

NORTHWESTERN Banker Newsletter

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Forecast: "Satisfactory" Recovery

A "satisfactory" rather than "dynamic" recovery of the nation's economic health is forecast by the chief economist of the First National Bank of Minneapolis.

Vice President Harvey N. Daniels, in his semi-annual economic forecast, projects real growth in the 1976 Gross National Product of 5.8%.

"This won't be the typical recovery where you have a spurt of rapid growth early in the upturn process," he explains. "Rather, we are likely to see a gradual, but steady, improvement ... and that could be good for the long haul."

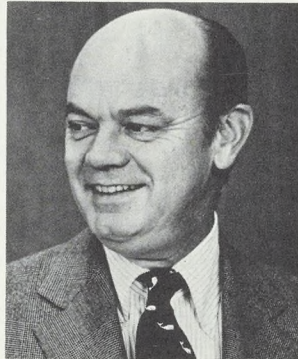
He points to six factors that make this recovery different from those which followed earlier recessions.

Housing Picture

"One, housing has not recovered as dynamically as it has before." He attributes this to the rapid increase in the cost of housing — 35% over the past two and one-half years. Land costs, construction costs, materials prices and mortgage interest rates were all cited as contributing to a situation which finds many people in need of new housing but unable to afford it.

"Second, auto sales, while they have made good recovery, have not shown the typical post-recession

surge." One reason cited is the increased cost, which amounted to about 10% on 1975 models, with another 6% increase expected for 1976. Consumers also are concerned about the gas outlook, resulting in



HARVEY DANIELS

a further hesitancy to buy. Car sales next year are expected to reach 9½ million, compared with the 12 million level of 1972 and 1973.

Inflation

"Continuing concern about inflation is the next factor. Although the rate has come down from 12% in late 1974 to the current 6%, that level still is unsustainable and will continue to inhibit the spending habits of business and consumers." Mr. Daniels cited the experience of the early and mid 1960s, with an

inflation rate of about 2%, as a period when the economy performed at its best.

"The tug of war going on between the Administration and Congress in the areas of spending and taxes is the fourth factor. The Administration is trying to dampen down the rate of recovery in an effort to prevent a run-away burst which would fuel inflation. Congress, on the other hand, will press for more tax cuts as an economic stimulant." Mr. Daniels said he believes a moderate fiscal policy will result.

Monetary Policy

"Monetary policy is the next element, with the Federal Reserve Bank's principal long-run concern being inflation. The policy will be to continue to try to moderate growth in the money supply. That will contribute to a lower rate of real growth and will mean a rise in interest rates, thus dampening down the recovery process." Nevertheless, Mr. Daniels sees a respectable 6% rate of real growth for 1976.

"Finally, the economies of other principal industrial nations of the world are having trouble, with problems of recession persisting beyond ours, resulting in less foreign demand for our goods and services." He sees that situation to continue for the next several quarters.

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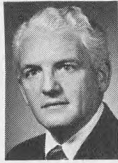
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Iowa News

DES MOINES: Tom Huston, president of the Columbus Junction State Bank, has been appointed superintendent of banking, effective September 1, by Governor Ray following the resignation of Cecil W. Dunn. Mr. Dunn will return to Eagle Grove where he heads the Security Savings Bank. Mr. Huston is a former president of the Iowa Bankers Association.

GRUNDY CENTER: L. C. Pike, president of the Farmers Savings Bank, has announced the election of James E. Miller to the bank's board. Mr. Miller is a Grundy livestock farmer and replaces A. V. Dieken who retired in May after 40 years in banking.

Nebraska News

BEATRICE: Vernon Mulig has been promoted to vice president of the Beatrice State Bank.

CRETE: The Crete State Bank is holding a reception in honor of the fiftieth banking anniversary of Thomas J. Aron at the bank on Sunday, September 14, from 2 to 5

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p.m. Mr. Aron has been associated with the Crete bank for 50 years, having served as its president since September of 1943.

EWING: Ed Vackiner, executive vice president of the Elba State Bank, has been named president of the Farmers State Bank. The Ewing bank recently was purchased by Dan Huff & Associates.

GRAND ISLAND: Commercial National Bank and Trust Company has announced the following promotions: vice president, Rick Harbaugh; second vice presidents, John Jorgensen, commercial loans, Charles Whitney, operations department manager, and Howard Fairbairn, agricultural loans; assistant operations officer, Maxine Blunk, and controller and assistant trust officer, Tom Wrenholt.

OMAHA: The board of directors of two Banco banks have announced executive changes. The U. S. National Bank has made the following promotions: Kermit Hansen to chairman and chief executive officer, and Donald J. Murphy to president and director, effective October 1. The Northwestern National Bank has named Edward A. Kohout president, effective October 1.

OMAHA: The Southwest Bank of Omaha has announced several appointments: Donald Newberg,

senior vice president; Gary Woods and Gary Turner, vice presidents, and James Francis, assistant cashier. Mr. Turner formerly was vice president of corporate banking for the Southeast First National Bank of Maitland, Fla. Mr. Francis is the son of Perry Francis, bank president.

Minnesota News

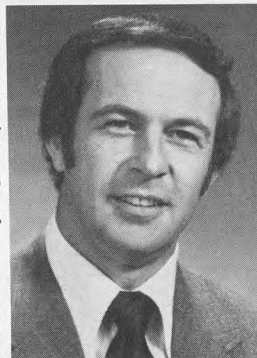
DETROIT LAKES: C. Leroy Larson has been named president and director of the Citizens State Bank.

DULUTH: Larry D. Johnson, formerly vice president and cashier of North Shore State Bank, has been elected president and director. In other board action, Dolores Hartikka was promoted to vice president; Frank Bolos to cashier and Douglas H. Lewis to assistant cashier.

MINNEAPOLIS: Northwestern National Bank has announced that it has filed an application with the Comptroller of the Currency to establish a detached facility at Chicago Avenue and 8th Street across from Metropolitan Medical Center and the New Hennepin County Hospital.

ST. PAUL: John V. Pierceall has been named vice president and head of commercial loans at Commercial State Bank. He has been with Richfield State Bank & Trust Co.

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Terry Martin
Vice President

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VERMILLION: The Vermillion State Bank will hold a grand opening on Friday, September 12.

North Dakota News

FARGO: Charles A. Nelson has been promoted to agricultural loan officer and trust farm manager at Merchants National Bank and Trust Company. He succeeds Roy H. Johnson, recently appointed manager of the bank's southside office.

TOWNER: Granville and Anamoose have been approved as paying and receiving stations for Pioneer State Bank. Arlys Winkler will operate the Granville station and Norma Martin the Anamoose station.

ABA Sponsors "Lincoln" Special on September 3

"Lincoln, the Unwilling Warrior," fourth in a series of award-winning television specials based on Carl Sandburg's Pulitzer-Prize-winning biography, will be co-sponsored by the ABA on NBC-TV September 3 at 9 p.m. The ABA has contracted to co-sponsor each of the six, hour-long, color specials, which feature Broadway Tony Award winner Hal Holbrook in the title role of President Lincoln.

In "Lincoln, the Unwilling Warrior," Lincoln is portrayed as he takes up office and his duties as Commander-in-Chief, including an emotionally charged scene when he learns that his adopted son, Ellsworth, has become the first Union officer to die in the war. The September 3 special condenses the Civil War period in poignant scenes of defeat and victory, illustrating Lincoln's grief at the terrible loss of life.

The remaining two programs will



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be aired during the 1976 American Bicentennial Celebration year in February and April. Each program to date has won special awards.

South Dakota News

The South Dakota Bankers Association will conduct its five group meetings the week of September 8. SDBA President Ted Schanzenbach, president of First National, Selby, will address all meetings, each of which will feature the same program:

2:00 Registration.

4:00 Call to Order—Group President.

Welcome—SDBA President Schanzenbach.

Open Discussion—Electronic Funds Transfer, Individual Retirement Accounts, HR-10.

Business Meeting.

6:30 Social Hour.

7:30 Banquet. Speaker: Dr. Wilbur Schaeffer, Kansas City—"The Future of the Banking Industry in This Atomic Age."

Following is the date, location and president of each group:

IV—Sep. 8, 1st National, Moberge. Bob Clair, cash., Fort Pierre Natl.

V—Sep. 9, Howard Johnson's Motor Lodge, Rapid City. Hurley Wilson, v.p.-mgr., 1st Natl. of Black Hills, Hot Springs.

III—Sep. 10, Western Inn, Chamberlain. Jens Christiansen, a.v.p., Natl. Bank of S.D., Wessington Springs.

I—Sep. 11, Staurolite Inn, Brookings. Tom Garry, v.p.-mgr., Northwestern Natl., Dell Rapids.

II—Sep. 12, Guest House, Watertown. H. A. Bill Sands, exec. v.p., Deuel County Natl., Clear Lake.

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Two section modular bank office 24' x 38'. Could be used as permanent office. Will move and install on your foundation. For additional information, Call: 1-515/276-8391.

FOR SALE

One 450-40 pocket NCR proof machine with encoder and service contract in force. Contact: The First National Bank of Hutchinson, Hutchinson, Minn. 55350. 612/896-1635.

POSITION AVAILABLE

Progressive bank in Iowa Great Lakes area has an immediate opening for an executive officer with insurance experience. Starting salary \$20,000. Write Box MAN, c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

BANKS FOR SALE

\$12MM assets, 65%, 800,000, S. Ind. —
\$13MM assets, 88%, 1,150,000, W. Ill. —
\$40MM assets, 51%, 2,950,000, Ill. —
\$50MM assets, 51%, 3,900,000, Ind. —
\$5MM assets, 70%, 580,000, Ill. —
\$9MM assets, 60%, 859,000, Ill. — "Ray E. Reents", Broker, 2730 S. MacArthur, Springfield, Ill. 62704.

FOR SALE

Recordak Reliant 300 Microfilmer, Central State Bank, State Center, Iowa. Phone-515/483-2505.

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Social security direct deposit film strip and cassette for Dukane A-V Matic viewer. Eight programs left. Excellent for in-house training or sign-up seminars. Cost is \$30. Contact John Brewer, Iowa Trust & Savings Bank, Centerville, Iowa 515/856-6375.

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NCR Class 450 - 28 Pocket Proof Machine. Under continuous service contract, nine years old. Contact: Merlyn L. Meyer, The First National Bank, Syracuse, Nebr. 68446. Phone: 402/269-2145.

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Person, age 35, with 8 years experience in loans and sales finance and held licenses for insurance sales and investment notes in Nebraska for years 1973-74. References available. Will relocate--preferably in southeastern Nebraska area. Married and 2 children. Write Box MFK, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309.

POSITION AVAILABLE

Immediate opening in large North Dakota bank for officer to head commercial banking dept.; officer to supervise 3 divisions including correspondent banking, \$120MM in loans, and would be a member of top management team. Ideal community, with good living conditions and colleges. Send resume to Box DKR, c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

POSITION AVAILABLE

Wanted an agricultural loan person and correspondent banker, experience desired. Large North Dakota bank, ideal community, good living conditions, colleges, etc. Send resume to Box LLR, c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

POSITION AVAILABLE

City correspondent has excellent opportunity for person with some banking experience. Some travel required. Send resume in confidence to Box BXL, c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

WANTED

Bank in Iowa or northern Illinois up to \$35MM. Principals only. Write Box MPC, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Ia. 50309.

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EXECUTIVE VICE PRESIDENT—Iowa & Nebraska banks. Must be mature and experienced in commercial loans.
CASHIER—Must have 2-3 yrs. operations & supervisory experience. Opportunity to learn commercial lending.
AGRI-LOAN DIVISION HEAD—Holding company wants to expand agri-loan and create new division.
AGRI-LOAN—Must have good ag education & be able to talk the language of young farms & feeders.

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