

NORTHWESTERN Banker Newsletter

Vol. 5 No. 34

Des Moines, Iowa

December 20, 1976

Liquidity: A Concern For Ag Bankers

"Today because of excess grain supplies and low prices, marginal loans should be transferred to governmental agencies, such as FHA and to Farm Credit Banks. Those agencies' policies are not predicated on deposits."

This is the comment made by John M. Shonsey, chairman, American National Bank, Omaha, at the Northwestern National Bank's management conference in Minneapolis earlier this month. Mr. Shonsey explained:

"Now is the time to move - not hope for another crop year and what it may bring in regard to price and moisture. To those banks, whose liquidity is becoming increasingly strained because of non-payment of loans due to drought or unwillingness to sell crops because of low price, now is the time to get as liquid as possible. Each loan is different, and no general policy can prevail. But, I certainly would begin to become tougher with marginal loans by requiring sale of collateral or going to another financial agency. You know you are going to have demand this spring for new crop expenses and if necessary I would look now at some liquidation of your municipal portfolio. Today, prices are good. When you need the

money this spring or summer they may or may not be as good. It's not worth the risk if your liquidity is strained now. Each bank and each loan is different and requires individual examination on the part of the banker. He knows his liquidity needs. I am saying agriculture is not going to get any better in the near future. We cannot expect a higher price trend to increase the value of our collateral.

Myth

"The myth of the 'golden age' of agriculture has led us down the primrose path. Sure we have held the inflationary trends by producing a surplus for domestic consumption, but at the agriculture producer's expense. Today you must put your house in order.

"What about the future of farming and banking? Let's start easy. The past three years our export of grains created a good posture for the grain farmer. And, we were able to pay for our oil imports and have a favorable balance of trade. With excellent crops throughout the world the importing countries don't need as much of our grains. Many of these countries are hard put to pay for their oil requirements and food. Much of our sales of grain will be by

C.C.C. credit or PL480 Title I funds to finance our grain sales.

New Policies

"We can only guess at the new administration policies in regard to agriculture. Our present loan price for wheat is \$2.25 per bushel and corn \$1.50. They will probably raise this some but not too much. It is safe to say that the new agriculture program will include a grain reserve and storage plan. With the present surplus only a slight rise in loan price will begin a flow of the surplus into this program. The new Democratic administration, if they follow their usual party's pattern, will probably use agriculture exports as a diplomatic weapon. But, in order to do this effectively the government must have reserves at its disposal.

Reserves

"Reserves tend to stabilize prices of grains. The cost of production will continue upward, machinery, parts, fuel, etc. The normal conclusion to be drawn is that the average grain operator is going to be hard put to break even. Prices are going to hold around the loan value of the grains. That means corn, not over \$1.75 to \$2.00 and wheat \$2.50 to \$2.75. The government also may revert back

(Turn to back page, please)

Homer and Jim are ready to help you ...



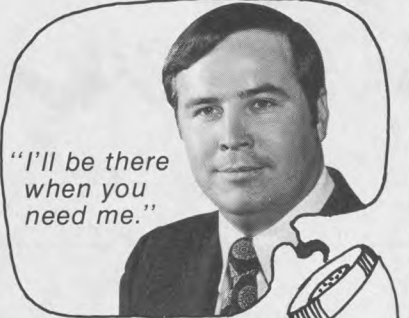
... with CCB's full-service correspondent banking. Let Homer Jensen and Jim Eick show you that we do your kind of banking.



Des Moines' second largest independent bank.

515/244-5111

Call your roving
correspondent
at Bankers Trust



Don Carmody,
Assistant Vice
President

BANKERS TRUST
Des Moines, Iowa 50304

Use our toll-free WATS line: 800-362-1688
Member: F.D.I.C./Federal Reserve System

Iowa News

BETTENDORF: Kenneth Swartz has been named a director and Robert Zelsdorf has been promoted from assistant vice president to vice president at Security State Trust and Savings Bank. Mr. Swartz owns and operates a construction company and real estate office.

DAVENPORT: A branch office of the Davenport Bank and Trust Company opened recently at the intersection of Spruce Hills Drive and Kimberly Road. The temporary building features four drive-up teller lanes, inside teller stations and offstreet parking.

Valley National Bank
A BANKS OF IOWA BANK
Member FRS • Member FDIC
Des Moines, Iowa 50304 515/245-6139

**JOHN RODGERS
WELCH**
Vice President

**"They're surprised
when we call
them back."**

**"We try to answer their
questions right away."**

WILMA WEEKS
CORRESPONDENT BANK
OPERATIONS OFFICER
CALL: 712 277-6517



Security National Bank
Downtown • Morningside • Northside
Member FDIC



EAGLE GROVE: The Eagle Grove State Bank has changed its name to Brenton State Bank.

SIOUX CITY: R. E. Gene Hagen was elected executive vice president of Security National Bank December 14. He was formerly senior vice president and is also a director of the bank. Others promoted were Robert A. Peterson to senior investment officer and David J. Holub to senior personal banking officer. New officers are Robert Linn, personal banking officer, and Wilma Weeks, correspondent bank operations officer.

Nebraska News

A law enacted by the Nebraska Legislature earlier this year (LB 763) regarding the number of auxiliary offices a bank is allowed to operate was ruled unconstitutional recently by U. S. District Court Judge Robert V. Denney because it was not before the Legislature for five legislative days prior to enactment as required by the Nebraska Constitution and it contained more than one subject provision, also contrary to the constitution. An amendment to the bill provided a bank can have an auxiliary teller office if it is physically connected to the main bank by pneumatic tubes or a walkway, tunnel or other mechanical connections. Nebraskans for Independent

Banking, Inc., has asked for a declaratory judgment and injunctive relief against The Omaha National Bank for allegedly violating state and federal law by operating three facilities.

OMAHA: John R. Lauritzen, chairman of the First National Bank, and his son, Bruce, a vice president of the bank, have made a firm tender offer to other stockholders to purchase 60,000 shares at \$40 per share. The Lauritzen interests have guaranteed through their offer to buy all shares up to 60,000 that are tendered.

Another tender offer at \$40 per share for 130,000 shares has been made by Roy Dinsdale and Paul Dunlap. This offer would not have to be exercised for any shares unless 130,000 shares are tendered. Mr. Dinsdale is president at State Bank of Palmer, Nebr., and chairman of 10 other banks. Mr. Dunlap was formerly a Nebraska banker and now is president of Hawkeye Bancorporation, Des Moines, a holding company owning 15 banks.

After the Lauritzen interests made a tender offer November 26 to purchase 30,000 shares at \$31 per share, which was 15% above the market, Thomas L. Davis and his sister, Carol Davis Wells, sought a temporary restraining order and an injunction against the Lauritzen

A good
correspondent
bank relationship
is still built
by good people.
Yours and ours.



John Mangold
Senior Vice President

Call me
toll free . . .
800-332-5991

**Merchants
National Bank**
Cedar Rapids, Iowa 52401 A BANKS OF IOWA BANK



CARLETON D. BEH CO.

INVESTMENT SECURITIES

DES MOINES BUILDING

DES MOINES, IOWA

TELEPHONE
288-2152
AREA CODE 515

NEW ISSUE

MOODY'S: "A"

**\$490,000
TOLEDO, IOWA**

General Obligation Corporate Purpose Bonds

Dated: January 1, 1977

Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due June 1, 1977) payable at the office of the City Treasurer, Toledo, Iowa.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES, IOWA FRANCHISE TAX AND ALL PROPERTY TAXATION IN THE STATE OF IOWA.

MATURITIES

<u>4.25%</u>		<u>4.40%</u>	
\$25,000 June 1, 1978	2.90	\$35,000 June 1, 1986	4.40
25,000 June 1, 1979	3.10	<u>4.50%</u>	
25,000 June 1, 1980	3.30	40,000 June 1, 1987	4.50
30,000 June 1, 1981	3.50	<u>4.60%</u>	
30,000 June 1, 1982	3.70	40,000 June 1, 1988	4.60
30,000 June 1, 1983	3.90	<u>4.70%</u>	
<u>4.10%</u>		45,000 June 1, 1989	4.70
35,000 June 1, 1984	4.10	<u>4.80%</u>	
<u>4.25%</u>		45,000 June 1, 1990	4.80
35,000 June 1, 1985	4.25	<u>4.90%</u>	
		50,000 June 1, 1991	4.90

LEGALITY TO BE APPROVED BY HERRICK, LANGDON, BELIN, HARRIS, LANGDON & HELMICK, ATTORNEYS, DES MOINES, IOWA.

Toledo, the county seat of Tama County, is located in east central Iowa, approximately 60 miles northeast of Des Moines. The City serves as a principal trading center for a prosperous surrounding agricultural area. Transportation facilities are provided by the Chicago Northwestern Railroad, U.S. highway No. 63 and 30 and an excellent network of paved county roads. Banking deposits during 1975 exceeded \$18,521,000 supporting taxable retail sales activity of \$11,170,771. Electric service is provided by Iowa Electric Light and Power Company with telephone service provided by General Telephone Co. of the Midwest. The City owns and successfully operates its water and sewage treatment facilities. The children of the community attend the fine facilities of the South Tama County Community School District.

These bonds are being issued under the provisions of Division III, Chapter 384, City Code of Iowa, 1975, as amended, to defray the cost of street and waterworks improvements. In the opinion of counsel, these bonds are legal and binding general obligations of Toledo, Iowa, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

Actual and assessed value of taxable property, 1975	\$21,236,010
Direct debt, including this issue	595,000
Total direct and overlapping debt	694,323
Population, 1976 estimate: 2,400	
	Direct debt per capita: \$247.92
	Total debt per capita: 289.30

Tax collections have approximated 102.4% of taxes levied for the past five years.

We own and offer subject to prior sale and change in price and subject to our attorney's approving opinion.

Experienced Bankers Available

The descriptions below represent a sample of our current listings. Call and discuss the needs of your bank in complete confidence. (816) 474-6874

EXECUTIVE — ADMINISTRATIVE

- #4181—20 yrs. banking; presently CEO & Trust Officer in a \$25MM bank. Exper'd in lending & oper. Prefers Dakotas, Wyoming, or Montana\$28,000
- #4108—20 yrs. bkg.; CEO in \$10MM bank. Good education. Exper. includes investments. Best suited to semi-metro area ..\$28,000
- #4107—20 yrs. bkg.; CEO in \$15MM bank. Exper. includes heavy agri-loan, oper. & adm. functions. Prefer near nw Iowa\$30,000

COMMERCIAL LOANS

- #4190—6 yrs. heavy com'l loan & business development exper. in large metro banks. MBA degree; good polish; good mixer. Currently handles \$35MM portfolio in large midwestern bank. Best suited to metro areas. Excellent potential\$27,000
- #4179—10 yrs. lending including background in installment loans. Now in charge of com'l, real estate & agri credits in rural bank of \$15MM. Some investments. CEO responsibilities\$25,000
- #4157—Same bank 8 yrs; loans & oper. Good com'l & agri-loan exper. Best suited to rural bank under \$25MM in midwest or n.w. \$24,000
- #4209—Com'l & real estate loans; data pro. exper. Wrote lending policy for present \$50MM midwestern bank. Economics degree. Has real potential in loan control ..\$20,000

OPERATIONS

- #4184—Examiner; prefers to enter oper. in rural bank under \$30MM. Raised in small town in Kansas\$13,000
- #4196—4 yrs. bkg.; degree. Exper. includes audit, supervision of tellers, bookkeepers, etc. in \$20MM bank in a midwestern suburban area. Would like opp. to include some training in loans\$14,000

- #4207—3 yrs. as Federal Examiner; now in \$30MM midwest bank (1 yr.); business & accounting degree. Good potential\$20,000
- #2398R—6 yrs. bkg.; A.V.P. in \$10MM rural bank. Exper'd in lending & oper.; prepare reports; general ledger, purchase & sale of bonds, payroll, etc.\$14,000
- #4211—8 yrs. large midwest bank; assisted in opening of 2 facilities. Mgd. a detached facility (13 employees). B.A. degree\$13,000
- #4213—3½ yrs. bkg.; started in bookkeeping; made supervisor. Currently asst. mgr. of detached facility in metro area. Some light exposure to instal. lending...\$10,000

LENDING

- #4165—Good coll.; 7 yrs. lending exper.; now in large midwest instal. loan dept. as sr. loan adj. Finance co. background. References checked\$14,000
- #4216—Instalment or credit card; 1 yr exper. lending & credit card lending..Good mktg. man. B.A. degree & working on Masters. Single, free to relocate or travel\$11,000
- #4098—Instal. In. hd. in small sub. new charter. Exper'd in oper. & some com'l lend. . \$15,000
- #4001—Platform In. off. in \$15MM rural bank. Degree; 4 yrs. bkg.; loan co. background. Agri & real estate exposure\$15,000

MISCELLANEOUS

- #4208—Jr. mktg.; degree in adv. & mktg. 3½ yrs. mktg. exper. in large midwestern bank. Good data processing liaison\$Open
- #4203—Controller asst. or auditor; with present bank holding company 3 yrs. in audit. B.S. degree & CPA. Previously accountant on staff of Big 8 CPA firm\$20,000
- #4182—Adv. & mktg.; mature sr. officer with same bank over 35 yrs. Promoted, staffed and opened detached facility in elite section of midwestern city\$25,000

**WE ARE NOT A
"SEARCH AGENCY" —**

Bankers must contact us and state their reason for a change to be listed.

TOM HAGAN & ASSOCIATES

208 E. 18th Ave., P. O. Box 12346
North Kansas City, MO. 64116
(816) 474-6874

**BANK PERSONNEL
Fee - 10% Maximum**

"IT TAKES A BANKER TO KNOW ONE"

CALL ON THE "PERFORMANCE TEAM"

where common transactions are handled uncommonly well.



FIRST NATIONAL LINCOLN

13th & M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.

tender offer. Mr. Davis is a former vice president of the bank and now lives in Sausalito, Cal. Mrs. Wells lives in St. Louis. The two own approximately 19.9% of the 394,000 outstanding shares. The Lauritzen family owns or controls 28.6% of the outstanding stock.

U.S. District Court Judge Robert Denney granted the temporary restraining order. While it was in force, the Dinsdale-Dunlap tender offer was made to shareholders. The court then removed the restraining order to permit the Lauritzen family to issue their amended tender offer of \$40 per share for 60,000 shares. The court subsequently also denied the request for injunction.

According to the Dinsdale-Dunlap offer, the shares they purchase, if successful, would be placed with not less than 68,795 shares owned by Tom Davis and Carol Wells in a voting trust. Each of those four individuals, according to the tender offer, would have one seat on the board. The Dinsdale-Dunlap bloc would have one seat in addition to the seats controlled by each individual, and those five directors would elect a sixth director by majority vote, if desired.

If the Lauritzen offer to other shareholders is accepted, management of the bank would continue as presently constituted.

Minnesota News

ST. PAUL: Henry N. Snyder, assistant vice president in the First National Bank of St. Paul correspondent bank department, has elected to take early retirement December 31. Hank Snyder has been with First National 39 years, and has been in the correspondent bank division since 1952.

WORTHINGTON: A group of local businessmen purchased State Bank of Worthington and assumed management of the bank December 4. The group includes Elden C. Ponto of Reading, Gordon B. Anderson, William T. Hedeon, Ermin J. Windschill, Gordon L. Hoskins and John R. Troth, president of the bank. Mr. Ander-

son was elected chairman. He is president of Gordy's Super Valu, Inc., and other supermarkets in southern Minnesota and a soon to open store in Sibley, Ia. Mr. Troth continues as president and chief executive officer.

Illinois News

ROCKFORD: Funeral services were held last week for Leroy E. Liljedahl, former president and director of American National Bank and Trust Co. He resigned from the bank this fall.

North Dakota News

BOWBELLS: Daniel Linster has joined the First National Bank as agricultural representative. He formerly was Burke County agent for the past six years and prior to that was Bottineau County assistant county agent. He succeeds Richard Hurdlebrink, who is now agricultural representative at the State Bank of Burleigh County in Bismarck.

LANGDON: First Bank of Langdon has announced the promotions of Doris Hoffarth to assistant cashier and James Ogilvie to assistant vice president.

TOWNER: State Banking Commissioner Gilbert Ellwein and the state banking board held an informal hearing at the state capitol December 13 with directors of the Pioneer State Bank, which Mr. Ellwein took over in conservatorship November 26. Current owners propose to increase capital and work out problems cited by the recent state examination. Pioneer State is an uninsured bank. A "show cause" hearing scheduled for December 14 in District Court was continued to December 28. In the meantime, an application by a group of citizens for a new bank charter in Towner has been filed and another charter application was expected to be filed last week. Mr. Ellwein has set December 21 in the state capitol for a hearing on the application.

Over 80 banks have discovered the opportunities we offer with correspondent services.

Why not join them?

Call 319-582-1841 collect



Robert Scott, one of our Men of Opportunity



American Trust & Savings Bank

Town Clock Plaza, Dubuque, Iowa
Member: FDIC & Federal Reserve System

Montana News

GREAT FALLS: Jerome S. C. Nelson has been promoted from assistant vice president to vice president at the First National Bank. He manages the real estate loan department.

South Dakota News

MITCHELL: Funeral services were held recently for Mrs. Boyd Knox. She is survived by her husband, who is chairman and president of Commercial Trust and Savings Bank.

SIOUX FALLS: Richard L. Pruitt has been promoted to instalment loan department manager at the

With our service,
give your community a lot of help for its money.



Bernie Kersey

IOWA-Des Moines
NATIONAL BANK

Member FDIC. An Affiliate of Northwest Bancorporation





call or write 1200 35th Street • West Des Moines, Ia. 50265 • 515-223-2200

FGL Will Help You . . .

1. Increase the volume of your loan portfolio
2. Increase profitability and stability
3. Develop credibility and leadership in the ag community
4. Provide marketing expertise to your clients

• Marketing Seminars conducted for Clients in your area

• 24-hour Toll Free Telephone Service

• Weekly Confidential Market Report

main office of United National Bank and John Overby has been promoted to assistant manager of the 41st Street Branch. Each has been an assistant vice president.

Now Is The Time To Promote IRA and KEOGH

Send today for samples and prices on our multi-color brochures on IRA and Keogh. Used successfully by community banks throughout the Upper Midwest.

Northwestern Banker
306 15th Street
Des Moines, Iowa 50309

programs. You can remember five to six years ago how the small grain farmer fared. Wasn't the average grain farmer living from hand to mouth?

"To sum up quickly as far as banking is concerned: to have liquidity it would appear that a combination of livestock and crops will be much better than machinery and growing crops as collateral the next 36 months. We should see a switch of profitability from the grain farmer to livestock operator."

WANT ADS

Rates 40 cents per word per insertion. Minimum: 12 words
NORTHWESTERN BANKER
306 15th St., Des Moines, Iowa

FOR SALE

NCR proof encoding machine, model 450 with 24 pockets, ready to use and is on service agreement. Detroit State Bank, Detroit Lakes, MN 56501. Phone: 218/847-9292.

SERVING PROFESSIONALLY

Banking, Financial & Business Personnel
Iowa and Nationwide
CAPITAL PERSONNEL SERVICE
204 Securities Bldg. 515-283-2545
Des Moines, Iowa 50309

LEASE OR SELL

12' x 40' steel, brick bank building and 14' x 60' mobile bank building with bank equipment. SON CORPORATION, Box 684, Wichita, KS 67201-316/942-8167.

LIQUIDITY
(Continued from page 1)

to acreage controls. In short we can forget about \$4.00 to \$5.00 wheat and \$3.00 corn. We must face the facts of damn small, if any, margins and more government

BANKERS PARTICIPATING *LeasePlan*
by
First Insured Services, Inc.
545 - 31st Street
Des Moines, Iowa 50312
R.L. "DICK" SELTON**P.D. "DUANE" DEVAULT

Call on us!
Toll free 800-362-1615

Correspondent Bank Department



EDDIE A. WOLF WILLIAM B. GREAVES RUSSELL G. PLAGER GREGORY S. WOLFE

BANKERS PERSONNEL SEARCH, INC.

321 Stephens Building
Des Moines, Iowa 50309
515/282-4446 or 515/961-5419
Harriette Allison, President
Employer Paid Fee Confidential
Bank Personnel Only

FOR SALE

Used Mosler drive-up window. Was operating satisfactorily at time of replacement by a new unit. Price: FOB Kemmerer, Wyoming—\$1,200. First National Bank, Kemmerer, Wyoming.

WANTED

Four NCR tellers machines, model no. 41D-11-9-8-O(A). River Oaks Bank & Trust Company, 93 River Oaks Center, Calumet City, IL 60409.—312/868-1414.

1-Used walnut tellers counter, 4 windows, with marble glove rail, deal plates and base. Like new. Manufactured by Becker Mfg. Co., Inc., Alta, IA. Inquire with Peoples National Bank of Columbus Junction, Columbus Junction, IA 52738—319/728-2226 or Becker Mfg. Co.

POSITION WANTED

45 year old successful banker with CCL & long list of top credentials (headed by proven profitability record) now seeks a very select position including authority and performance responsibilities, probably as number one in bank in \$25MM to \$50MM range or comparable P & L responsibility in larger bank. Current annual salary and benefits in excess of 30K. Will investigate in confidence with serious institution only, anywhere in the midwest. Write Box QFQ, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, IA 50309.

FOR SALE

A temporary bank office. Unit is 12 x 60 mobile home and is attractively furnished and highly functional. Unit provides two teller stations and work area; lobby area, private loan office, storage, and employee lounge. For details, contact William R. Jansen, Dubuque Bank and Trust, Dubuque, IA 319/588-1445.

BANKERS WANTED

- CONTROLLER**—For large Iowa bank. Must have bank experience and 5 years accounting. Prefer C.P.A. or accounting degree.
- EXEC. V.P.**—Experience in rural Iowa bank necessary. Must be able to become president in year or less.
- ADVERTISING & MARKETING**—For \$100MM Kansas bank. Experience in both necessary.
- TRUST**—Senior officer for large department. Also place for junior officer in Kansas.
- JUNIOR OFFICERS**—Next month's advertising will feature junior officers, \$15,000 a year or less. If you can relocate and desire a change, mail resume and personal history to us, including present salary.

TOM HAGAN & ASSOCIATES

P. O. Box 12346, N.K.C., MO. 64116
(816) 474-6874

"IT TAKES A BANKER TO KNOW ONE"

Vol. 5 No. 34 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25 cents 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.