

NORTHWESTERN Banker Newsletter

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Leadership Means Management of Change

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American Bankers Association
Washington, D. C.

(Ed. Note: This article contains major excerpts from the author's address to the ABA convention in Chicago earlier this month.)

THE question for us is simple: are we as bankers adapting to the changes in our profession? Are we staying on top of the ferment and managing it in the interest of the communities and institutions we serve? Or are we merely reacting to each individual shock — in effect allowing change to manage us?

As we search for answers to these questions, it seems to me we should keep two basic facts in mind.

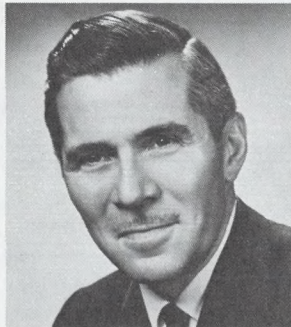
First of all, banking is a profitable business. I think most of us would agree that well-run banks generally do provide good earnings.

Second, we are fortunate that a sizeable segment of the public appears to be looking to bankers for leadership. The polls continue to show that the public has confidence in us as bankers and as community leaders.

I submit to you that the way to make our time a good time is by accepting the challenge implicit in change — the challenge of using all our skills and experience to make it work in the public in-

terest. This won't be an easy task; in fact, it will be extremely complex.

I'm sure you're all aware that certain changes in the powers and structure of our



Willis W. Alexander

financial system are now occurring. But viewed in perspective, these changes are but part of the ferment that pervades America today — a ferment that is making its impact felt on all aspects of society. For example, technological developments are altering the operational aspects of farming, retailing, manufacturing, and transportation, even as they are affecting banking.

The demographics of our population are changing, and that means the people components of the communities we serve are also being altered. On the whole, our

customers today are younger, better educated, more affluent and certainly more mobile than ever before in the history of banking. Yet there are areas where the "over-65" segment with their special needs provides an expanding market.

Changes in the world's population and food supply have brought about the unexpected but welcome emergence of agriculture as a strong growth industry for the future. And finally, the public today seems to be demanding higher standards of performance from all institutions — including banking.

I don't think we can deny the challenge implicit in these changes — and I don't think we would want to. But as we take up this challenge, I sense that many of us are having to re-examine our traditional banking philosophy.

For more than a hundred years, American bankers have had two primary responsibilities: to preserve funds received from depositors, and to lend and invest those funds out in such a way as to benefit both the public interest of the community and the private interest of the depositor or borrower.

The question is: how will the challenge of managing change affect this traditional fiduciary-like philosophy? Will we be able to reconcile these responsibilities of trust with the bold thoughts and actions necessary for coping successfully with this era of accelerating change?

This question is certainly not made any easier by the ever-present realization that we are a regulated industry. And as such we cannot afford to forget a simple truth from

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NEBRASKA NEWS

LINCOLN: Paul J. Amen has announced that the board of directors of the National Bank of Commerce has named him chairman of the board, Glenn Yaussi vice-chairman and J. D. (Jerry) Schiermeyer president. Mr. Amen succeeded Mr. Yaussi as president in 1967 and chief executive officer in 1970. Mr. Schiermeyer moved to Lincoln recently from Fremont where he had been president of the First National Bank and Trust Co. In addition to being named president of the bank, he continues as president of NBC Co.

OMAHA: Two officer promotions have been announced by the First Westroads Bank. Gene Hawk has been named assistant vice president and Richard Zoeter has been named assistant cashier.

OMAHA: An application by the Center Bank requesting permission to establish a detached auxiliary teller's office at 72nd Street and Mercy Road has been approved.

ILLINOIS NEWS

ARLINGTON HEIGHTS: An application for a permit to organize the Grove Bank & Trust Co., at the southwest corner of the intersection of Arlington Heights Road and Route 83 in unincorporated area, has been filed. Capitalization of the new bank would be \$1 million consisting of \$400,000 in both capital and surplus and \$200,000 in reserve. Applicants include: William N. Lane, William N. Lane III and Victor L. Lewis, Lake Forest; James Otis, Jr., Northbrook, and Harold Werhane, Long Grove.

CAROL STREAM: An application has been filed requesting permission to organize the Carol Stream Bank. Total capitalization would be \$1 million, consisting of \$400,000 in both capital and surplus and \$200,000 in reserve. Applicants include: Jerry C. Bradshaw and Fred L. Ockerlund, Jr., Wheaton; William M. Freeman, Hinsdale; Marion G. Hocker, McHenry and Jesse W. Lawrence, West Chicago.

CHICAGO: John M. Finnegan, former vice president and secretary of Standard Bank & Trust Co. of Evergreen Park, has been appointed senior vice president and trust officer of Mid-City National Bank of Chicago.

**Record 5,314 Attend
87th Iowa Convention**

A record attendance of 5,314 bankers and their wives attended the 87th annual convention of the Iowa Bankers Association in Des Moines last week.

Richard E. Tool, president, Farmers & Merchants Savings Bank, Manchester, was elected IBA president, succeeding John Chrystal, president, Iowa Savings Bank, Coon Rapids.

Elected IBA vice president was Jack L. Campbell, Jr., president, Humboldt Trust and Savings Bank. Russell S. Howard, Jr., president, Mahaska State Bank, Oskaloosa, was elected treasurer.

Complete news and picture coverage of the convention will appear in the November magazine issue of the *Northwestern Banker*.

IOWA NEWS

The following have been elected officers of the Scott County Bankers Association, Inc., for the 1973-74 year: President — Bill D. Paulsen, executive vice president, Liberty Trust & Savings Bank, Durant; vice president — W. A. Schloemer, executive

vice president, Northwest Bank & Trust Co., Davenport; treasurer — James E. Shrader, vice president, Davenport Bank & Trust Co.; secretary — L. L. Feuerbach, vice president, Walcott Trust & Savings Bank.

BELLE PLAINE: Three officers changes have been announced at the Citizens State Bank. They are: Wesley Mansfield elected chairman; Carleton Groszkruger elected president, and M. D. Dreibelbis elected executive vice president and trust officer.

COUNCIL BLUFFS: Phyllis H. Otto and James C. Krannawitter, Jr., have been named loan officers of the First National Bank.

DES MOINES: Robert C. Babb has been promoted to vice president and Fred W. McIntosh to assistant vice president, commercial loan division, Valley Bank & Trust Co. Mr. Babb had been assistant vice president and Mr. McIntosh assistant cashier. Dean Hannam was promoted to vice president in charge of the bank's real estate loan department.

DES MOINES: Leland S. Long has been promoted to manager of the farm management department of the Central National Bank. Merlin L. Lander was named assistant manager. Gerald B. Murphy was named correspondent bank officer.

DES MOINES: Effective November 23 the Des Moines Regional Check Processing Center will take over activity from the Fed's Chicago office for seven southeastern Iowa counties. The Fed held meetings in Davenport recently on the proposed change. Banks in Fremont, Harrison, Mills, Montgomery, Pottawattamie and Shelby counties in western Iowa will continue to clear through the Omaha Fed.

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FIRST NATIONAL LINCOLN

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CHICAGO: Stanley Z. Kinsman has joined the Pullman Bank and Trust Company as vice president and trust officer.

CHICAGO: Exchange National Bank has elected Nathan H. Paset senior vice president and Stephen R. Bronson first vice president, both in the accounts receivable division.

CLARENDON HILLS: Richard A. Johnson has been named assistant vice president of the Bank of Clarendon Hills. Previously he was associated with First National Bank of Western Springs.

DEERFIELD: The Deerbrook State Bank has received approval to establish a motor facility at the southwest corner of Lake Cook Road and Waukegan Road.

DES PLAINES: William L. Bishop has been elected an assistant vice president in the commercial loan department of the First National Bank, according to Arthur R. Weiss, bank president.

WILLOWBROOK: A permit to organize has been issued for the First Security Bank at 16W715 Plainfield Road. Total capitalization of the bank will be \$1 million, consisting of \$400,000 in both capital and surplus and \$200,000 in reserve for operating expense. The 40,000 shares will have a par value of \$10 per share.

Organizers include: Orren D. Baab, Hinsdale; Alex N. Bruno, Walter Bard Carroll, Stephen S. Szymiski, Westmont; Donald H. Fischer, Glen Ellyn; Vernon S. Hoesch, Naperville, and Harold Kemmerer, Plainfield.

MINNESOTA NEWS

BARNESVILLE: The following changes have been made at The First National Bank due to the recent death of James L. Durham, bank president and chairman. Robert H. Tallman, Fargo, N. D., of Tallman Oil Company, was elected chairman of the board. Hugo V. Olson, Moorhead, Minn., of Olson, Thysell & Gjevre, Attys., was elected president. Neither of these men will be active at the bank but will continue at their present businesses. Kenneth E. Just was elected executive vice president (managing officer) and director. All other officers remain the same.

BOYD: The State Bank of Boyd has increased its capital stock from \$25,000 to \$50,000.

CLOQUET: Richard Schirber has been elected cashier of the First National Bank.

DULUTH: J. V. V. Heimbach has joined the Northern City National Bank as assistant cashier, according to C. Glenn Rye, board chairman.

FRAZEE: Quentin P. Walseth, president of the Peoples State Bank, has announced the election of Dennis D. Dalziel as executive vice president and manager of the bank. Mr. Dalziel has, for the past year, served as president of the Union State Bank of Fargo, N. D., and prior to that as president of the First National Bank of Oakes, N. D. Also announced was the reduction in the number of board members, from five to three.

MARSHALL: The Western State Bank has filed an application requesting permission to establish a detached facility at 303 West Main.

LE CENTER: Jerry Voigt has rejoined the First National Bank as agricultural representative.

MANKATO: Northwestern National Bank has announced the following staff changes: Joseph J. Byron has been promoted to commercial banking officer. Roger W. Hall has joined the bank as a management trainee.

MINNEAPOLIS: Glen M. Smyth has been named senior vice president for human resources by Northwest Bancorporation.

MINNEAPOLIS: Paul C. Lindholm, vice president, Northwestern National Bank, has been appointed to the executive committee of the American Bankers Association's correspondent banking division by ABA President Rex J. Morthland.

COLORADO NEWS

DENVER: A. B. Marchant, senior vice president of Johns-Mansville Corp., has been elected to the board of directors of the Colorado National Bank. He will resign from the board of Arapahoe Colorado National Bank, a CNB affiliate.

DENVER: James R. Bowen, assistant vice president at the Federal Reserve Bank of Kansas City, has become assistant vice president at the bank's Denver branch. Mr. Bowen is second in command of the branch, headed by George C. Rankin, senior vice president. He succeeds Lorin S. Meeder, who accepted a position with the Board of Governors of the Federal Reserve System in Washington, D. C.

VAIL: The Bank of Vail has received approval to establish a detached facility at 437 E. Circle in Vail.

NORTH DAKOTA NEWS

FARGO: R. D. Harkison, president of First National Bank and Trust Co. has announced the following promotions: Kent Mongeon to assistant vice president and agriculture representative, and Lowell Liebenow to assistant cashier and agriculture representative.

HARVEY: Leo Stein was named chairman of the board of the National Bank of Harvey recently when the board reorganized after a change of ownership. Mr. Stein replaces Henry Polkinghorn of Minnesota who sold his stock in the bank. Bob Berg was elected vice chairman.

James Lewis, previously executive vice president, was advanced to president and cashier. Ross Watson, New Rockford banker, was elected vice president and Gary Bergstrom, agricultural representative, is now assistant vice president and agricultural representative.

SOUTH DAKOTA NEWS

LEAD: Kirk Van De Walle of Spearfish has joined the Miners and Merchants Bank. He is a 1973 graduate of Black Hills State College.

WYOMING NEWS

CHEYENNE: D. L. (Larry) Day, American National Bank executive vice president, has been elected president and chief executive officer of the bank, according to Francis E. Warren, chairman.



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(Continued from Page 1)

recent economic history: industries which are over-regulated can easily lose their ability to adapt to changes in their environment.

Then, too, as a regulated industry, we are required to compete with non-regulated competitors, as well as with other regulated industries.

This does not mean that competition is a bad thing. Most thoughtful bankers would agree that competition, while not exactly comfortable, probably spurs us to provide more and better services for our customers. It helps to create a banking environment in which we work harder to attract, develop and retain the kind of people we need. And it offers an incentive for us to meet the growing number of financial needs expressed by the American public.

We accept, then, the facts that our customers look to us for leadership and that change is occurring — and in exercising that leadership we accept the necessity of managing that change.

More broadly, we accept the leadership responsibility of managing change in working with other community and government leaders to resolve the pressing social problems that plague our nation — problems such as the death of the inner city, racial prejudice, housing shortages, deterioration of our environment, the energy crisis, the transformation of rural America — the list is almost endless.

More important, we accept the leadership responsibility of managing change in the public interest by working with others to develop new and more effective approaches to the management of our

economy. This is an awesome list — and it is by no means complete.

Banking in this country has experienced a certain measure of success. We do have a reasonable margin of profit. We have the confidence of the American public that we can and should help solve some of the problems that threaten our society. And so I ask you today: will we use our success as a base from which we seek in the public interest to manage the changes that are already taking place in our world? I submit that the banking industry cannot afford to do less.

In a world where change is rapidly becoming the only constant, it's difficult to make sure we are in fact making the right decision. I think there may be a clue to the solution of this dilemma. If we take care to measure our decisions against the benchmark of public interest — if we make the interest of our customers and our communities our primary concern — then our performance over the next few years cannot fail to be a success. Our success in the past will have provided the base for success in the future. Ours will not have been the failure of success. Indeed, as Emerson said, our time will be judged a good time, because we knew what to do with it.

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(Act of August 12, 1970: Section 3685, Title 39, United States Code)

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7. Owner (if owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual must be given.) Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Malcolm K. Freeland, president, 306 Fifteenth Street, Des Moines, Iowa 50309. Ben Haller, Jr., vice president, 306 Fifteenth Street, Des Moines, Iowa 50309.
8. Known bondholders, mortgages, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: Malcolm K. Freeland, 306 Fifteenth Street, Des Moines, Iowa 50309. Ben Haller, Jr. 306 Fifteenth Street, Des Moines, Iowa 50309.
9. Does not apply.
10. Does not apply.
11. Extent and nature of circulation:

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A. Total No. Copies printed (Net Press Run)	5,049	4,997
B. Paid circulation		
1. Sales through dealers and carriers, street vendors and counter sales	NONE	NONE
2. Mail subscriptions	4,632	4,567
C. Total paid circulation	4,632	4,567
D. Free distribution (including samples) by mail, carrier or other means	317	330
E. Total distribution (Sum of C and D)	4,949	4,897
F. Office use, left over unaccounted, spoiled after printing	100	100
G. Total (Sum of E & F — should equal net press run shown in A)	5,049	4,997

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