

NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

September 26, 1977

Earl Butz to Bankers: 'Save Family Farms'

Former secretary of Agriculture Earl Butz said in Lincoln last week that President Carter is not intentionally inhibiting imports of grain, but is backing into that position by buying grain surplus. This U.S. surplus of grain, he noted, is not being sold abroad as it has been in former years. "China," he stated, "is buying 11.7 million metric tons from Canada, Australia and Argentina, but none from the United States. We need to be competitive.

"It is my experience of five years as Secretary of Agriculture (1971-76) that government is a very bad business manager. It is subject to tremendous executive and Congressional pressures."

Dr. Butz was in Lincoln to address the Nebraska Bankers Association 1977 Agricultural Credit Symposium. Prior to that talk he visited with newsmen at a press conference, where he stressed the need to retain the family farm. Dr. Butz now is dean emeritus of agriculture at Purdue University.

Asked about his assessment of the new administration, particularly his successor as Secretary of Agriculture, Robert Bergland, Dr. Butz stated. "He is a fine guy, experienced and smart. He's committed to low prices and government support. That's not illegal, it's just immoral."

Commenting on the new farm bill before Congress, he observed, "This is not a good bill. It's a hodgepodge of individual items



Dr. Earl Butz

that couldn't stand on their own merit. You have urban Congressmen voting for higher agricultural prices if the farm Congressmen will vote for their bills, such as higher wage levels and food stamps for strikers. None of these would have passed on their own." He said Congress has ended up taking the Senate version of the bill with a \$4.5 billion price tag.

Dr. Butz said his philosophy still is that the farming business should operate in a free market. "Even in times of so-called shortage," he said, "we had grain, but elevators

and farmers held it and it was beyond political pressures.

"With too high a price floor everyone starts producing, here and abroad, and we have a glut."

When asked about Assistant Agriculture Secretary Carol Foreman's drive to ban all chemicals from livestock feeding because they might cause cancer, Dr. Butz said the Delaney amendment should be changed. "The head of the FDA had no alternative (under the Delaney amendment) except to ban DES during that controversy when a particular test on mice showed cancer was induced." These chemical additives, he said, have helped improve cattle feeding efficiency and have contributed greatly to the increase of beef consumption in this nation from 54# in 1954 to 129# in 1976.

In discussing the problems related to ownership and financial management of farms today, Dr. Butz observed, "The average age of farmers is too high and this is making it difficult to pass along the family farm. A few years ago it was a few months over age 52, about 10 years too high for the average. This is the result of so many other exceptional opportunities offered to young farm people graduating from school 15 to 20 years ago, but now this is being reversed. We have dropped two years of average age in the past five years, but 52 is still

EARL BUTZ.
[Turn to page 7, please]

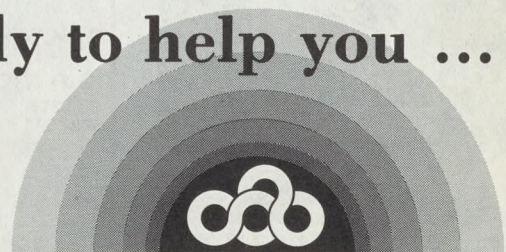
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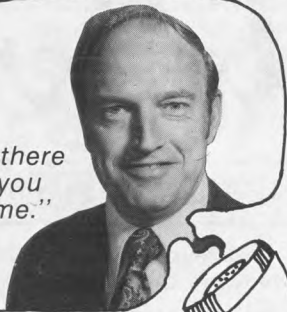


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Iowa News

The 91st Annual Iowa Bankers Association Convention begins today in Des Moines. First on the agenda is the annual Agricultural Breakfast at Veterans Auditorium beginning at 7:45 a.m. The first general session will be held at the Hotel Fort Des Moines at 1:15 p.m. Tuesday's general session begins at 9 a.m. at the hotel.

A seminar sponsored by IACHA to introduce SurePay to Iowa banks is scheduled for October 13 at Eddie Websters Inn, located at 35th Street intersection with I-235

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in West Des Moines. A previously announced date of October 15 is incorrect. The meeting will be held October 13, with all other meeting details as announced.

ALDEN: Carl W. Dencklau has been elected executive vice president of the Alden State Bank, it was announced last week by Leo C. Jorgensen, president of the bank. Mr. Dencklau has moved from Ottumwa where he was associated since 1969 with South Ottumwa Savings Bank, most recently as vice president. He succeeds Harry Peters, who resigned at Alden to become executive vice president of a bank in Glenwood, Minn.

DES MOINES: It was announced by the Independent Bankers Association headquarters office last week that Richard Goos, president of the Citizens State Bank in Oakland, has been elected vice president of the IIB. Mr. Goos takes the place of Thomas L. Wright, who resigned recently as president of Bankers Trust Company, Des Moines. David L. Miller, president of the West Des Moines State Bank, has been elected to the IIB board to fill Mr. Goos' unexpired term.

Nebraska News

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State Corporation for approval of action to become a bank holding company through the acquisition of 80% or more of the voting shares of Crete State Bank has been approved.

GRAND ISLAND: Commercial National Bank and Trust has announced the promotions of David R. Boehle to second vice president in agricultural loans, and Jane E. Kruse to assistant marketing officer.

OMAHA: Northwestern National Bank has announced the promotion of Wm. Beryl Lantz from agricultural loan officer to assistant vice president. He also was elected to serve on the directors' discount loan committee.

NORFOLK: Group 3 of the Nebraska Bankers Association will meet here Thursday, October 6, at the Villa Inn for its annual meeting. This will be the first of Nebraska's six groups to hold a regular meeting since 1975. A golf tournament starts at 10 a.m. at Norfolk Country Club. Registration at the Villa Inn commences at 3:30 p.m. and Group President Erwin E. Larson, cashier, 1st National, Emerson, will welcome the group at 4:30. Speakers include Bob Harris, NBA executive manager, with an NBA Update; Jim Lutes, president, Scribner Bank, with a NETS Update in his capacity as NETS vice president; and Bob Devaney, University of Nebraska athletic director, giving "A Look at Big Red" after the 7:30 p.m. dinner. Election of officers will follow the business meeting.

Minnesota News

LAKE CRYSTAL: Dean Meyer has been appointed agricultural representative of The Lake Crystal National Bank. He has been with the bank since last February handling the agro systems farm



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S & P: "A +"

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Denomination: \$5,000

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IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES.

MATURITIES

\$85,000	<u>3.25%</u>	October 1, 1978	3.25	\$85,000	<u>4.20%</u>	October 1, 1984	4.20
85,000	<u>3.50%</u>	October 1, 1979	3.50	85,000	<u>4.30%</u>	October 1, 1985	4.30
85,000	<u>3.75%</u>	October 1, 1980	3.75	85,000	<u>4.40%</u>	October 1, 1986	4.40
85,000	<u>3.90%</u>	October 1, 1981	3.90	85,000	<u>4.50%</u>	October 1, 1987	4.50
85,000	<u>4.00%</u>	October 1, 1982	4.00	85,000	<u>4.60%</u>	October 1, 1988	4.60
85,000	<u>4.10%</u>	October 1, 1983	4.10				

LEGALITY TO BE APPROVED BY DORSEY, WINDHORST, HANNAFORD, WHITNEY & HALLADAY, ATTORNEYS, MINNEAPOLIS, MINNESOTA.

Minot, one of the largest cities in the State of North Dakota, is the county seat of Ward County. The City is located in north central North Dakota, on the Souris River, about fifty miles south of the Canadian border. Minot serves as a retail, wholesale, cultural and health center for a vast area of north central North Dakota and a portion of the Canadian provinces of Saskatchewan and Manitoba. It is located on three Federal highways and is served by two mainline railroads. Minot's Industrial Development Corporation has been very active in seeking new industry to support the local economy. The 9% increase in manufacturing employment during the past year can be attributed largely to the efforts of this group and their professional staff. The predominant industry throughout the trade area is agriculture. In addition, there is coal mining and oil and natural gas production. The four banks in the City reported total deposits of \$165,000,000 as of December 31, 1975.

These bonds are being issued to pay the City's share of highway construction projects. In the opinion of counsel, these bonds are legal and binding general obligations of Minot, North Dakota 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

Estimated market valuation, 1976	\$367,878,210
Assessed valuation, 1976	57,940,818
Direct debt, including this issue	8,851,907
Total direct and overlapping debt	11,242,892
Population, 1977 estimate: 32,823	
	Direct debt per capita: \$269.69
	Total debt per capita: 342.53

Tax collections have approximated 98.8% of taxes levied for the past five years.

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	Monthly	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
Under Age 40	.32	1.60	19.10	3.19	38.20	6.38	76.40	9.56	114.60	12.75	152.80	15.93	191.00
40 through 44	.45	2.25	26.90	4.49	53.80	8.98	107.60	13.47	161.40	17.95	215.20	22.44	269.00
45 through 49	.60	2.99	35.85	5.98	71.70	11.96	143.40	17.94	215.10	23.92	286.80	29.90	358.50
50 through 54	.95	4.75	56.85	9.49	113.70	18.97	227.40	28.45	341.10	37.94	454.80	47.42	568.50
55 through 60	1.30	6.50	77.85	12.99	155.70	25.98	311.40	38.96	467.10	51.95	622.80	64.93	778.50
61 through 65	2.20	10.99	131.75	21.98	263.50	43.96	527.00	65.93	790.50	87.91	1054.00	109.88	1317.50

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Supplement to Northwestern Banker Newsletter week of 9-26-77

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accounting department, a position he will continue to hold.

PIPESTONE: Gerald (Jerry) Brockberg has joined the First National Bank's insurance and agricultural departments. He has been manager of the insurance department of the First State Bank of Rushmore and in the agricultural department of the State Bank of Worthington.

Illinois News

CHICAGO: Vincent L. deMoya, a veteran of 27 years in banking, was elected president and chief executive officer of Hartford Plaza Bank. He most recently served as president of the First Bank of Oak Park.

Colorado News

DENVER: United Bank of Denver has announced the appointment of Edgar A. Thomas to trust real estate officer. He joined the bank in 1974 as a trust real estate manager.

DENVER: Douglas P. Doren has been named assistant vice president of the instalment loan department of the University National Bank here.

EARL BUTZ.....
[Continued from page 1]

too high. However, we have a greater enrollment in our ag schools and younger people are moving into farming."

Pursuing this same thought, Dr. Butz said, "We are coming soon to a position where we'll need an infusion of a lot of outside capital. It is difficult for young people to get in farming if they're not in a family situation.

"They will probably have a small home place with buildings and equipment, then lease land from widows, retired farmers, absentee owners and so forth.

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"It used to be that a landlord talked about how many tenants he had. Now, it's the tenant bragging about how many landlords he has. Since he's leasing, what difference does it make to him if he leases from a widow or Continental Bank? One point to consider is that with the widow he is constantly faced with the loss of his lease through her death, while with the latter he'd have a more secure lease and financial position for a stipulated period of time."

Dr. Butz gave more extended remarks in his formal address to his thesis that the family farm is essential. He said, "People started out with 60 to 80 acres, then were given homesteads of 160 acres if they'd settle the land. They claimed it, farmed it and fed this nation. Now, that 160 acres is not enough. They need more to survive. They've seen the good life and are entitled to it. The size of economical units needed requires the support of their bankers and capital infusion from outside to forge ahead.



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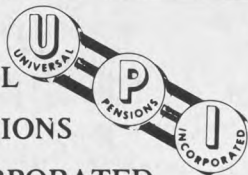


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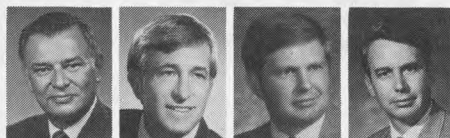
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