

NORTHWESTERN Banker Newsletter

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Time To Recognize "Economic Truisms"

by ALLEN P. STULTS
Chairman
American National Bank & Tr. Co.
Chicago, Illinois

Never in the history of our country has there been such a need for statesmanship and such a dearth of willing and qualified applicants to practice it. In the public sector, this statement needs no further documentation because of daily front page news. However, the void is even greater and the damaging consequences substantially more devastating in the private sector. The alarming aspect of this situation is that both the need and the consequences are so narrowly recognized.

I am referring to the low level of economic literacy of the general public as well as among our elected representatives. There is little understanding and considerable misconception of capitalism, our free enterprise system, and the role of profits in making the system function for the benefit of society as a whole. This results in well meant but misguided criticisms, recommendations, and actions which are detrimental to our long-range best interests.

The vast majority of our elected representatives and governmental

agency officials are honorable, dedicated people. Given alternatives, they would do what is in the long-range best interest of our



A. P. STULTS

country, provided that two conditions existed. First, that they understood the ramifications and consequences of their decisions. Secondly, that the "right" decision would be politically acceptable. It is unrealistic and downright unfair of us to expect our elected representatives to support, let alone introduce, legislation that is politically unpopular.

Recognition of this reality places a substantial obligation on business leaders. It can only be discharged by becoming active working community leaders—speaking, debating, clarifying and generally disseminating "Economic Truisms." There are dozens of "Economic Truisms" such as:

Profits are of benefit to everyone.

Profit is simply gross income less the cost of living, whether the accounting is done for a human being or a corporation. Profit is what is left of your total income after all expenses are paid. These profits are the sole source of financial support for all social, civic, educational and cultural activities, whether given directly or paid in taxes and then given by a governmental unit. In a free enterprise society, where there are no uncontrolled monopolies, there is no way profits can be to high. The higher the better because there will be more support for, and consequently improved and expanded social, civic, educational and cultural activities.

Salary and wage increases in excess of productivity gains are inflationary.

Inflation hurts everyone in the long run. Some are hurt more severely and earlier than others, but stable prices are universally desirable. Although virtually all of us are opposed to inflation, too many of us are tempted to believe that a little bit of inflation—that is to say, an abnormal wage pattern in one or two industries—won't hurt. It will and it does. We have seen in recent years just how much it does hurt.

(Turn to back page, please)

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Prime Rate To 11¾

An 11¾ per cent prime lending rate appeared to be spreading nationwide last week, boosting business borrowing costs still another notch. First of Chicago went to 11.8%

Many bankers and analysts said a boost to 12 per cent is imminent.

Iowa News

ALGONA: Gary Major has joined the Security State Bank as vice president. He formerly was assistant vice president of the Union Bank and Trust Company, Ottumwa.

ANKENY: L. Max Wright and Harold D. Barcus have been promoted to assistant vice presidents of the Ankeny State Bank.

BROOKLYN: Rollin Harder of Forest City has been elected assistant cashier of the Poweshiek County Savings Bank.

DES MOINES: Fred Quiner, 82, who retired in 1961 as vice president and manager of the real estate loan department at Central National Bank & Trust Company, died recently. Since retirement, Mr. Quiner worked a number of years

for the state as an estate appraiser for the income tax division. He was active for many years in local and state activities of the Mortgage Bankers Association.

DES MOINES: John R. Fitzgibbon, chairman and chief executive officer of the Iowa Des Moines National Bank, has announced the promotions of William F. Landholt to vice president, real estate lending, and Donald J. Brush to commercial loan officer, and the election of Gary L. Armstrong to auditor.

DES MOINES: Ben Eilders has joined Bankers Trust Company, effective July 1, as senior vice president in charge of the correspondent bank department. Mr. Eilders was formerly executive vice president of the First National Bank, Ottumwa.

DES MOINES: Funeral services were held recently for Mrs. Dee Frost (Rosemary), 52, wife of Dee Frost, senior vice president of the Iowa Des Moines National Bank.

EAGLE GROVE: John J. Govern has been elected executive vice president of the Security Savings Bank. He formerly was vice president.

OSCEOLA: Jane Houston has been named cashier of the Clarke County State Bank.

SEYMOUR: Robert Alexander, 40, recently became vice president of

the Seymour State Bank. Mr. Alexander formerly of Centerville has been manager of various Thorp Credit Co. offices for some ten years.

SIOUX CENTER: The First National Bank has filed an application requesting permission to establish an office at 705 N. Main Avenue.

Nebraska News

LINCOLN: City National Bank & Trust Company has received permission to convert to a state chartered banking institution known as Citibank & Trust Company.

NEBRASKA CITY: Funeral services were held recently for Mark Fullriede, 73, executive vice president of the Farmers Bank of Nebraska City. Mr. Fullriede had been with the bank since 1918.

VALENTINE: George H. Medlock recently joined the First National Bank as auditor. He had been a Nebraska state bank examiner for the past five and one half years.

Minnesota News

AITKIN: Wayne Sharp has been promoted from assistant vice president to cashier of the First National Bank.

COLUMBIA HEIGHTS: The Columbia Heights State Bank has changed its name to Marquette State Bank of Columbia Heights.

FAIRFAX: Chuck Marlowe, 22, has joined the Citizens State Bank.

GRYGLA: A hearing will be held at 9:30 a.m. July 23 on an application for a new State Bank at Grygla. Incorporators are Fred A. Sorenson, Thief River Falls; Arnold Stanley, Victor Schmidt, Henry Holte, Delmar Hagen and Ronald Engelstad, all of Grygla.

PIPESTONE: Mark Fries has assumed duties as manager of the

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HOW TO USE STUMME'S TIME CALCULATOR

- Assuming that today is August 5th, take the page with August 5th at the top.
- Assume a note was given March 5th and paid today, how many days have elapsed? Answer: Look for March 5th, and in the second column headed "Past Number of Days" will be the answer, 153 days.
- Now find the number of days on a note due January 20th of the following year. Answer: Look in the third column opposite January 20th headed "Future Number of Days," and find the answer . . . 168 days.
- Now find the due date of a note given today for 120 days. Look in the third column, "Future Number of Days," until you find the number 120. Look at the date, and you will find that it is December 3rd.

* On a note with partial payments at various dates, turn to page corresponding to date of note and find days elapsed to date of payment in "Future Number of Days" column.

August 5

Date	January		February		March		April		May		June			
	Past Number of Days	Future Number of Days	Date	Past Number of Days	Future Number of Days	Date	Past Number of Days	Future Number of Days	Date	Past Number of Days	Future Number of Days	Date		
1	216	149	1	185	180	1	157	208	1	126	239	1	96	269
2	215	150	2	184	181	2	156	209	2	125	240	2	95	270
3	214	151	3	183	182	3	155	210	3	124	241	3	94	271
4	213	152	4	182	183	4	154	211	4	123	242	4	93	272
5	212	153	5	181	184	5	153	212	5	122	243	5	92	273
6	211	154	6	180	185	6	152	213	6	121	244	6	91	274
7	210	155	7	179	186	7	151	214	7	120	245	7	90	275
8	209	156	8	178	187	8	150	215	8	119	246	8	89	276
9	208	157	9	177	188	9	149	216	9	118	247	9	88	277
10	207	158	10	176	189	10	148	217	10	117	248	10	87	278
11	206	159	11	175	190	11	147	218	11	116	249	11	86	279
12	205	160	12	174	191	12	146	219	12	115	250	12	85	280
13	204	161	13	173	192	13	145	220	13	114	251	13	84	281
14	203	162	14	172	193	14	144	221	14	113	252	14	83	282
15	202	163	15	171	194	15	143	222	15	112	253	15	82	283
16	201	164	16	170	195	16	142	223	16	111	254	16	81	284
17	200	165	17	169	196	17	141	224	17	110	255	17	80	285
18	199	166	18	168	197	18	140	225	18	109	256	18	79	286
19	198	167	19	167	198	19	139	226	19	108	257	19	78	287
20	197	168	20	166	199	20	138	227	20	107	258	20	77	288
21	196	169	21	165	200	21	137	228	21	106	259	21	76	289
22	195	170	22	164	201	22	136	229	22	105	260	22	75	290
23	194	171	23	163	202	23	135	230	23	104	261	23	74	291
24	193	172	24	162	203	24	134	231	24	103	262	24	73	292
25	192	173	25	161	204	25	133	232	25	102	263	25	72	293
26	191	174	26	160	205	26	132	233	26	101	264	26	71	294
27	190	175	27	159	206	27	131	234	27	100	265	27	70	295
28	189	176	28	158	207	28	130	235	28	99	266	28	69	296
29	188	177				29	129	236	29	98	267	29	68	297
30	187	178				30	128	237	30	97	268	30	67	298
31	186	179				31	127	238	31	96	269	31	66	299

Date	July		August		September		October		November		December			
	Past Number of Days	Future Number of Days	Date	Past Number of Days	Future Number of Days	Date	Past Number of Days	Future Number of Days	Date	Past Number of Days	Future Number of Days	Date		
1	85	330	1	4	361	1	338	27	1	277	88	1	247	118
2	84	331	2	3	362	2	337	28	2	276	89	2	246	119
3	83	332	3	2	363	3	336	29	3	275	90	3	245	120
4	82	333	4	1	364	4	335	30	4	274	91	4	244	121
5	81	334	5	865	365	5	334	31	5	273	92	5	243	122
6	80	335	6	864	1	6	333	32	6	272	93	6	242	123
7	79	336	7	863	2	7	332	33	7	271	94	7	241	124
8	78	337	8	862	3	8	331	34	8	270	95	8	240	125
9	77	338	9	861	4	9	330	35	9	269	96	9	239	126
10	76	339	10	860	5	10	329	36	10	268	97	10	238	127
11	75	340	11	859	6	11	328	37	11	267	98	11	237	128
12	74	341	12	858	7	12	327	38	12	266	99	12	236	129
13	73	342	13	857	8	13	326	39	13	265	100	13	235	130
14	72	343	14	856	9	14	325	40	14	264	101	14	234	131
15	71	344	15	855	10	15	324	41	15	263	102	15	233	132
16	70	345	16	854	11	16	323	42	16	262	103	16	232	133
17	69	346	17	853	12	17	322	43	17	261	104	17	231	134
18	68	347	18	852	13	18	321	44	18	260	105	18	230	135
19	67	348	19	851	14	19	320	45	19	259	106	19	229	136
20	66	349	20	850	15	20	319	46	20	258	107	20	228	137
21	65	350	21	849	16	21	318	47	21	257	108	21	227	138
22	64	351	22	848	17	22	317	48	22	256	109	22	226	139
23	63	352	23	847	18	23	316	49	23	255	110	23	225	140
24	62	353	24	846	19	24	315	50	24	254	111	24	224	141
25	61	354	25	845	20	25	314	51	25	253	112	25	223	142
26	60	355	26	844	21	26	313	52	26	252	113	26	222	143
27	59	356	27	843	22	27	312	53	27	251	114	27	221	144
28	58	357	28	842	23	28	311	54	28	250	115	28	220	145
29	57	358	29	841	24	29	310	55	29	249	116	29	219	146
30	56	359	30	840	25	30	309	56	30	248	117	30	218	147
31	55	360	31	839	26	31	308	57	31	247	118	31	217	148

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timepay department of The Pipestone National Bank. He comes from the First National Bank of Miller, S. D.

ST. PAUL: Funeral services were held recently for George W. Benz. Mr. Benz was chairman of the board of the American National Bank and Trust Company. In 1970, he was instrumental in the formation of the American Bancorporation, Inc., a bank holding company, in which he served as first chairman and president.

Illinois News

BUTTERFIELD: An application for a permit to organize the Heritage Bank of Butterfield has been filed. Total capitalization would be \$1 million. Applicants include Robert E. Kennedy, Flossmoor; Alfred J. O'Malley, Chicago; Walter H. Ehrmann, Olympia Fields; Robert L. Maes, Dolton, and Donald E. O'Toole, Jr., Clarendon Hills.

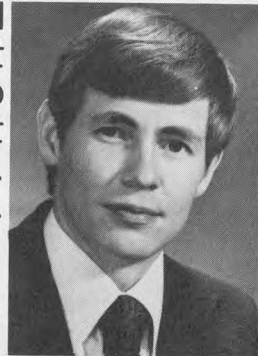
HARWOOD HEIGHTS: T. R. (Fred) Jordan has been named assistant cashier of the Parkway Bank and Trust Co. and will be in charge of the Parkway Motor Bank.

DUNDEE: An application for a

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charter has been filed by The First National Bank to convert from a national bank into a state bank. The bank's new name will be The First Bank of Dundee.

KENNEY: An application for a permit to organize the Bank of Kenney has been filed. Total capitalization of the new bank would be \$400,000.

North Dakota News

ELLENDALE: Steven A. Enger has been appointed trust officer of the First National Bank, according to Gerald A. Mangin, bank president.

FARGO: Jack Lavin has been elected an assistant vice president

in the commercial loan department of the Fargo National Bank and Trust Company.

South Dakota News

MILBANK: Dick W. Boyd has joined the Dakota State Bank staff and is working in operations.

Colorado News

DENVER: The State Banking Board has received an application for a charter for the proposed Colorado Bank—Tech Center to be opened in Greenwood Village.

DENVER: An application by the Century Bank and Trust, asking

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permission to establish a detached facility at the southeast corner of First and Cook Streets here has been approved.

Economic Truism...

(Continued from page one)

Business operates on a narrow margin of profit.

With narrow profit margins, under 5% for manufacturing industry, all increased costs of producing a unit of goods or services must be passed on to the consumer through increased prices.

Government involvement in any segment of business will always be detrimental.

The evidence of this is ample and its documentation irrefutable. The post office, agricultural industry, transportation industry and now the energy industry all give sad testimony. That ill-equipped, untrained managers will manage badly seems obvious, but the obvious is often the most overlooked.

The many, many other "Economic Truisms" should be the theme of business leaders' talks before all types of meetings so that literally thousands of discussions with millions of citizens would be held annually.

I am in complete agreement with Senator Goldwater's warnings in a recent article, "Business Faces the Fight of Its Life." He said, among

other things, "I'm not sure the business community has ever faced a situation just like the one that confronts it today...In the current drive for government ownership, the oil industry just happens to be the first juicy target...The forces of nationalization—know how to use this kind of anger...prepare for the fight of your life...brilliant young staff members who mistrust or totally disbelieve the attributes of the private enterprise...start making plans today...the hour is very late...".

The trend is reversible, but only if all of us seek forums actively and use them to articulate the "Economic Truisms" that make our country great!

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SR. AG. LN.—(Iowa) (Mo) \$20,000
SEC. ANALYST—Iowa) \$20,000
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PRES.—suburban K.C. (need 8) OPEN

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INST. LN.—3 yrs. fin. co. in Minn. \$12,000
COM'L LN.—(Iowa) mid 40's, Sr. officer \$25,000
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OPER.—(Iowa) Sr. officer up to \$50MM bk \$18,000
CONTROLLER—Midwest holding co. \$20,000
CONTROLLER—C.P.A. in midwest acctg. firm \$23,000

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