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"Banks Must Meet Changing Goals"

"It is elemental to American business that the self-interest of any business must be joined with the self-interest of its employees and its customers—or it will fail."

This is the warning issued by George H. Dixon, president, First National Bank of Minneapolis, in addressing the opening session of the Northern Regional Convention of the Bank Administration Institute in St. Paul last week.

"A product or service, for example, must answer a need, perform a service, cater to the self-interest of a customer, or a business will not remain long in the marketplace, nor endear itself to its stockholders."

Reviewing the changing social styles of the day, the advanced technological knowhow and greater mobility implicit in today's capabilities, Mr. Dixon suggested that the younger generation is growing up with attitudes which are substantially different from their elders. He suggested that "the aspirations and values of people are shifting."

But, he added, "as they shift, their institutions, including commercial banks, will adjust, shift and accommodate, too."



George H. Dixon

The Minneapolis banker suggested that there are several implications in these shifting values and goals to commercial banks.

First, he said, "our better educated, discerning customers will ask that financial services meet higher standards of professional skill, the kind of standards that must grow out of managerial proficiency."

The banking game, he said, is becoming complex, and it's getting demanding." Old ways of increasing earnings have been "pretty well exploited," and there will be a need to dig deeper for opportunity.

Additionally, he said, "banks are becoming, in a major way, instruments of public social poli-

cy. There are some short run investment costs of improving the well being of our communities which have to be paid for without sacrificing profits."

He pointed out that in a capital short environment the old cushion of liquidity no longer exists, and "there will be more business risk in our asset structure—and new standards of precision in planning asset and liability structure."

Mr. Dixon suggested that the second implication for the modern bank is that "virtually all businesses, certainly including commercial banking, must commit a greater share of effort to the service of a troubled society." He urged that banks "do it willingly."

His third point concerned computers and the speed of moving information electronically, which, he said, "will make dramatic changes in the relationship between a bank and its customers."

Fourth, he said, is that "to effectively serve a complex, burgeoning economy, commercial banks should be able to expand the range of their financial services, and our planning should assume that this will be possible."

Mr. Dixon's fifth point revolved around the development of a

(Continued on back page)

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NATIONAL NEWS

CHICAGO: Funeral services were held May 9 for Homer Livingston, former chairman and chief executive officer of the First National Bank of Chicago. He was 66. Death was attributed to complications arising from hepatitis.

KANSAS CITY: Fred N. Coulson, Jr. joins Commerce Bank today as head of its correspondent bank division. Mr. Coulson, 48, was vice president and director of sales for four related companies: Old Security Life, Old Security Casualty, First Southwest Life, and Financial House Insurance Services. He succeeds Jim Bartels, who has purchased an interest in the Farmers State Bank, Hayes, Kansas, and has become executive vice president there.

IOWA NEWS

IOWA GROUP MEETINGS continue this week as follows: May 19, Gr. 5, Council Bluffs; May 20, Gr. 2, Fort Dodge; May 21, Gr. 3, Clear Lake, and May 22, Gr. 4, Decorah.

CLARENCE: Earl Elijah was recently named chairman of the board, and J. Robert Bunn advanced to president at the Clarence Savings Bank. Mr. Bunn has been executive vice president.

DES MOINES: The Iowa Investment Bankers will hold an annual field day and golf outing at Wakonda Club on May 20. A reception will be held

at the Des Moines Club the evening of May 19.

KEOKUK: J. H. (Hank) Hanan, vice president and cashier of the State Central Savings Bank, has retired after 45 years in the banking business. He will continue as a consultant to the bank.

LIBERTYVILLE: Subscribers to the Iowa-Nebraska Bank Directory should change the phone number for Libertyville Savings Bank to 515/693-3141.

MARSHALLTOWN: John Bartine, 65, has retired as vice president of the Fidelity Savings Bank. Robert Boeyink, formerly of Des Moines, will succeed Mr. Bartine.

NEBRASKA NEWS

NEBRASKA CITY: Roger L. Loerch, vice president of the Otoe County National Bank has been advanced to executive vice president and director of the bank.

OMAHA: Frank J. Lefebvre, the new general manager of the Omaha works of Western Electric, has been elected a director of the Omaha National Bank as of June 1.

LINCOLN: At press time, Gov. N. T. Tiemann was leading Clifton Batcheler, president, United States Check Book Co., Omaha, in the Republican primaries by about 7,800 votes. Results were in from a majority of precincts.

OMAHA: West Omaha National Bank has elected H. Dale Martin as vice president and cashier, and Thomas K. Grove, as assistant vice president. Mr. Martin has been with the bank since its founding. Mr. Grove was executive vice president and director of General Radio and Tel. in Burbank, Calif.

MINNESOTA NEWS

CANNON FALLS: The First National Bank held open house in its new facilities recently. Over 200 area bankers attended a special opening.

GLENCOE: Gale Roth has resigned as cashier of the Security State Bank to become business manager of the local independent school district. He had been with the bank for 21 years.

MINNEAPOLIS: Kenneth A. Wales, executive vice president of the Minnesota Bankers Association, has resigned to become vice president and deputy head of the Correspondent bank division of the First National Bank of Minneapolis.

Mr. Wales, who will assume his new duties July 1, is nationally known for his work in various banking organizations.

He began his banking career in 1946 with the Farmers and Mechanics Savings Bank of Minneapolis. From 1952 to 1956 he was executive secretary of the Minneapolis chapter of American Institute of Banking.

MINNEAPOLIS: David M. Hyde, vice president, Marquette National Bank, has resigned to accept an executive position with a subsidiary of Associates Investment Co., South Bend, Ind.

SOUTH DAKOTA NEWS

HURON: South Dakota Bankers are planning a special trip during the ABA convention this fall. The group will leave Sioux Falls, Oct. 10, attend the convention in Miami, leave for Puerto Rico on Oct. 15 and return to Sioux Falls on Oct. 18. Tour price \$362.15.

RAPID CITY: New officers elected at the annual SDBA convention are: President, Leland Steele, executive vice president, Farmers & Merchants Bank, Huron; First Vice President, Orville Bonacker, vice president and

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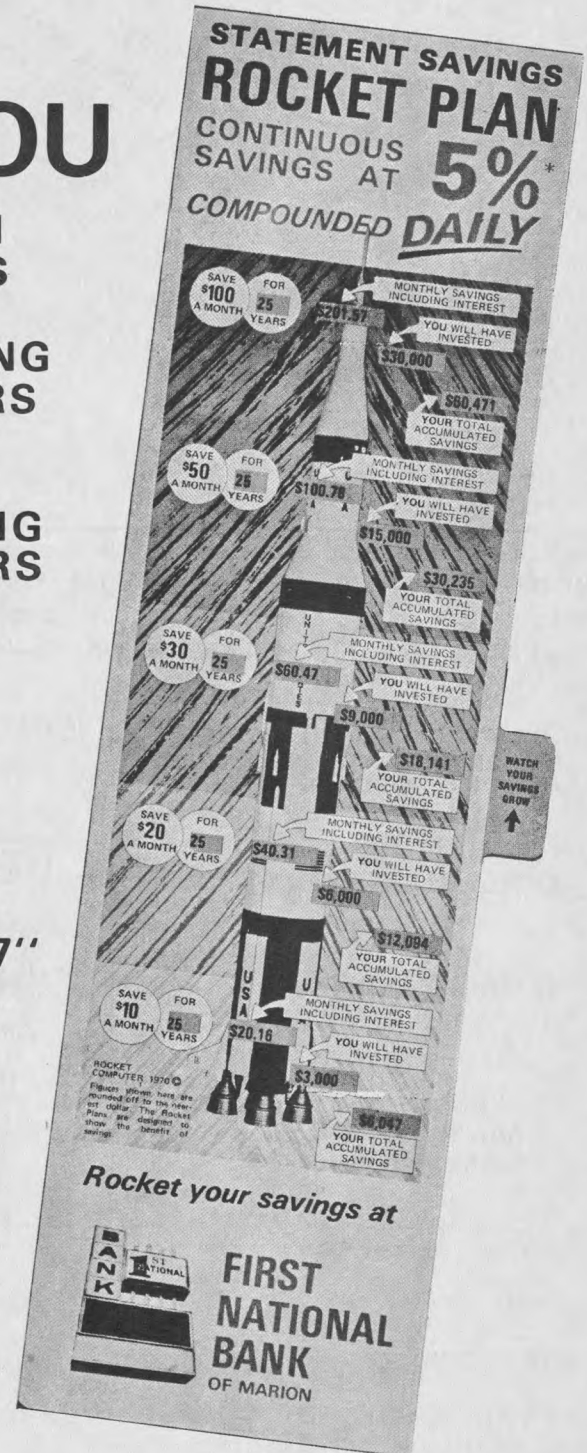
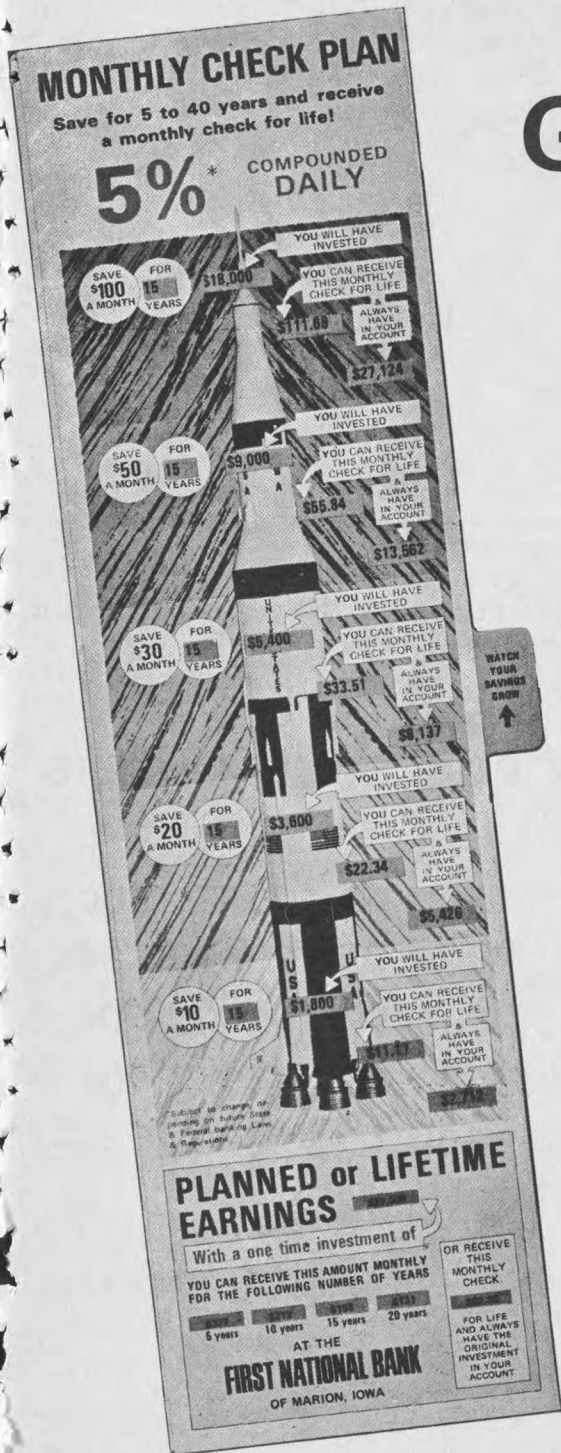
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cashier, First National Bank, Sioux Falls, Second Vice President, M. G. Winter, president, Andes State Bank, Lake Andes. Neil Milner is executive secretary-treasurer.

ILLINOIS NEWS

PEORIA: The Illinois Bankers Convention is now in session at the Pere Marquette Hotel (May 17-19). Over 1,000 registrants are expected.

SILVIS: Raymond E. Williams has joined the Bank of Silvis as cashier. He was formerly with the Rock Island Bank and Trust Co.

COLORADO NEWS

DENVER: The First National Bancorporation has filed an app to acquire the Montbello State Bank through an exchange of stock.

Completion of the transaction will be contingent upon Bancorporation obtaining 80% or more of the bank's outstanding capital stock.

Montbello State, whose organizers included several officials of the Aurora National Bank, was opened for business on Feb. 17, 1969. At the end of last year it had deposits of \$1,723,154.

NORTH DAKOTA NEWS

MINOT: The North Dakota Bankers Convention was held here last week. On-the-spot news and picture coverage will appear in the June magazine issue of *Northwestern Banker*. Robert V. Wells, president, Security State Bank, Robinson, was named NDBA president.

WAHPETON: Evert VanEngelenhoven has been added to the staff of the First National Bank and will head

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the bank's insurance agency. He has been a field rep for Tri-State Mutual, Laverne, Minn. Ronald Ehlers, current insurance manager, will assume new duties as an installment lending officer.

Expect Senate Modification Of One-Bank Holding Bill...

Banking legislation to regulate one-bank holding companies is expected to be enacted in this session of Congress, Chairman Sparkman of the Senate Banking Committee said.

But he said his committee prefers the flexible Administration mea-

sure over the House-passed version, which would specifically rule out banking-company acquisitions in such fields as securities and insurance.

Treasury Under Secretary Charles Walker's most strenuous objection centered on the activities that would be off limits.

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**Changing Goals...**

(Continued from Page 1)

greater mobility among workers, and he suggested that "much good can come from the stimulating effect of different minds applied to business problems."

Finally, he said, "if tomorrow's customer shows little interest in the tedium of personal financial detail, marketing opportunities will abound. Give marketing management a top role."

Tentative Issues for Presidential Commission...

The relationship between various kinds of deposit-type financial institutions is the basic context in which many, if not all, specific issues before the Presidential Commission on Financial Structure and Regulation may have to be weighed when the study group gets down to work about June 1.

According to informed sources, discussions among Federal officials and 20-odd economists over a wide range of specific topics the commission could study "almost always came back to relationships between various kinds of deposit-type institutions." The meeting was called to discuss prospective topics for the commission to study.

Treasury Undersecretary Charles E. Walker and Henry C. Wallich, a senior consultant to Treasury, said the issues proposed for commission study which gained most attention at the meeting were interest rate ceilings and the flow of funds to the mortgage market.

WYOMING NEWS

CASPER: T. J. Claunch has been

named assistant auditor of the First National Bank. He has been with the bank for the past five years.

LUSK: Stockman's National Bank has been sold to a group of businessmen headed by A. H. Trautwein of Cheyenne.

Application has been filed with regulatory authorities to allow the bank to become a member of the Wyoming Bancorporation. A. M. McMaster continues as president and chairman.

Mr. McMaster also announced the election of two new members to Stockman National's board of directors. They are Gerald Bardo, co-owner of the Lusk Herald, and Don Barnes, owner of the Lusk Motor Company, local Ford dealership.

WHEATLAND: James A. Bohl has been advanced from cashier to vice president and cashier of the Stock Growers' Bank. He has been with the bank for seven years.

CONVENTION CALENDAR...

June 4-6—Colorado Bankers Assn., Broadmoor Hotel, Colo. Springs.
June 11-12—Wyoming Bankers Assn., Jackson Lake Lodge, Moran.
June 14-16—Minnesota Bankers Assn., Hotel Leamington, Minneapolis.

Insurance Agents Fight Banks with \$130,000 fee...

The budget for the National Association of Insurance Agents allows for \$11,000 per month legal fees in connection with bank holding company legislation. This totals \$130,000 per year.

NAIA is opposing the writing of

insurance by banks. A number of state associations have gone on record approving writing insurance by country banks. Hearings are continuing in the Senate Committee, headed by Senator John Sparkman of Alabama.

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CONVENTION GREETINGS

LaSalle National Bank's top management and correspondent bank team will be on hand at the 79th annual convention of the Illinois Bankers Association in Peoria, May 17-19. Make a point to meet them there.

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