

NORTHWESTERN Banker Newsletter

Vol. 5 No. 52

Des Moines, Iowa

April 25, 1977

"More Investment Will Increase Jobs"

"The right and only road to lower unemployment is more capital investment," says Manufacturers Hanover Chairman Gabriel Hauge.

In remarks prepared for a meeting recently, Mr. Hauge said that more investment "will open the way to more jobs by averting production bottlenecks down the road; it can reduce per unit costs; and it will provide a spur to present deceleration of research and development efforts with their vital potential for increased employment."

Pointing out that "unemployment may well not get down anywhere near President Carter's goals no matter how fast the economy is made to grow," Mr. Hauge emphasized that public policy has a key role in stimulating capital investment.

"First, many of our leaders must get over their embarrassment about declaring for more investment as a road to a bigger and stronger economy benefiting everyone, especially job-seekers," he said. "Next, they must run some risks in the direction of deregulation, a matter about which the administration has made some encouraging sounds. Finally, serious fiscal deterrents to more investment must be faced: corporate tax rates, double-taxation of dividends, tax accounting

for depreciation, capital gains taxation, cost of present schedules for environmental improvement.

"This kind of effort to remove the real fiscal deterrents will make it



GABRIEL HAUGE

necessary to fiddle with a diversion like the investment tax credit," he concluded.

Other Key Issues

Other issues Mr. Hauge cited "that must be resolved if we are to avoid another needless round of accelerating inflation that spawns recession," include:

- The resort to short-run solutions for long-run problems ... In particular he pointed out that talk about pre-notification of wage and price increases could lead to jawboning, which, in turn, could become an incomes policy leading back to wage-price controls.

- Failure to contain the scale of the public sector ... He noted that the President's pledge during the campaign to hold the federal government's share of the GNP to 21% may look good compared with its 23% share in the present fiscal year. However, it would still equal the federal bite in 1966-76, when it was enlarged by the Vietnam War, and would remain three percentage points above the average 18% peacetime share during the 1949-65 period.

- Failure to keep employment and unemployment in perspective ... He said that employment, relative to total population, is not far from its all-time peak and the fact that more than 10 times as many people are employed in the country today as are unemployed underscores the fact that "in seeking ways to reduce the latter we must not jeopardize the jobs or purchasing power of those employed."

Iowa News

"Banking and the Bottom Line" is the theme of the Iowa Meeting of the National Association of Bank Women, Inc., to be held May 5-6 at the Howard Johnson's Motor Lodge and Convention Center in Des Moines. Registration begins at 6 p.m., Wednesday, May 4, and at 8 a.m., Thursday, May 5. The general business session will begin at 10 a.m., Thursday. Some of the

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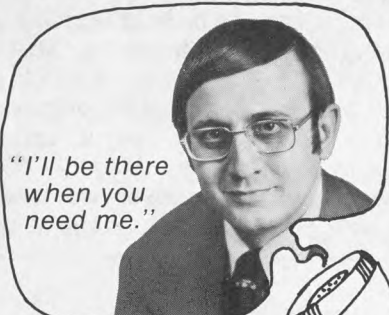
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topics of discussion will be: "Profit Planning for Your Bank," "State Tax Reform Act of 1976," "Women in Politics," and "Review of Vital Legislative Areas Affecting Banks." A complete report of the meeting will be published in the June issue of the Northwestern Banker.

CEDAR RAPIDS: Controlling interest in United State Bank has been purchased by three local bankers. They are Charles Cebuhar, senior vice president and trust officer, and J. Michael Earley, trust officer, both currently with

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Peoples Bank and Trust Company here, and Steve Allison, who resigned recently from Peoples Bank. They have purchased the stock from the estate of the late L. J. Pochobradsky, Jr., former president of United State Bank, and other shareholders.

HAYESVILLE: Duane Felton has joined the Hayesville Savings Bank. He formerly was with the Plaza State Bank in Des Moines and the Norwalk-Cummings State Bank. Charles Sigafoose has resigned at Hayesville.

STOCKPORT: Following dissolution of the Iowa State Bank last week, an office was opened here in the bank quarters by State Central Savings Bank of Keokuk. Owners of Iowa State Bank were Bill Logan and Fred O'Brien, who are president and vice president-cashier respectively, of State Central of Keokuk. Mr. O'Brien was president of the Stockport bank. Brent D. Richardson, who was cashier of Iowa State Bank, continues there as office manager, along with other Stockport personnel. Iowa State Bank had 1976 year-end deposits of \$3,651,000 and State Central Savings Bank had deposits of \$37,964,000.

SWISHER: Mrs. Esther Robison died recently following an illness of several weeks. She is survived by her husband, Gene Robison, executive vice president of the Swisher Trust and Savings Bank.

Nebraska News

Legislation, electronic funds transfer and bank profitability will be the center of attention during business sessions of the 80th annual convention of the Nebraska Bankers Association May 1-3. The meeting will be held at the Omaha Hilton Hotel. A complete report with pictures will be featured in the June issue of the Northwestern Banker.

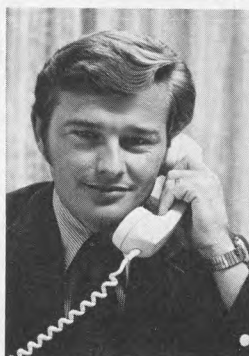
ALBION: Kendal A. Kucera has joined the Albion National Bank as an agricultural loan officer. He has been associated with the First National Bank of Schuyler for the past five years.

COLUMBUS: Columbus Bank and Trust Company has announced the promotions of Robert Moritz to assistant cashier and Richard H. Schermer to cashier.

OVERTON: The Overton National Bank has received permission to convert to a state charter under the name of Bank of Overton.

KEARNEY: R. T. (Dick) Rogers, Sr., has joined the Kearney State Bank as agricultural representative. Mr. Rogers and other Kearney citizens filed the application for the Kearney State Bank and has been active in its activities since its opening in 1976. He has been farming and raising livestock since 1927 and from 1938-42 was a supervisor for the Farm Security Administration.

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NEW ISSUE

MOODY'S: "A1"

\$7,175,000

AREA XI DES MOINES AREA COMMUNITY COLLEGE

Tax Anticipation Notes

Dated: July 1, 1977

Denomination: \$5,000

Both principal and semiannual interest (June 30 and December 31, first coupon due December 31, 1977) payable at the offices of the Bankers Trust Company, Des Moines, Iowa.

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

MATURITIES

4.30%

\$1,320,000	June 30, 1978	3.00%
1,375,000	June 30, 1979	3.30%
1,435,000	June 30, 1980	3.60%
1,495,000	June 30, 1981	3.80%
1,550,000	June 30, 1982	4.00%

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

Area XI Des Moines Area Community College, in the Counties of Adair, Audubon, Boone, Carroll, Clarke, Crawford, Dallas, Greene, Guthrie, Hamilton, Hardin, Jasper, Lucas, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Shelby, Story and Warren, State of Iowa, is the largest political subdivision in the State of Iowa and is exceeded in its actual and assessed value only by the State itself. The Community College includes within its boundaries the City of Des Moines and 125 other cities, the County of Polk and parts of 22 other counties, including Cass County, the Des Moines Independent Community School District and 62 other school districts. The population of the District is estimated at 580,927 and the land area at 4,198,400 acres.

Area XI Des Moines Community College was founded in March, 1966, pursuant to Chapter 280A, Code of Iowa, as amended. The boundaries of the College were established by action of the County Boards of Education with the approval of the State Board of Education. The State of Iowa, following this legislation, was divided into fifteen Area Educational Agencies with identical boundaries to fifteen merged area schools. The legislative purpose was to provide for area vocational schools and area community colleges. Area XI Des Moines Community College accepted its first students in February, 1967, providing five career programs at one campus in Ankeny, Iowa, located six miles north of Des Moines. Currently the college offers more than 55 major career programs, as well as 15 career oriented college transfer programs. During the 1976/1977 school year the college will serve approximately 45,000 people on five ongoing attendance centers: Ankeny, Boone, Des Moines (2) and Carroll. In addition, classes are held in more than 50 locations throughout the college district. The land area within the District is approximately 11% of the total land area of the State. Approximately 20% of the State's population reside within the District.

These notes are being issued under the provisions of Section 280A, Code of Iowa, 1975, for the purpose of paying a portion of the cost of the Community College's capital improvement program. The authorization for this issuance at the general election held on September 9, 1975, was approved by the electorate by a vote of 23,167 "yes" to 15,870 "no". In the opinion of counsel, these notes are valid and legally binding upon the Merged Area in accordance with their terms, and all taxable property in the Merged Area is subject to the levy of taxes to pay the same without limitation as to rate, unless paid from other sources.

FINANCIAL STATEMENT

Actual and assessed value of taxable property, 1976	\$8,043,530,470*
Direct debt, including this issue	7,175,000
Total underlying debt	179,279,552
Cities	\$80,275,500
Schools	90,499,500
Counties	8,504,552
Total direct and underlying debt	186,454,552
Population, 1977 estimate: 580,927	Direct debt per capita: \$ 12.35
	Total debt per capita: 320.96
Land area: 4,198,400 acres	Direct debt per acre: \$ 1.71
	Total debt per acre: 44.41

Tax collections have approximated 101.6% of taxes levied for the past five years.

*Preliminary valuation subject to final adjustment.

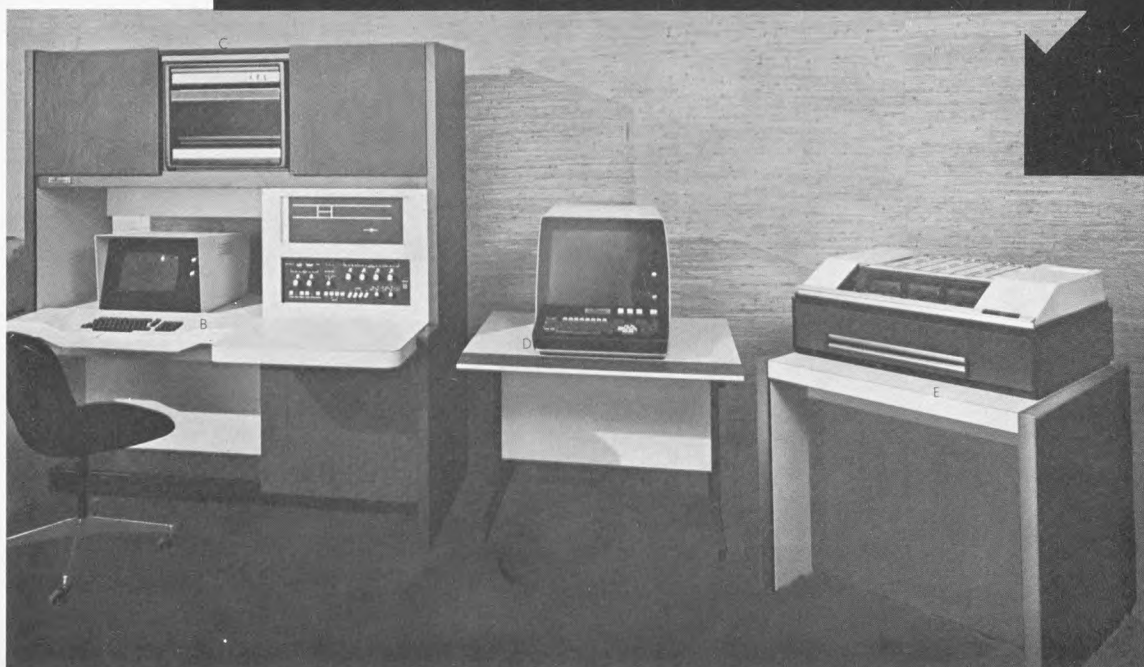
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 • OUR OFFICES FROM 9:00 a.m. til 6:30 p.m. on Monday, May 2 and Tuesday, May 3.

Minnesota News

Over 950 people attended the 15th annual Minnesota Bankers Association Lending Conference in Minneapolis last week. A complete report with pictures will appear in the June issue of the Northwestern Banker.

A distinguished panel of Minnesota bankers has been appointed by C. Paul Lindholm, MBA president, to conduct an extensive study of the state's lending laws aimed at making them easier to understand and more simple to administer.

"The goal of the lending laws revision committee is to investigate the possibility of revising laws that apply to banks and all lending institutions," Mr. Lindholm said.

"MBA believes that simplification of the loan statutes would serve the best interests of both the lending industry and consumers, who would have a better understanding of what to expect when seeking loans in the marketplace."

The MBA committee plans to work with and receive input from a variety of sources, including labor, legislators, the governor's office and the education community. Members also will investigate what has been done and what is being considered in other states before presenting recommendations.

* * *

The Minnesota legislature late last week was considering a half dozen bills of direct concern to the banking community. The key bills include extension of the interest rate law governing business and agricultural loans; extension of the higher interest rate for mortgage lending; EFT authorization bill permitting two detached facilities; bill permitting Farmers & Mechanics Savings Bank to offer NOW accounts; the state pooled investment fund, and the regional branch banking bill. These bills are all up for discussion in the House and Senate this week.

EAST GRAND FORKS: First National Bank has announced the promotions of Shyla E. Peterson to customer service and loan officer and Timothy R. Nedberg to instalment loan officer.

GRANITE FALLS: R. E. Wiley, president of the Yellow Medicine County Bank, has announced the promotion of Bruce Bloomquist from assistant vice president and

cashier to vice president and cashier and the addition of Wayne Kaspari as vice president. Mr. Kaspari most recently was president and director of the Citizens State Bank of Barrett which he sold last January.

INTERNATIONAL FALLS: Ronald F. Howes has been elected vice president of the International State Bank. He formerly was vice president and cashier of the Western Bank in Billings, Mont.

KANABEC: Joe McGee has joined the Kanabec State Bank as assistant vice president in charge of the instalment loan department. He previously was with the Mid-American National Bank in Roseville.

NEW YORK MILLS: The application of New York Mills Bancshares to acquire 80.8% of the voting shares of Farmers & Merchants State Bank here has been approved.

Wyoming News

CHEYENNE: An application for The Wyoming State Bank, 3600 E. Pershing Blvd., has been approved by Dwight Bonham, state examiner. The charter will be issued as soon as the bank has been granted membership in the Federal Deposit Insurance Corporation and its state capital of \$750,000 has been paid. Application was filed last August by B. R. Weber, Auburn Dowdy,

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Marion E. Lewis, Delbert Northcutt, James F. Powers and Andrew E. Roedel III. All are directors of the First National Bank and Trust Co. of Wyoming.

Colorado News

DENVER: Donald D. Hoffman, in addition to his present position as president of the Central Bank of Denver, has assumed the office of chief executive officer, replacing Max G. Brooks who has served in that capacity for the past 20 years. Mr. Brooks will remain as bank chairman and as an officer and director of the D. H. Baldwin Company.

DENVER: Dennis M. Foley, Gerald R. Koch and Robert L. Wagner have been promoted to vice presidents of the United Bank of Denver.

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Illinois News

The Association of Modern Banking in Illinois (AMBI) will hold its annual convention May 4-6 at the Continental Plaza Hotel in Springfield. Topics of discussion will be bank profitability, consumer compliance examinations, legislation, performance appraisal, officer compensation, electronic banking and how to become a high performance bank. A complete report with pictures will appear in the June issue of the Northwestern Banker.

FLOSSMOOR: First Security Bank's application for Federal deposit insurance has been approved. The bank's capital accounts total \$1,500,000.

LOCKPORT: An application by Old Canal Bankshares, Inc., for approval to acquire 80% or more of the Heritage First National Bank of Lockport has been denied.

LOVES PARK: United Bank of Loves Park has received permission to establish a facility at the southeast corner of Riverside Boulevard and Forest Hills Road here.

ROLLING MEADOWS: The Bank of Rolling Meadows has changed its name to Suburban Bank of Rolling Meadows.

North Dakota News

VALLEY CITY: Michael J. Weisgram has been elected assistant cashier and marketing officer of the First National Bank here.

South Dakota News

ABERDEEN: First National Bank has announced the following promotions: Joseph P. Engelhart to assistant vice president and assistant manager of the East Branch; Mike Kurler from instalment loan officer and manager, instalment loan department, at the Redfield

Branch, to agricultural loan officer; and Fred Andrews from personal banking officer to manager, instalment loan department.

Colorado News

WRAY: Wray State Bank's application for Federal deposit insurance has been approved. The bank's capital accounts total \$600,000.

WANT ADS

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Trust officer is wanted to fill position of a third officer in a \$40MM trust department in eastern Iowa. Salary will be commensurate with background and experience. Write Box RCD, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, IA 50309.

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STARTING POSITION WANTED

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May, 1977, graduate of I.S.U. in ag business wishes a bank trainee position. Contact: Dean Conrad, 1279 Hawthorne, Ames, IA 50010—515/292-6115.

FOR SALE

Controlling interest in southern Minnesota bank with assets in excess of \$25MM and capital in excess of \$2.5MM. Insurance agency with substantial commissions must be included in sale. All inquiries received prior to May 15, 1977, will receive a reply. Write Box SLH, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, IA 50309.

OFFICERS AVAILABLE

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 - #4298 **LOANS & OPERATIONS**—Under 30, married, 10 yrs. with same \$25MM mid-western bank. Loan officer past 5 yrs. (all types). Previous operations exper. including marketing \$18,000
 - #T415 **ENTRY LEVEL**—Mid 20s, married, accounting degree, 1½ yrs. with actng. firm. Good appearance and personality. Best suited to medium to small size town & bank. Has potential \$10,000
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