

NORTHWESTERN Banker Newsletter

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ABA Ag Credit Task Force Makes Report

RECOMMENDATIONS aimed at expanding the banking industry's commitment to financing agriculture are the subject of the American Bankers Association's Agricultural Credit Task Force report released recently.

Task force chairman Theodore D. Brown, senior executive vice president and chief administrator, The First National Bank of Denver, Colorado, said the suggestions, many of which have already become Agricultural Bankers Division programs, fell into four broad areas:

1 Suggestions to improve existing banking practices, primarily by shifting funds from investments in government securities to farm loans and changing lending procedures so banks can extend a greater volume of loans. Plus, more intensive use of correspondent banking relationships, especially on large agricultural loans.

2 Creation of a new mechanism, an agricultural finance corporation, capitalized by major banks or a group of participating banks and able to sell negotiable debt instruments in the money markets, was proposed as a supplement to existing financing methods.

3 A proposal to carry out a two-pronged agricultural banking educational program for rural bankers, one facet aimed

at top management and the other at agricultural lending specialists. It suggested the development of a new dimension for the bank examination as an educational opportunity.

4 A program to revise restrictive laws and regulations that hamper agricultural lending was advocated.

The need for agricultural credit is expected to climb steadily in the foreseeable future, according to the report. Much of the increased borrowing will be for the purchase of capital-type assets requiring loans with longer maturities than customarily provided by rural banks. But the report notes, "There are adequate funds within the banking system, or readily available to it," to meet agricultural needs, however, funds are not always where they are needed.

The report said many rural bankers put their money into other types of investments because they aren't always fully aware of the profitability of agricultural loans. This problem can be overcome by educating the rural banker to better use the assets of his bank. Better utilization of bank assets benefits the bank's earnings as well as the community in which the bank is located by keeping needed funds at home.

The report also pointed up a number of solutions to other agricultural lending problems. It said a growing number of individual farmers have credit requirements that are increasing faster than the size of individual rural banks. Suggested solutions to

this problem, the study indicates, rest in better utilization of correspondent banking relationships and perhaps the formation of an Agricultural Credit Corporation.

Accelerating rural development of housing, industry, schools, community facilities, and roads places extra demand on the loan funds of rural banks, in competition with agriculture, the report noted. Mr. Brown said a big step in meeting this demand will be the implementation of the guaranteed loan programs of the 1972 Rural Development Act.

Rural lenders are faced with an uneven flow of funds. "Rural banks and their communities find that when money becomes tight, they are not in a favorable position to compete for funds from outside sources," the report said. Again the correspondent relationship can help alleviate some of this fund shortage, but other financial investors, such as insurance companies must be encouraged not to stem their flow of funds into these communities in times of tight money too if the problem is to be solved, Mr. Brown said.

The ABA Agricultural Credit Task Force was formed in May, 1971, with 18 banker-members representing all major agricultural areas of the country. Its force report was presented at the ABA's Agricultural Bankers Division Executive Committee Meeting in Washington, D. C., June 6.

The 38-page report is available free on request from the Agricultural and Community Banker Division, The American Bankers Association, 1120 Connecticut Avenue, N. W., Washington, D. C. 20036.

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IOWA NEWS

The natural resources committee of the Iowa Bankers Association is holding a field day for Iowa Bankers at Lake Rathbun Thursday, August 9.

AMES: Controlling interest in the Union Story Trust & Savings Bank has been sold by Arthur W. Lucht, president, to Frank Farrar of Britton, S. D. Mr. Lucht will continue as president of the \$22-million deposit bank and all other officers and employees also will continue in their present positions. Mr. Farrar has banking interests in several midwestern states, and is former governor of South Dakota.

BATTLE CREEK: John W. Tomke has been elected president and cashier of the First State Bank. Lowell Swanger, director and well-known local cattle feeder, was elected vice president. Michael D. Mickelson, former president and cashier, died June 24.

CEDAR RAPIDS: Elwin K. (El) Sievers, the 1971-72 president of the Iowa Jaycees, has been named vice president of the Brenton Bank and Trust Co. of Cedar Rapids. For the last 10 years he has been with Farmers State Bank of Marion.

CENTERVILLE: Colin Senior recently retired after a 43-year career with the Iowa Trust and Savings Bank.

CLARION: The Brenton Bank and Trust Company will hold an open house on Saturday, July 28, from 1 to 5 p.m. The bank an-

ticipates opening for business in its new facilities on Monday, July 23.

ELDRIDGE: The Central Trust & Savings Bank has announced its intention to open a full service banking office in Mr. Joy by the end of the summer. The office will be called Central Motor Bank.

JOICE: Carl Granskou was honored at a party recently on the occasion of his retirement from the Farmers Savings Bank after 53 years. Mr. Granskou has been cashier for 45 years.

MARION: Tom S. Siders has joined the staff of the Farmers State Bank as an instalment loan officer. Previously he held a similar position with the Roseville State Bank, Roseville, Minn.

OTTUMWA: J. R. (Dick) Rukgaber, vice president of the Union Bank and Trust Company, has retired after 17 years as the farm service manager.

SAC CITY: An application by the Citizens Savings Bank for consent to exercise trust powers has been approved.

WATERLOO: Additional safe deposit boxes and parking spaces are being added to the Kimball Avenue office of the Waterloo Savings Bank.

NEBRASKA NEWS

AURORA: The officers and directors of The First National Bank will hold an open house on Wednesday and Thursday, July 25-26, at their new facilities at the corner of Twelfth and L Streets.

BELLEVUE: An application by the Southroads Bank for Federal deposit insurance and consent to establish two facilities has been approved.

GRAND ISLAND: George W. Martin and Alvin F. Afay have sold 25,000 of 100,000 shares of the Five Points Bank to

William W. Marshall, Jr., Elmer Mettinbrink, Lawrence H. Huwaldt, Don Peterson, Margaret M. Peterson and Dr. C. Dean McGrath, according to the FDIC.

LINCOLN: NBC Co., Lincoln, has withdrawn its application to engage in de novo insurance activities.

OMAHA: Charles A. Monasee, president of the American Community Stores Corp., operators of Hinky Dinky, has been named director of The Omaha National Bank. Paul A. Childers and Robert J. Timmins have been named second vice presidents, Neil S. West operations officer and John E. Queen assistant commercial loan officer.

OMAHA: The United States National Bank has announced the appointment of Edward W. Lyman as board chairman and Kermit Hansen as president. Mr. Lyman had been president of the bank since 1959. Arthur W. Knapp has been named executive vice president succeeding Mr. Hansen. Mr. Knapp was formerly senior vice president in charge of the bank's trust division. He will be succeeded in that post by H. David Neely, a former vice president in that division. The bank also announced the promotion of Gene L. Burgen from vice president and cashier in the operations division to senior vice president and cashier.

YORK: Jon Strong has been named assistant vice president and officer in charge of the installment loan department at York State Bank, according to Dean Sack, president. He replaces Hollis Gewecke who retired to end 27 years with the bank.

ILLINOIS NEWS

CHICAGO: The National Boulevard Bank of Chicago has named Robert G. Hefner vice president-personal banking.

CHICAGO: An application by the Mid Town Bank of Chicago for Federal deposit insurance and consent to establish a facility has been approved. The bank has total capital accounts of \$2 million.

DOWNERS GROVE: The First Security Bank was recently issued a charter from the state authorizing the new bank to begin construction at 4230 Sarotoya Avenue. Serving as chairman of the board will be Vernon Hoesch. Alex Bruno will become president, Ronald Kowalski will become chief executive officer. He is currently vice president of the Bank of Westmont.

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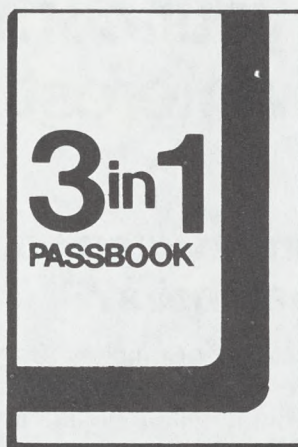
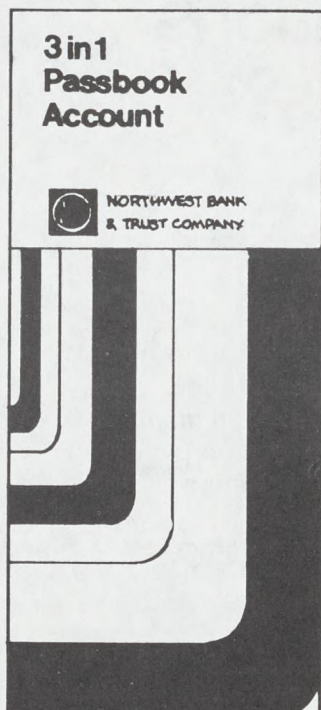


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PARK RIDGE: Sherman E. Peterson has been appointed senior vice president of Citizens Banks and Trust Co.

ROCK FALLS: A permit to organize has been issued for the Community State Bank, southeast corner of Routes U.S. 30 and State 88. Total capitalization will be \$750,000 consisting of \$300,000 in capital, \$300,000 in surplus and \$150,000 in reserve for operating expense. Organizers include: Henry G. Bright, LeRoy Danreiter, Louis J. Pignatelli and Paul Selmi, all of Rock Rapids; John E. H. Cassens, Ernest M. Chandler, Robert E. Hampton and Marlin M. Kinney, all of Sterling.

WATER TOWER: A new state charter was issued recently for the Water Tower Trust and Savings Bank, scheduled to open in late fall at 717 N. Michigan Ave. The bank's application for Federal deposit insurance has been approved.

WILMETTE: William J. Murphy has been promoted to senior vice president of the Wilmette Bank.

MINNESOTA NEWS

LE CENTER: Chas. L. Traxler, executive vice president, First National Bank, has been elected the new president to succeed his father, the late C. C. Traxler who died May 31.

MINNEAPOLIS: David A. Kock, president of Graco, Inc., has been elected a director of First National Bank. George A. Holthus, James W. Diment and Lawrence W. Payne were named vice presidents.

MORA: Milan DeWitt has been promoted to vice president of the Kanabec State Bank of Mora, according to John P. Ingebrand, executive vice president and manager. He was assistant vice president.

NORTHFIELD: Robert S. Przybylski has joined the staff of the Northwestern State Bank as assistant cashier. Previously he was a member of the region I audit staff of Northwest Bancorporation.

NORTH MANKATO: The Valley

National Bank is holding a symposia on "The Economic Outlook: Present and Future" in honor of its tenth anniversary. It will be held Wednesday, August 1, and Wednesday, August 8, from 2 to 5 p.m. at the Holiday Inn.

ROCHESTER: Douglas A. Wright has been elected assistant cashier in the commercial banking department of the First National Bank. M. S. LaPree has been transferred from assistant vice president and assistant manager of the instalment loan department to assistant vice president in the commercial banking area.

WINONA: Charles L. Borsos, division manager of Warner & Swasey Company, has been elected a director of The First National Bank. The following staff changes have been announced: Allen M. Jertson was named commercial loan officer and Ronald R. Stoskopf was named manager of the instalment loan department succeeding Mr. Jertson.

COLORADO NEWS

AURORA: Aurora National Bank has announced several promotions. Robert L. Sponsler has been promoted to senior vice president, Claudia Bolling to assistant vice president and Monabel Humble and Chris Johnson to assistant cashiers. Appointed auditor was Richard M. Kuna. Donna Reppe was named to the newly created position of administrative assistant to the president.

DENVER: The United Bank of Denver has announced the promotion of Hugh K. Smith and Robert W. Tschappat, Jr., to vice presidents in the personal banking division. Other appointments included Norma L. Ericson, Don R. Holland and Mary R. Rotola to personal banking officers. In the trust banking division, Jay M. Sommer, manager of corporate trust operations, and Stanley C. Stephan, manager of personal trust operations, have been promoted to trust officers.

DENVER: The State Bank Commissioner has received applications for six new bank

charters. They would be located in Arvada, Broomfield, Lakewood (2), Snowmass and Westminster. Details follow:

Arvada: Lake Arbor State Bank, 88th Avenue & Wadsworth Boulevard. Jack A. and Louis L. Witkin, and Harold E. McBride, Denver; Roger W. Smith, Jr., Golden, and Karl O. Krummel, Littleton. Hearing September 6 at 9:00 a.m.

Broomfield: Community Bank of Broomfield, intersection of West 120th Avenue and Pierce Street. Virgil D. Blackwell and John A. TerHar, Broomfield; Robert H. Currier, Denver; Keith Anderson, Englewood, and Chester C. Creswell, Loveland.

Lakewood: Colorado Bank-West Hampden, intersection of West Hampden and South Wadsworth Boulevard. Melvin J. Roberts, Kenneth H. Nordling, Vernon Eliason, Harold Kountze, Jr., and Will F. Nicholson, Jr.

Lakewood: Westland Bank of Lakewood, near intersection of South Wadsworth Boulevard and West Hampden Avenue. Roger L. Reisher and R. Kent Landmark, Lakewood; William P. Johnson, Boulder; A. Frank Vick, Jr., Denver and John T. Weber, Bow Mar.

Snowmass: Bank of Snowmass, intersection of Bush Creek Road and Elk Camp Parking Road, Snowmass Resort, Pitkin County. Peter N. Guy, Aspen; J. Robert Young, Carbondale; W. B. Vollbracht, Denver; J. Dudley Lockrem, Snowmass, and Rodney E. Slifer, Vail.

Westminster: Greenbriar State Bank, near 84th Avenue and Federal Boulevard. Howard J. Bozarth, Jr., Ronald Lee Cooke, W. Dean Goodman, Martin Hart and William M. Moore.



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NORTH DAKOTA NEWS

LITCHVILLE: The directors and staff of the Litchville State Bank recently hosted an open house upon completion of their remodeling project.

SOUTH DAKOTA NEWS

McLAUGHLIN: Larry D. Peterson has been named vice president of the First State Bank. Previously he was vice president of the Rock Rapids State Bank in Rock Rapids, Ia.

MOBRIDGE: Two officers of the Mobridge office of the First National Bank of Aberdeen have been promoted. Charles (Chuck) Stiles was named assistant vice president and manager of the instalment loan department and Thomas M. Hansen was named assistant vice president and

manager of the agriculture credit department.

MOBRIDGE: Wesley D. Beaman, local farmer from Selby, has been elected to the board of the Citizens Bank.

SIOUX FALLS: Robert Junso, local industrialist, has purchased the Belle State Bank, Belle, Mo. Walter Reed will continue as exec. of the \$4.5 million bank. Dean Hunter, formerly in Hawarden, Iowa, will join the Belle bank. No other changes are planned. The sale was arranged through Bank Investors, Des Moines.

MONTANA NEWS

HAMILTON: An application by the Citizens' State Bank to establish a facility at the southwest corner of the intersection of Highway 93 and Pinckney Street has been approved.

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