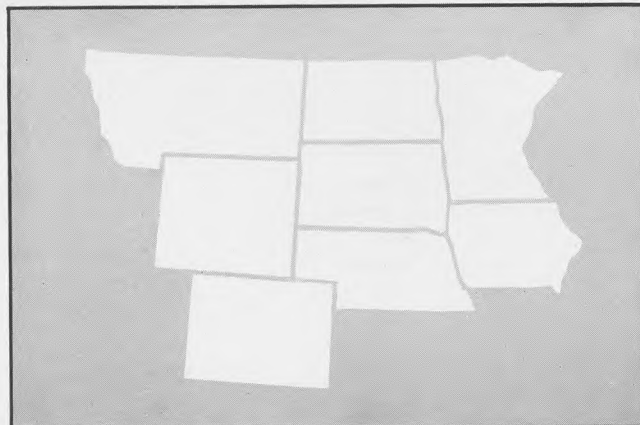


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 967

Des Moines, Iowa

May 2, 1966

Express Concern Over Employee Turnover

"Turnover rates for staff employees in banking are four to five times the rates in industry and have been climbing steadily."

This statement was made by J. Howard Laeri, vice chairman of the First National City Bank, New York, before the recent Southern Regional NABAC meeting.

Pointing out that banking costs can be reduced nearly \$5 million for every percentage point that the industry can decrease turnover, Mr. Laeri stated, "Aside from added costs, the high turnover rate fills the road of management succession with many potholes. Perhaps the dominant reason for the banking mergers of the last decade is the failure of one of the two parties to provide for management succession."

Joseph C. White, vice president, The National Bank of Commerce, New Orleans, speaking before the same group, also emphasized the need for management and manpower utilization plans.

"One of the great fallacies in many managements today is the encouragement of mediocrity; this comes about through overstaffing, reliance on mere wages as incentives, failure to communicate, absence of measurement of the individual and not expecting enough of people," Mr. White said.

In discussing the problem of hiring management trainees only to see them become dissatisfied and restless, Mr. White suggested that, "in most cases, the restlessness arises from sheer boredom."

In applying the principles of "manpower utilization," Mr. White suggested that, "improvement begins with work measurement, through which standards of performance are set for each job. The flow of work is then studied to determine manpower needs for peaks and valleys.

"Permanent, full time staff should be employed to meet the minimum workloads only; part time staff can be utilized to meet peak requirements," Mr. White concluded.

Announce Presidential Candidates for Iowa

Dale C. Smith, vice president, Central National Bank and Trust Company, Des Moines, and Oliver Hansen, president, Liberty Trust and Savings Bank, Durant, have announced their candidacy for president of the Iowa Bankers Association. The election will be held at the 80th annual state convention in Des Moines, October 16-19.

Mr. Smith announced his candidacy prior to the 79th annual convention and withdrew from the race in favor of Ed H. Spetman, Jr., president of the Council Bluffs Savings Bank, who was elected president.

Mr. Hansen, who has served as chairman of Group 8, announced his candidacy late last month and received the endorsement of the Cedar County Bankers Association.

NATIONAL NEWS

NEW YORK: Herbert V. Prochnow, president, The First National Bank of Chicago, has been named the 1966 recipient of the Ayres Leadership Award by the Board of Regents of the Stonier Graduate School of Banking.

PHILADELPHIA: A new \$1.7 million national advertising campaign for the Foundation for Commercial Banks is scheduled to start in national magazines today, according to Richard R. Beal, executive director.

WASHINGTON, D.C.: The Investment Company Institute last week contended that Comptroller of the Currency James J. Saxon approved illegally the creation of a mutual fund by the First National City Bank of New York. In a suit filed in Federal District Court, the Institute asked for a ruling to the effect that Mr. Saxon exceeded his authority in permitting a national bank, for the first time, to sponsor its own commingled investment account.

WASHINGTON, D.C.: "At least \$1 billion in tax exempt municipal bonds has been diverted to private use for private profit through a tax gimmick known as municipal industrial financing," according to a letter to members of Congress sent out last week by the Investment Bankers Association of America. Such financing is presently authorized in approximately 30 states.

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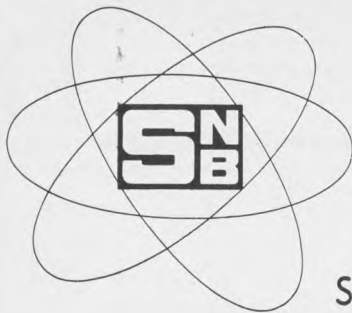
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IOWA NEWS

GROUP MEETINGS start this week in Iowa as follows: Tuesday, May 3, Council Bluffs; Wednesday, May 4, Fort Dodge; Thursday, May 5, Clear Lake, and Friday, May 6, Cresco.

CLINTON: Harold A. Bendixen, president of Clinton Corn Processing Company, a division of Standard Brands, has been elected a director of the First National Bank.

DES MOINES: Charles E. Cox has been named assistant manager and

Mrs. Joan Kreamer has been appointed women's representative at the new Douglas office of the Iowa-Des Moines National Bank, scheduled to open early this month at 4435 Douglas Avenue.

DES MOINES: Bankers Access Company, 502 Securities Building in Des Moines, has been established by Carl L. Kent to provide computer oriented service and facilities for Iowa banks. The firm is designed to serve banks whose present computer facilities and opportunities are limited by size or staff.

The company offers consulting assistance in all areas of computer operations, including account numbering for MICR, feasibility studies, system design and analysis, programming, conversion and implementation. Local area computer centers will be organized, staffed and operated for the exclusive benefit of those banks willing to participate in joint computer ventures.

Mr. Kent resigned as a vice president of Bankers Trust Company in Des Moines, as of May 1, where he had been since 1952. He did the research and design for the bank's automation program and guided its computer operation through a successful joint sharing venture with a leading Des Moines insurance company.

DIAGONAL: Application has been

denied by the Iowa Banking Board to move the First State Bank, Diagonal, to Mount Ayr.

MARSHALLTOWN: The Iowa Banking Board has approved a parking lot office for the Security Savings Bank, to be located in the vicinity of Olive and South 2nd in shopping center. Two other banks in Marshalltown have applications pending for offices in same area.

RED OAK: Michael K. McGrath, 29, has accepted a position as manager of the installment loan department of the Houghton State Bank. He has been local manager of Associates Finance Company in Red Oak.

SIOUX CITY: Funeral services were held last Wednesday for Mrs. Charles Walcott, who died on Monday after an extended illness. Mr. Walcott is vice president of the First National Bank, Sioux City.

WOODBINE: Effective June 1, Lewis L. Lowe, vice president of the Houghton State Bank, Red Oak, will become president of the First National Bank, Woodbine. Paul D. Dunlap, president of the Houghton State Bank, has been elected a director of the Woodbine bank.

NEBRASKA NEWS

ALLIANCE: Lane R. Nansel, former state bank examiner, has joined the Guardian State Bank as a vice president. From 1954 to 1961, he worked at the Seven Valleys State Bank, Callaway.

DESHLER: Donald Whitlow of Campbell, Nebraska is the new cashier of the Nebraska Security Bank. He replaces C. F. Petty, who returned to banking in Oklahoma City.

KEARNEY: Dean Hallock of Kearney will join the First National Bank on May 16 as assistant vice president, replacing Jim Lutes, who has resigned to accept a job in the Scribner Bank.

MULLEN: Donald Stull, formerly with the Bank of Hyannis, has joined the Bank of Mullen as vice president and cashier.

OFFUTT AIR FORCE BASE: Application has been made for a new national bank here. Applicants include: F. F. Nebergall, William A. Fraser, Jr., R. Joe Dennis, John S. Reinhart, M. Cooper Smith, Marvin G. Schmid and Jack E. Dewey.

PLATTSMOUTH: Plattsouth State Bank has announced plans to build

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a Colonial-style drive-in bank on the southeast corner of Chicago and 4th Avenues.

TEKAMAH: Open house was held yesterday (Sunday) in the Burt County State Bank's new building.

MINNESOTA NEWS

ALBANY: Stearns County National Bank has purchased three properties for the purpose of constructing a new bank building. Hickey and Little of Minneapolis are the architects for the 50 by 70 brick building. Completion is scheduled for October, 1966.

ANOKA: Work is scheduled to start soon on the new building for the First National Bank. Completion is set for the end of 1966.

FARMINGTON: Construction has started on the new bank building for the First National Bank. Contractor is Berglund, Johnson, Inc., Minneapolis.

ROCHESTER: Federal Home Loan Bank in Washington, D.C. has denied a branch here for the Minnesota Federal Savings and Loan, located in Minneapolis. Independent Bankers of Minnesota fought the app on the basis that it would open the door to branch banking.

SOUTH DAKOTA NEWS

IRENE: A surprise party was held recently for A. E. Diefendorf, chairman, Farmers State Bank during the 20th anniversary party of the bank. Mr. Diefendorf will receive a 40-year pin at the South Dakota Convention this year. Mr. Diefendorf's four sons were present for the party. Tom and Jim are in the bank in Irene; John is vice president of the Security National Bank, Sioux City, and Bob is manager of a large credit union in Chicago.

SIOUX FALLS: William S. Baker has been promoted from assistant cashier to assistant vice president of the First National Bank here.

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YANKTON: E. C. Schempp has been elected auditor in addition to assistant cashier at the First Dakota National Bank.

NORTH DAKOTA NEWS

GRAND FORKS: The annual convention of the North Dakota Bankers Association starts Wednesday, May 4 and extends through Friday noon, May 6. Complete convention program appears in the May *Northwestern Banker*.

COLORADO NEWS

BOULDER: E. L. Harrison has been named cashier of the Mercantile Bank and Trust Company. He has been with the Second National Bank, Saginaw, Michigan.

DENVER: First National Bank has promoted Richard T. Counley to assistant vice president in the correspondent department. He was with the First National Bank, Grand Junction for 16 years. The bank has also named John Mason, Jr. as a trust officer.

DENVER: The North Denver Bank will issue 6,000 additional shares of common stock to increase the bank's capital to \$1,931,000. The bank is now increasing the size of its present building.

DENVER: District 4 of the National Association of Supervisors of State Banks will meet in Denver on May 9 and 10.

DENVER: Harold L. Lewis has been

elected vice president and cashier of the Colfax National Bank. He joined the bank in March after having been vice president and cashier of the First National Bank, Salida. He succeeds Neal J. Ryan, who is now serving as president.

MONTANA NEWS

GLENDIVE: Harry N. Dion, 83, pioneer merchant, banker and stockman, died April 24 at his home after an extended illness. He was president of Exchange State Bank here when he retired in 1953.

HELENA: No progress had been made late last week in getting any clues to the lone robber who on April 22 held up Nels Turnquist, president of the First National Bank & Trust Co., in his office at gunpoint and then conducted him to the bank vault where he made off with \$37,600.



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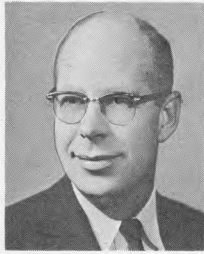
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WYOMING NEWS

CASPER: South Dakota Corporation of Sioux Falls has acquired a

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major interest in the Wyoming National Bank by purchasing a major interest in Wyoming Financial Services from Minnesota Enterprises, Inc. Management will continue under Minnesota Enterprises. J. J. Verschoor is president of South Dakota Corporation, and it owns an interest in the Dakota State Bank, Milbank.

Carl Pohlard, president of the Marquette National Bank, is a part of the management team for Minnesota Enterprises.

CASPER: Milton G. Coffman, Casper businessman, has been elected chairman of the First National Bank, succeeding W. J. Wehrli, who has resigned, but will remain on the board.

CHEYENNE, WYO.: K. L. McShane has been elected chairman of the Cheyenne National Bank.

GILLETTE: William W. Smith, vice president, Stockmens Bank, has been honored for 30 years service.

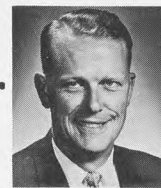
RIVERTON: Harry Hays, vice president of the American National Bank, has been elected president of the State Board of Education in Wyoming.

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