

## Survey Reports Area Economic Conditions

A survey of almost 700 regional banks shows that the general upswing in the economy has reached metropolitan areas, but agricultural areas — even with improved drought conditions — still report weak farm income as a result of low farm commodity prices.



DR. SUNG WON SON

Northwestern National Bank of Minneapolis conducted the survey in April of its correspondent banks in Minnesota, North Dakota, South Dakota, Montana, Iowa, Nebraska and Wisconsin. The survey results were released recently by Northwestern Vice President and Chief Economist Dr. Sung Won Son in "Northwest Economic Indicators," a new monthly publication on the regional economy.

"Following the pattern of continued national economic growth, economic conditions remain much stronger in the metro areas compared to the ag areas," the report says.

"Drought conditions have greatly improved since our last survey in September, however, most areas still have moisture problems. The center of the drought has moved

north and is now concentrated in eastern Montana, North Dakota and northern Minnesota. Southwestern Minnesota and eastern South Dakota were hardest hit last year."

The report notes that above-normal rains buoyed hopes in early spring for improved prospects in drought-stricken areas.

Bankers in agricultural areas remain less optimistic about future economic conditions than metro bankers since farm income remains depressed. "Low agricultural commodity prices, especially for wheat and cattle, continue to depress farm income and strain the financial position of some farmers," the report says. "Nearly two-thirds of the bankers surveyed report lower farm income than a year ago."

Poorest farm income was reported in North Dakota, South Dakota, eastern Montana and the Red River Valley of Minnesota. Lack of moisture and low commodity prices for wheat and cattle were cited most often by ag bankers as the major factors hurting farm income. Iowa and Wisconsin reported the strongest farm income, reflecting high soybean and dairy prices and relatively good moisture conditions, the report says.

Other points in the report:

- Housing — The nationwide

strength in the housing market holds in the metro area, with three-quarters of the bankers reporting more housing starts than a year ago. Almost all bankers reported the need for more housing.

- Retail sales — Inventories and retail sales are growing more rapidly in the metro areas than in the agricultural areas. While most metro bankers reported strong retail sales, fewer reported higher retail inventories from a year ago, suggesting a decline in the inventory-to-sales ratio.

- Energy — "Our region weathered last winter's energy shortages better than many parts of the nation. Within the survey area, ag areas fared better than the metro areas, as a smaller percentage of ag banks reported energy shortages. With less manufacturing and resource extraction, the ag areas require relatively less energy."

- Loans — Loan demand was up for both agricultural and metro areas with about three-quarters of the banks surveyed reporting more loans than a year ago. The increase in metro areas is due to the strengthening economic activity while increased loan activity in the ag areas reflects increased refinancing of farm loans.

The Northwestern survey was conducted by Dr. Son in conjunction with Northwestern's correspondent banking department, headed by Senior Vice President Harold G. Wahlquist.

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**Donald A. Harper**

Funeral services were held last week in Milwaukee for Donald A. Harper, 71, who died of cancer. He headed the banks and bankers division of the First Wisconsin National Bank until he retired in 1970.

**Iowa News**

**CHELSEA:** Chelsea Savings Bank has moved to Belle Plaine and has retained a bank office in Chelsea. The bank's name was not changed.

**HAWKEYE:** Volney Palmer, president of Citizens Savings Bank, has invited all residents of the community and surrounding trade area to join with directors and staff of the bank in celebrating the Citizens Savings' 50th anniversary on Saturday, June 25. After open house at the bank in the morning, a barbecue dinner will be served to every-

one in the City Park starting at 11:30 a.m., with music provided by an old-fashioned German band from the park bandstand.

**HOLSTEIN:** Holstein State Bank's application to establish an office at Cushing has been denied.

**LESTER:** Lester State Bank has moved to Rock Valley and has retained a bank office in Lester. The bank also changed its name from Lester State Bank to Peoples Bank and Trust.

**Illinois News**

John R. Montgomery, III, president, Lakeside Bank, Chicago, was elected president of the Illinois Bankers Association at the group's 86th annual convention at the Palmer House, Chicago, last week. Other officers elected are: first vice president, B. F. (Chip) Backlund, president, Bartonville Bank; second vice president, Gavin Weir, chairman and president, Chicago City Bank & Trust Co., and treasurer, E. J. Arseneault, president, Soy Capital Bank & Trust Co., Decatur. The association announced that it is mailing a survey to its members to find out their opinions of the proposed ABA check-type savings account. The association's position will then be determined.

**BOURBONNAIS:** Bank of Bour-

bonnais has received consent to exercise limited trust powers.

**CHICAGO:** Merchandise National Bank has announced the promotion of John H. Ebert to assistant manager of the credit section, commercial loan department. Also announced was the promotion of Ala Izycki to supervisor of the bank's auditing department.

**KENNEY:** An application by Bank of Kenney for federal deposit insurance has been approved. The bank's capital accounts total \$500,000.

**OAK PARK:** Avenue Bank and Trust Company has received consent to establish a facility at 6001-6023 West North Avenue here.

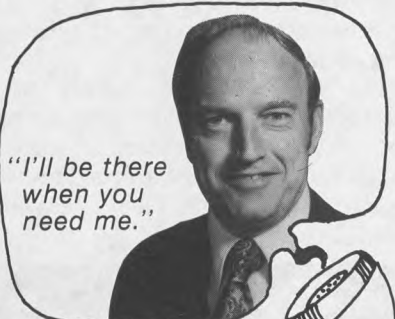
**ROCK ISLAND:** Signed agreements now have been reached and application is being submitted to regulatory authorities for the merger of American Bank of Rock Island into First National Bank of Rock Island.

**SPARTA:** Sparta State Bank has received consent to establish a facility at 122 West Main Street here.

**Nebraska News**

The Nebraska Bankers Association will sponsor the "EFT Costs/Benefits Conference" Wednesday, June 29, at the Omaha Hilton. The one-day session for senior bank executives, which will also be presented during July at Minneapolis, Kansas City and Chicago, will offer an authoritative approach to planning and monitoring of EFT projects through cost accounting technology. The conference is the culmination of more than a year-long research project by Peat, Marwick, Mitchell & Co., funded by the

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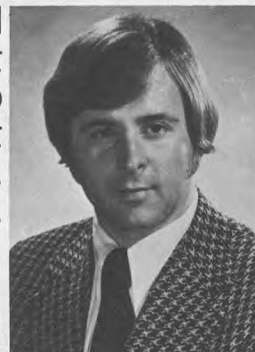


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**\$6,950,000**

**MOODY'S: "A"**

**WEBSTER CITY, IOWA**

Dated: June 1, 1977

Electric Revenue Bonds, Series 1977

Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due December 1, 1977) payable at the office of the City Treasurer, Webster City, 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>7.50%</u>		<u>5.10%</u>			
\$200,000	December 1, 1978	3.25	\$360,000	December 1, 1989*	5.10
210,000	December 1, 1979	3.65	<u>5.20%</u>		
220,000	December 1, 1980	3.90	380,000	December 1, 1990*	5.20
230,000	December 1, 1981	4.15	<u>5.30%</u>		
245,000	December 1, 1982	4.30	400,000	December 1, 1991*	5.30
<u>5.50%</u>			<u>5.40%</u>		
260,000	December 1, 1983	4.40	425,000	December 1, 1992*	5.40
<u>4.70%</u>			<u>5.50%</u>		
275,000	December 1, 1984	4.50	445,000	December 1, 1993*	5.50
290,000	December 1, 1985	4.60	<u>5.60%</u>		
305,000	December 1, 1986	4.70	470,000	December 1, 1994*	5.60
<u>5.00%</u>			495,000	December 1, 1995*	5.60
325,000	December 1, 1987	4.85	525,000	December 1, 1996*	5.70
340,000	December 1, 1988*	5.00	550,000	December 1, 1997*	5.70

\*Optional in inverse order beginning December 1, 1987 at 100%.

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

Webster City, the county seat of Hamilton County is located in central Iowa, approximately 70 miles north of Des Moines. Webster City serves as the principal manufacturing and trading center for Hamilton County and the surrounding area. Hamilton County has the highest farm land value in the State of Iowa. In addition to its position as a trading center and judicial center, Webster City is the home of several sizable industries, the chief among which are Franklin Manufacturing Co. who employ 350 people in the manufacture of washers, dryers and dishwashers. Arrow-Acme Corp. (die castings, 55 employees), Fred Hahne Printing Co. (catalogues, 75 employees), Nissen Packing Co. (beef & pork products, 90 employees), Modern Farm Service System (grain bins, 125 employees) and others. Webster City is the home of the Hamilton County Public Hospital and the Hamilton County Fairgrounds and an excellent library. The City was chosen as "Main Street, USA" in national competition several years ago as the typical, prosperous community. There are two banks and one savings and loan association in Webster City with total deposits in excess of \$94,000,000. The population according to the 1970 Census was 8,488 and is presently estimated at 8,600.

These bonds are being issued under the provisions of Division V of Chapter 384, Code of Iowa, 1975, as amended, to pay a portion of the cost of the Utility's 2.604% undivided interest in Unit No. 4 at the George Neal Generating Station, a 576 megawatt coal-fired unit under construction and currently owned as tenants in common by three investor owned utilities, two electric cooperatives, and eight municipal electric systems. In the opinion of counsel, these bonds together with the \$1,030,000 presently outstanding Electric Revenue Bonds dated March 1, 1972, are legal and binding obligations of Webster City, Iowa, payable from the net earnings of the Municipal Electric Light and Power Plant. The system presently has 3,918 connected customers. The utility has interconnections with Corn Belt Power Cooperative and is a member of North Iowa Municipal Electric Cooperative Association.

### HISTORIC EARNINGS

	10 Months <u>4-77</u>	Year <u>6-76</u>	18 Months <u>6-75</u>	Year <u>12-74</u>
Revenues	\$2,622,968	\$2,626,013	\$3,287,505	\$1,918,614
Expenses	<u>1,703,706</u>	<u>1,619,148</u>	<u>2,611,892</u>	<u>1,608,556</u>
Net revenues	<u>\$ 919,262</u>	<u>\$1,006,865</u>	<u>\$ 675,613</u>	<u>\$ 310,058</u>

### COVERAGES

(both issues based on year 6/76 net revenues)

Average debt service	\$619,057	Maximum debt service	\$771,807
Coverage of average	1.63X	Coverage of average	1.30X

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

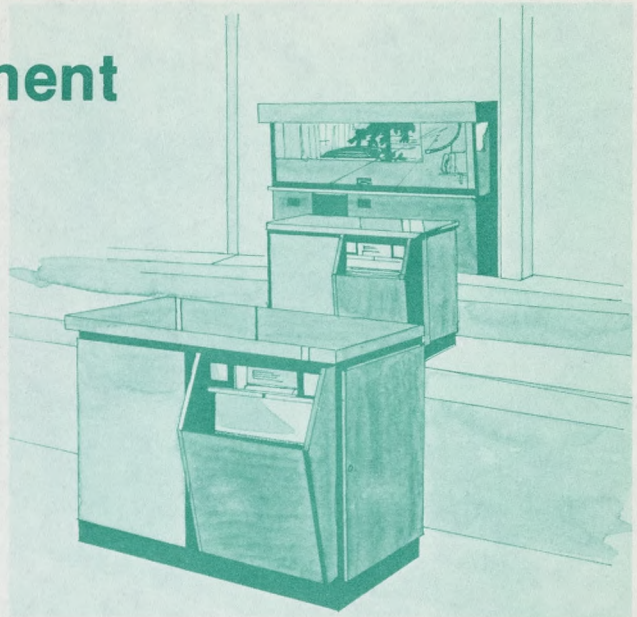


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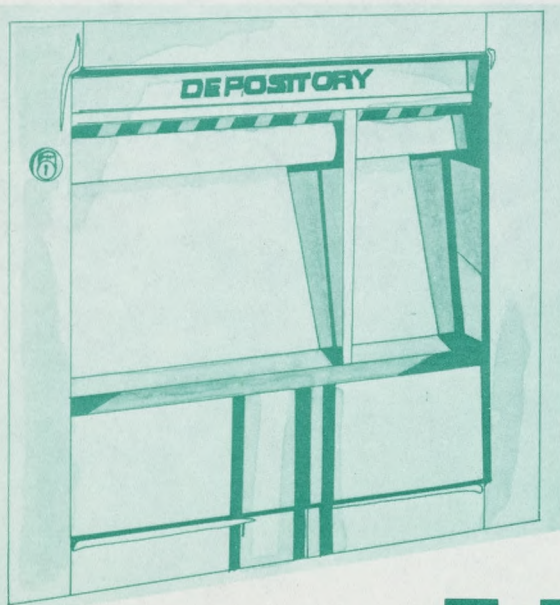


## Night Depositories

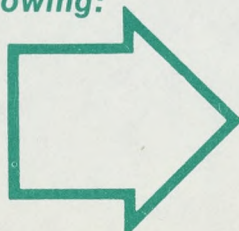
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**CAMBRIDGE:** Larry Voss has joined The First National Bank as agricultural representative.

**GRAND ISLAND:** Hugh Hansen has been named president of the Overland National Bank succeeding Philip Zeller who resigned to join the First National Bank of Junction City, Kan. Mr. Hansen formerly was president of the North Platte State Bank.

**HAY SPRINGS:** The First National Bank has changed its name to Northwestern State Bank.

**MADISON:** The Bank of Madison has received approval to conduct trust business.

**NORTH PLATTE:** Richard Coleman, vice president, has been named president of the North Platte State Bank. He succeeds Hugh Hansen who has been named president of Overland National Bank, Grand Island.

### Minnesota News

Gene A. Beito, president, Northern State Bank, Thief River Falls, was advanced to the presidency of the Minnesota Bankers Association at the annual convention in St. Paul last week. Named first vice president is Leslie W. Peterson, president, Farmers State Bank, Trimont. Because of a change in the by-laws the MBA elected a second vice president for the first time. He is John Owens, president, Northwestern Bank of Commerce, Duluth. Richard Carlander, president, State Bank of Faribault, was

elected treasurer. A complete report with pictures will appear in the July issue of the Northwestern Banker.

**BABBITT:** F. William Staple has joined the First State Bank. He formerly was in the instalment loan department of an affiliate bank in Owatonna.

**BLOOMINGTON:** Kay Pedersen has been elected administrative officer of the American State Bank.

**CANNON FALLS:** Security State Bank has announced the appointment of Marvin L. Nelson as president and chief executive officer. Bill Sutherland continues as executive vice president. Mr. Nelson was vice president of the Golden Valley State Bank.

**CLOQUET:** City National Bank has announced the promotions of Janet L. Johnson to cashier, and JoAnn (Jody) Vinopal and Sharon Erickson to administrative assistants.

**LITCHFIELD:** First State Bank has increased its capital stock from \$375,000 to \$500,000 by stock dividend.

**ST. PETER:** Nicollet County Bank has increased its capital stock from \$320,000 to \$400,000 by stock dividend.

**WAYZATA:** Robert M. Weiss has been named commercial lending officer of Wayzata Bank & Trust Co.

**WINDOM:** Douglas Davidson has been named president and managing officer of the First National

Bank succeeding Marwin Brown who has been named vice president of the First Bank System's banking division. Both men will begin their new duties July 1. Mr. Davidson formerly was vice president of The First National Bank in Havre, Mont.

### Colorado News

**BASALT:** Dick Ducic has been named president of the Bank of Basalt. Mr. Ducic has managed the bank since it began operation in July, 1976.

**CARBONDALE:** Roaring Fork Bank has named E. Lynn Pittman president. He has been managing and chief operations officer of the bank for some time and was a founding officer when the bank was chartered in 1973. He succeeds J. Robert Young, chairman.

**SNOWMASS:** Tom Sessions was named president of the Affiliated Bank of Snowmass. Mr. Sessions joined the bank in 1976 after several years as a national bank examiner.

### North Dakota News

**DICKINSON:** H. Michael Hardy has joined the Liberty National Bank and Trust Company as trust

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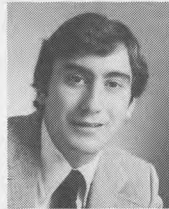
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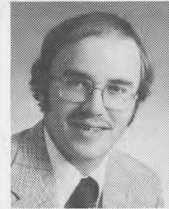
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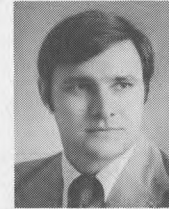
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**Thomas L. Steffens**  
Asst. Vice President  
234-2462

officer and assistant vice president. He comes from the First National Bank of Dickinson. Richard Kingsley has been promoted from auditor to vice president and cashier. Warren Kitzan, vice president, cashier and trust officer, recently resigned to pursue private business.

**LEHR:** Central Dakota Bank has increased its capital stock from \$100,000 to \$200,000 by stock dividend.

**WEST FARGO:** West Fargo State Bank has increased its capital from \$200,000 to \$500,000 by stock dividend.

## South Dakota News

**ABERDEEN:** Jeff Moore has been elected assistant cashier and operations officer of the Sunrise Branch of Aberdeen National Bank.

**SIOUX CITY:** Karen Kovar has been appointed loan officer of SunBank of South Dakota. She had been administrative assistant.

## Montana News

The Montana Bankers Association will hold its 74th annual convention at Big Sky June 22-24. A complete report with pictures will appear in an upcoming issue of the Northwestern Banker.

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Ag lender wanted for \$20MM ag department in Billings, Mt. Minimum three years ag lending experience. Contact: Personnel Dept., Security Bank, N.A., P.O. Box 30918, Billings, Mt. 59116.

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