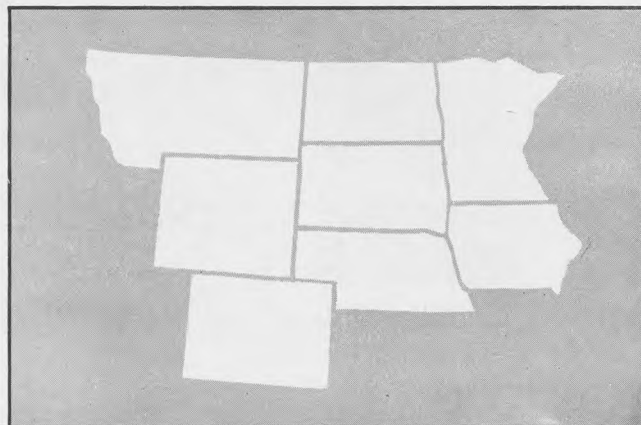


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



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Des Moines, Iowa

June 19, 1967

Urges Banks: "Look for Change"

In his address before the Minnesota Bankers Association 77th annual convention last week in St. Paul, ABA Vice President J. Howard Laeri reviewed the progress made by American bankers and pointed out the areas that involve crucial changes for banking in the months and years ahead.

To emphasize the importance of growth to any community, whether it is a rural community or metropolitan center, Mr. Laeri gave the following figures:

Each 100 new industrial workers brings into a community personal income of over \$710,000; 100 additional cars registered; 65 more jobs in nonmanufacturing fields, and nearly \$230,000 in added bank deposits.

Mr. Laeri pointed out that as any town or city increases its population, it also must assume the burden of welfare support, other social services, urban renewal and additional facilities.

He noted that big banks and small banks alike whether city or country have identical problems:

1. "We all pay approximately the same rates for money, the same wages and salaries and the same kinds of overhead costs, regardless of size.

2. "What do we do about the profit squeeze? How do we find additional opportunities for profit? A partial answer may be in further explanation of what we call full service banking."

Mr. Laeri then reviewed the numerous new and revised services that are now a part of the service program carried on by a number of banks and said "we must also design other" services. He discussed the credit card as well as the many accounting services that can be provided by banks through their computer facilities.

He stated further that it has been estimated banks are spending far too much of their advertising and promotion budgets to attract business which might not account for more than 10% of their total profits. In this connection he said the pricing methods for bank services may be antiquated, and also banks do not know enough about their costs. He said these two problems can be resolved to a considerable extent by intelligent use of computers.

This information and a great deal of other services can be supplied, in turn, by city banks to their correspondent bank customers.

In addition to the need for up-

dating all of these services, Mr. Laeri emphasized that "bankers' major deficiency today is a severe shortage of competent managerial talent" that can coordinate the service the industry now offers.

He closed by urging bankers to remember that one growth rule for long range planning is that nothing is sacred--we must always anticipate and look for change.

NATIONAL NEWS

CHICAGO: The board of directors of the First National Bank of Chicago has authorized the transfer of \$5 million from the undivided profits account to the surplus account, according to Homer Livingston, chairman. The bank will now have a surplus account of \$210 million and capital stock of \$175 million.

NEW YORK: The Federal Reserve Bank of New York, in its June monthly review, says a "general stability" still pervades the economy despite a sharp reduction in the rate of inventory accumulation. It said rate of inventory purchases probably will continue to decline, although the rate of adjustment is unlikely to be as sharp as in recent months.

(Continued on back page)



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IOWA NEWS

CLARINDA: Mrs. Marie E. Anderson, 33, assistant cashier, Citizens State Bank, died recently. She had been with the bank 15 years.

DAVENPORT: J. R. Underwood, former Scott County extension director, has joined the Northwest Bank and Trust Co. Following graduation from Iowa State University, Ames, he served Scott County farmers for 20 years.

DeWITT: Open house for area bankers was held by the newly-chartered First Central State Bank last Thursday. The bank is now officially open.

DES MOINES: Bankers Trust Company will hold a series of open house activities in observance of its 50th anniversary, June 20-23. A drawing will be held and first prize will be a trip for two for one week to Expo 67.

HARLAN: The Shelby County State Bank has purchased the property

formerly owned by United Building Center, a local lumber yard, for possible use as a bank parking lot.

ROCKWELL: Community State Bank will hold open house in its new building on Thursday, June 22.

SPENCER: Jack Easter of Des Moines has joined the staff of the Farmers Trust and Savings Bank.

WESLEY: Exchange State Bank held open house in its new building last Thursday.

NEBRASKA NEWS

Washington Trip

The biennial NBA Washington trip has been scheduled for February 2-8. The number will be limited to 40, leaving Omaha and Lincoln by train on February 2. Bankers interested in details for the trip should contact the association office.

LINCOLN: Elmer DeKay, 73, died recently. He was formerly associated with the Bank of Syracuse, and later with the Bank of Otoe. From 1936 to 1955 he was with the old Continental National Bank of Lincoln, retiring as vice president.

MINNESOTA NEWS

Paul W. Gandrud, president of the Swift County Bank in Benson, has been elected president of the Minnesota Bankers Association at its annual convention, held June 12-14 at the St. Paul Hilton Hotel. Mr. Gandrud, whose father, Olaf Gandrud, was president of the MBA in 1936-37, succeeds Robert J. Hubbell, president of the Eastern Heights State Bank of St. Paul,

as president of the association.

Elected vice president of the association was J. J. Choromanski, president of the Crystal State Bank. A. Dan Fiala, president of Ogilvie State Bank, was re-elected treasurer. Reappointed executive secretary was Kenneth A. Wales, and Truman Jeffers, assistant secretary, was also reappointed.

Special honor was given to Carl H. Sommer, chairman of the State Bank of Rush City, for 75 years in the banking business. Mr. Sommers, who will soon be 90, began in Rush City in 1892, and except for four years of banking in Minneapolis, has spent his entire career in Rush City.

DULUTH: Robert Congdon, prominent Duluth investor, died June 13 at the age of 68. Since 1949 Mr. Congdon had been president of Congdon Office Corporation, a firm with worldwide investments in mining, oil and agriculture, and was also president of Congdon Orchards, Inc. At the time of his death he was a director of First American National Bank of Duluth and chairman of its executive committee. He was previously a director of Northwest Bancorporation, and in 1960 was named "Banco Man of the Year."

DULUTH: William M. Reynolds, vice president and trust officer at the First American National Bank of Duluth, has been promoted to senior vice president and trust officer. Iver A. Anderson, cashier, has been elected vice president and cashier, and Robert M. Sederburg, controller, has been named vice president and controller.

FOLEY: Frank Phillips, formerly assistant cashier at the State Bank of Foley, has taken a position as vice president and cashier of the First National Bank of Calumet, Michigan.

MINNEAPOLIS: Marlene Bensfield has been advanced from assistant cashier to auditor of the Franklin National Bank.

NEW ULM: Dick Pengilly has been named agricultural representative for the Citizens State Bank.

OKABENA: Keith Williams has joined the First State Bank here

“ “ “ “

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as an officer. He has been in education work for seven years.

OWATONNA: Eugene Brandt, cashier of the Security Bank and Trust Company, has taken a position in the controller's department of Northwest Bancorporation in Minneapolis. Mr. Brandt has been with the bank since 1956.

ST. PAUL: American National Bank and Trust Co. has disclosed plans to establish an electronic data processing center in Minot, North Dakota. The center, which is planned for operation this fall, would be the fifth such center to be established by the bank.

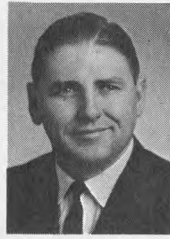
WADENA: Wadena State Bank held open house June 17 to celebrate its 50th anniversary. The founder of the bank, W. J. Browne, remains president and chairman at the age of 86, though he is inactive. His son, M. J. Browne is executive vice president.

MONTANA NEWS

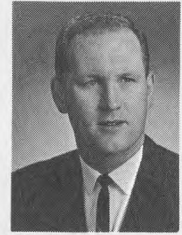
GREAT FALLS: Paul W. Olander has been elected vice president of the First National Bank. Since 1964 he has been president of the First National Bank of Grand Forks, North Dakota.

WYOMING NEWS

Max C. Robinson, executive vice president, Star Valley State Bank, Afton, was elevated to the presidency of the Wyoming Bankers Association at the organization's 59th annual convention. His father, Carl Robinson, president of the Star Valley State, was president of the association in 1947. Max Robinson succeeds John W. Hay, Jr., president, Rock Springs National Bank. Newly-elected vice president of the association is Max E. Fisher, president, First National Bank, Laramie. Robert W. Finkbinder, president, First National Bank, Lander, was named treasurer and



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E. J. (Woody) Haines, vice president, First National Bank, Laramie, was retained as secretary. A full report of convention proceedings will appear in the July issue of *Northwestern Banker*.

CHEYENNE: State Examiner Dwight Bonham recently reported that Wyoming's state and national bank assets have increased 4.7% in the first quarter of 1967 over the same period last year. Assets now total more than \$630 million for the state's 69 banks.

CHEYENNE: Currently on display at the Cheyenne National Bank is the work of 25 Wyoming artists. The exhibition is sponsored by the Cheyenne Artists' Guild under the auspices of Wyoming University.

GILLETTE: Mrs. Agnes Aho, First National Bank of Gillette, was elected chairman of the Wyoming group of the National Association of Bank Women at its annual meeting in Gillette. Elected vice chairman was Mrs. Lois Wade, First National Bank and Trust Company of Cheyenne.

NORTH DAKOTA NEWS

MINOT: Carolyn Gardiner, First Western State Bank of Minot, was recently elected chairman of the North Dakota group of the National Association of Bank Women. Lydia

Weber of the McIntosh County Bank of Ashley, was elected co-chairman.

MINOT: Palmer H. Rustan has been elected assistant vice president of the First Western Bank. He had been vice president of the American State Bank of Williston, where he began his banking career in 1955.

MINOT: L. O. Flatness, assistant vice president at the American State Bank, has retired after nearly 25 years with the bank. Mr. Flatness entered the banking business in Fargo in 1920.

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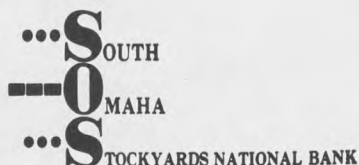
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SOUTH DAKOTA NEWS

ABERDEEN: Herman Lerdal, superintendent of banks for the state of South Dakota since March, 1965, is resigning effective July 1, at which time he will assume the executive vice presidency of the Farmers & Merchants Bank in Aberdeen. Mr. Lerdal has also been a member of the executive council of the National Association of Superintendents of State Banks. G. L. Hill, executive vice president of Farmers & Merchants Bank since 1955, will advance to chairman.

MITCHELL: John Troth, vice president of the Mitchell National Bank, recently resigned. He had been with the bank since 1952.

RAPID CITY: The First National Bank of the Black Hills has opened its fourth branch office in the Rapid City area. The Mountain View office is temporarily located in a mobile home until construction is completed on new quarters early next year.

NATIONAL NEWS

(Continued from front page)

NEW YORK: The American Bankers Association has incorporated its

advertising department into its marketing department, according to Charles E. Walker, executive vice president. Lawrence N. Van Doren, formerly director of the advertising department, has been named advertising manager of the marketing department.

ST. LOUIS: John Fox, formerly president of Mercantile Trust Company, has been elected chairman of the board, it was announced recently. Elected to succeed him as president is Donald Lasater, former vice president and head of the trust department. Kenton R. Cravens has advanced from chairman of the board to chairman of the bank's executive committee. Louis S. Denig, Jr., vice president in the banking department, will now head the trust department.

SAN FRANCISCO: Richard P. Cooley, president and chief executive officer of Wells Fargo Bank, has disclosed the bank's intention to open major branches in the Los Angeles area. The move was decided upon after a recent Supreme Court decision ruling out the possibility of a merger with a Los Angeles bank. About five or six branch operations per year will be opened by the bank, California's third largest.

WASHINGTON, D.C.: The Senate Financial Institutions Subcommittee has unanimously approved the amended "truth-in-lending" legislation (S. 5). No serious difficulty is anticipated in the full Senate Banking Committee, which meets June 20 on the modified revolving credit provision, which would exempt from annual rate disclosure requirements open-end or revolving credit plans, except "installment open-end credit plans."

WASHINGTON, D.C.: The House Special Education Subcommittee was scheduled to discuss this week whether to allow lending institutions to be paid a placement fee of up to \$35 for initiating loans

under the Federal higher education and vocational loan programs. The fee was recommended by HEW Secretary John Gardner to help lending institutions meet the costs of loan applications.

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