banks, contractors and other dignitaries.

Empire State Bank Begins Construction



EMPIRE State Bank in Cottonwood is now under construction.

ADRIAN Golberg, president of Empire State Bank, Cottonwood, has announced that MAC Construction Company of Minneapolis has started construction of the bank's new quarters in Cottonwood.

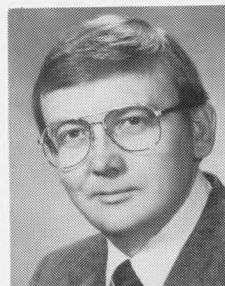
The new two story facility with mezzanine located at Main and West First Street was designed by Dykins Associates, Inc. of Minneapolis. The 16,000 sq. ft. structure is scheduled for completion in December, 1981.

The building project, when com-

pleted, will provide complete banking service to the community including extended banking hours at drive-up, walk-up and future ATM facilities. A large meeting room with kitchen facilities is located in the lower level. The remainder of the lower level opens up to grade toward the south and will be available for office rental space. The mezzanine provides comfort areas for employees, and community activities during banking hours and future expansion space.

New Glencoe President

Calvin A. Johnson has been elected president and director of the First National Bank of Glencoe. Mr. Johnson was previously a vice president of First Bank of Mankato, where he has been associated since 1971. He has a degree in business administration from Mankato State University. The announcement was made by Lowell G. Wakefield, chairman.



C.A. JOHNSON

Joins Hopkins Bank

Bradford L. Rehor has joined the Northwestern National Bank West in Hopkins as a loan officer.

Mr. Rehor was formerly with the State Bank and Trust Company, Nevada, Ia. He began his banking career with the Gulfcoast National Bank, Sarasota, Fla.

Pint Announces Appointment

Commissioner of Banks Michael J. Pint announced the appointment of Paige Winebarger as assistant commissioner in the banking division. Ms. Winebarger will be responsible for the supervision and regulation of banks, trust companies, certificate investment companies and savings banks.

Ms. Winebarger assumes this new position after spending 13 years with the Federal Reserve System. For the past year she was employed as an attorney in the monetary affairs section of the legal division at the Board of Governors of the Federal Reserve System in Washington, D.C.

Ms. Winebarger graduated from Longwood College, Farmville, Va., with a BS degree in business education. She also received a law degree from the University of Virginia School of Law in Charlottesville, Va.

New Waseca Director

Howard Sahlstrom has been elected a director of First State Bank of Waseca, according to Glenn Thompson, president and chairman. Mr. Sahlstrom is senior vice president and chief financial officer of the E.F. Johnson Company, a Waseca-based company manufacturing mobile telecommunications equipment.

Are you working harder than your portfolio?



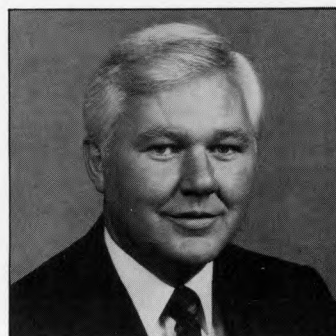
We also have the largest inventory of municipal bonds in this region, plus a wide variety of government securities, repurchase agreements, commercial paper and other money market investments so we can tailor a program to meet your specific objectives.

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

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.



Meet Clayton Johnson our Assistant Vice President. Clayton is responsible for Southern Minnesota and Iowa. Give him a call at (612) 291-5664. He'll be happy to answer any questions you may have.



First Bank Saint Paul

Member First Bank System

Investment Services Group

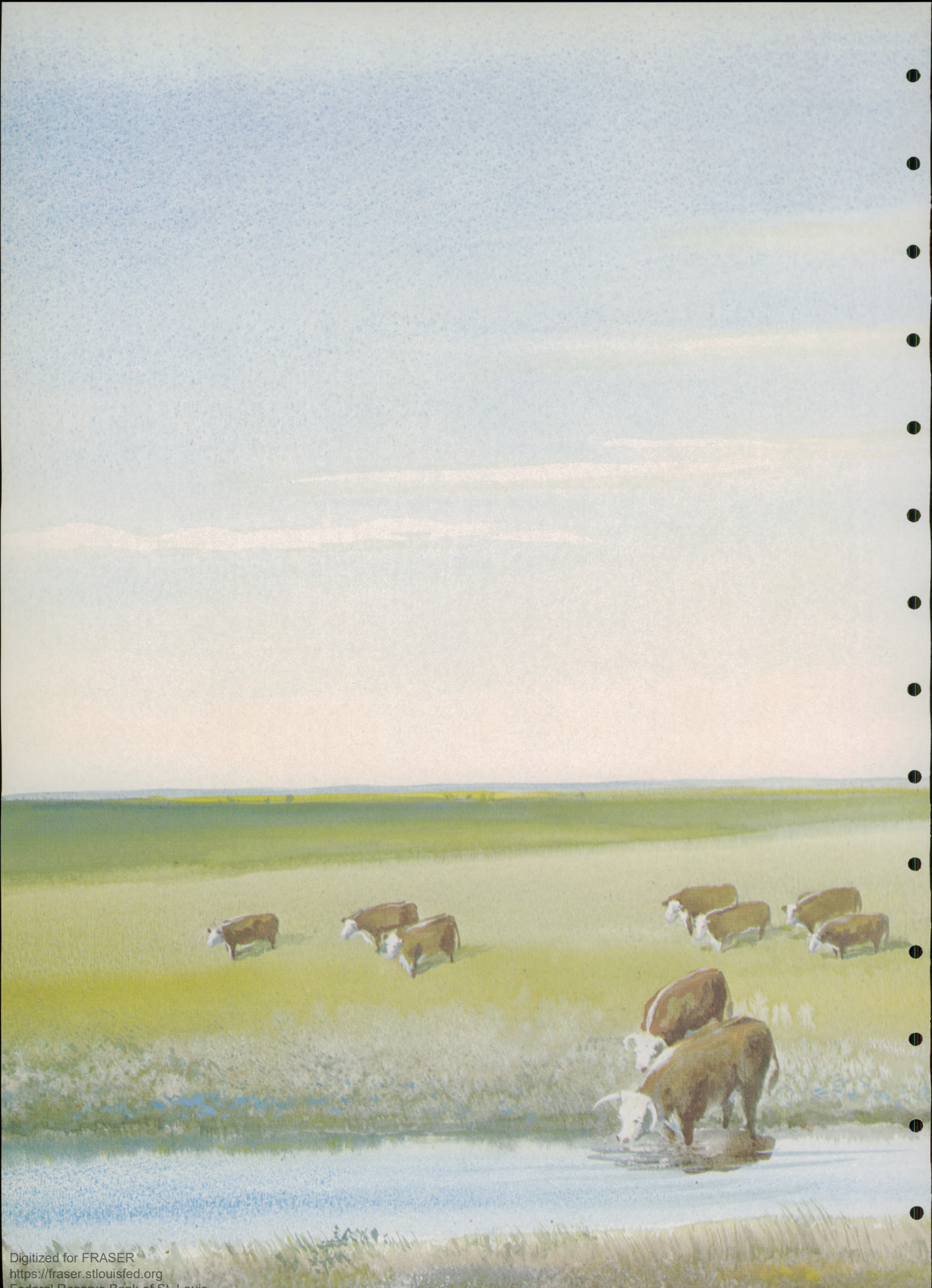
The First National Bank of Saint Paul

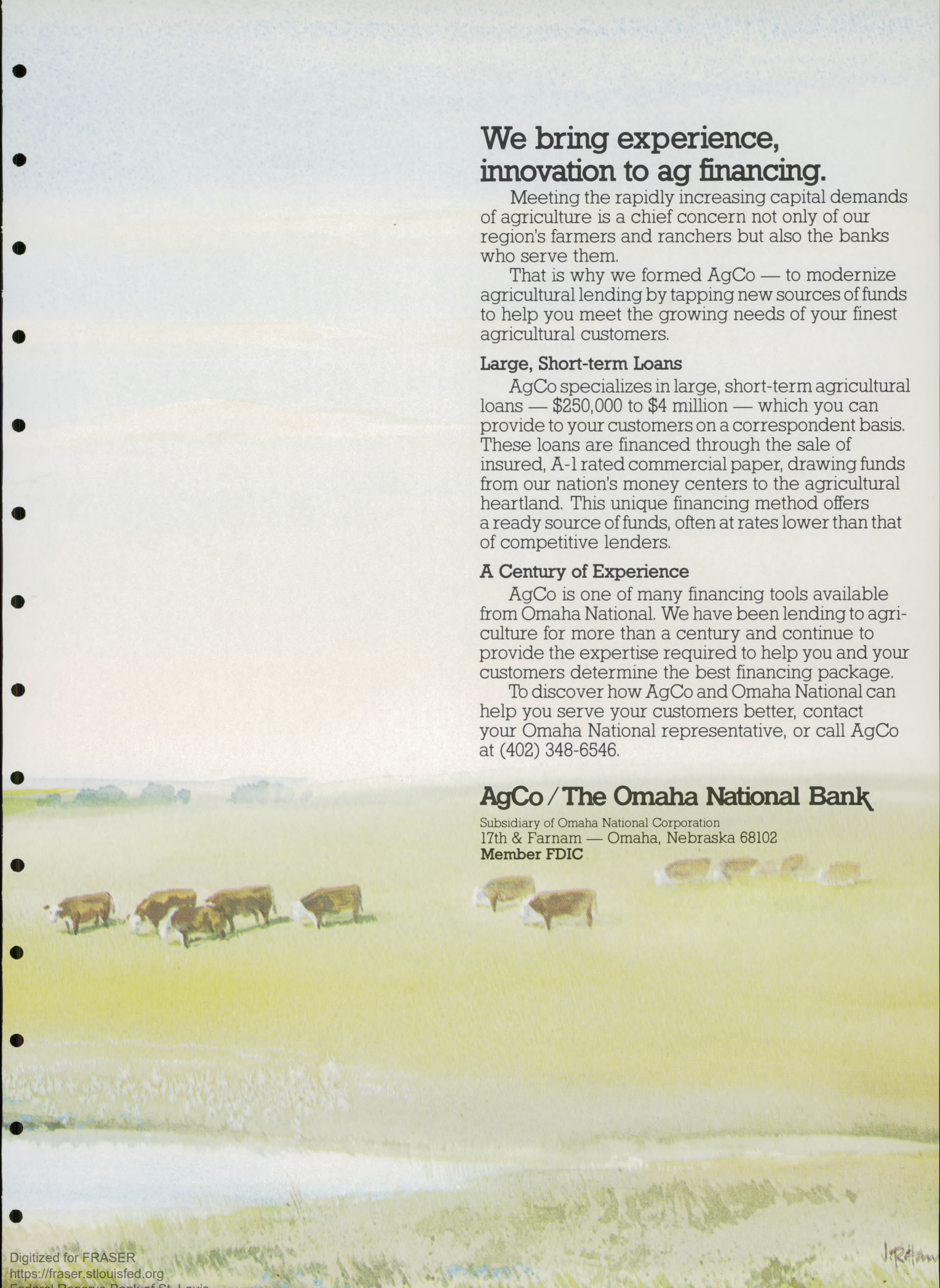
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Saint Paul, Minnesota 55101 (612) 291-5659

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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.

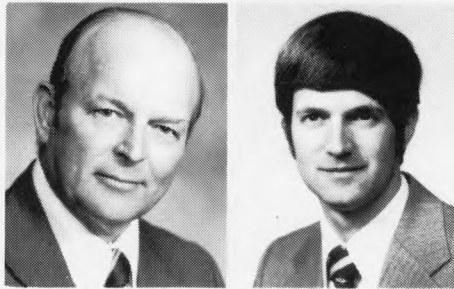
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North Dakota

T. A. Roney, pres., Carrington
H. J. Argue, exec. dir., Bismarck



Bank of N.D. Elections

H.L. Thorndal, president of the Bank of North Dakota, has announced the election of Evelyn Zelmer to vice president and Alyce Starck and Betty Zeeb to assistant vice presidents.

Ms. Zelmer joined the bank in 1955 in operations. She was promoted to assistant cashier in



E. ZELMER



A. STARCK



B. ZEEB

1973 and assistant vice president in 1977. Ms. Starck joined the bank in 1968 in operations and was promoted to assistant cashier in 1976. Ms. Zeeb began her career at the bank in 1968 as a posting machine operator. She was promoted to assistant cashier in 1973 and transferred to the loan department in 1979.

RMA Elects New Officers

The North Central Chapter of Robert Morris Associates has elected its new slate of officers for the coming

(1981-82) year.

The election meeting was recently held at the Moorhead Country Club. The following bankers were voted into office: President-Steve Jacobson, vice president of First National Bank of Moorhead, Minn.; First Vice President-John Bridgeford, assistant vice president, First Bank of North Dakota, Fargo; Second Vice President-Don Hass, vice president of Polk County State Bank, Crookston, Minn.; Secretary-Treasurer-Tom Hansen, vice president of First National Bank of Fargo, and Immediate Past President-Jack Lavin, vice president of Fargo National Bank and Trust Company.

The board of directors members are: Donald A. Green, vice president of First Bank of North Dakota, Fargo; Lew Wilson, vice president of the Bank of North Dakota, Bismarck; Don Holen, vice president of First National Bank of Wahpeton, and Stan Foss, vice president of First National Bank and Trust Company, Bismarck.

Capital Stock Increases

The applications by the following banks to increase capital stock have been approved: Northwestern State Bank of Hillsboro, from \$450,000 to \$750,000 by stock dividend; Union State Bank of Fargo, from \$425,000 to \$625,000 by cash subscription, and American State Bank & Trust Co. of Williston, from \$500,000 to \$1,650,000 by issuing \$1,150,000 in preferred stock.

Lisbon Bank Adds Cashier

Farmers State Bank of Lisbon has announced the addition of Jerry Wanken as cashier/ag loan officer. Mr. Wanken was formerly with a Minnesota bank and has 11 years of financial experience.

Holding Company Approved

The Federal Reserve Bank of Minneapolis has approved an application by Union Holding Company of Halliday to become a bank holding company through the acquisition of the Union Bank of Halliday.

Lakeside Promotes Three

Lakeside State Bank of New Town has announced the following promotions, according to President Darold Petersen: Zinie Peterson to senior vice president, Marlene Pennington from cashier to vice president and Dorothy Miller to cashier.

Ms. Peterson has been with the bank 13 years and presently serves as senior loan officer and personnel officer. Ms. Pennington joined the bank in 1963, serving in various capacities including cashier. Ms. Miller has been with Lakeside for 14 years, serving as head teller and loan officer.

George D. Norton Is Named Chairman of the BAI

George D. Norton, executive vice president and cashier of the Philadelphia National Bank, has been elected chairman of the board of Bank Administration Institute. The announcement was made by BAI President Ronald G. Burke following a meeting of the Institute's board of directors.

Mr. Norton succeeds N. Berne Hart, president and chairman of United Banks of Colorado, Inc., Denver, who will continue to serve on the board's executive committee in an advisory capacity.

ABA Strives to Improve Lives of Disabled Persons

The United Nations has declared 1981 as the International Year of the Disabled Person and in recognition of the UN project, the American Bankers Association has become a community partner with the U.S. Council for IYDP, ABA President Lee E. Gunderson has announced.

North Dakota Group Meetings

Group	Date	Location
Northeast	Sept. 21	Art Clare Motel, Devils Lake
Northwest	Sept. 22	American Legion Club, Tioga
Southwest	Sept. 23	Holiday Inn, Dickinson
Southeast	Sept. 24	Milt Young Civic Center, LaMoure



700 Main Street
P.O. Box 1657
Bismarck,
North Dakota 58505

"The Bank of North Dakota Philosophy"

I

To encourage and promote Agriculture
Commerce, and Industry
in North Dakota

II

To provide the most efficient and economical
financial services to the State,
its Agencies, and
Instrumentalities

III

To provide professional assistance whenever
possible and wherever it will encourage
and promote the well being and
Advancement of North Dakota
and its citizens

STATEMENT OF CONDITION June 30, 1981

RESOURCES

Cash and Due from Banks	\$39,698,895.46
U.S. Government Securities	71,678,239.21
Federal Agencies Securities	73,439,319.85
Bankers Acceptances and Other Investments	6,587,796.19
State and Municipal Securities	14,842,806.01
Federal Funds Sold	168,095,000.00

Loans

FmHA Business & Industry Guaranty	8,250,001.75
FmHA Housing Guaranty	1,127,934.32
FHA and GI Home Loans	167,065,590.16
Farm R.E. Loans	37,088,513.01
R.E. Contracts	240,967.25
Loans to State Institutions	205,627.11
Bank Stock Loans	8,140,047.13
SBA Participation Loans	16,436,516.00
N.D. Bank Participation Loans	107,372,666.04
Other Loans	14,712,373.41

TOTAL LOANS	360,640,236.18
Accrued Interest Receivable	10,658,294.20
Bank Building and Equipment	1,435,814.55
Unamortized Bond Issue Costs	432,044.56
Other Assets	209,136.46
TOTAL RESOURCES	\$747,717,582.67

LIABILITIES

Demand Deposits: Individuals, Partnerships and Corporations	\$ 5,243,390.51
Now Accounts - Individuals	258,340.28
Now Accounts - Public	586,824.31
Deposits of Banks	27,099,742.94
State and Political Subdivisions	102,547,286.87
Official Checks, etc.	4,769,575.95
	<u>140,505,160.86</u>

Time and Savings Deposits: Individuals, Partnerships and Corporations	19,645,383.30
State and Political Subdivisions	353,169,000.83
	<u>372,814,384.13</u>

TOTAL DEPOSITS	513,319,544.99
Fed. Fds. Purch. & Sec. Sold under Agreement to Repurchase	134,825,000.00
Accrued Interest Payable	6,394,311.38
Other Liabilities	3,814,974.78
Long Term Debt - Mtg. Bonds	42,323,000.00
Reserves	3,500,000.00
Capital	16,000,000.00
Surplus	12,000,000.00
Undivided Profits	15,540,751.52
	<u>47,040,751.52</u>

TOTAL LIABILITIES, RESERVE & CAPITAL	\$747,717,582.67
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The Bank of North Dakota is owned, operated and controlled by the State of North Dakota under the supervision of the Industrial Commission.

Ranked as the 34th largest agricultural lender nationwide and the tenth largest in the Great Plains states by the ABA in 1980.



INDUSTRIAL COMMISSION

ALLEN I. OLSON

Governor

ROBERT O. WEFALD
Attorney General

KENT JONES
Comm. of Agriculture

H. L. THORNDAL
President

Independent Community Banks of North Dakota

Annual Convention
September 16-17
Holiday Inn, Dickinson

THE INDEPENDENT Community Banks of North Dakota will hold its Annual Convention at the Holiday Inn in Dickinson September 16-17. Topics to be covered at the meeting will include EEO Compliance, Extending Ag Bank Services, IBAA and Independent Banking in the '80s, Corporation Farming and Employee Management and Relations. Other activities will include a chuckwagon barbeque, dance featuring the Lloyd Johnson Trio, art gallery, fashion show at the luncheon and convention banquet. The program follows:

Wednesday, September 16

A.M.

- 8:00 Breakfast—Executive Council and committees only (Remington/Winchester Rooms).
- 8:30 Registration opens (Lobby).
- 10:15 Call to order by ICBND President Jack Hoeven, president, First Western State Bank, Minot. All sessions held in Colt/Springfield Rooms.
- 10:20 Welcome by Dickinson Mayor Arthur E. Baumgartner.
- 10:30 Session I—Compliance.

Chairman-Jim Jorgenson, Executive Vice President, State Bank of Kenmare.

"EEO Compliance"—Ron Green, attorney: Epstein, Becker, Borsody, and Green, New York, New York; also faculty member, ABA Nat'l Compliance School.

Noon Lunch on your own.

P.M.

- 1:30 Session I—(Continued-Chairman Jorgenson. "Compliance: A CEO's Perspective"—Tracy Kelly, president and chairman, American National Bank, Bristow, Okla.; also faculty member, ABA National Compliance School.
- 2:30 "Extended Services to Association Members"—C. Scott Williams, executive director, Community Bankers Association of Ohio, Columbus.
- 3:15 Coke and coffee break.
- 3:30 Report-Bank of North Dakota-Herb Thorndal, Pres.; Bob Caudel, Senior Vice President.
- 3:45 ICBND Business Session—Jack Hoeven presiding.
- 5:00 Recess.
- 6:30 Watering Hole (Social Hour)-Poolside. Art Gallery open for viewing/Visits to exhibits.
- 7:15 Chuckwagon BBQ—Informal; western theme.
- 9:00 Hoedown! Dance to the Lloyd Johnson Trio.

Thursday, September 17

A.M.

- 8:00 Continental breakfast-Bankers Only.
- 8:30 Registration continues.

1981 North Dakota School of Banking Graduates




RECENTLY graduating from the North Dakota Bankers Association's School of Banking at the University of North Dakota in Grand Forks are **Dan R. Anderson**, pers. loan off., Walsh County Bk. & Tr. Co., Grafton; **James W. DuBois**, cash., Union St. Bk., Hazen; **Marian K. Dunn**, inst. loan off., Amer. St. Bk. & Tr. Co., Williston; **Calvin R. Emerson**, asst. v.p., First Natl. Bk. in Grafton; **Carol M. Heintzman**, pers. bkng. off., Fargo Natl. Bk. — Tr. Co.; **Terry A. Hendrickson**, asst. cash., Sec. St. Bk., Dunseith; **Tim Hennessy**, inst. loan off., St. Bk. of Burleigh County Tr. Co., Bismarck; **Delores James**, asst. v.p., Bk. of N.D., Bismarck; **Ranae L. Johnson**, unit person, First Bk. of Langdon; **Barbara Lee Kittler**, cash., Bk. of Turtle Lake; **Robert J. Lindseth**, asst. cash., Cit. St. Bk. of Ray; **Duane Midboe**, asst. cash., Northwood St. Bk.; **Bev Mikkelsen**, asst. v.p., Garrison St. Bk.; **Duane Pesek**, asst. cash., First Natl. Bk. of Devils Lake; **Evelyn O. Runck**, First Bk. of N.D.-Jamestown; **Donna Mae Schaff**, asst. cash., Dakota Western Bk., Bowman; **Rodger Allen Schock**, loan off., Farmers St. Bk., Elgin; **Linda Kay Simpson**, First Bk. of N.D.-Fargo; **Paul H. Skorheim**, ag. loan off., First Bk. of N.D.-Wahpeton, and **Faye Marie Thompson**, Fargo Natl. Bk. & Tr. Co.

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No 798809

CERTIFICATE OF INSURANCE
PART A
APPLICATION OF INSURANCE
PART B
TERMINATION AGE 66

Name of Insured Debtor _____ Address _____ Date of Birth _____ Age _____
(Street) (City) (State)

Insured Co-Debtor (Life Insurance Only) _____ Date of Birth _____ Age _____

Effective Date _____ 19 _____ Expiration Date _____ 19 _____ Term _____ Mo. _____

Irrevocable Beneficiary: _____ (Name) _____ (Address) _____ (State)

Contingent Beneficiary: _____ (Name) _____ (Address) _____ (State)

MAXIMUM LIMITS			
	Initial Guaranteed Aggregate Maximum Joint or Single Decr. Term Life	Initial Guaranteed Aggregate Maximum Monthly (Disability)	Initial Guaranteed Aggregate Maximum Single Level Term Life
Part A Without Evidence	Part A \$25,000	Part A \$400 Initial	\$25,000
Part B With Evidence	Part B \$75,000 Total Aggregate Excess Maximum is \$50,000	Part B \$800 Total Aggregate Excess Maximum is \$400	

INSURED'S BENEFITS		Premium	
Part I Decr. Life Joint Decr. Life Single	\$ _____ Initially	Decreasing Joint	\$ _____
	\$ _____ Initially	Decreasing Single	\$ _____
Part II Level Single	\$ _____	Level Single	\$ _____
Part III Disability Benefits Beginning on the 31st Day of Continued Disability.	\$ _____ Monthly		\$ _____
		Total Single Premium	\$ _____

The Creditor shall submit reports daily on any excess insurance issued on any debtor or joint debtors on form _____
If the amount of life insurance applied for exceeds the _____
amount of \$400 _____



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Minnesota Protective Life Insurance Co.

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- 9:00 Session II—Extending Ag Bank Services
Chairman-Robert E. Caudel, Senior Vice President, Bank of North Dakota, Bismarck.
"Commodity Marketing-Hedging"—Chairman-Ed Behrendt, broker, Piper, Jaffray & Hopwood, Bismarck; Lonnie Parsons, ag. rep., Western State Bank, Devils Lake.
- 9:45 "Corporation Farming"—Greg Larson, attorney: Wheeler, Wolf, Peterson & McDonald, Bismarck.
- 10:30 Coke and coffee break.
- 10:45 "IBAA Washington Office Report"—Weldon Barton, IBAA Agriculture/Rural America Representative.
- 11:30 ICBND Business Session—Jack Hoeven presiding.
- Noon Cocktails (Pre-Luncheon Cash Bar)
Cheese and fruit table (Compliments of ICBND).
- P.M.**
- 12:30 Luncheon-Duane Anderson, ICBND president-elect, presiding.
Invocation.
Entertainment-Mens' and Ladies' Fashion Show.
- 1:45 "IBAA and Independent Banking in the 80's"—Arch G. Mainous, Jr., IBAA treasurer; president, Citizens Union National Bank & Trust Company, Lexington, Ky.

- 2:15 Session III—Personnel Management
Chairman-Paul Marchell, president, First State Bank, Buxton.
"Employee Management and Relations"—Stanley L. Schmuckler, director of executive resources, The Sun Company, Inc., Rabnor, Pa.
- 3:15 Coke and coffee break.
- 3:30 Session III—(Continued). Speaker: Stanley L. Schmuckler.
- 4:00 Brief Comments-Lee M. Stenehjem, Jr., Commissioner of Banking.
- 4:30 ICBND Business Session—Jack Hoeven presiding.
- 5:00 Recess.
- 5:30 Banquet social hour (Poolside).
Art gallery open to viewing/Visits to exhibits.
- 7:00 Convention Banquet—Albert A. Wolf, M.C., Executive Secretary & General Counsel, ICBND.
Invocation.
- 8:00 "Why a Banker Needs a Sense of Humor"—
- 9:00 Introduction of Distinguished Guests.
Presentations-Installation of Officers.

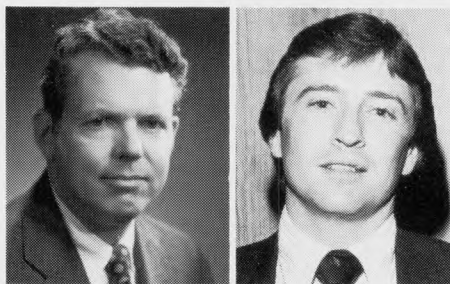
Friday, September 18

A.M.

- 8:30 Breakfast-Executive Council and Committees only.

Colorado

W. W. Grant, pres., Denver
D. A. Childears, exec. mgr., Denver



Three Financial Institutions to Share ATMs

THREE Colorado financial institutions will share an automated teller machine (ATM) network that will enable their customers to initiate banking transactions at 126 locations throughout the state.

United Banks of Colorado, Columbia Savings and Loan Association and the First National Bank of Denver are forming the network, or "switch," and expect it to be operational statewide by later this year.

Details of the shared ATM system, to be called Minibank Switch Network, Inc., were announced jointly by N. Berne Hart, chairman and president of United Banks of Colorado, Inc., Bob R. Baker, chairman and president of Columbia, and Robert E. Lee, president and chief executive officer of First of

Denver.

They described a switch as a card-activated system that electronically routes transactions originating at the ATM of one financial institution to the card-issuing financial institution. As a result, a cardholder of one participating firm may use an ATM of another participant, and the switch will route the transaction to the card-issuing institution for authorization. The authorization is routed back to the machine being used—all in a span of a few seconds—and the transaction is completed.

Initial plans for the ATM network were revealed earlier this year by United Banks and Columbia.

The new Minibank Switch will offer more transaction capabilities than

any other ATM network in the Rocky Mountain region, including checking and savings deposits and withdrawals, transfers between checking and savings accounts, cash advances on credit cards, payments to credit card accounts, and balance inquiries. The broad range of banking services will be available to customers around the clock through the ATMs of all of the participating financial institutions.

Messrs. Hart, Baker and Lee said the ATMs of their participating institutions will carry a common Minibank network identifier in conjunction with the already established individual identification appearing on their machines and cards.

United Banks, First of Denver and Columbia Savings currently have a combined total of more than 725,000 cardholders, who will initiate approximately 11.6 million ATM transactions in 1981. Their 126 ATMs are located throughout metropolitan Denver and in more than two dozen other Colorado communities, including Brighton, Broomfield, Golden, Boulder, Longmont, Loveland and Estes Park; Fort Collins, Greeley, LaSalle, Sterling, Fort Morgan, Brush, Yuma and Wray; Akron, Strasburg and Byers; Colorado Springs and Pueblo; and Steamboat Springs, Carbondale, Grand Junction, Delta, Montrose and Gunnison.

Some Correspondent Banks are notoriously slow movers. Picking the best one for your money is tough. Sure, experience counts. So does professionalism. But you're also looking for fast turnaround. And this is where we really have the jump on the rest of the pack.

We're Colorado National Bank. When you call us we get moving. And not at a snail's pace. Getting a quick start and

following it through back to you is our first priority. But it's just the beginning of our complete Correspondent Service. We have a team of officers covering your region. Strong support areas. A reputation for quality. And personnel knowledgeable about Commercial Loan Participations.

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Independent Bankers of Colorado

Annual Convention
September 17-19
The Lodge, Vail

THE INDEPENDENT Bankers of Colorado will hold its 1981 Annual Meeting September 17, 18 and 19 at The Lodge in Vail. Of special importance will be additional information about IBC's marketing program, new legislation effecting agri-banking, the introduction of Colorado's new Banking Commissioner, election of officers and directors and entertainment by "Kirk" Kirkpatrick from Atlanta, Ga. The convention program follows:

Thursday, September 17

- A.M.**
9:00 4:00 p.m.—Registration in the lobby.
9:00 Golf tee-off time. Tennis.
11:30 Singletree Barbeque for anyone wishing to attend.
- P.M.**
5:30 Exhibitor's Cocktail Party.
7:30 Dinner on one's own.

A.M.

- 8:00 3:00 p.m.—Registration open in the lobby.
9:00 Business Sessions featuring:
President's Report, Earl F. Lehigh.
IBAA Associate Director, Ken Gunther, Washington Report.
Bank Commissioner of Agriculture, Morgan Smith.

11:30 Hosted Cocktail Party.

Noon Luncheon—Speaker: IBAA President, W.C. Bennett.

P.M.

6:00 Hosted Cocktail Party.

7:30 Annual Banquet—Speaker/Entertainer: "Kirk" Kirkpatrick.

Saturday, September 19

A.M.

9:00 Second business session featuring: Reports, Elections, Resolutions, COIN PAC, Independent State Bank and Senator Bill Armstrong.

11:30 Hosted Cocktail Party.

Noon Luncheon—Speaker: Newly-elected president, IBC.

P.M.

2:00 Adjourn the convention.

Energy Draft Collection Operation Begun

FIRST National Bank of Denver has established a separate draft collection operation because of a 150 percent increase in energy-related business over the past 12 months.

"Our volume of work from energy companies has exploded," said Joseph P. McCann, vice president and manager of corporate services. "A year ago, our June energy draft collections were \$5.8 million. This June they were \$14.7 million and it looks like the July figure could reach \$16 million," he said.

In association with the bank's energy department, headed by Senior Vice President Robert B. Maddox, a special collections staff was designated to handle only energy company transactions. Previously, energy drafts were handled by the same department that processes the bank's other collection items.

Since May 1981, First of Denver's energy collections staff has more than doubled. A minicomputer system is being installed to facilitate virtual custom service in processing resource development firms' drafts, the bankers said.

"It is a crucial function," Mr. McCann said. "For example, oil and gas companies must make prompt, accurate payments to lessors, usually the farmers and ranchers who lease

the mineral rights under their land. It is well recognized in the industry that leasing agreements can carry millions of dollars of liability if not handled precisely. The reputation of a petroleum company and the landmen ride with a bank's handling of the lease payments."

Elected EVP in Loveland

Dayton E. Johnson has been elected executive vice president and cashier of American Bank in Loveland. He was most recently vice president of the United States Bank in Grand Junction. He graduated from the University of Nebraska with a BS degree in agronomy. Mr. Johnson will also serve as a director.

Common Stock Offered

Colorado National Bankshares, Inc. announced it has filed a registration statement for a public offering of 750,000 shares of its common stock with the Securities and Exchange Commission. The Company currently has 4.1 million shares outstanding. Blyth Eastman PaineWebber Inc. and Dain Bosworth Inc. have been named as managers of a nationwide group of underwriters which expects to offer the securities in mid August.

Named President at LaSalle

Marian M. Peppler has been named president of United Bank of LaSalle, it has been announced by K. Edward Saboe, chairman. Ms. Peppler's responsibilities will include supervising overall bank operations, including management and planning.

Ms. Peppler has 17 years of banking experience. She has served as vice president and cashier of the LaSalle bank since 1970. Since 1976 she has been secretary to the board.

Central Bank Changes Told

Daniel H. Wiedemeier, vice president of Mountain Bell and general manager of its operations in Colorado, has been elected to the board of Central Bank of Denver, according to Donald D. Hoffman, chairman.

Also announced were the following promotions: Terry D. Martin to assistant vice president-mortgage loans; Scott Brennan to retirement planning officer; Eileen K. Dillon to customer service officer, and Joan Mohar to customer investment officer.

Mr. Martin recently joined the bank from the Fourth National Bank in Wichita, Kan. He holds a degree in business administration from Wichita State University.

Bank/ag services . . .

(Continued from page 43)

- Weather Service can provide very localized weather information on frost, moisture conditions, changes in weather, humidity and the like, which may mean the difference between a profit or loss for farmers.
- Banks will make arrangements among themselves and possibly with other financial institutions to organize entities that can buy and sell commercial paper, acceptances, and originate real estate loans that can form the collateral for pass-through certificates.
- Electronic capability will provide access to information on documentation and control systems that a bank can utilize in the event its own system is somewhat lacking in certain aspects.
- Financial institutions will become financial counselors who will be able to "play" with borrowers' balance sheets and the listed assets and liabilities to get an optimum mix at best terms and prices which can quickly be related to projected cash flows for feasibility.
- Estate planning, with the continued inflation in real estate land value, will become a necessity even with some modest changes in the inheritance tax provisions. The management of retirement funds themselves will offer opportunities for financial institutions. Farmers will increasingly be in better cash positions as the farm profits improve in the latter half of the 80's, and this will permit farmers to make more short-term investments. There is also an increase in concentration of farmland ownership which offers opportunities for banks to become agents for absentee landlords and get into the active management farms.
- The pressure on proprietary agribusiness from cooperatives and the pressures on operations of both these types of organizations from the high cost of money we have seen for the last several years has been resulting in a dramatic change in the U.S. food system, particularly in some parts of the United States. Many proprietary companies have come to the conclusion that their best expertise is in marketing agricultural products. There has been a strong move by processors—to date, principally the food and vegetable canners and freezers—to sell or divest themselves of brick and mortar. The majority of sales have been made to farmers who provide the raw product throughput for these processors.
- Increasing amounts of initial margin and maintenance margin will be needed by growers to hedge their production or inventory positions in the futures markets. Increasing amounts of capital will be provided by means of lines of credit as opposed to 90-day advances. Since many farmers are financially strong, banks will provide more advised lines of credit; i.e., informing a borrower that he has X dollars available at the local bank for his use, predetermined by reference to a balance sheet and prior profit and loss experience.
- There will be more leasing of assets, such as dairy cows and sows. Banks will collaborate with other institutions to provide some means of handling low equity farmers. One means could be interest-only loans with little amortization of principal.
- In summary, financial institutions will be offering a

greater range of products and services. Different types of deposits and investment instruments will proliferate. Joint ventures, corporations with multi-bank ownership, and cooperative organizations will issue and service these deposit/investment services.

Possibly the use of trade acceptances, banker's acceptances, and ineligible acceptances (finance bills) will be more generally utilized.

There will be a quantum jump in the number of entities involved in information collection and dissemination. The growing use of computers and the interactions permitted by remote terminals with main frame hardware will encourage the bank's and customer's use of the latest information relating to finance, markets, weather, global economic and political data. Proposals have been made to set up a national system for monitoring the U.S. inventory of livestock. Data on breeds, ages, ownership, location, transfers of title, liens, etc., all keyed to a permanent identification number carried by each animal will provide not only better control of collateral for the lender but also management information for the livestock operator.

As exports become more of a factor involving more farmers and agribusiness, banks will provide the bundle of services required to initiate and consummate a trade transaction. These services will come on stream quickly if the Trading Company Act is legislated into law. □

Long range focus . . .

(Continued from page 43)

continue to narrow. Marketing systems will be more centralized, perhaps even to the point of greater integration of the production - marketing - processing or exporting chain.

Deregulation will enhance the ability of the agricultural banker to meet the needs of this changing agriculture. It will give him a greater capacity to enter the national and international money-markets to obtain the funds to meet the increasing needs of his farm customers. Perhaps these funds will come at a greater cost and result in higher interest rates for farm credit, but most farmers today understand prime rate and many are already accepting money market rates from supplier finance plans.

The new agricultural banker not only will be required to furnish more credit but he will become an expert on farming practices. His bank will supply supporting services: computerized accounting systems, marketing information and plans, investment and estate planning counsel, and new approaches to finance and ownership through trusts, corporations, partnerships, joint ventures, or cooperative approaches with other farmers.

Most of all, deregulation will remove the sameness from banks. It will enable the individual banker to make his own bank a more creative, different type of bank - one more able to meet the changing needs of his customers - one better able to meet these changes than his banker-competitor across the street, the Farm Credit System lender, the government agency, or whatever new type of credit provider that may appear. It will give the individual banker the capacity to be, not just another bank, but the one most geared to serve his market area. □

Wyoming

D. R. Wassenburg, pres., Big Piney
M. C. Mundell, exec. dir., Laramie



Holding Companies Announce Merger

THE WYOMING National Corporation and First Bankshares of Wyoming, the third and fourth largest bank holding companies respectively in the state, will through merger become the second largest bank holding company in the state as ranked by size. The Wyoming National Bank of Casper, lead institution in the Wyoming National group, is the state's largest bank with total resources of \$298 million.

They Wyoming National Corporation was formed in 1970. At that time the Wyoming National Bank of Casper had resources of \$65.7 million. In addition to the Casper bank, the corporation also includes the Wyoming National Bank of Gillette, the Wyoming National Bank of East Casper and the Wyoming Bank of Rawlins.

Application for the merger of the two bank holding companies was first announced in September of 1980. The merger, approved June 8, has been under study by the Federal Reserve Board since that time. The combined companies will have assets of \$442 million. The Wyoming National Corporation will be the surviving corporation.

First Bankshares of Wyoming, formed in 1979, includes one of the oldest federally chartered banks in the state—the First National Bank and Trust Co. of Cheyenne organized in 1882. Other First Bankshares of Wyoming banks are: the Wyoming State Bank of Cheyenne and the First National Bank of Wheatland. Total combined assets of the Cheyenne group exceeds \$144 million.

WBA Announces Committee Chairmen

THE WYOMING Bankers Association has announced chairmen and members of its various committees for the 1981-82 year. Listed below are the chairmen:

Legislative - Harmon H. Watt, pres., First Interstate Bank, N.A., Riverton.

Agricultural-General - Lloyd Snyder, v.p., American National Bank of Powell.

Agricultural-Winter - Tracy J. Swanson, pres., Western Bank of Cody.

Agricultural-Summer - M.E. Allerheiligen, asst. v.p., Shoshone First National Bank, Cody.

Coordination with State Treasurer - Orin G. Geesey, pres., First Wyoming Bank N.A., Kemmerer.

WBA Credit Conference - Mark Kinner, v.p., First Interstate Bank N.A., Casper.

Trust - Robert J. Wyatt, v.p. & tr.

off., Bank of Commerce, Sheridan.

WBA Consumer Credit Conference - Norman K. Brown, inst. loan mgr., First Interstate Bank N.A., Laramie.

Chief Executive's Officer's Conference - Don H. Babbitt, pres., Stockgrowers State Bank, Worland.

ABA Bankpac State Chairman - Paul P. Jacques, pres., First Wyoming Bank N.A., Cheyenne.

WBA Support of 4-H Clubs - Donald C. Brayton, sr. v.p., Bank of Commerce, Sheridan.

ABA Task Force on AIB - Donn H. Dorsett, pres., Bank of Casper.

Nominating - George E. Cooke, dir., American National Bank of Powell.

Audit - Beverly L. Sheen, v.p. & cash., Bank of Laramie.

Resolutions - Jay F. Bordewick, pres., First Wyoming Bank, Casper.

WBA Convention Athletic Director - John W. Easterbrook, v.p., First Interstate Bank N.A., Laramie.

C. Dorman Named President

John Ostlund, chairman of the Wyoming National Bank of Gillette, has announced that Charles E. Dorman has been named president. He succeeds Ted Ernst who has resigned. Mr. Ostlund was formerly vice president and senior loan officer of the Perry State Bank



C.E. DORMAN

in Perry, Ia., and since March of 1981 has been vice president of the Wyoming National Bank of Casper.

Mr. Dorman began his banking career with the Perry State Bank in 1958, serving in nearly every area including bookkeeping, operations, personnel, instalment and commercial loans and trust. He graduated from Broward Junior College in Fort Lauderdale, Fla.

Riverton Bank Acquired

Wyoming Bancorporation and American National Bank of Riverton have announced that the two banking organizations have agreed to a stock exchange whereby American National Bank would become an affiliate of Wyoming Bancorporation. The affiliation is subject to the acceptance by the shareholders of American National Bank and the approval of the Board of Governors of the Federal Reserve System and other regulatory authorities.

As of June 30, 1981, Wyoming Bancorporation's assets were \$598.33 million and assets of American National Bank of Riverton totalled \$44.94 million.

Wyoming Bancorporation presently owns 21 full-service banks located in 19 Wyoming communities. David R. Johnson, president, announced the approval by the Board of Governors of the Federal Reserve System for the activation of the charter of the First Wyoming Bank, N.A.-Torrington.

Sheridan Promotion Told

William H. Ruegamer, president of the Bank of Commerce in Sheridan, has announced the promotion of Mary Lee Corley to assistant cashier. Mrs. Corley joined the staff in 1979 as an officer trainee. She received her BA degree in government from the American University in Washington.

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Montana

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



Kermit O. Hanson Honored

John Reichel, chairman of the board of the Pacific Coast Banking School, has announced the establishment of a Kermit O. Hanson Professorship of Business Administration at the University of Washington. Mr. Hanson, dean of the Graduate School of Business Administration at the University, has given time and leadership to PCBS for over 25 years.

Mr. Hanson retired from the University in June and as educational director of PCBS in September. Mr. Reichel reports that more than one half of the fund goal of \$500,000 has been pledged as a means of recognizing the contribution Dean Hanson has made to banking education and the banking industry.

The PCBS board honored Dean Hanson at a reception in Seattle recently at the University Tower Hotel. The Advisory Board was at that time presented with a contribution toward the chair from the banks in sponsoring states. Income from the endowment will be used to enhance the level of education with noted professors and programs in the future.

The Montana Bankers Association unanimously adopted a resolution expressing appreciation for Dr. Hanson's service to business education and PCBS at the association's annual convention held this summer at Big Sky, Mont.

Miles City Changes Told

Richard G. Mitchell and Thomas Scott have been elected to the board of First Citizens Bank in Miles City, Larry W. Jochim, president, has announced. Mr. Mitchell is president of the Security Abstract and Title Company and a principal owner of the W.A. Mitchell Co. Mr. Scott is president of Security Bank of Montana.

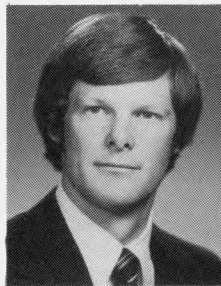
Elected directors emeritus were Roy Hanson and Astrid Ross for their

service to the bank since its opening in 1974.

Also announced was the election of Brenda Rickett to cashier. She joined the bank in 1975 as a teller and was promoted to assistant cashier in 1978.

Advanced in Billings

First Bank Billings has elected Michael J. Hickey assistant vice president - commercial loans. Mr. Hickey joined the bank in January, 1979 as a commercial loan officer. Previously he was associated with First Bank Lewistown and First Bank Minneapolis. Mr. Hickey is a graduate of the University of Wisconsin with emphasis in political science and economics.



M.J. HICKEY

Hamilton Bank Expanding

Citizens State Bank of Hamilton has purchased and subsequently demolished two buildings adjoining its main bank to the west. New building began in July, which will give the bank an additional 6500 square feet of the ground floor. The new addition will include a full second story for future expansion plus storage room and an enlarged lounge.

When the new addition is completed in a few months the staff will move into the new quarters and the present quarters will be remodeled. Completion of the entire project is expected in March, 1982, at which time the bank will occupy the entire structure.

Holding Company Approved

The Federal Reserve Bank of Minneapolis has approved the application by Culbertson Ban Corp.

to become a bank holding company through the acquisition of the Culbertson State Bank.

Elected Officer in Billings

Jeanne C. Florez has been elected a real estate loan officer of First Northwestern National Bank of Billings, Al Weingardner, president, has announced. Ms. Florez attended Eastern Montana College and joined the bank in 1979.

Two Elected in Helena

Ed Jasmin, president of the Northwestern Bank of Helena, has announced the elections of Curtis B. Briggs to vice president-commercial loans and Thomas E. McGowan to instalment loan officer.

Mr. Briggs is a graduate of Moorhead State College, and was previously a vice president of the First National Bank of Moorhead, Minn. Mr. McGowan is a graduate of Montana State University and Eastern Montana College and worked in the instalment lending area of the Northwestern Bank of Lewistown before joining the Helena bank.

Thorndal Elected Trustee

William Thorndal, president of Central Bank of Montana in Great Falls, has been elected a trustee of the Montana Bankers Association Groups 5A and 5B for the Insurance Board.

MBA Plans Annual Consumer Loan Conference

The Montana Bankers Association's 1981 Consumer Loan Conference will be held September 16-18 at the Outlaw Inn in Kalispell. Topics will include Regulation Z-Simplification Act & Model Forms, Problem Credits, Basics of Consumer Lending, Variable Rate Financing and UCC Lien Filing and Perfection.

A golf outing will begin at 1:00 p.m. September 16 at the Buffalo Hills Golf Course. Also on Wednesday, registration will begin at 3:00 p.m. and a reception will begin at 7:30 p.m.

The program will begin at 9:00 a.m. September 17 with a welcome by Robert L. Reiquam, MBA president. Discussion groups will cover the basics of consumer lending Thursday afternoon. The meeting will adjourn at noon September 18.

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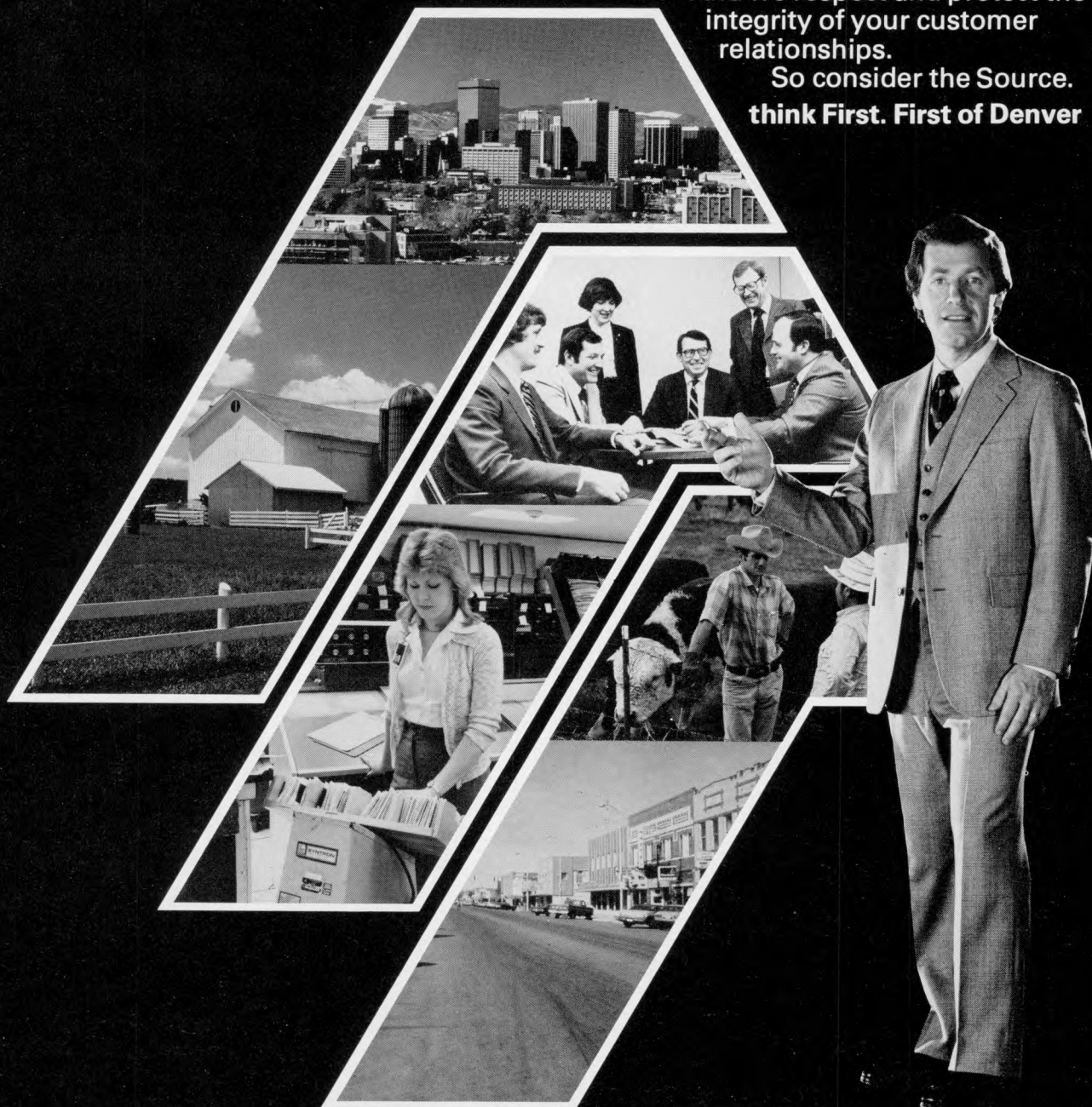
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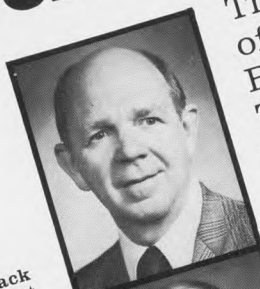


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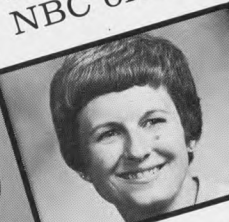
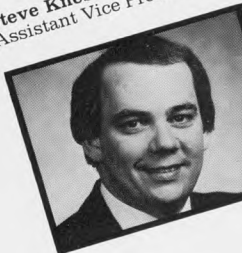
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Senior Vice President
Duane Nelson
Vice President



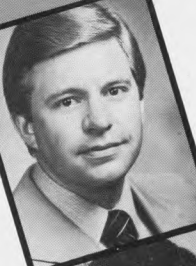
Steve Kness
Assistant Vice President
Max Callen
Assistant Vice President



Irene Rezac
Correspondent
Bank Officer



Donna Bieck
Correspondent
Bank Officer



Tom Henning
Correspondent
Bank Officer

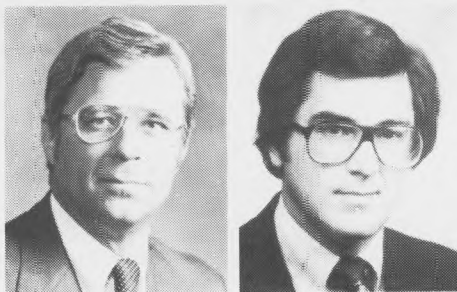


Brad Korell
Vice President

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Nebraska

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R.M. Beverage, exec. v.p., Lincoln



CEDAR shingle roof accents the recently-completed Hastings State Bank.

New Hastings State Bank Opens

THE site for the new Hastings State Bank was chosen because of its visibility, its multi-vehicular access, and its viability with respect to the downtown core of the city.

Located at the northwest corner of the site, the main structure is formed of steeply-pitched cedar shingle roofs, mirroring the sloped roofs of neighboring churches and housing. Several features notable as one approaches the building from the south include a large greenhouse waiting area, trellis covered and brick-paved walks connecting the

brick and cedar shingle drive up gazebo to the main facility, and the 24-hour teller module on the southwest.

The main banking lobby is divided into two areas: banking officers and secretarial staff on the west; tellers, vault, and bookkeeping on the east. The public lobby is formed by a series of vaulted wood trusses complimented by a wood ceiling and quarry tile floor. The customer waiting area is framed by the greenhouse with views to the planted trellis arcade. Six offices with large sliding glass doors



UNIQUE interior of the new bank includes a wood ceiling.

surround the secretarial area.

The second level board room overlooks the banking lobby and is connected to the first floor by a hold cascading stair structure near the greenhouse.

The entire facility is newly furnished in desks and millwork of natural lacquer oak and chairs covered in earthtone and pastel fabrics. The brick-lined vault and polished steel vault door visually highlight the teller line and check writing stands.

Springfield State Sold

The sale of the Springfield State Bank was consummated August 3. The bank and the Springfield Insurance Agency were purchased by the Springfield State Bank Co., Inc., a holding company. E. Dean Kugler and Glenn M. Adair are the principal stockholders.

Resigning as directors of the bank were former president Robert D. Iske and Dewey Callaway, Hazel A. Latham and Orville Nielsen.

Directors of the bank under the new ownership are E. Dean Kugler, Karen J. Kugler, Glenn M. Adair, Virginia M. Adair, Elden A. Nielsen and D.G. McDonald.

Bank officers are:

President-E. Dean Kugler; executive vice president and cashier-Glen M. Adair; vice president-Mary Ellen Nielsen; assistant vice president-John A. Novotny, and assistant cashier-Stephen J. Ingram.

Changes Announced in Utica

Don B. Olson has joined the First National Bank of Utica as a loan officer. Mr. Olson was associated with Lancaster County Bank in Waverly the past 14 years.

Also announced were the elections of Elaine Harvey, Aloa Franks and Joyce Petersen to assistant cashiers.

Jacob L. Kats Dies

Jacob L. Kats, president and chairman of the First National Bank of Lewellen, died recently. He was with the bank for over 45 years and had over 50 years of banking experience.

New President in Palmer

The State Bank of Palmer has promoted Randy Helgren to president, replacing Roy Dinsdale, who remains as chairman. Mr. Helgren has served as executive vice president and cashier since January, 1980.



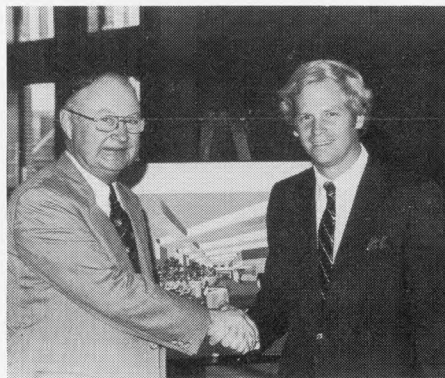
Omaha

AT a recent news conference **Don Murphy**, chairman of U.S. National Bank, announced that the bank will be the new tenant of the first and second floors of the North Tower, Central Park Plaza. U.S. National will lease 20,000 square feet of the building. Initially, 8,000 square feet will be sublet and held as a reserve for future expansion.

The new facility, tentatively scheduled to open April 1, 1982, will be a full-service branch. On the main floor, facilities will include a main lobby, Personal Banking area, teller windows, 24-hour Automatic Teller Machine at the main entrance, commercial banking representatives and a safe deposit box area.

A spiral staircase will connect the main floor with the second floor. The second floor is immediately adjacent to the skyway entrance connecting

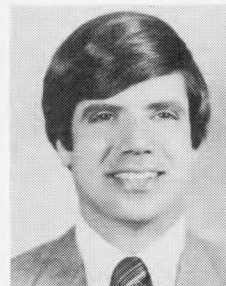
the two towers. Facilities on the second floor will include teller area and an ATM just off the 750-car parking garage.



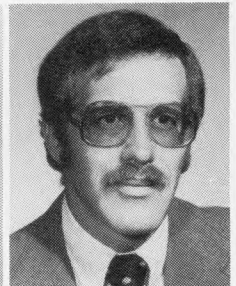
CHAIRMAN Donald J. Murphy, U.S. National Bank, and **Chip Kabrud**, Omaha division manager of Murdock Management Co., after lease was signed for new U.S. National Bank office in Central Park Plaza, North Tower.

Leo A. Daly III has been elected to the board of the United States National Bank of Omaha, Chairman **Donald J. Murphy** has announced. Mr. Daly is president of Leo A. Daly Company, an architectural firm in Omaha.

Also announced were the promotions of **C. Fred Mateer** and **Robert E. Billmeyer** to vice presidents. Mr.



C.F. MATEER



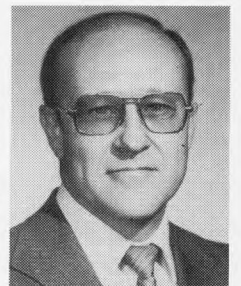
R. BILLMEYER

Mateer joined the bank in January of this year as a second vice president. He was previously vice president of First National Bank of Aberdeen, S.D. Mr. Mateer completed undergraduate work at the University of Illinois-Urbana.

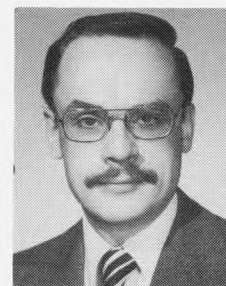
Mr. Billmeyer joined the bank in 1974, and was promoted to investment officer in 1979 and second vice president in 1980. He has a degree in business administration from the University of Iowa and an MBA from the University of Nebraska-Omaha.

H. David Neely, president of First Northwestern Trust Co. of Nebraska, has announced the following promotions: **Larry T. Eischeid**, **Richard H. Sieling** and **Harry P. Yosten** to second vice presidents and **Janet M. Keyser** to investment officer. **Susan M. Joe** was elected assistant operations officer.

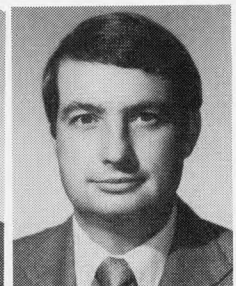
First Northwestern Trust Co. was



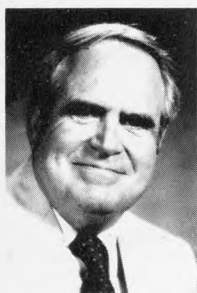
L.T. EISCHEID



R.H. SIELING



H.P. YOSTEN



WES BOWEN

PNB

PACKERS NATIONAL BANK

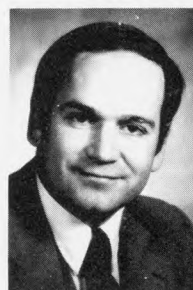
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RICK OTTO



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J.M. KEYSER

S.M. JOE

incorporated in 1977, consolidating all Northwest Bancorporation trust functions.

* * *

Omaha National Corporation reported net income of \$4,105,065 for the first six months of 1981, Board Chairman John D. Woods announced recently.

This six-month figure compares to \$4,309,051 during the first half of 1980. Earnings per share were \$2.63, compared to \$2.68 in 1980.

Omaha National Corporation is the holding company for the Omaha National Bank, Realbanc, Inc., and other financial subsidiaries.

The comparative results are partially attributable to an elevation in 1980 earnings due to non-recurring interest income stemming from the collection during the first quarter of 1980 of a major loan that had been carried in a nonaccrual status, Mr. Woods said.

Lloyd R. Kitrell Elected President of Indiana Bank

Security Bank & Trust Co. of Vincennes, Ind., has elected Lloyd R. Kitrell president and chief executive officer. Mr. Kitrell was most recently president and chief executive officer of City National Bank & Trust Co. of Hastings since 1973. In Vincennes he succeeds Richard J. Bond, who is retiring from active bank management to become board chairman.

Mr. Kitrell has a degree in business administration from the University of Nebraska-Lincoln. He has served as a national bank examiner and has held executive positions with the Beatrice National Bank & Trust Co. and the American National Bank of Omaha.

Trust Company Approved

Paul J. Amen, Director of Banking and Finance, approved the Bank of Bellevue's application to amend its charter to allow the transaction of trust company business.



WILLIAM MARCH
President



FRANK E. WILLIAMS
Executive V.P.



PATRICK H. RENSCH
Vice President and
Counsel



ROBERT E. ROH
Vice President



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



WM. (BILL) ABTS
Assistant V.P.



WAYNE A. RASMUSS
Assistant Sec.



THOMAS B. MEHL
Assistant V.P.



MIKE MULLEN
Representative



MICKEY KRUPINSKY
Representative



JOHN H. CRAVENS
Representative

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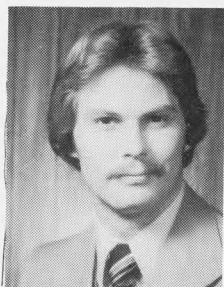
Member of the Securities Investor Protection Corporation **SIPC**





Lincoln

Havelock Bank has announced the promotion of **Patrick Gibbons** from operations officer to assistant vice president. Mr. Gibbons joined the bank in 1977. He had previously been employed with the First National Bank of Fairbury, where he worked in various departments. Mr. Gibbons has a degree in business administration from the University of Nebraska at Lincoln.



P. GIBBONS

T. Cummings New President Of First National-Chadron

Tom Cummings has been named president of First National Bank in Chadron, succeeding Bill J. Blough, who has moved to American State Bank in McCook. His 23 years in banking include experience as a state bank examiner, vice president of the Lexington State Bank and president of the First Bank & Trust Co. of Cozad.

Mr. Cummings joined First National seven years ago as executive vice president. He then took a position as president at Platte Valley Federal Savings and Loan Association. Last January, Mr. Cummings became semi-retired, but will be coming out of retirement to work full-time as president.

Richard Draper, Sr. Dies

Richard K. Draper, Sr., chairman of the Bank of Elgin, died recently at age 84.

Mr. Draper started his banking career in 1917 at the First National Bank of Belden and became its

managing officer in 1923 and president in 1940. He retired from the bank in 1950 but remained on its board until 1980.

In 1951, he was employed by the Livestock National Bank of Sioux City (now Northwestern National) and was a field representative with the correspondent-bank division.

In 1960, he and his son, Richard Jr., purchased the Bank of Elgin, where he was president and, at the time of his death, chairman of the board. Mr. Draper also had been a real estate broker since 1917.

The Nebraska Bankers Association in 1967 gave him an award for 50

years service to the banking industry.

Promoted at Scottsbluff

Jack Selzer, president of Scottsbluff National Bank & Trust Co., has announced the promotion of Sharon Koch to trust administrative assistant. Ms. Koch joined the bank three years ago as trust department secretary.

4 Key Executives Promoted To New BAI Posts

To better serve its constituency and to thoroughly address key industry issues, Bank Administration Institute President and Chief Executive Officer Ronald G. Burke recently announced the creation of four directorates and promoted key executives to head the newly-established posts.

Reporting directly to Mr. Burke are: David Van L. Taylor, executive vice president, banking services; Wayne B. Lewin, executive vice president, education; R. Gerald Fox, executive vice president, communications, and Michael G. Glass, executive vice president, finance and membership.

First State-Scottsbluff Celebrates Opening

FIRST State Bank of Scottsbluff recently celebrated the opening of its new building at 2002 Broadway. Special event for the grand opening was an "Insta-Pay" game in which community members inserted a card, which they received in the mail, into an Insta-Pay machine which selected winners. Prizes included a fiberwoven blanket, a floating lantern flashlight and an 18 inch plaid travel bag. Everyone opening a new savings account of \$250 or more during the

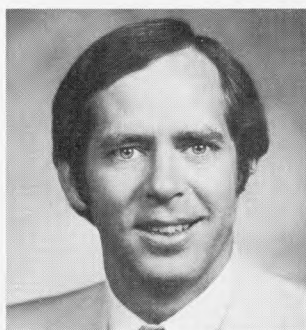
grand opening also received one of these gifts.

The new building provides 8,700 square feet of operations space on one level. Bank Building and Equipment Corporation of America, of St. Louis, Mo., designed and built the structure, incorporating many energy-saving features. A large skylight which runs the length of the bank lobby adds architectural interest to the contemporary design of the building.

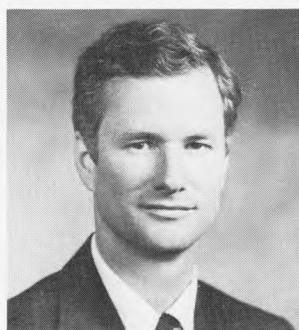


FIRST State Bank of Scottsbluff recently completed its new facility.

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*Vice President & Manager
Correspondent Bank Division*



CRAIG E. WANAMAKER
Vice President



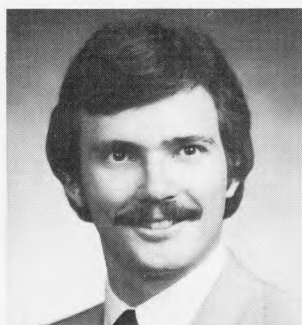
STEVEN L. ANDERSON
Assistant Vice President



KATHY M. VOTAW
Correspondent Bank Officer



MARVIN HEFTI
Correspondent Bank Officer



MARK A. ZABACK
Correspondent Bank Officer



MARK HAHN
Correspondent Bank Officer



CHARLES R. ELLIS
Correspondent Bank Officer



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Conventional wisdom: visit with us when you're in Des Moines.

When you're in town for the Iowa Bankers Association Convention this month, we hope you'll spend a few minutes visiting with our Correspondent Bankers.

We'd welcome the opportunity to talk with you about the many correspondent services available from Bankers Trust. And we'll be glad to show you how the strength and resources of Iowa's largest locally owned, independent bank can help you improve your bank's efficiency and profit.

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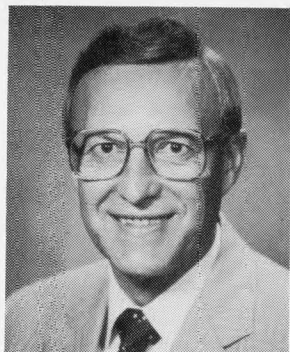
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Correspondent
Bankers (l. to r.)
Roger Arwood,
Ben Elders and
Don Jordahl at the
Des Moines Marriott
Hotel, site of the 1981
IBA Convention
September 20-22.

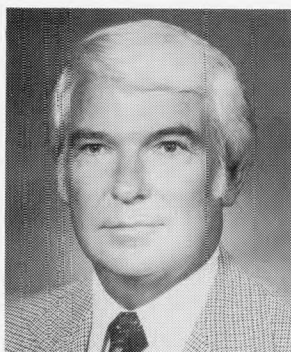




EDWARD L. TUBBS
President

Iowa Bankers Association 95th Annual Convention

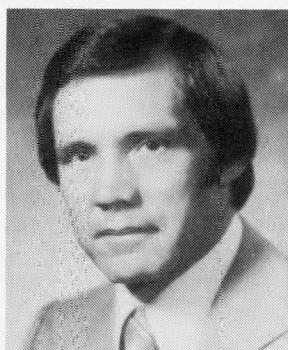
**Des Moines Marriott Hotel
September 20-22**



TOM C. DUNLAP
President-Elect



L.C. "BUD" PIKE
Treasurer



NEIL MILNER
Exec. Vice Pres.

THE 95th annual convention of the Iowa Bankers Association promises to be an exciting, information-packed meeting for the more than 4,000 registrants expected to attend. The convention will be held Sunday through Tuesday, September 20-22, with the new Marriott Hotel in downtown Des Moines as convention headquarters and the site of the business meetings. (For those guests registering at the Marriott for the first time, a separate story in this convention section gives directions to reach the check-in door of the hotel and the two parking garages.)

This year's convention will feature a spectacular array of entertainment, as well as the traditionally high level of platform speakers. Noted composer Marvin Hamlisch will perform at the piano with songs he has created, presenting two performances Sunday night at the Des Moines Civic Center. A Black and White Ball will be held Monday night, affording an opportunity for a return to the elegant Grand Ballroom at the Fort Des Moines Hotel. Guests may dress in either formal or semi-formal attire for this 8:30 p.m. to midnight dance to the music of the Mike Day orchestra. The closing feature of the convention will be the "Spotlight on Iowa" dinner Tuesday evening in the Marriott Ballroom. This will offer Iowa food, Iowa entertainment and Iowa hospitality. Live musical entertainment will feature the Maquoketa Peace Pipe Players, and the nationally-known Mackinaw Music Show, which has played with noted entertainers.

A record number of exhibitors will be displaying a wide variety of services and products used by banks, all on the third floor of the Marriott. Hospitality rooms hosted by correspondent banks also will be featured in the downtown hotels. Shuttle bus service will be provided continuously between downtown hotels, Merle Hay mall and Younkers Tea Room.

IBA President Edward L. Tubbs, chairman of the Maquoketa State Bank, will preside at the business sessions. Scheduled to succeed him as president is Tom C. Dunlap, chairman and president of South Story Bank & Trust Company of Slater, who has been president-elect this past year. L.C. "Bud" Pike, president of the Farmers Savings Bank, Grundy Center, has been IBA treasurer. Chief staff officer is Neil Milner, executive vice president and secretary, Des Moines.

The complete program follows:

Sunday, September 20

P.M.

- 3:00 -6:00, Convention Registration — Marriott Second Floor.
- Annual Meetings — Marriott Ballroom.
- 2:00 IBA Annual Meeting.
- 2:30 IBIS Annual Meeting.
- 3:00 ITS Annual Meeting.
- 3:30 ABA Iowa Members Meeting.
- 5:30 -7:30, A Night With Marvin Hamlisch — Des Moines Civic Center.
- 8:00 -9:30, A Night With Marvin Hamlisch — Des Moines Civic Center.

Monday, September 21

A.M.

- 9:00 Agricultural Program — Marriott Ballroom. Presiding — Dave Kingland, chairman, IBA Ag Division; vice president, First National Bank, Mason City.



D. KINGLAND



B. PETERS



W.C. FREUND



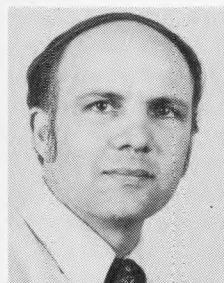
T.H. HUSTON



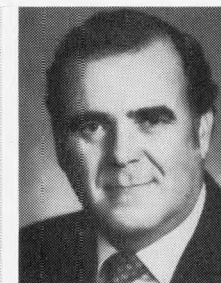
L. CONNELL



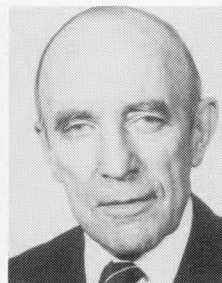
R. BROWNE



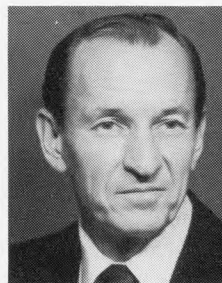
P. FRANCENE



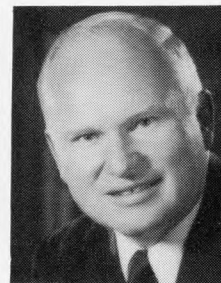
L. GUNDERSON



D. MacARTHUR II



G.H. LAWRENCE



J.G. CAIRNS, JR.



G. PLIMPTON

Bookman Peters — Chairman and CEO, City National Bank of Bryan, Tex.

IBMC Report.

Pete Stubben, local trader, New York Futures Exchange.

P.M.

2:00

General Session — Marriott Ballroom.

"Outlook for Business and Banking" — Dr. William C. Freund, senior vice president, and chief economist, New York Stock Exchange.

IBIS Report,

"Competitive Factors in the 80s: A Panel Discussion"

Moderator: Neil Milner, executive vice president, IBA.

Thomas H. Huston, Iowa Superintendent of Banking.

Lawrence Connell, chairman, National Credit Union Administration.

Russ Browne, senior vice president, and marketing director.

Commercial Federal Savings and Loan, Omaha.

8:30

"Black and White Ball" — Grand Ballroom-Hotel Fort Des Moines.

Entertainment: The Mike Day Orchestra.

Tuesday, September 22

A.M.

9:00

General Session — Marriott Ballroom.

"Your Banking Customer of the 80s — Peter Francese, Editor, American Demographics magazine.

Lee Gunderson, President, American Bankers Association; President, Bank of Osceola, Wis.

Iowa ABA Report.

ITS Report.

"America and the Rest of the World: Where Did We Go Wrong?" — Ambassador Douglas MacArthur II.

Noon

Reception and Luncheon — 50 Year Bankers and Past IBA Officers. Marriott Hall of Cities.

2:00

General Session — Marriott Ballroom.

George H. Lawrence — President, American Gas Association.

J.G. Cairns, Jr., President, Peoples National Bank of Washington, Seattle, Wash.

IBA Report — Edward L. Tubbs, President.

George Plimpton — Internationally-renowned author, editor, and sportsman.

6:30

"Spotlight on Iowa" Dinner — Marriott Ballroom.

You Will See Them at the 95th Annual Iowa Bankers Convention

THE 95th annual convention of the Iowa Bankers Association will be held September 20-22 at the Marriott Hotel in Des Moines. Officers and representatives of larger banks from major banking centers in the midwest will be attending the convention.

Following the list of bankers planning to attend is a list of

personnel from investment, service and equipment firms registered for the convention.

Cedar Rapids

Merchants National Bank: James Coquillette, president; Robert O'Meara and John Mangold, senior vice presidents; Terry Martin and Jerry Trudo, vice presidents, and

Dale Froehlich, assistant vice president.

Peoples Bank and Trust: John M. Sagers, president; Don G. Ellis, executive vice president; Lawrence E. McGrath, senior vice president/cashier; Gary D. Ernst, senior vice president/trust officer; Melvin J. McCalley and David Paxton Jr., vice presidents; Margaret E. Billings, assistant vice president, and Lila M. Helms, trust officer.

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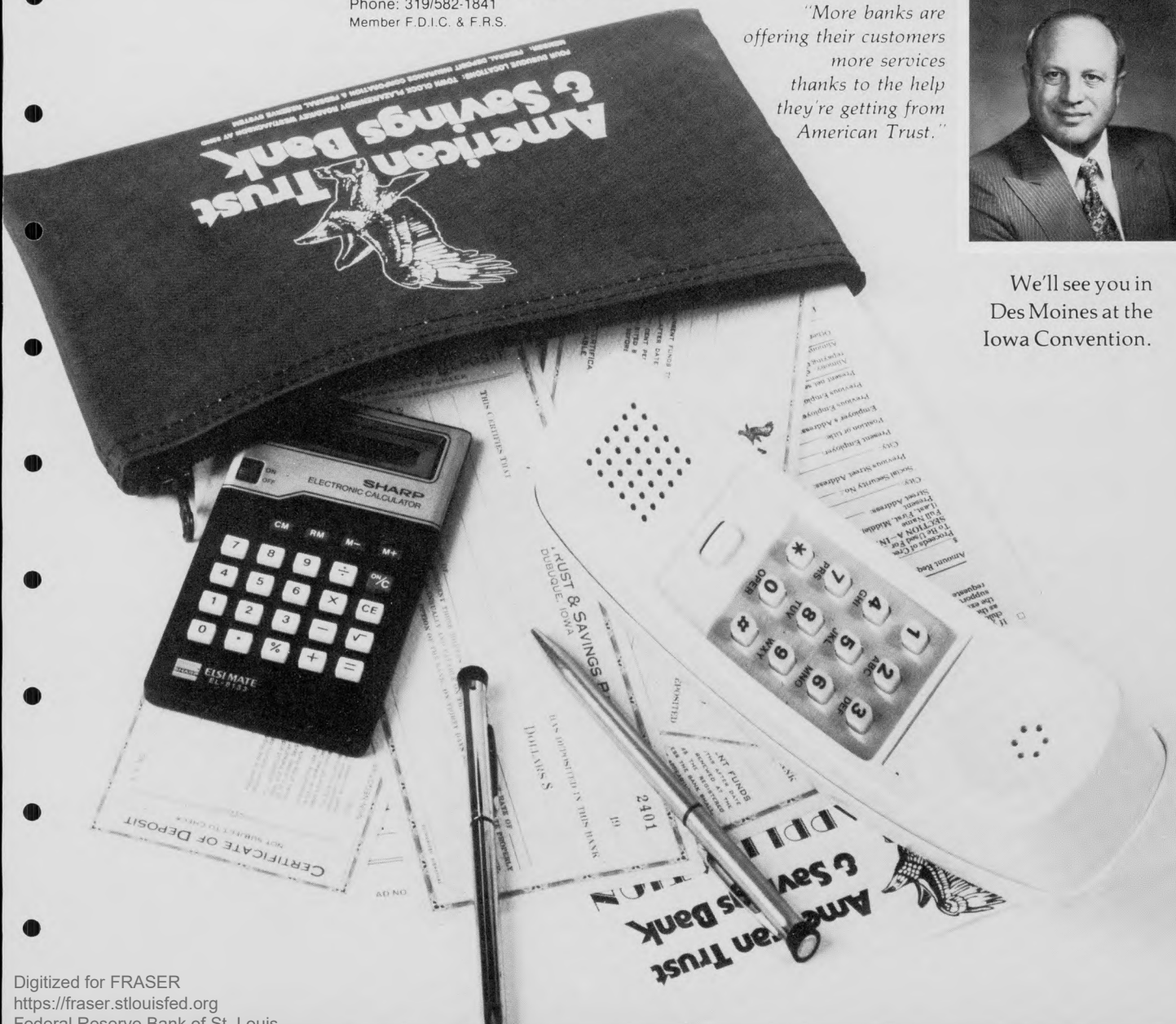
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We'll see you in
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Iowa Convention.

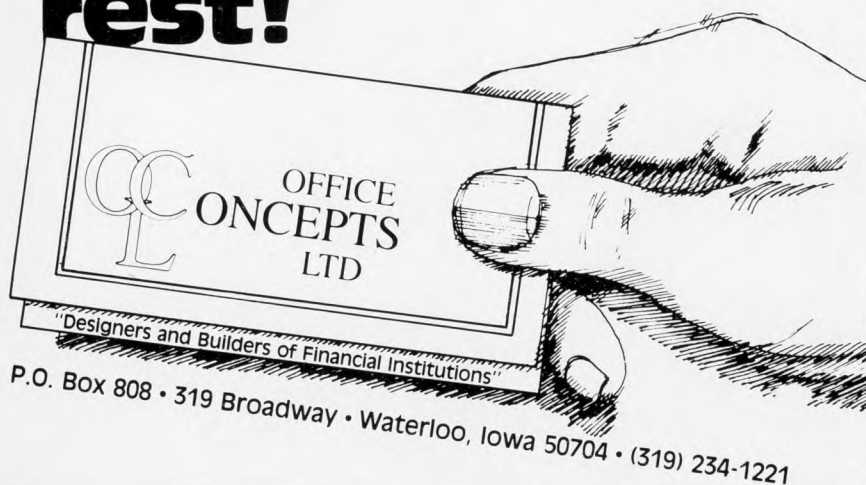


An Evening With Marvin Hamlisch



"A Night with Marvin Hamlisch" will bring one of America's top singer-composers to the Iowa Bankers Association annual convention. At 5:30 p.m. and 8:00 p.m. performances, he will play and sing such famous Hamlisch hits as "The Way We Were," "A Chorus Line," "The Sting," and "The Spy Who Loved Me."

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Chicago

American National Bank: Keene H. Addington, president; George K. Metzger, executive vice president; Robert F. Sherman, senior vice president; Robert D. Regnerus and Dennis F. Reher, correspondent banking officers, and Philip C. Simmons, bond investment officer.

Continental Bank: John B. Tingleff, Thomas E. Elyea and Lawrence H. Frowick, vice presidents—financial Institutions midwest division; Delmar Rogers Jr., second vice president—financial institutions-midwest division; M. Hannah Judy Duncan, banking associate—financial institutions-midwest division; Chris D. Maxwell, bond officer—portfolio advisory services; Margot J. Shockey, municipal bond representative; Howard J. Beckstom, second vice president—government bonds; Bruce Langille, government bond representative, and Eric G. Wilson, bond officer.

Drovers Bank of Chicago: Frank E. Bauder, chairman of the board; James F. Carmody, president; Robert F. Corey, executive vice president; John J. Crotty Jr., and Max A. Roy, senior vice presidents, and Kathleen T. Hardy, assistant vice president.

First National Bank: Thomas M. King, vice president and manager; Clarence C. Cross, assistant vice president; David J. Varnerin, loan officer, and Paul A. Gargula, commercial banking representative, all with correspondent bank division. Nevin Bowser, vice president, and Andy Lampert and Meilyn Donahue, sales representatives, all with bond department. Tom Cooke, assistant vice president, and Jane Blomquist, investment advisor, both with Fed Funds division.

Harris Trust: John A. Sivright, executive vice president; Jerry H. Pearson, James W. Hill, Gerlad R. O'Connor and Stephen P. Dustman, vice presidents; Thomas P. Martin, assistant vice president; Robert E. Stenbeck and Edmond M. Kennedy, investment officers.

LaSalle National Bank: Edward R. Grant, chairman of the board; M. Hill Hammock, executive vice president; William F. Love, vice president/division head; Richard G. Brown, vice president, and Richard K. Flesvig, assistant vice president, all from

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correspondent bank division; Rudolph H. Frank, vice president, investment department; Marc B. Benson, senior vice president; William V. Crawford, vice president, and James W. Griffin, sales representative, all from bond department.

National Boulevard Bank: H. Peter DeRosier, vice president.

The Northern Trust Company: Stephen B. White, senior vice president/division head; Curtis E. Skinner, senior vice president; Ernest P. Waud III, vice president;

Jeffrey B. Early and Frank M. Lockhart, commercial banking officers, and Patricia Kaczar, administrative assistant. Michael J. Furey, second vice president,—trust; Edward J. Walsh, vice president—bonds, and John P. Drawer, bond investment representative.

Davenport

Davenport Bank and Trust Company: John K. Figge, president; James K. Figge and Thomas K. Figge, executive vice presidents; Robert G. Lenertz and James E. Shrader, senior vice presidents; Richard R.

Horst, vice president/cashier; Michael A. Bauer, correspondent banking officer; Glen W. Piotter and Robert J. Hartman, computer services officers; Jack R. McDonnell, senior computer services officer, and John W. Schricker, credit card officer.

Northwest Bank and Trust Company: Larry Makoben, vice president.

Dubuque

American Trust and Savings Bank: Nicholas J. Schrup, chairman of the board; Christy F. Armstrong, president; Leo F. Kane, executive vice president, and Bernard D. Miller, assistant vice president.

Kansas City

Commerce Bank: John J. Williams, senior vice president, and Dennis C. Riffle, correspondent banking officer.

United Missouri Bank: Richard C. King, president; E.L. Burch and Alan B. Collins, executive vice presidents; Richard H. Muir, vice president.

Minneapolis

First Bank Minneapolis: Robert J. Anderson, executive vice president; Glen R. Walters, Michael E. Boncher, Fred H. Squires, Larry C. Nelson and Lee C. Hamilton, vice presidents; William W. Hamilton, assistant vice president.

Marquette National Bank: William J. Addington, vice president and Richard E. Holmes, assistant vice president.

Northwestern National Bank: E. Peter Gillette Jr., president; Donald G. Pederson, senior vice president/correspondent banking, and Richard C. Storlie, vice president/correspondent banking.

New York

Chemical Bank: John A. Robb, assistant vice president.

Omaha

First National Bank: Phil Giltner, president; Jack Canaday, executive vice president; Bruce Lauritzen, Bill Henry, Don Ostrand and Ralph Peterson, vice presidents; Jim Flodine and Bob Meisinger, second vice presidents, and Diane Casart.

The Omaha National Bank: John D. Woods, chairman; Thomas H.

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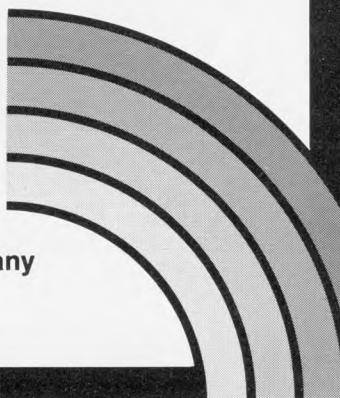
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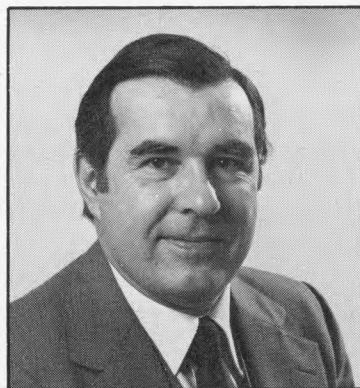
John Sivright



Jerry Pearson



Jim Hill



Ed Kennedy

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Allen, president; John E. Martin, Daniel F. Boehle, Delmar J. Olson, John Furrow and Ralph Noren, vice presidents; John F. Wear, correspondent loan officer; Tish Selk, assistant marketing officer; Mel Lancaster and Sherry Hulme, client consultants.

U.S. National Bank: James Campbell, president; Lee Bachand, Howard Nielsen and Robert Billmeyer, vice presidents; William Dewhurst, card services officer.

St. Joseph

First National Bank: Bill Manring, assistant vice president.

First Stock Yards Bank: John Karn, president; and Bob Azelton, assistant vice president and ag rep.

St. Louis

Mercantile Trust: Jerry Fleschner, vice president; Jerry B. Carman, assistant vice president, and Charles A. Evans, banking representative.

St. Paul

First National Bank: Michael T. Mishou, Clayton L. Johnson and Robert J. Peroutka, assistant vice presidents.

Sioux City

First National Bank: Richard C. Taylor, president; Gary W. Stevenson, vice president, and Douglas A. Schmidt, assistant vice president.

Northwestern National Bank: Doug Brown, vice president; Mal-

colm Erickson, vice president/cashier, and Tom Pohlman, correspondent banking officer.

Security National Bank: R.E. "Gene" Hagen, president; Jim Hongslo and Steve Hatz, vice presidents; Ken Roeder, correspondent bank officer, and Scott Otis, correspondent bank representative.

Toy National Bank: Leslie H. Olson, president; James Tritz, Rich Breyfogle and Stan Fredericks, vice presidents.

Investment, Equipment and Service Firms

The asterick (*) indicates those firms registered as exhibitors.

Automated Systems of Iowa, Ankeny: Jon Grindle, president.

***Bank Building Corporation,** St. Louis: Roy Wingers, senior consultant.

***Banks of Iowa Computer Services,** Cedar Rapids: Brian Phillips, president; Brian Scott, vice president—marketing; Steve Boes and John Meehan, marketing representatives, and Annalee Scott, executive account manager.

***Bell & Howell,** Des Moines: Norm Lust, sales manager; Glenn Klein, Gary Nickerson, Bob Weatherly and Mike McMullen.

***Brandt, Inc.,** Peoria, Ill.: Bill Welch, Dick Martin, Dan Thiewes and David Crew.

***Burroughs Corporation,** West Des Moines: Terry Smith, Glenn Anspach, Dale Beaty, Marv McElvain, Chuck Taylor, Ron Pieracci, Joe Graziano, Jerry Ross, Jeff Gebauer, Dan Reed, John Washburn, Ed Mangold, Mark Stuck, Tom Hamilton, Curt Brown, Bob English, Jack Steck, Randy Luebe, Lee Meuler, Dawn Sherbeyn-Flick and Rick Barchard.

***Business Systems Corporation,** Des Moines: Sue DeVrieze, Rita Shuey, Larry Roling and Susan Ganer.

***Karma Cahill Fine Art and Framing,** Cedar Falls: Karma Cahill.

Chiles, Heider & Company, Omaha: Fred Douglas, Tad Dunham, Jon Narmi, Jeff Moran, Mike Sparks and David Van Metre.

Credit Bureau of Greater Des Moines: Jerry A. Jackson, president; T.J. Driscoll, vice president/secretary; Patty Collette, administrative assistant; Kelly M. Gruber, Vali-Chek manager, and Valerie Fraas, credit reporting manager.

***Cummins-Allison Corporation,** Chicago: Keith Jung.

Dain, Bosworth, Inc., Des Moines: Paul H. Bartlett and Howell Roberts, vice presidents.

***Daktronics, Inc.,** Brookings, SD: Jim Thomas.

***Data Business Equipment,** Des Moines: Arthur N. Joura, president; Donald F. Jones, vice president; Lynn Groen, programming; Karen Riesenbergs, customer support; Curt Paul and James B. Kelley, sales.

***Deak-Perera,** New York: Jerri Schwartz, Gerald L. Marquard.

***Des Moines Stamp Manufacturing Company,** Des Moines: Tom Child, Dave Child, Frank Child, Randy Miller, Ken Dular and John Higgins.

Diebold, Des Moines: John Murphy, regional manager; Bill Osier and Curt Ungs, sales representatives.

***Durham and Associates,** Edina, MN: Ed Kosci.

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Statement of Condition

June 30, 1981

ASSETS

Cash and Due From Banks	\$ 78,372,938.79
Federal Reserve Funds Sold	12,100,000.00
U.S. Government and its Agency Securities	114,270,305.99
Other Marketable Corporate Obligations	26,381,846.01
Municipal Securities	84,223,087.66
Federal Reserve Bank Stock	1,122,000.00
Loans	179,457,087.59
Bank Premises and Equipment	8,457,402.21
Interest Accruals	7,523,205.94
Customers Liability for Letters of Credit	1,596,079.63
Other Assets	8,931,776.52
	<u>\$522,435,730.34</u>

LIABILITIES

Capital Stock	\$ 2,400,000.00
Surplus	35,000,000.00
Undivided Profits	18,921,480.93
Total Capital Funds	<u>\$ 56,321,480.93</u>
Reserves for Interest, Taxes, and Other Liabilities	9,307,477.48
Banks Liability for Letters of Credit	1,596,079.63
Federal Reserve Funds Purchased	65,948,814.24
Deposits	389,261,878.06
	<u>\$522,435,730.34</u>

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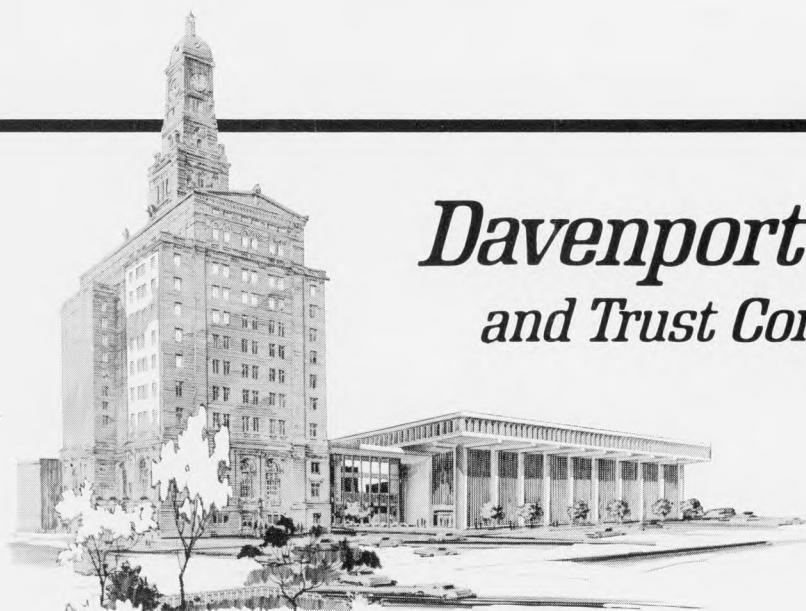
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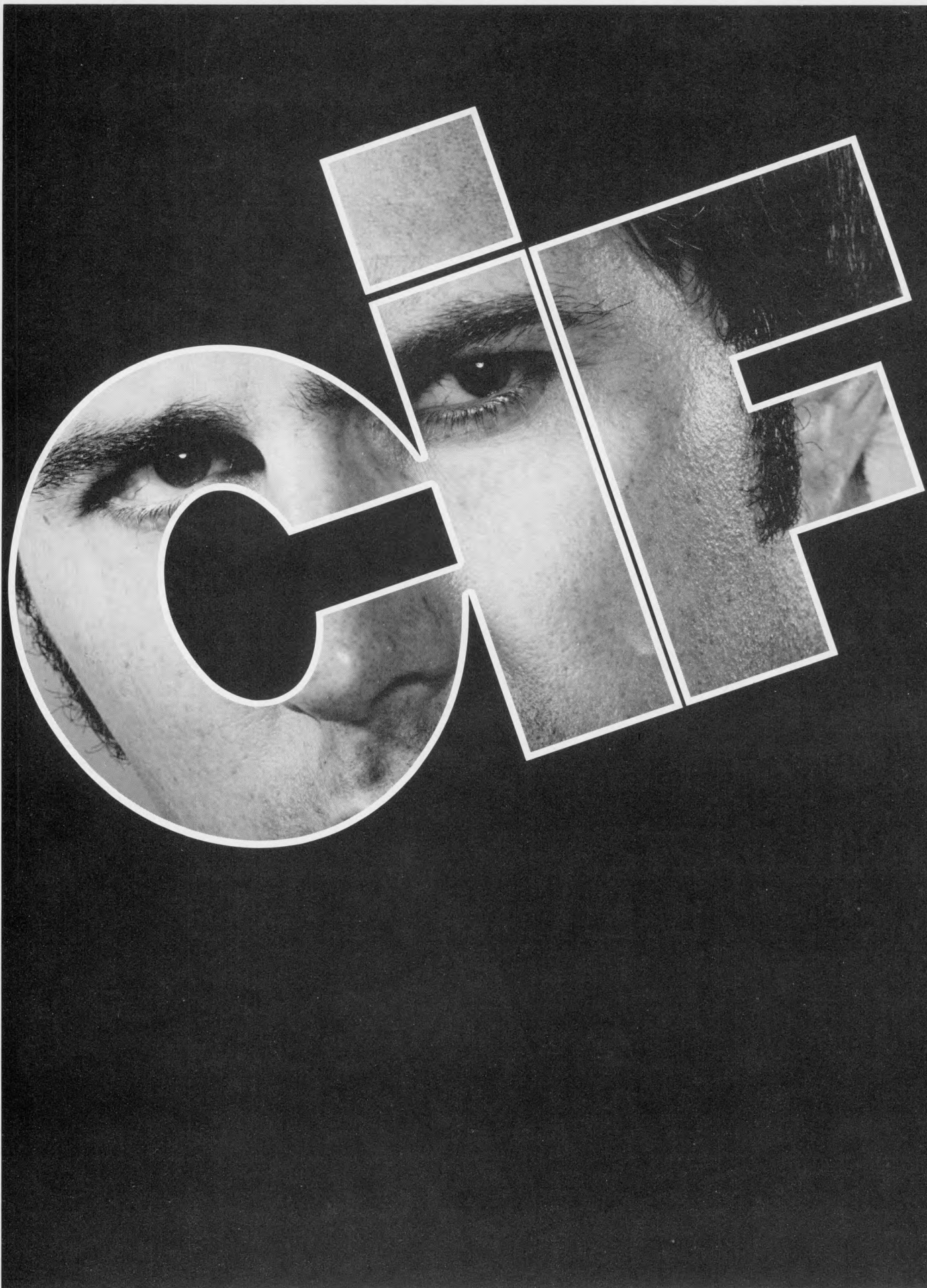
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***Hawkeye Bancorporation, Des Moines:** Paul D. Dunlap, president; Myron Weil, executive vice president; Robert Murray and Jim Bullard, senior vice presidents, and Stephan L. Jones, vice president.

***HBE Bank Facilities, St. Louis:** Martin Goldberg and Gary Gauger, account executives.

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***Kooker & Associates, Spencer, Ia:** Earl F. Kooker.

***Austin P. Lawler & Associates, Lombard, Ill.:** Austin P. Lawler.

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***Life Investors, Cedar Rapids:** Don Nachtman, Bob Okerstrom and Bob Kesselring.

***M & M Sales Company, Des Moines:** Larry Perry, Bart Christianson, Ed Simmons, Mark Clarke, Larry Warren, Tom Dunn, Dick Haire, Larry Collins and Steve Huyette.

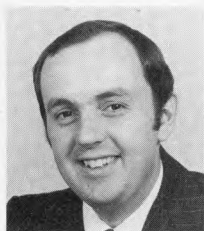
***McDonald Business Services, Des Moines:** Jim McDonald.

***Merlin Information Systems, Visalia, Calif.:** Dan Sims.

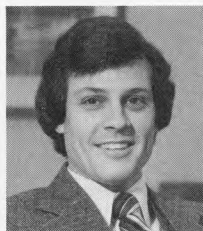
***MGIC, Des Moines:** Ed Kallemyrn, vice president/marketing relations; Dennis Grogan, regional director of marketing; Ted Miller and Gordon Chapman, account executives.

***Midwest Calculator, Des Moines:** Thomas L. Weaver, executive vice president, and Randy Forburger, vice president.

***Money Handling Machines, Inc. (Brandt Sales & Service, Omaha:** Jim Grimes.



Jon Narmi



Ken Ferrarini



Jim Kelly



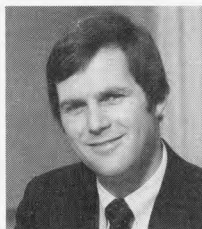
Jim Fox



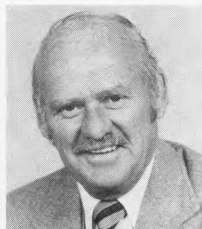
Tad Dunham



Jeff Moran



Bill Carver



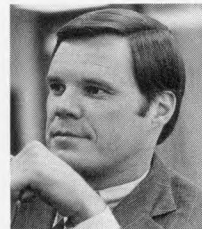
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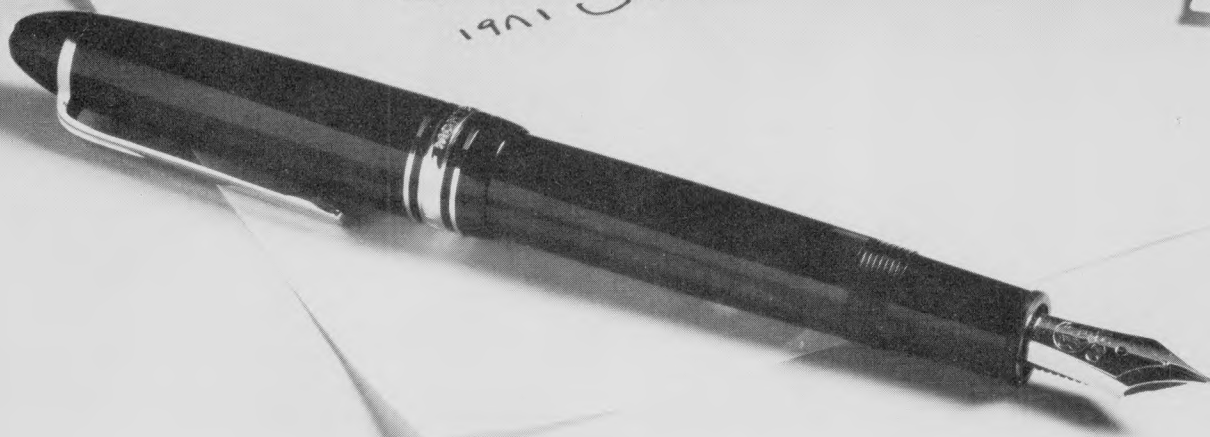
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***Mosler Safe Company:** Doug Moore, regional sales manager, and Jim Bell, regional service installation manager, Kansas City. Bob Hood, branch manager, and Darwin Fest, sales representative, Des Moines. Terry Froelich, sales representative, Minneapolis. Lindsey Michalski, sales representative, Omaha.

***NCR Corporation, Des Moines:** James Schulte, Marcus Wilson, Linda Wignall and Lori Bents, Des Moines; John Peglow, Cedar Rapids; Leonard Fagen, Sioux City; Bob Lapinski, Minneapolis. Mike Murphy, Waterloo. Glen Simpson, Dubuque. Steve Patterson and John Evans, Davenport. Don Frazer, Bonnie Gray and Steve Marrison, Omaha. Dave Bublitz and Dave Heath, Mason City.

***National Fidelity Life Insurance Company, Des Moines:** Craig Ross and John Wolf.

***Nesper Sign Advertising, Cedar Rapids:** Larry Sovern.

Newlin Bank Sales, Des Moines: Richard C. Newlin, president; William D. Newlin and Martha J. Newlin, vice presidents.

***Northwestern Bell, Des Moines:** Keith Arneson, Bob DeYoung, Mik Lucas, Robin Nixon and Dennis Spurgeon, account executives. Paul Blum and Joe Hobbs, customer service representatives.

***Omaha National Bank:** John Furrow, vice president; John Carmichael, product planning manager; Mel Lancaster, assistant operations officer, and Sherry Hulme, client consultant.

***Pinger System-Midwest Credit Bureau, Des Moines:** Jerry A. Jackson.

***A.O. Smith Harvestore Products, Inc., Ames:** Stephen K. Sullivan.

***The TRW-Fujitsu Company, Oak Brook, Ill.:** Win Tripp.

***United Bank Services, Grand Island, NE:** Harry Eoriatti.

***United Business Equipment &**

Microfilm, Lincoln: Bill Hardt, Lucile Hoffman, Ron Wick, Ron Brotherson and Rex Luse.

United States Check Book Company, Omaha: Ed Batchelder, vice president/sales; Glen Altfilisch, Bernie Burger, John Kohring, Tom Potthoff and Chuck Strattan, representatives.

***USLIFE Credit Life Insurance Company, Des Moines:** Bob Atess.

***Winn International Corporation, Chicago:** Ira Kaplan.

Brenton Banks Tells Income

Brenton Banks Inc. of Des Moines said its net income for the first six months of the year totaled nearly \$3.1 million or \$2.61 per common share, an increase of 24 percent over the \$2.11 per share from the same period a year ago.

The bank holding company also reported an 11 percent increase in assets, an 8 percent increase in deposits and a 3 percent increase in loans.

Chairman William H. Brenton projected a continuation of the favorable trend.

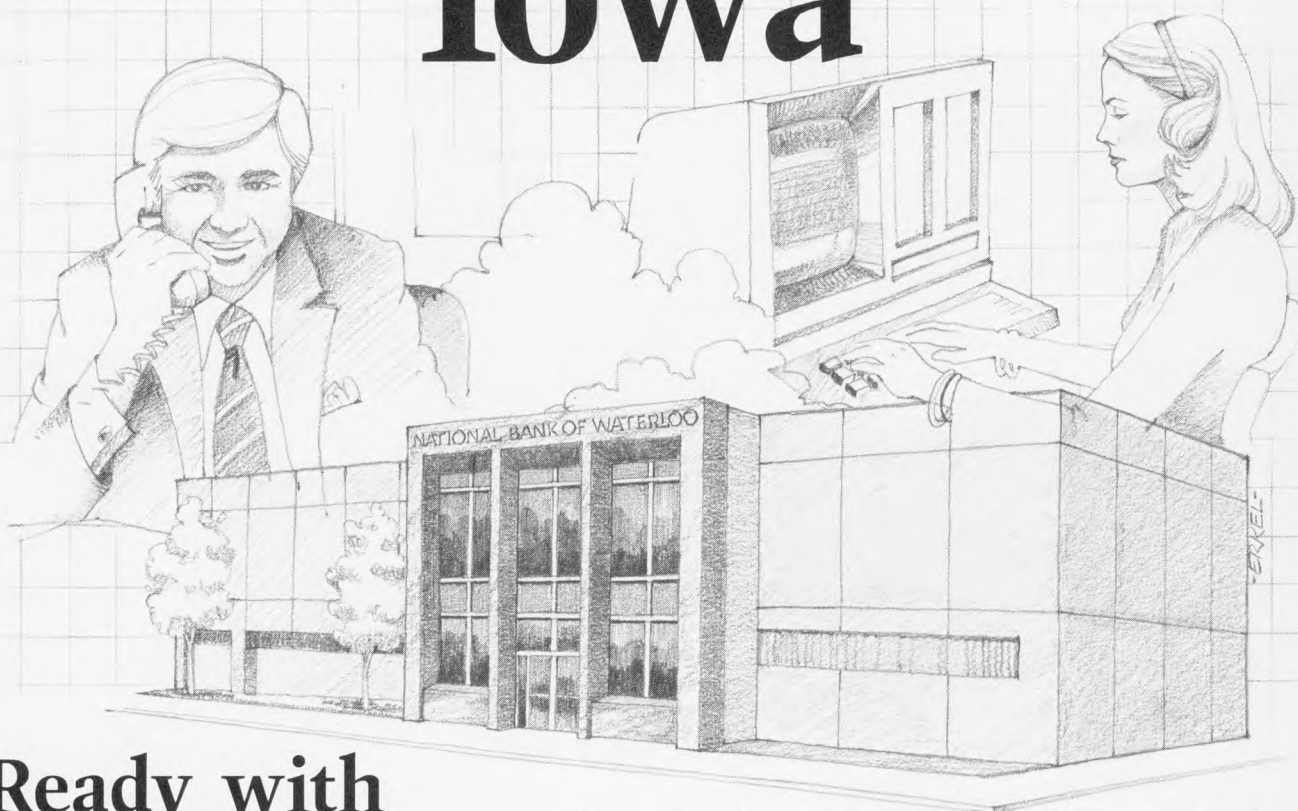


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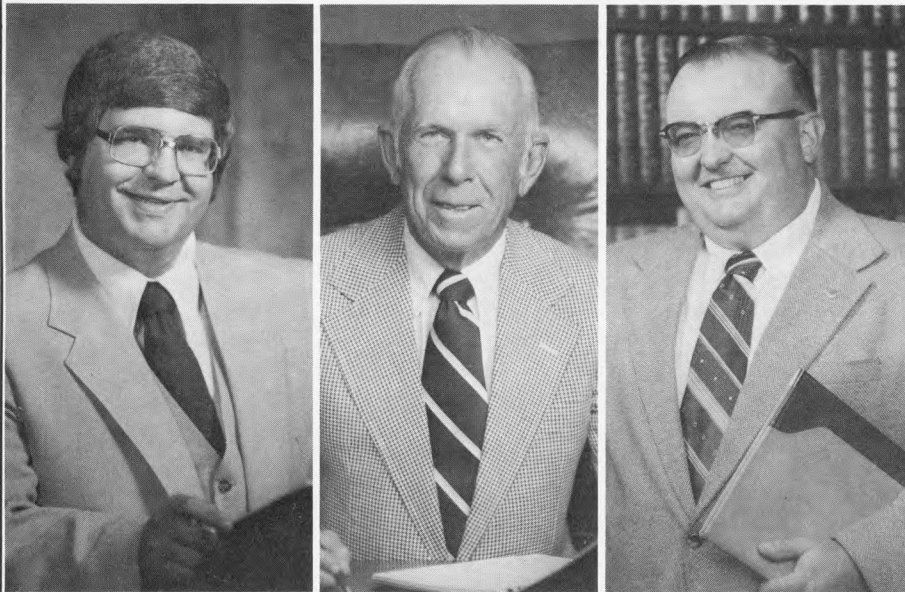
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Marriott Hotel—7th & Grand

- Approach Marriott westbound on Grand Ave. to entrance just west of 7th St. intersection.
- Check-in and unloading area at entrance area.
- Limited underground parking at check-in area.
- Downtown Des Moines maps available from hotel doorman.

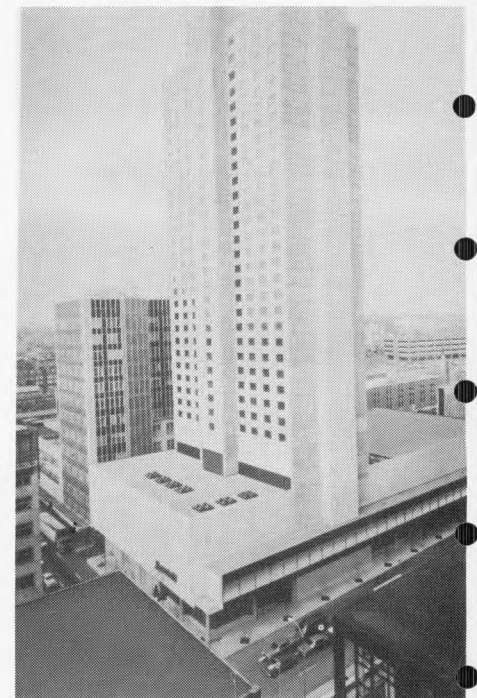
Locust St. Mall—7th & Locust

- Right onto 7th St. from hotel check-in.
- 1½ blocks South to Walnut.
- Right on Walnut 1 block West to 8th St.
- Right on 8th 1 block North to Locust.
- Right on Locust ½ block East to entrance.
- Skywalk to Marriott.

Grand Ave. Garage—7th & Grand

- Right onto 7th St. from hotel check-in to left land.
- ½ block South to Locust.
- Left on Locust 1 block East to 6th Ave.
- Left on 6th 2 blocks North to High St.
- Left on High St. 1 block West to 7th St.
- Left on 7th ½ block South to entrance.
- Skywalk to Marriott.

For convenience, the hotel management recommends using the Locust Street Mall facility.



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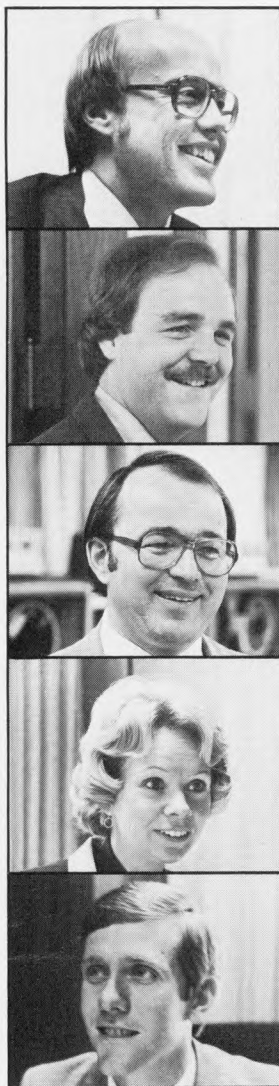
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Assistant to President Hired in Shenandoah

Robert S. Ross, president of the City National Bank in Shenandoah, has announced that George H. Perry has recently joined the bank as assistant to the president. Mr. Perry is married to the former Nancy Ross.



G.H. PERRY

Mr. Perry graduated with a BA degree from the University of Iowa and earned his JD degree from Drake University Law School. He was Assistant United States Attorney and then United States Attorney for the southern district of Iowa from 1974 to 1977. For the past four years he has been a trial lawyer in Algona.

New Mingo Banking Facility

Construction has been completed on a new banking facility for the Mingo Trust and Savings Bank, according to Jerry Schiermeister, president.

The new 3500 square foot facility has four teller stations, three executive offices, a directors conference room and a drive-up window that serves one lane of traffic. A large community room in the basement will be available for use by the general public.

The use of locally supplied natural oak and walnut throughout the interior adds a special dimension to the facility. Albert A. Pacelli of Oaklawn, Ill. provided architectural services. Office Concepts, Ltd. of Waterloo was responsible for the interiors.

A recent open house for area bankers was attended by 140 guests. The public open house was attended by more than 400 people.

Ottumwa Officer Election

John S. Zdychnec, president and chief executive officer of First National Bank of Ottumwa, has announced the election of Cheryl Simplot to compliance officer.

Prior to joining First National Bank in February, 1981, Ms. Simplot worked as bank examiner for the State of Iowa. She is a graduate of the University of Iowa where she received a BBA degree in business administration.

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How IBA Top Executives View Association Progress

A NORTHWESTERN BANKER interview with
ED TUBBS, President
 and
NEIL MILNER, Exec. Vice Pres.
 Iowa Bankers Association



Ed Tubbs (left) and Neil Milner review the program for the 95th annual Iowa Bankers Association convention.

WHEN a banker takes on the heavy responsibility as president of his state banker association, he not only accepts a rushed, harried, at times frustrating, but exciting 12 months, but he receives a bonus in the new friendships he develops with other bankers and a greater appreciation of the real worth of each one of those members to the welfare of the entire association. And, as an added value, both the president and the association full-time executive develop a special bond as they work together over a two-year period of time, learning the personality of each other, how the other's mind works, his ambitions and expectations.

Such a unique sharing experience that develops into a lifelong friendship has been the good fortune of Edward L. Tubbs, president during 1980-81 of the Iowa Bankers Association, and Neil Milner, IBA executive vice president. Mr. Tubbs is chairman of Maquoketa State Bank in Maquoketa, and will cap this association year September 20-22 when he presides at the 95th annual convention of the IBA in Des Moines.

In between busy sessions last month at which they met with groups of Iowa bankers to explain the proposed purchase of a Des Moines building as the new IBA headquarters, Mr. Tubbs and Mr. Milner joined forces for this interview, giving their frank responses to these questions.

Q. In what ways do you feel the Iowa Bankers Association has had any real input or impact nationally on the ABA, federal regulators or Congress?

Ed: We feel our association is the most respected state association in the country. A large part of the reason for that is Neil Milner, who has been president of the National Association of State Banker Executives and has had great experience in the legislative arena and in providing services to members. Our endeavors are looked at frequently as an example for other state associations. I'm sure other state associations would feel the same way about their associations.

Legislatively, we have strong representation at the ABA level, with Christy Armstrong, president of American Trust & Savings Bank in Dubuque, serving as one of the 27 bankers nationwide who make up the ABA board of directors. Neil's strong standing and input are again evident in this area. Dale DeKoster, president of the Waterloo Savings Bank, and Dick Buxton, president of Peoples Trust & Savings Bank in Indianola, have done outstanding work at the ABA level on the Governing Council.

On the ABA government relations committee we have had very able representation by Bob Brenton, president of Brenton Banks, Inc., Des Moines, and Dick Summerwill, president of Iowa State Bank & Trust Co. in Iowa city. In addition, Neil and I are in there constantly, so Iowa has a lot of opportunity for input to the ABA.

Certainly, it is my impression Iowa takes a leadership role. This is especially pronounced in the projected 12-state association organization being developed now.

Neil: A specific example of Iowa's

input nationally occurred some months ago when the Fed sent an urgent request for data reflecting the percent of deposits in six-month CDs. We got the request Wednesday night, sent a mailgram to each Iowa bank (657) Thursday night, then our staff fielded the return phone calls from the banks Friday, Saturday and Sunday. During that time, more than 500 of the 657 banks responded and our office staff stayed on duty throughout the weekend. This information was compiled by our staff and sent to the Fed prior to its Tuesday meeting. The results of that up-to-the-minute survey had a dramatic impact.

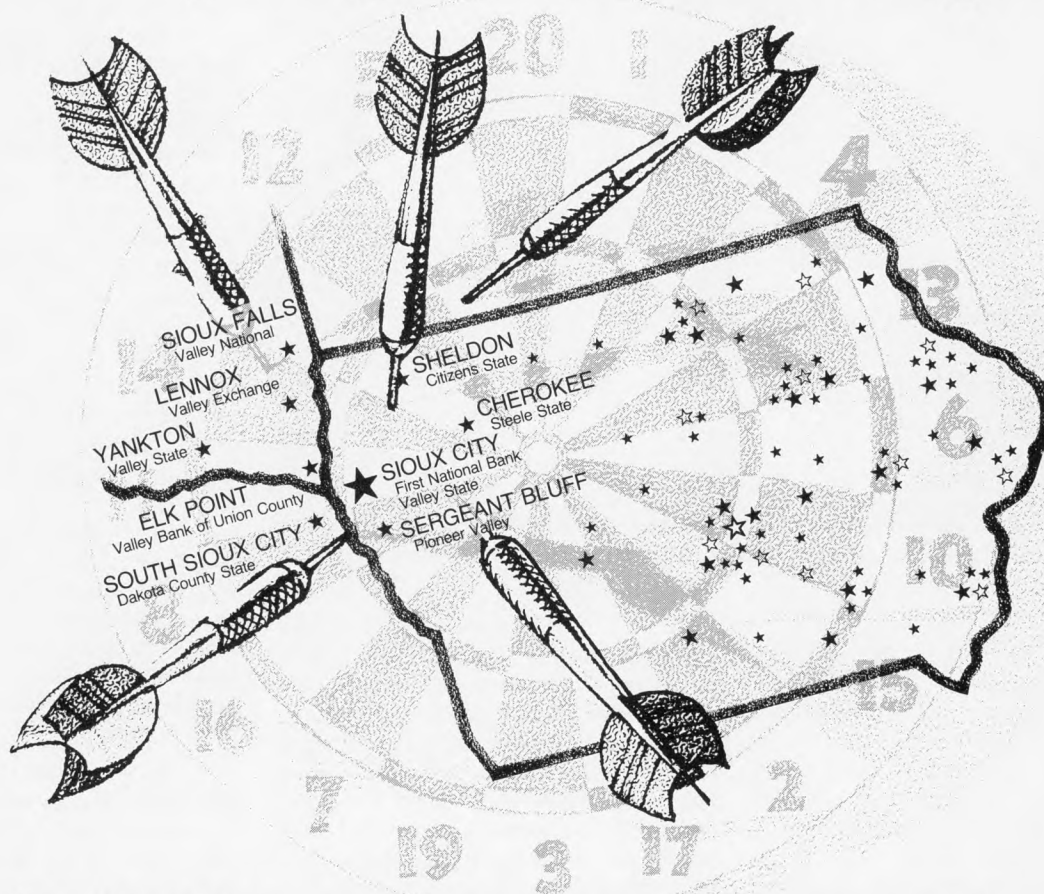
When the DIDC was discussing removal of the quarter percent differential recently, we asked our members to respond to Treasury Secretary Regan, then the federal regulators and also the Chicago Fed. We were told by the Chicago Fed that its office had over 200 replies from Iowa banks alone the day prior to the DIDC meeting. That again was a "short fuse" deal on a Thursday night. Our bankers received the request from us on Friday and the replies had to be in prior to the DIDC meeting the following mid-week.

I should also mention that we maintain excellent rapport with our Congressional delegation in Washington and meet with them regularly. Some are in key positions.

At the state level, my impression is that we have a communications relationship so that our views are heard and considered. I would say we have high credibility.

The real strength of all our endeavors goes to membership

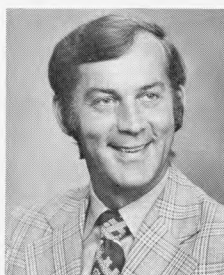
We'll put you on the map...



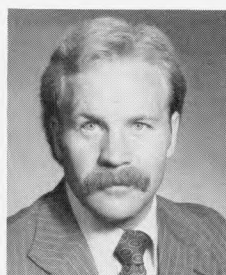
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Neil and Ed listen intently to a banker's question at a recent meeting.

participation in the process of contacting legislators. I think it is fair to say that on any substantive issue which we can't see is clearly in the public interest, then we reevaluate our position.

We know that the legislator in a community often seeks his local banker's views on a broad range of economic issues.

Q. What are some of the concerns or initiatives you feel have not been completed this year? What are some of the accomplishments?

Ed: One would be our effort to acquire a new building location for IBA headquarters. (This was to be voted on by members by late August.) Another would be the 12-state Mid America Banking Services Co., Inc., still in the process of being formally organized.

One accomplishment was overhauling the Iowa Bankruptcy Law. Another was passage of the Omnibus Banking Bill, which included elimination of the state reserves requirement and providing one additional banking office for each bank. Passage of the Public Funds deposit bill was another, for it keeps those deposits in banks, although they are now on a bid basis.

Q. How are banks in this state meeting competition from all types of competitors? How are country banks faring internally; with their farm business; can they continue to meet

loan demand; can their farm customers continue to meet their obligations at the bank?

Ed: Our bankers are resourceful. Our job in the IBA is to make them aware of what they need to do to compete. It's human nature for some not to act until the decision is forced upon them.

We are still the largest lender to agriculture, although our percentage of the market is slipping. We have a severe challenge from the unregulated Farm Credit System on one hand, and the threat of losing our deposit base to Money Market Funds on the other hand. The key to me is that bankers do a responsible job of credit analysis and lending with ag customers. I believe that the bank that follows that kind of program will successfully compete for the farm loan business.

Q. Are we on a pendulum of public interest in seeking out high return investments? Is this likely to swing back more to savings? Isn't this increased economic sophistication by the public at least partially a result of years of banker education?



"There is a relationship between the number of services a customer uses and his willingness to stay. I think a caution is in order to each bank manager. It is not safe to assume he can get by with less than competitive rates."

Ed: We are definitely **not** on a pendulum but on a new plateau. We'll never go back. People perceive this and recognize the need to consider how to manage their money. Higher rates of capital now are a fact of life but hopefully will settle at a lower level.

There is no question that people are more knowledgeable. It's a developmental process, though, and not a goal we reach. Deregulation creates the need for making decisions and having to look at alternatives. Banking has been fortunate and successful in educating its own staff people, as well as the public over the past three decades so that more people are perceptive of this change and capable of making these economic decisions for their own welfare.

So far as loyalty to an institution is concerned, I've seen many people who usually won't leave for one-quarter to one-half percent, but over that you run the risk of losing your customers, especially older people on fixed incomes who need the best return.

Neil: There is also a relationship between the number of services a customer uses and his willingness to stay. You'll see less movement in a community bank than in a money center or regional bank. I think a caution is in order to each bank manager. It is not safe to assume he can get by with less than competitive rates. Each person has a different threshold of loyalty.

Q. Neil, what are the expanded services that have been offered to IBA members in the nine years since you joined the association?

Neil: First, it is only right to state that the growth of IBA and its services is a direct result of the leadership of the officers and members.

• The new programs developed in the past nine years include a dramatic expansion of the insurance programs. The IBIS actually was formed in 1971 just before I came here. The employee benefits plan for member banks has



FRANK E. BAUDER
CHAIRMAN

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evolved from individual policies to a group policy to the present self-insured program. There were 137 banks in the medical program in 1972 and now there are over 400. Total premiums for IBIS in 1972 were \$500,000; in 1980, all lines exceeded \$8 million. The number of banks served is very high for member banks, their employees and customers. The IDEA annuity is another innovation with IBIS and now has over \$20 million in the plan.

- Formation of the Iowa Transfer System was another major step. This statewide electronic funds transfer system was researched in 1974-75, then formed in 1976. We moved our own computer center in-house in 1979. The IBA staff also played a key part in development of IACHA. The ITS staff, headed by Dale Dooley, now provides staff support for IACHA.

- The Iowa Bankers Mortgage Corporation was started in 1979 to

provide a secondary market. The IBA and IBMC boards are totally convinced that this concept is vital to the banking industry, especially in view of the fact that S&Ls have increased their banking powers and credit unions have share drafts. This is a particularly difficult time for mortgage companies. Several of the national ones have merged or liquidated. The IBMC board faces a major challenge in mortgage financing—the challenge of the current market to maintain this tool for future use of the Iowa banking industry.

- Another innovation was our HR-10 prototype developed with the use of outside consultants. The new tax bill greatly expands banking's market. It gives the opportunity to expand the core of deposits, since Iowa banks have access to the HR-10 prototype and the counseling and materials available through the association, which are valuable tools

to assist local banks. Iowa and a few surrounding states are the only ones to adopt this prototype.

Ed: A major accomplishment of IBA has been the revision of all banking forms to meet regulations with which we must comply. The first two of these are done. This is really the purpose of the association—to provide these services to members so they can serve their customers and compete.

- The Human Resources program initiated by IBA, and headed by Kathy Fischer makes IBA the only association in the country with a qualified professional working full-time for the banking industry. This has been accepted enthusiastically by banks which have used this service.

Neil: We should point out that association dues have not been impacted by all these special services. These services are based on a "user pays" concept.

Before we end this, I'd like to comment that our toll-free WATS lines are one of the membership services which have been enthusiastically received, as demonstrated by the WATS line usage. These lines are affiliates. All calls are fully cost allocated by computer tapes supplied by the phone company at the end of each month to IBA so we can show the amount of usage by each department or affiliate. □

Funding ag loans . . .

(Continued from page 42)

Under continued 8-10% inflation conditions, it has been estimated that the farm credit needs will increase three to four times in the next decade. Growth in ag loan demand is higher than the growth rate of deposits.

Today, a number of country banks are experimenting with retail repurchase agreements, while they continue to urge regulators to authorize a deposit vehicle which would be rate competitive for smaller amounts. Selling C.D.'s to existing money market funds is being accomplished in a limited way, but is gaining more acceptance, while other groups of banks are examining the initiation of a fund themselves. Suggestions have been consistently made urging banks to set up an agency to sell bonds or commercial paper into the market. This should continue to receive consideration.

Cooperation with the Farm Credit System needs further examination in light of the recently passed legislation expanding the authority of the System. Participation with Production Credit Associations or direct discounting to the Federal Intermediate Credit Banks have funding possibilities, but banks continue to wait to see how the new regulations will be interpreted by the Farm Credit System. At least one group of state bank associations, the Mid America Banking Service Corp., is examining the possibility of establishing a

corporation for the discount of loans to the Farm Credit System.

The need for an outlet for participations or a source of purchased money will be important for a number of reasons.

First, it will give banks interested in maintaining their involvement in agriculture the ability to participate loans, lending major help with individual loan limit problems. Loan limits per customer have been a major concern of rural banks for some time and the problem increases over time as per customer loan volume has grown at a significantly greater rate than bank capital.

Second, if local deposits are a bank's only dependable source of funds then, in a purely competitive environment, any intermediary less regulated with regard to earnings and capital, or a poorly managed institution soliciting community deposits at any cost, could force an otherwise sound institution to pay more for deposits than it should or could afford to pay.

Third, it would give rural banks the ability to compete with other institutions which presently have excellent access to the money markets; principally, the Farm Credit System.

Fourth, it may be a more efficient way to fund loans. Time may show that gathering deposits in \$10,000 and smaller quantities, and combining them to fund a \$250,000 credit line may be quite inefficient relative to buying a piece of a billion dollar bond sale. □

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Group Chairmen Report Area Conditions

GROUP chairmen of the Iowa Bankers Association have submitted the following reports on farm and business conditions in their areas:

Group 3

Chairman Donald E. Sabbann,

Chairman Donald E. Sabbann, president, Corwith State Bank, Corwith: Weather, dropping grain prices, mediocre livestock prices, and continued high interest rates make it hard to know which of them is having the greatest economic impact on the Group Three area. I'm sure these comments will be similar to those from other areas of the state.

The weather pattern was one of extremes, with crops in general in the western counties appearing to be heading toward bumper yields, the southern counties nearly too dry until mid-July, and the northeast counties experiencing the largest hail belt ever seen in that area, at a date nearly too late for replanting. It appears now the areas not damaged by hail will have very good yields, but price prospects certainly are not improving.

The interest rates and the grain prices are reflecting in the activity on main street, with implement dealers, auto dealers and contractors still experiencing the least activity, but business in general is quite slow. We have seen some improvement in the employment picture from a year ago when two of our counties had the unwanted distinction of being in the highest unemployment percentages in the state.

Group 4

Chairman John E. Mangold, senior vice president, Merchants National Bank, Cedar Rapids: The eight county Group IV area north, northeast of Cedar Rapids, is a little share of "Gods Country."

Late July crops are good to excellent. A few spotty areas have been hail damaged or missed the rains and a few remote thunderstorms have caused damage. Our cattle feeders face some tough decisions. High



replacements, high inputs, and low market prices have destroyed profit potential. Most have cut back substantially and others have locked their doors. Many won't reopen!

The family sized cattle feeding operation of the future will be a highly mechanized, and profit oriented program utilizing feeder cattle futures for replacement, corn and protein futures for feed inventory and marketing futures on the day they go in the pen. Prime and choice will be meaningless by traditional standards and we've seen the last of "High priced manure." The market gamble will be left to the speculators and we'll all be ingesting more substitutes. We continue to look at the hog industry as our mortgage lifters but white meat is price competitive and changes are developing in the pork industry, too. We see many deep seated adjustments in agriculture. Commercial activity in northeast Iowa parallels the rest of the country.

We all feel the bite of the new "pay as you go" philosophy in Washington. We don't like to take the medicine but we like the getting better. The adjustments are working when the European Common Market countries, our international allies, complain that our high interest rates and tighter spending policies have strengthened the dollar abroad and have affected the ability of the rest of the world to sell their products against us in the world market, thereby voiding their ability to inflate their purchasing power against us. It is a complicated world, getting smaller by the day and our little share of "Gods Country" is not an island.

Group 5

Chairman David N. Walthall, president State Bank and Trust, Council Bluffs:

Drought conditions in Southwest Iowa have taken a lot out of the agricultural economy. A dry, warm spring sapped much of the top moisture in April and May and left very little moisture reserve for crops. Conditions throughout the summer have been somewhat spotty as far as



moisture is concerned, but a large part of this area suffered from lack of rain and very hot weather at corn tasseling time.

Pastures have been hit the hardest all season and many farmers have been feeding hay to their cattle during late June and all of July. Hay crops also have suffered.

It appears now with the recent rains that the soybean crop will be about normal while the corn may be slightly below average.

Hog farmers have been in a financial squeeze, especially because of winter and spring low prices. The cattlemen have had an up and down market with some losses of \$50 to \$100 per head during the winter months, but some profits have been made in June and July.

Group 7

Chairman William J. Beohm, president, Tama State Bank, Tama: During this period of push-pull inflation, our area of the state is holding its own.

In an effort to maintain a solid standard of living during this inflationary time, the farm community is spending its money for day-to-day necessities while waiting for interest rates to stabilize before investing in large capital items.

This situation brings poor retail sales to some of our business community (e.g. auto dealerships, machinery and large ticket consumer goods). Businesses, however, that turn over inventory several times a year are doing fairly well.

In spite of a dry spring and low subsoil moisture, we have a good crop. We received timely rains in June and July and our crops look excellent at this time.

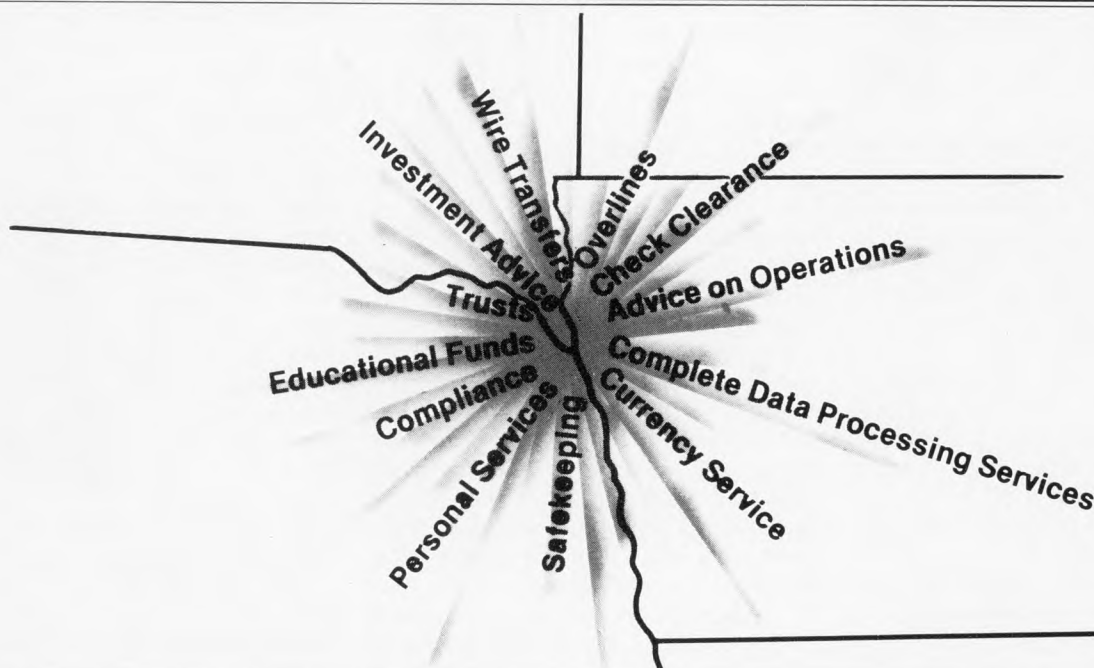
Cattle feeders and cow-calf operations in this area are suffering due to low prices and high interest rates. Hopefully, prices and interest rates will turn around and put these operations back on a profitable basis.

Hog prices were low earlier this year, but have shown a steady recovery during the second quarter of 1981 and should continue into 1982, bringing hog producers favorable profits.

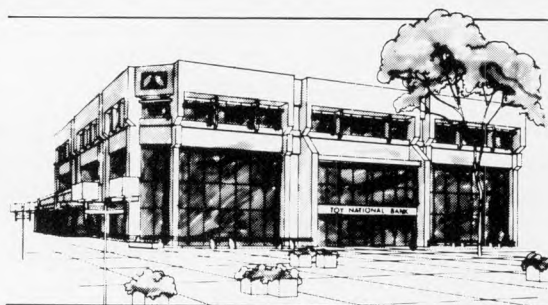
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Group 6

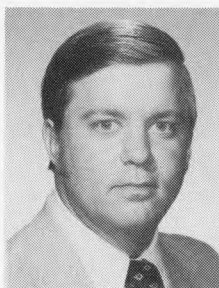
Chairman Robert E. Chittenden, president, Farmers Savings Bank, Mitchellville:

The crops in our area have never looked better! There has been a complete turn around since June 1st. We started with near drought conditions and no sub-soil moisture but, since the 1st of June, have had rains almost every week. However, additional rainfall will still be needed in August to complete the crop due to continued low sub-soil moisture.

Even though there should be good crops in both corn and beans, the market prices and world production will be the determining factors in whether a profit will be realized. Farmers will, however, be able to take less per bushel because of larger production per acre.

Hog and cattle producers are in a break even to small profit position. Every time prices start up, the demand slips and consumers turn to other sources of protein.

Our overall economy has been flat with farmers and rural businessmen buying only what is necessary. Interest rates are crippling our farm



economy. We are still looking for the ease in interest rates that hasn't come.

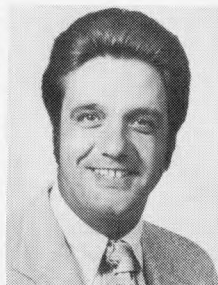
Group 11

Chairman William Logan, president, State Central Savings Bank, Keokuk:

Group 11 businessmen and farmers are feeling the severe strain of continuing high interest rates and sluggish demand. Many farmers are still reeling from the blow inflicted by the failure of a local grain elevator. Automobile dealers are selling out and closing up shop. A large department store is even now holding a going out of business sale.

Times are tough, and those who are not able to adjust are being driven out.

On the more positive side, farmers had a very good year last year which provided a dim light during a very dark period. This year also looks to be pretty good for farmers in our area, although some have been badly hurt by early rains. New industrial plants in our area have been able to make efficient use of their technological advantages over older plants to develop their markets and strengthen the bottom line, while the older plants



hold off on capital outlays until rates fall.

Housing sales and construction are almost non-existent, and prices in the real estate market are beginning to soften, especially for buyers who can pay cash.

Consumers are looking for bargains and delaying purchases as long as possible.

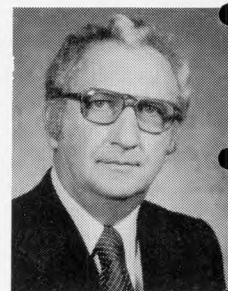
All together, business and agriculture in Group 11 are streamlining and consolidating while optimistically looking to the coming years under the Reagan administration.

Group 12

Chairman Ed Norland, vice president, Iowa Trust & Savings Bank, Emmetsburg:

Crop conditions look very good. Timely rains all summer have made for very good crop prospects. Livestock operations have not had a good year; however, improvement in the hog market the last few months has helped the hog producers.

The demand for feeder cattle loans is much lower than normal because of losses suffered the past two years in feeding operations, and high interest rates. Our area is very dependent on the health of the agricultural economy.



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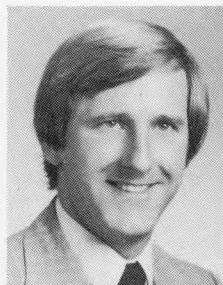
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William O. Wogstad to vice president-investments, Scott Otis to correspondent bank representative and Diane L. Spain to managing officer of the bank's Northside branch.

Mr. Wogstad joined the bank's investment department in 1978, and in 1979 was promoted to senior investment officer. He is a graduate of Bradley University in Peoria. Mr.



B. WOGSTAD



S. SPAIN

Spain has been with the bank since 1979 as teller operations supervisor, and was elected an officer in 1980.

Anita Remodeling Completed

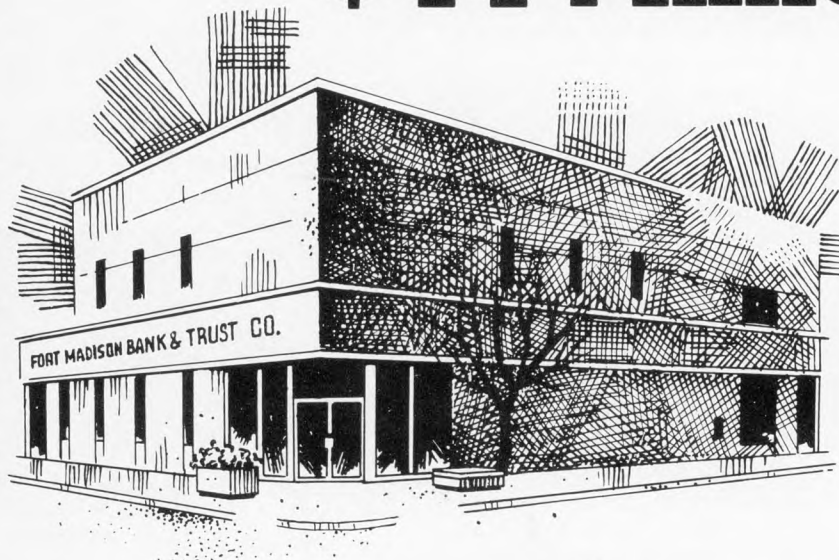
A major remodeling has been completed at the Anita State Bank, according to Jim Chelesvig, president.

The total interior was re-organized to improve space utilization and operating efficiency. The newly-remodeled facility now has five offices and a directors' conference room on the main level.

A distinctively traditional design was used to compliment the original architecture of the building. The main lobby features oak woods and three large brass chandeliers.

Office Concepts, Ltd. of Waterloo was in charge of the entire project. Local contractors and suppliers were used throughout the project.

A Growing Iowa Banking Company Adds A \$44 Million Bank



As of July 1, 1981, the Fort Madison Bank & Trust Co. became a part of Banks of Iowa, Inc. Making this large and strong banking organization in Iowa even more substantial. As of June 30, 1981, \$1.36 billion in assets (plus the \$44 million added as of July 1, 1981) stands behind each of the ten Banks of Iowa, Inc. banks. That's financial capability!



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Ottumwa — Union Bank and Trust Company
Sioux City — First National Bank in Sioux City

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BI Mortgage Company, Inc. — Omaha and Lincoln, Nebraska; Cedar Rapids, Iowa

Iowa Bankers Use Mail Ballot to Elect New Officers for 1981-82 Term

RESULTS of a mail ballot conducted in August to elect new officers of the Iowa Bankers Association for 1981-82 will be announced September 22 during the annual IBA convention in Des Moines.

Scheduled to advance from president-elect to president of the association is Thomas C. Dunlap, chairman and president of the South Story Bank & Trust at Slater pictured with convention program. He will succeed Edward L. Tubbs, chairman of the Maquoketa State Bank in Maquoketa and chairman of the executive committee at First Central State Bank in DeWitt, where his son, Alan Tubbs, is president.



L.C. PIKE

R.W. SPEARMAN

The announced candidate for the office of president-elect is L.C. "Bud" Pike, president of the Farmers Savings Bank in Grundy Center. Mr. Pike has been IBA treasurer the past year. Nominated to succeed him as treasurer is Russell W. Spearman, president and trust officer of Citizens Savings Bank in Sac City. Candidacies of both men were endorsed at the group meetings earlier this year.

Thomas C. Dunlap

Mr. Dunlap is a past president of the Story County Bankers Association, served as secretary and then chairman from 1976-78 of Group 2 of the IBA, and in that office was a member of the IBA executive council. He also served for three years on the executive council of the Iowa Independent Bankers, serving as president of the body in 1976-77. He is presently serving a second term on the Iowa Transfer System board of directors.

A native of Hopkinton in eastern Iowa, Mr. Dunlap attended the University of Dubuque following World War II service in the Naval Air Corps, and was graduated in 1948

with a BS degree in business administration. He returned to his native town of Hopkinton and worked in the Citizens State Bank for 6½ years. In 1954 he started the South Story Bank & Trust in Slater and has been its chief executive officer throughout that period.

The bank at 1980 year-end had deposits of \$11,500,000.

L.C. "Bud" Pike

Mr. Pike is a native of Brownsdale, Minn., where he was born October 20, 1922. He began his banking career with First National Bank in Austin, Minn., in 1940, working there until he joined the United States Navy in 1942. During World War II he was in the submarine service, serving aboard the USS Sailfish in the Pacific Fleet.

Upon his return to Austin in 1945 he joined Geo. A. Hormel & Co., rejoining First National Bank in Austin a year later. From 1948-57, Mr. Pike was with Travelers Insurance Company, starting as a farm loan appraiser, then serving as assistant manager for a four-state area before resuming his banking career.

He joined the Farmers Savings Bank in Grundy Center in October, 1957, became a director of the bank in 1964, and has served as president and chief executive officer since 1972. He served in several posts with bankers associations before being elected IBA treasurer. He is a past president of the Grundy County Bankers Association, past chairman of IBA Group 7 and served on the IBA legislative council. As group chairman and later as treasurer, Mr. Pike has been a member of the IBA board of directors and executive committee. He has also been very active in civic endeavors in Grundy Center.

Russell W. Spearman

Mr. Spearman was born in Mt. Pleasant on July 3, 1931, and grew up on a Henry County farm near Salem. He attended Iowa Wesleyan College and served with the Iowa National Guard from 1948 to 1956 at Mt. Pleasant.

Mr. Spearman began his banking career in 1952 with the Hillsboro Savings Bank. He was associated with the First National Bank in Mason City from 1957 to 1961, then

joined Farmers State Bank at Plainfield. In 1966 he moved to the Clarke County State Bank at Osceola, and a year later in 1967 was named president of Citizens Savings Bank in Sac City, the post he continues to hold at this time.

Mr. Spearman is a past president of the Sac County Bankers Association, served on the IBA legislative committee for 10 years and is a member of the board of directors of Iowa Bankers Mortgage Corporation. Mr. Spearman also has been extremely active in civic life, including serving as president of the Country Club, Chamber of Commerce and Kiwanis Club there in past years.

Council Bluffs Elections

Marilyn Hughes has been elected cashier of the First National Bank of Council Bluffs. Mrs. Hughes joined the bank in 1979 as administrative assistant in the accounting department. She was elected accounting officer in June, 1980.



M. HUGHES

The following promotions were also announced: Robert Emerine to head business growth and development; Jackie Yochum to branch manager; Vern Knop to personal banking area supervisor; Charlene Martin and Mary Way to personal bankers; Jane Tedesco to administrative assistant, and Susan White to supervisor of personal banking support staff.

Capital Stock Increases

The following banks have increased capital stock recently: Brenton Bank & Trust Co., Adel, from \$500,000 to \$1 million by transfer from surplus; Commercial Trust & Savings Bank, Charles City, from \$200,000 to \$400,000 by transfer from undivided profits; West Des Moines State Bank, from \$1.44 million to \$2.88 million by transfer from surplus; Cleghorn State Bank, from \$50,000 to \$200,000 by transfer from undivided profits, and Le Mars Savings Bank, from \$400,000 to \$1.2 million by transfer from undivided profits. Bankers Trust Company of Des Moines increased capital stock \$500,000 by sale of 5,000 shares of \$100 par preferred stock.

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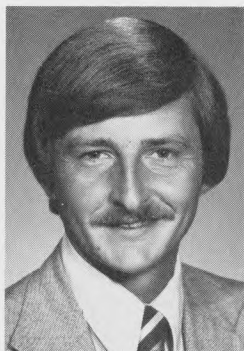
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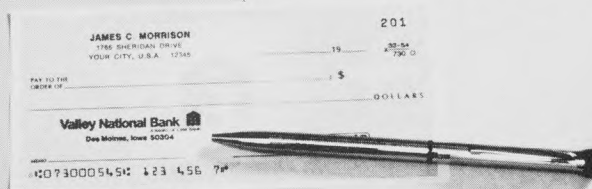
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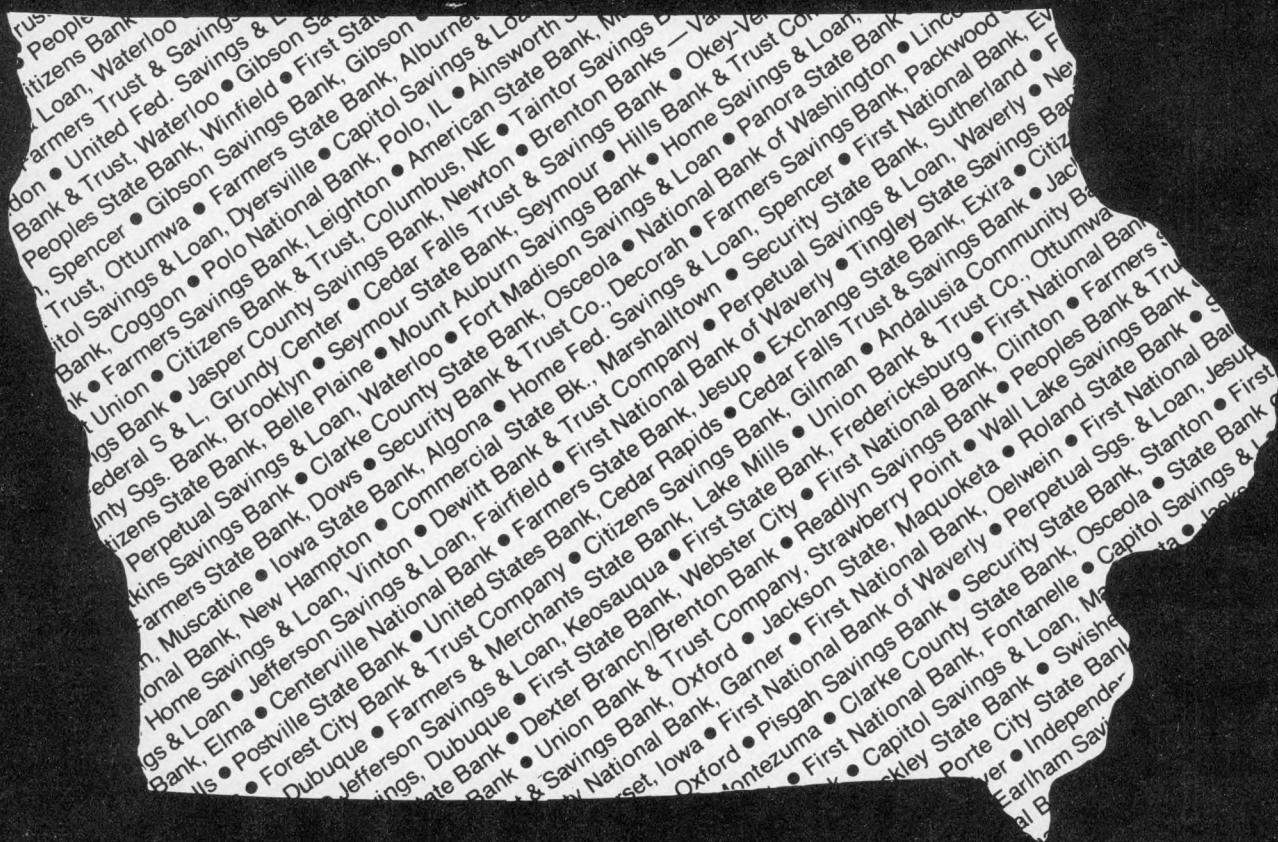
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Des Moines

Raymond G. Johnston, president and chief executive officer of United Central Bank of Des Moines, N.A. has announced the election of **Martin C. Sprock** as financial planning officer of the trust department. Previously, Mr. Sprock was associated with Coopers and Lybrand Certified Public Accountants in Des Moines as a tax supervisor.

Mr. Sprock received his bachelors degree at Drake University where he

majoried in economics and accounting, and his JD degree at Drake University Law School. He is also a certified public accountant.

* * *

Herman C. Kilpper, president and chief executive officer of Bankers Trust Company, has announced the promotion of **Steven L. Quigley** to corporate services officer, responsible for the management of the bank's

electronic banking programs. Mr. Quigley joined Bankers Trust in June, 1978 as a management trainee. He received his BBA degree from the University of Iowa.

* * *

John Ruan, chairman of the board and chairman of the executive committee of Bankers Trust, has announced the election of **Jack C. Pester**, chairman of the board of Pester Corporation, to the Bankers Trust board of directors.



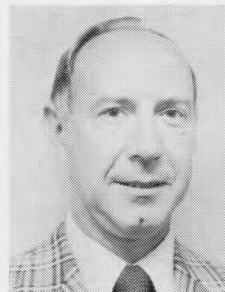
J. PESTER

Before assuming chairmanship of Pester Corporation, Mr. Pester was president of that group of corporations which refine and market petroleum products throughout the Midwest and Rock Mountain states.

Mr. Pester holds a bachelor's degree from Drake University.

* * *

United Central Bancshares, Inc., has announced the appointments of **Gene L. Johnson** as president of United Central Bank & Trust Company of Estherville, and of **Allen R. Kloess** as president of United Central Bank & Trust Company of Kalona.



G.L. JOHNSON



A.R. KLOESS

Mr. Johnson was elected to the Estherville position to succeed **George H. Shadle**, who has resigned to pursue other interests. Mr. Johnson formerly was president of the Kalona bank, a position he has held since 1972.

Mr. Kloess, who was elected to succeed Mr. Johnson at Kalona, formerly was vice president, cashier and secretary of the board of United Central Bank & Trust Company of Marengo, a position he has held since 1978.

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President and
Chief Executive Officer



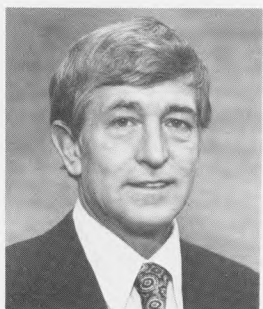
Robert G. Millen
Executive Vice President



Ivan L. Johnson
Senior Vice President



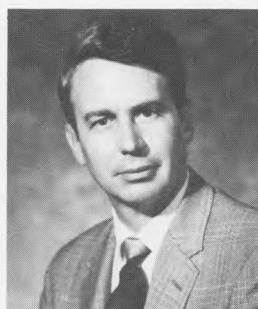
Eddie A. Wolf
Senior Vice President
Correspondent Banking



William B. Greaves
Vice President
Correspondent Banking



Cyrus D. Kirk
Vice President
Correspondent Banking



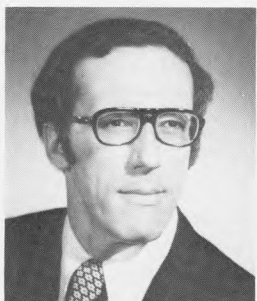
Raymond A. Schneider
Correspondent Bank Officer



Max W. Evans
Vice President
Farm Management



Gene E. Loverink
Vice President
Operations



Jack R. Schreiber
Vice President and
Senior Trust Officer



Ronald W. Nienow
Vice President
Investments



Harry A. Wilmer
Senior Vice President
Senior Loan Officer

We have changed our name since last year's convention, but one thing hasn't changed . . . our commitment to provide Iowa's banks and bankers with the best correspondent services possible.

The United Central Bankers pictured will be at the convention to talk to you about how UCB can help you.

By the way, one other thing has not changed. We are still located at Locust and Sixth in downtown Des Moines, only one block from the Marriott Hotel. So stop by and see us when you are in town or call us any time at 1-800-362-1615.



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Mt. Pleasant B&T Names Don Carmody as President

Donald F. Carmody, 33, has been appointed president of the Mt. Pleasant Bank & Trust Co., according to Gerald L. Nordbrock, chairman of the bank. Mr. Carmody formerly was vice president in the correspondent banking department at Bankers Trust Company, Des Moines. He succeeds R.J. Bontrager, who resigned September 1 to pursue other interests.

Mr. Carmody is a native of Melrose, Ia., and attended Centerville Junior College and Drake University. He joined Bankers Trust Company in 1969 and held a variety of positions with that bank in commercial loans, instalment lending and correspondent banking. He is a graduate of the ABA Commercial Lending School at the University of Oklahoma in Norman.

Don and Mary Lou Carmody will move to Mt. Pleasant as soon as housing accommodations are arranged.

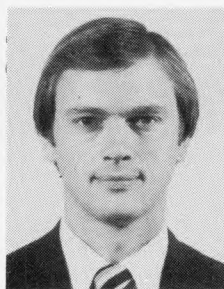


D. CARMODY

New Examination Supervisor

N. Dean Rowland has been named bank examination supervisor for the Iowa Department of Banking. Mr. Rowland has been with the Banking Department since 1974 and has most recently served as a bank examination analyst after having worked in the Denison, Le Mars, West Union and Des Moines examining districts.

His new duties will include responsibility for bank holding company applications, changes in controlling interest and the examination of 554 state chartered banks. Mr. Rowland succeeds Randy Steig, who has accepted a position with the Iowa Bankers Association.



N.D. ROWLAND

Named Office Manager

Kimberly Tierney Keller, a loan officer at Peoples Trust and Savings

Bank, has been named office manager of the new office being constructed by the bank at the Westroads Center on Highway 92 West in Indianola.

Ms. Keller joined the Peoples Bank staff in 1978 as a consumer loan officer, following her graduation from Simpson College. At Simpson she received a BA degree in English and American studies.

Fed Approves Application

The Federal Reserve Board has announced its approval of the application of First Security Bancshares, Inc., Lake Park, to become a bank holding company by acquiring Security State Bank, Lake Park, and Security State Bank, Hartley.

Mt. Ayr Bank to Join Hawkeye Bancorporation

It was announced recently that majority stockholders of Security State Bank of Mt. Ayr have reached an agreement with Hawkeye Bancorporation, Des Moines, to become the company's 28th affiliate bank. Terms of the proposed cash acquisition, which is subject to Federal Reserve approval, were not disclosed.

Security State Bank has assets of over \$34 million. It is one of three banks in Ringgold County and represents nearly two thirds of the market share. Ringgold County, of which Mt. Ayr is the county seat, is located in extreme southern Iowa bordering on Missouri. This is a new geographic market for Hawkeye.

Hawkeye Bancorporation, with assets of over \$1.2 billion, presently has 26 affiliate banks. In addition the acquisition of Jackson State Bank, Maquoketa, was recently approved and will be completed in the third quarter.

Hawkeye Reports Income

Hawkeye Bancorporation's income after securities transactions for the second quarter of 1981 was \$3.202 million, an increase of 29% over the \$2.479 million earned in the same period of 1980. This amounted to \$.64 per share compared with \$.60 a year earlier, according to Paul D. Dunlap, Hawkeye's chief executive officer.

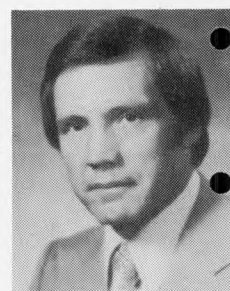
For the first six months of 1981 net income was \$6.126 million, 26% higher than the \$4.852 million earned in the prior year period. Earnings per share for the first six months were \$1.31 versus \$1.18 a year earlier.

There were 560,460 more average shares outstanding during the 1980 period.

Other income increased 46% during the first six months to \$6.611 million primarily benefitting from higher income from Hawkeye's non-bank subsidiaries and other fee income. Noninterest expenses climbed at a slower pace than other income amounting to \$18.928 million in the first half, a 32% increase. Higher salary expense accounted for the largest share of the increase.

Neil Milner to Receive ASAE Key Award

IBA executive vice-president Neil Milner has been named a recipient of the American Society of Association Executives' (ASAE) Key Award, the highest honor the national association bestows on a member who is a chief staff officer of an association. The IBA office was notified in August with word of the award.



N. MILNER

ASAE annually gives the Key Award to "those who demonstrate exceptional qualities of leadership in their own association, and who display exemplary devotion to voluntary membership organizations as a whole." Robert L. Skinner, executive president of the Iowa Feed and Grain Association, initially nominated Mr. Milner for the award.

Letters of recommendation followed from U.S. Senator Charles Grassley, U.S. Representative Jam Leach, U.S. Representative Tom Harkin, Governor Robert Ray, ABA executive vice-president Willis W. Alexander, and IBA general counsel A. Arthur Davis.

Mr. Milner, who also recently earned designation as a Certified Association Executive (CAE) will be recognized, along with other Key Award recipients, at ASAE's annual meeting to be held October 10-14.

Elected to Boone Board

Robert F. Scott, president of Boone State Bank and Trust Company, has announced the election of Jim J. Anderson to the board of directors. Mr. Anderson is a prominent Boone County farmer and cattle feeder.

Marquette's resourceful team



Dick Holmes. Jack Campion. They come backed by the resources of Marquette to help you satisfy your customer's needs and your own investment goals.

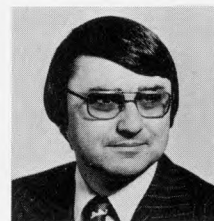
Dick Holmes, veteran correspondent banker, can help you answer today's tough banking questions; how to compete in today's fluctuating markets and how to operate within new regulations. He also can give you fast response to your needs for overlines and participations, wire transfers and collections.

Jack Campion, of our Investment Department, can advise on your portfolio needs, based on your assets, liabilities, tax management and goals. He will help you develop strategies best for your bank and its unique situation.

Marquette is acutely aware that these are complex and difficult times for bankers. Especially Iowa bankers whose customers are charged with feeding the United States and the world in the face of uncontrolled costs.

Our team was chosen for professional skill and understanding of your problems and needs. They'll be in Des Moines and at your service.

See you September 20, 21, 22!



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Six Hawkeye Bancorporation Appointments Announced

Paul D. Dunlap, president of Hawkeye Bancorporation, has announced the appointment of Donald R. Runger and Lewis L. Lowe to senior vice presidents and James M. Earley to vice presidents-trusts. Keith D. Engquist, president of Hawkeye Insurance Services, Inc. and Central Life Insurance Co., will assume responsibility for developing a state-wide farm real estate operation as part of Hawkeye's expansion into farm management services.



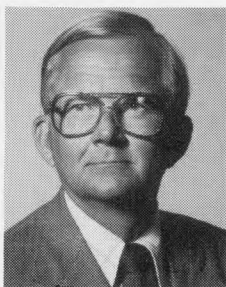
D. RUNGER



L. LOWE



J.M. EARLEY



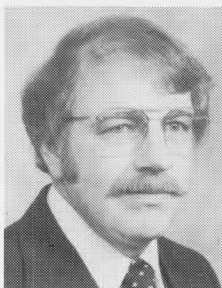
K. ENGQUIST

Mr. Runger will assume responsibilities for corporate administration of the company's 26 affiliate banks. He has been president and chief executive officer of Jasper County Savings Bank in Newton since 1971, and has been named chairman of the board.

Mr. Lowe has been president of Lyon County State Bank in Rock Rapids since 1970 and has been associated with Hawkeye since 1959. He is a graduate of the University of Iowa.

In his newly-created position, Mr. Earley will be responsible for statewide trust services for Hawkeye affiliate banks. He earned both his undergraduate and JD degrees from the University of Iowa. He has been senior vice president, senior trust officer and director of United State Bank in Cedar Rapids.

Mr. Engquist has been a broker since 1960 and has been associated with Hawkeye since 1971. He is a graduate of the University of



D. WILCOX



J. HOOGEVEEN

Nebraska, and is a member of the National Association of Realtors and the Farm and Land Institute.

Denis G. Wilcox has been named president and chief executive officer of Jasper County Savings Bank in Newton, replacing Mr. Runger. Mr. Wilcox joined the Bank in 1964 and most recently has been executive vice president-commercial, real estate and instalment loans.

Jack Hoogeveen is the new president and chief executive officer of Lyon County State Bank in Rock Rapids. He has been with the bank 19 years and most recently was executive vice president and trust officer. Mr. Lowe will remain chairman.

AIB Programs Featured At IBA Convention Booth

The American Institute of Banking has recently introduced a new volunteer structure which will facilitate increased expertise in planning for the organization, course offerings, and publication of the groups educational programs. Iowa's state committee is chaired by Doug Brown, vice president at Northwestern National Bank in Sioux City.

Bankers from around the state will be able to discuss A.I.B. course offerings and see recently introduced new texts during the Iowa Bankers Association annual convention September 21st and 22nd. The A.I.B. will have a booth stocked with information on courses and the simple procedures necessary to form a study group. Anyone interested in discussing A.I.B. is invited to stop by the booth in the Exhibit Hall at the Marriott Hotel.

First Half Income Reported

Banks of Iowa, Inc., reported income before securities transactions for the six months ended June 30, 1981, of \$7,601,000 equal to \$3.27 per share, up 11.5% from \$6,815,000 or \$2.93 per share during the same

period of 1980. For the second quarter, income before securities transactions was \$3,904,000 or \$1.68 per share compared with \$3,438,000 or \$1.48 per share in the second quarter of 1980.

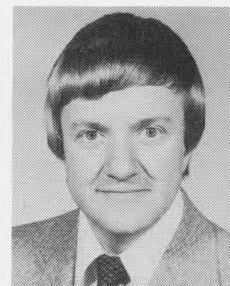
These figures reflect the total financial statements of the member banks and non-banking subsidiaries in nine metropolitan communities located throughout Iowa. Banks of Iowa, Inc. is a publicly-held bank holding company with approximately 80% of its stockholders residing in Iowa.

Net income for the six months was \$6,580,000 or \$2.83 per share compared with \$6,403,000 or \$2.76 per share for the same period a year ago. Net income for the second quarter was \$3,339,000 or \$1.44 per share compared with \$3,294,000 or \$1.42 per share in the second quarter of 1980.

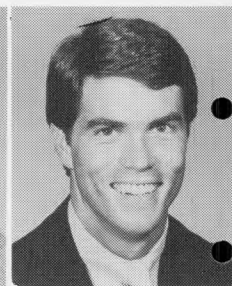
Earnings per share were computed for the periods, giving effect to the 10% stock dividend paid March 15, 1981.

Advanced in Davenport

Davenport Bank and Trust Company has announced the promotion of Richard R. Horst to vice president-cashier. Mr. Horst joined the bank in 1980 as correspondent banking officer.



R. HORST



J.M. SHRADER

James M. Shrader was promoted to correspondent banking officer. Mr. Shrader, who joined the bank in 1977, has held several positions, most recently as assistant marketing officer.

Branch Bank Remodeled

The Jasper County Savings Bank of Newton has announced the recent remodeling of its local branch facility, according to Denis G. Wilcox, president. The new look includes the use of large graphic murals, similar to those chosen for the main facility. Office Concepts, Ltd. of Waterloo handled the project.

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La Crosse, Wis., Bank Names New Director

Terry C. Gillette was named to the board of directors of First Bank (N.A.), La Crosse, Wis. at the recent quarterly meeting.

Mr. Gillette, 43, is president of Gillette Industries, a manufacturer and sales organization of Bill Blass downfilled outer wear, with sales offices in New York and London. He is associated with the law firm of Johns, Flaherty & Gillette, La Crosse.

First Bank La Crosse is a division of First Bank (N.A.) which, with the Milwaukee division, represents Wisconsin's fourth largest bank with assets of more than \$600 million. First Bank (N.A.) is part of First Bank System, Inc., the regional bank holding company headquartered in Minneapolis-St. Paul.

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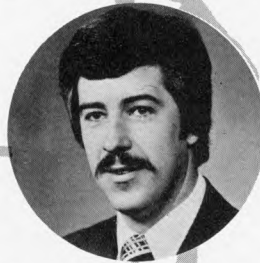
INDEX OF ADVERTISERS

September, 1981

Acorn Printing	130
American Bankers Association	31
American Express Money Orders	9
American Express Travelers Cheques	25
American Nat'l Bk. & Tr. Co., Chicago	109
American Nat'l Bk. & Tr. Co., St. Paul	71
American Tr. & Sav. Bk., Dubuque	99
Associates Commercial	27
Banco Financial/Lease Northwest	65
Bank Building Corp.	139
Bank of North Dakota	77
Bankers Tr. Co., Des Moines	96
Banks of Iowa	125
Banks of Iowa Computer Service	106-107
Beh, Carleton D.	110
Chase Manhattan Bank	13
Chiles, Heider & Co., Omaha	108
Chilton Corp.	7
Colorado Nat'l Bk., Denver	81
Commerce Bank N.A., Kansas City	33
Continental Bank, Chicago	21
Davenport Bk. & Tr. Co.	105
Deak Perera	121
Dean, Witter, Reynolds	12
Des Moines Stamp	124
Downey, C.L., Co.	69
Drovers Bank of Chicago	119
Financial Institution Services	53
First Nat'l Bk., Denver	87
First National Bank, Kansas City	51
First Nat'l Bk., Lincoln	95
First Nat'l Bk., Minneapolis	113
First Nat'l Bk., Omaha	91
First Nat'l Bk., St. Joseph	92
First Nat'l Bk., St. Paul	63
First Nat'l Bk., St. Paul (Bonds)	73
First Nat'l Bk., Sioux City	117
First Stock Yards Bk., St. Joseph	112

Gross, Kirk Waterloo	129
Harris Bank, Chicago	3
Hawkeye Bancorp.	130
Heller, Walter E., Chicago	10-11
Hummer & Co., Wayne, Chicago	8
Insured Credit Services	49
Iowa Bankers Ins. & Services	135
Iowa-Des Moines Nat'l Bk.	140
Iowa-Des Moines Nat'l Bk., Bonds	101
E.F. Kooker & Associates	104
LaSalle Nat'l Bk., Chicago	35
LeFebure Corp.	3
Life Investors, Cedar Rapids	137
Manufacturers Hanover Tr. Co., New York	15-18
Marquette Nat'l Bk., Minneapolis	133
Mercantile Tr. Co., St. Louis	53
Merchants Nat'l Bk., Cedar Rapids	2
Midland Nat'l Bk., Minneapolis	55
Minnesota Protective Life	79
Mortgage Guaranty Insurance Corp.	22-23
Nat'l Bk. of Commerce, Lincoln	88
Nat'l Bk. of Waterloo	111
Nat'l Boulevard Bank, Chicago	3
Northwestern Bell Telephone Co.	36
Northwestern Nat'l Bk., Minneapolis	61
Northwestern Nat'l Bk., Sioux City	136
Office Concepts, Waterloo	100
Omaha National Bank	74-75
Packers Nat'l Bk., Omaha	90
Peoples Bk. & Tr. Co., Cedar Rapids	2
SLT Corporation, St. Louis	59
Schweser & Co., Robert, Omaha	93
Security Nat'l Bk., Sioux City	114
Security Pacific Nat'l Bk., Los Angeles	46-47
Shaw, McDermott & Co., Des Moines	104
Stonier Graduate School of Banking	29
Toy Nat'l Bk., Sioux City	3
Travelers Express Co., Minneapolis	67
United Bank of Denver	85
United Central Bank of Des Moines	131
United Missouri Bk., Kansas City	115
United States Nat'l Bk., Omaha	4-5
Valley Nat'l Bk., Des Moines	127
Van Wageningen, G.D., Minneapolis	4

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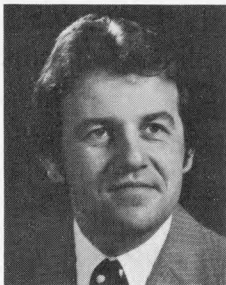
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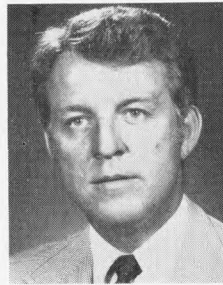
Call us for assistance at: 319-398-8625



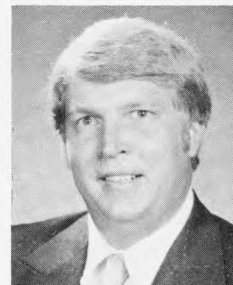
**Rex
Eno**



**Dave
Tesdahl**



**Bob
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**Bob
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Toy Nat'l Data data processing personnel provided equipment demonstrations on various system functions for attending bankers.

Toy Will Offer On-Line EDP to Banks

LES Olson, president, Toy National Bank, Sioux City, welcomed representatives from 60 banks to a data processing seminar July 23rd in Sioux City. Mr. Olson announced Toy's expansion into

Central Information File services and revealed that in preparation for providing on-line services, Toy began totally centralizing its data processing facilities early in 1980.

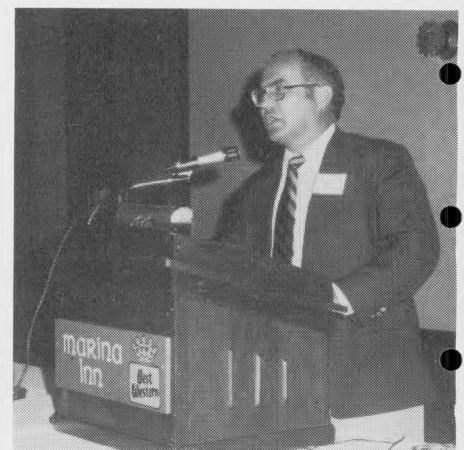
Being aware of the advantages of on-line system services since the mid-1970's, Ken Brooke, vice president, data processing, related Toy's history of "strong and deliberate approaches to new technical services prior to offering them to customer banks." Mr. Brooke emphasized the bank's continued attitude of not necessarily being the leaders in the introduction of technical developments but rather being certain of the market needs and demands before entering the competitive market.

Focusing on management report capabilities, Leo Stavas, vice president, correspondent bank department, pointed out that during the time that Toy was analyzing the marketplace, not only had computer capabilities improved, but equipment and software prices had become more economical as well.

Dale Dooley, executive director, Iowa Transfer System, up-dated the guest bankers on developments of EFT and ATM services through Iowa Transfer. Mr. Dooley welcomed the



Rich Breyfogle, v.p., Toy Nat'l., welcomes Russ Bonander, v.p. and Lyle Impeccoven, v.p., Security Sav. Bk., Larchwood, Ia., to processing system seminar.



Dale Dooley, exec. dir., Iowa Transfer System, provided up-date on ITS services and capabilities.

South Dakota and Nebraska bankers present and informed them of the co-operative programs between ITS and neighboring states.

The services introduction portion of the seminar was followed by equipment demonstrations conducted by Toy's data processing personnel. Equipment exhibitors were IBM, NCR and Northwestern Bell.

Following the seminar, guests were treated to a buffet dinner and feature of the Sioux City Rivercade festival. □

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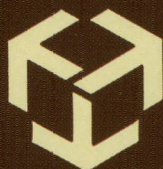
budget and on time, with minimum inconvenience to customers and employees. Which comes with practice: since 1913, Bank Building Corporation has completed over 8000 projects—many of them remodeling assignments.

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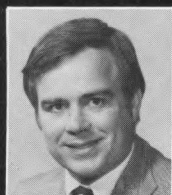
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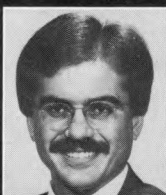
Lance Davenport



Bernie Kersey



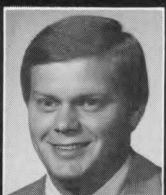
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John Rigler



Linda Collins



Garry Frandson



Mark Conway



Dorothea Wolfe