

# NORTHWESTERN Banker Newsletter

Vol. 3 No. 52

Des Moines, Iowa

April 29, 1974

## The Outlook for Agriculture for 1974

By EDWIN B. LEWIS, Vice Pres.  
Commerce Bank of Kansas City

During the past year, the livestock industry has been faced with consumer boycotts, price freezes, trucker strikes, and now our Federal Government is going to purchase beef to bolster beef prices while consumer groups are threatening boycotts again.

Let's review the cattle picture for 1973. Consumption of both beef and pork was down approximately 7% from our record highs of 1972. Beef cow numbers increased 5%, the same as the total cattle population. Cattle on feed March 1, 1974, were down 4% from last year; our placements in feedlots have been down, but so has our marketing. Imports were up substantially in January, 1974, although 1973 imports were almost identical to 1972 for both beef and pork.

I do not think the consumer will continue to eat beef at 1972 levels at a live price of over 50¢ unless the chain stores and packers reduce their margins substantially. I feel the fat market on steers will be erratic but will average 42¢ to 44¢ through September. The last quarter of the year will show further weakness due to less consumption and the shorter feeding period that feeders are going to have to go to while grain prices are so high. I expect a 40¢ to 42¢ fat market during the last quarter of the year.

Cow-calf operations will continue to be profitable this year, but prices will be considerably lower than the 1973 levels. This

will be due to the large increase in calf crop and the pressure resulting from the lower fat market. I believe that calf prices will not be above 50¢ in October and November, 1974.

U.S.D.A. inventory of hogs and pigs on March 1, 1974, was up 2% from a year ago. Our pork exports were up 61% in 1973;



however, Japan took 60% of our total pork exports, and it is doubtful that they will be able to import as much this year due to the energy crunch. Hog prices will also be erratic and average in the 33¢ to 35¢ range, unless we have a further build up in numbers, which is unlikely with our present corn prices. Only the efficient hog producer will make a profit this year.

Our grain prices will continue to remain high. The world-wide demand and our record low carry-over of wheat and corn, even with our anticipated increased production, tend to indicate this. I believe grain prices at harvest time will be as follows:

Corn	\$2.00 per bushel
Wheat	\$4.00 per bushel
Soybeans	\$5.50 per bushel
Milo	\$3.25 per hundred weight

Grain producers, barring a major drought, should make exceptional profits.

Net farm income for 1973 was a record \$26.1 billion. Due to lower livestock prices, increased production costs, especially fertilizer and petroleum products, and the reduction in Government payments, net farm income for 1974 will drop slightly below \$20 billion.

Although I have presented a rather bleak outlook for livestock operators, the properly managed operations will show a profit.

### Bill Approved To Eliminate Student Loans Needs Test

Legislation HR 12253 which eliminates the needs test under the Guaranteed Student Loan Program for borrowers with adjusted family incomes of less than \$15,000 who borrow no more than \$2,000 in any academic year has been sent to the President by Congress.

In effect, the Senate-House compromise means a request for a loan of \$2,000 or less automatically entitles such student to interest subsidies on any such loans made. Since no needs analysis is required, the educational institution does not make a recommendation to the lender.

Students whose adjusted family incomes are \$15,000 or more can qualify for interest subsidies on loans up to \$2,500 per year but the educational institution must carry out a formal needs analysis and report on the

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### Transmatic To Expand

First Federal Savings & Loan Association, Lincoln, Neb., has commitments from eight thrift institutions in Iowa and Nebraska to join its Transmatic Money Service plan, John E. Dean, general counsel for the \$327.8 million-deposit institution, announced here Thursday.

Mr. Dean added that litigation which has halted the TMS operation in two Hinky Dinky supermarkets in Lincoln "has not really slowed us down, but has given us an opportunity to retrench."

Although two suits involving TMS are pending, Mr. Dean predicted that the program would be back in operation within two to three weeks, adding, "It will be bigger and better than ever."

### IOWA NEWS

**ALTA VISTA:** James T. Marik, on the faculty of Upper Iowa College, Fayette, has been named assistant cashier of the Alta

Vista State Bank and will assume duties the first week in June, according to Paul Hentges, bank president.

**BETTENDORF:** John Pieler, former executive director of the Bettendorf Chamber of Commerce, has been appointed assistant vice president, marketing at the Security State Trust and Savings Bank.

**BROOKLYN:** Controlling interest in the Poweshiek County Savings Bank has been sold to Gordon L. Wold, 45, by C. W. Fowler, C. C. Ecklund and Floyd McAllister. Mr. Wold, formerly of Forest City, has been elected president, cashier and director, succeeding Mr. Fowler, who continues active as chairman. Mr. Ecklund will continue for the president as vice president and director. Mr. McAllister has retired as cashier and director.

**DAVENPORT:** Lorne R. Newhouse of

Minneapolis, Minn., has been named executive vice president of First Trust and Savings Bank and will assume duties on May 1. He previously was president of Citizens State Bank in Montgomery, Minn., and assistant vice president of Marquette National Bank in Minneapolis.

**FORT DODGE:** Alan Forbes has joined the Union Trust and Savings Bank as head of the marketing department. The son of the late Gordon B. Forbes, who was with the bank for many years as trust officer and assistant cashier, Mr. Forbes comes from Webster City.

**MARSHALLTOWN:** Rober Schmidt has joined the Fidelity Savings Bank staff as vice president in charge of the bank's south side office. He formerly served as manager of Ayrshire's office of Brenton Banks.

**SAC CITY:** New officers of the Sac County Banker's Association have been elected. They are: president — Jack Horn, assistant vice president, Sac City State Bank; vice president — Don Kelley, vice president and cashier, Early Savings Bank; and secretary-treasurer — Frank Strain, assistant cashier, Sac City State Bank.


**SPENCER:** John Rahn will join the Spencer National Bank late this spring as vice president.

**STORM LAKE:** George H. Schaller, executive vice president of the Citizens First National Bank, has been asked by the American Bankers Association to serve on the American Medical Association's advisory committee council on rural health.

### NEBRASKA NEWS

**HASTINGS:** Stanley D. Wieland has been promoted to assistant cashier of the City National Bank, according to Lloyd R.

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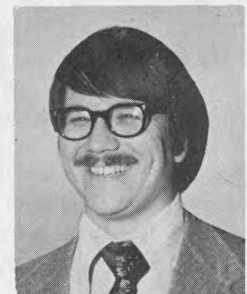


**JOHN RODGERS WELCH**  
Correspondent  
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## Announce Program Highlights For Iowa Groups 6, 7, 8, 4

Iowa bankers will hold four annual group meetings during the period extending from May 6 through May 9. A second series of annual group meetings will be held during the period extending from May 20 through May 23.

Featured speaker during the first week will be Dr. Laurence H. Hall, British-American humorist from Perrysburg, Ohio. Topic of his address will be "The High Cost of Laughing."

Dr. Arthur Secord from Great Neck, New York, will appear at Group 12, 2, and 3 during the second week. Additional details on the second week of the group meetings will be announced in the May 13 issue of the Newsletter.

Group 6 will register at the Des Moines Golf and Country Club starting at 2:00 P.M. on Monday, May 6. Chairman George Merriam, senior vice president, Dallas County State Bank, Adel, will preside. Dean Knudson, president, University Bank & Trust Company, Ames, is secretary. No formal business session is planned. Golf will be available starting at 9:00 A.M. Luncheon service will be available. A reception starts at 5:30 P.M., and dinner will be held at 6:30 P.M. The program starts at 8:00 P.M. Cost will be \$17 per person or \$32 per couple.

Group 7 will meet at the Terrace Inn in Newton on Tuesday, May 7. Registration starts at 10:00 A.M. A Dutch-treat luncheon will be at noon. The formal business meeting gets underway at 1:00 P.M. IBA President Richard Tool; IBA General Counsel Wendell Gibson; IBA Executive Secretary Neil Milner, and Superintendent

of Banking Cecil Dunn will speak. A social hour will be held at 5:30 P.M., and the banquet will be at 6:30 P.M. Don Erusha, chairman of Group 7 and executive vice president, Solon State Bank, will preside. Dr. Hall will speak following the banquet. The ladies will be treated to a tour of the Maytag Dairy Farms or to the Maytag Historical Center. Golf will be available during the day. Registration will be \$14 advance and \$16 at the door.

Group 8 will meet at Saint Ambrose College in Davenport on Wednesday, May 8. Golf will be available at the Davenport Country Club starting at 8:00 A.M. Reservations are required. Registration starts at 10:00 A.M. Louis L. Morf, chairman of Group 8 and vice president, Monticello State Bank, will open the formal business meeting at 3:30 P.M. President Tool, Superintendent Dunn, Neil Milner, and Wendell Gibson will speak. The social hour will be at 5:30 P.M. and the dinner will be at 6:30 P.M. Dr. Laurence Hall will speak following the dinner. Ken Paulsen and his band will play for dancing from 9:00 P.M. Johnson and Iowa county bankers are new to this group this year.

Group 4 will meet at the Town House in Cedar Rapids on Thursday, May 9. Registration starts at 10:00 A.M. Luncheon will be held at noon. The formal meeting starts at 1:00 P.M. William Hummer, partner with Wayne Hummer & Company, Chicago, will speak on the "Outlook for Bonds and Interest Rates." A golf tourney will be held beginning at 2:00 P.M. at the Indian Creek Country Club in Marion. Evening festivities start with a social hour at poolside at the Town House Motor Inn. Dinner will follow at 7:00 P.M., and Dr. Hall will address the group on the "High Cost of Laughing." BT & Company, a group from LinnMar High School, will entertain. Volney Palmer, chairman of Group 4, will preside. He is president, Citizens Savings Bank, Hawkeye. Linn County banks will serve as hosts. Registration is \$16 advance and \$18 at the door. Registration for evening only will be \$12 and \$14 respectively.



**JOIN US  
IN  
DES MOINES**

Come early and stay all day on Monday, May 6. Tee off time starts at 9:00 A.M. at Des Moines Golf & Country Club. You'll have a great time.

Be sure to pre-register early by contacting the Iowa Bankers Association today.

## The Word Is Out



**GROUP 4  
MAY 9  
CEDAR RAPIDS**

Come for lunch at the Town House. Play golf at Indian Creek, Marion. Meet the new members of Group 4.

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FIRST NATIONAL LINCOLN

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Kitrell, bank president. Mr. Wieland joined the bank in January of 1974.

OMAHA: Bruce D. Jones has been named a vice president of the First National Bank's commercial loan department. He formerly was a vice president for Associates Financial Services Ins. Co., Inc., in Indianapolis, Ind.

OMAHA: Nick T. Newberry, president of the Woodmen of the World Life Insurance Society, has been elected to the board of the Omaha National Corp.

## ILLINOIS NEWS

CHEBANSE: An application for a permit to organize the Central Bank of Chebanse has been filed. Total capitalization would be \$500,000, consisting of \$200,000 in capital, \$200,000 in surplus and \$100,000 in reserve. Applicants include B. H. Whitsitt and Herman W. Snow, Kankakee; Tobe C. Schroeder, Jr., Ashkum; Donald Haley, Clifton, and John D. Whitsitt, Chicago.

CHERRY VALLEY: A charter has been issued for The Bank of Cherry Valley at the northwest intersection of Bell School Road and Harrison Avenue. Total capitalization of the new bank will be \$800,000, consisting of \$300,000 in capital, \$300,000 in surplus and \$200,000 in reserve. Officers include Robert W. Rice, president; James E. Sheridan, executive vice president and cashier; Ray A. Atkins, vice president and Virginia Lanning, assistant cashier. Directors include Malcolm Doig and William Fisher, Cherry Valley; Harry F. Espenscheid, R. Robert Funderburg and Mr. Sheridan, Rockford, and Mr. Rice and John T. Wolf, Belvidere.

CHICAGO: Alfred F. Miossi, executive vice president and head of the international

banking department of Continental Bank, has been elected president of the Bankers Association for Foreign Trade.

CHICAGO: A. Robert Abboud, 44, vice chairman of First Chicago Corp., parent of the First National Bank of Chicago, has been elected to the newly created post of deputy chairman of the institution. He will succeed Gaylord Freeman, 64, currently chairman of the bank and the holding company, when he retires in 1975.

CHICAGO: Colonial Bank & Trust Co. has named William E. Kamka vice president and cashier.

FLORA: An application for a permit to organize the Flora State Bank has been filed. Total capitalization of the new bank would be \$750,000. Applicants include: Charles E. Dial, Springfield; Lloyd M. Epperson and Bob S. Prince, McLeansboro; James Ray Purcell and Maurice Fry, Salem; Samuel Throgmorton, Mt. Vernon.

GLENVIEW: Lynn Racine has been appointed public affairs officer of the Glenview State Bank.

HARWOOD HEIGHTS: Lillian C. Metz has been appointed assistant vice president of both Parkway Bank and Trust Company here and the First State Bank of Chicago. Mrs. Metz will be in charge of advertising, marketing and public relations. She joined the bank in 1964.

NAPERVILLE: A charter has been issued for the organization of the Suburban Bank of Naperville at 1195 East Ogden Avenue. Total capitalization of the new bank will be \$1,500,000, consisting of \$600,000 in capital, \$600,000 in surplus and \$300,000 in reserve. Officers are Robert O. Walcott, president; Richard Anderson, executive vice president; John Herrod, cashier, Des Plaines, and Don Kelley, assistant cashier, Lisle. Directors are Floyd H. Abramson, Chicago; Messrs. Anderson and Walcott, Naperville; Fred E. Newman, Charleston, and Aaron Regensberg, Lincolnwood.

WILLOWBROOK: A charter has been issued for the organization of the First Security Bank at 100 E. Plainfield Road. Total capitalization of the new bank will be \$1 million, consisting of \$400,000 in capital, \$400,000 in surplus and \$200,000 in reserve. Officers are Vernon S. Hoesch, chairman; Orren D. Baab, president and Donald H. Fischer, cashier. Directors include Mr. Baab, Hinsdale; Alex N. Bruno, Walter B. Carroll and Stephen S. Szymiski, Westmont; Mr. Fischer, Glen Ellyn; Mr. Hoesch, Naperville and Harold Kemmerer, Plainfield.

## MINNESOTA NEWS

ARLINGTON: Jerry L. Julius has joined the Arlington State Bank as a trainee.

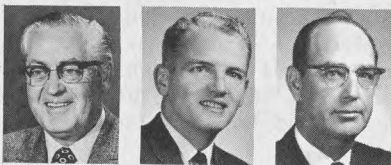
BROWNTON: Ray Lindeman of Brown-ton and Clayton Hoese of Glencoe have purchased The First State Bank here from the Mann family. Mr. Lindeman, an employee of the bank since 1946, will be president and Mr. Hoese will be vice president. Mr. Hoese is president of the Security State Bank of Glencoe.

DEERWOOD: The First National Bank has opened a drive-in window.

MINNEAPOLIS: James L. Reissner and Richard W. Jensen have been named vice presidents of the First National Bank of Minneapolis.

ORMSBY: Urban Neisen of Vermillion has purchased controlling interest of the Ormsby State Bank and the Ormsby Insurance Services. He will assume the position of president April 30. He was assistant cashier and manager of the insurance agency at the Vermillion State Bank.

SAINT PAUL: Richard M. Peterson has been elected vice president of the Northwestern National Bank. John D. Rogers was appointed to the trust committee and Raymond R. Grove was promoted to vice president and division manager.



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Continued from page one

student's application to the lender the results of such a needs analysis together with the institution's recommendations for a subsidized loan relating to the student's needs.

The Department of Health, Education and Welfare opposes relaxing the needs test standard. The Department claims the decline in student loans is due to tight money rather than the program.

The final bill also provides that nothing in it is to be construed as prohibiting a lender from evaluating the total financial situation of a student making an application for a loan or from counseling a student with respect to any such loans, or from making a decision based on such evaluation and counseling with respect to the dollar amount.

### Bank Earnings Up

Of the first 100 banks to report earnings for the first three months of 1974, 77 had higher earnings, before securities transactions and 23 reported lower earnings, according to bank securities specialists at M. A. Shapiro & Co. Inc.

The 100 banks earned \$747.51 million, a 12.6 per cent gain over the \$663.68 million earned by banks a year ago, Shapiro & Co. said.

Of the 100 banks, 73 had higher net income and 27 had lower income. Total for the 100 banks was \$746.78 million, a 13.3 per cent increase over the \$663.68 million earned by the 100 banks a year ago.

### SOUTH DAKOTA NEWS

LEMMON: The capital account of the Bank of Lemmon has been increased from \$150,000 to \$250,000 by the bank's stockholders, according to Stanley M. Petersen, bank president. Timothy Gossman has been promoted to assistant cashier and manager of the Lemmon Insurance Agency. He joined the bank in May of 1971. Donald Snorteland has joined the bank as an officer trainee.

VERMILLION: The following promotions have been announced by the Vermillion United National Bank: Jimmie J. Thomas, to assistant vice president and assistant manager of the Vermillion offices; Roylyn R. Schoon, to assistant cashier, administrative offices, Sioux Falls, and Rita M. Girard, assistant cashier, to operations officer. Thomas W. Wagner has been appointed assistant vice president and installment loan officer.

### WYOMING NEWS

BUFFALO: Donald P. Kraen has been named as bank manager of the Wyoming Bank and Trust. He joined the bank in 1957 as bookkeeper and was appointed cashier in 1962. He fills the vacancy created by the resignation of Robert Ferril who has become senior vice president of the Bank of Commerce in Sheridan. Robert L. Hancock, Jr., partner in the Central Garage was named to the board to fill the unexpired term of Mr. Ferril.

### COLORADO NEWS

CANON CITY: Lloyd M. Shonyo Jr., has been promoted from cashier to vice president and cashier of the First National Bank. Other promotions include John A. Schopf, Jr., from comptroller to assistant vice president and comptroller; Wayne Snyder, from collections manager to assistant cashier for installment loans, and Kenneth Gregory, to assistant cashier for data processing.

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Vol. 3 No. 52 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25¢ per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579) manuscripts, mail items to above address.