

NORTHWESTERN Banker Newsletter

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June 26, 1978

Question Interest on Reserves

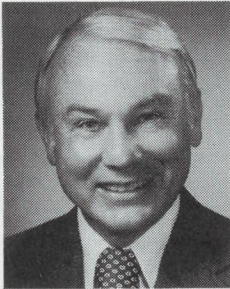
Fed Chairman Miller responds to lawmakers' opposition to payment of interest on required reserves without congressional approval.

Chairmen William Proxmire (D-Wis.) and Henry Reuss (D-Wis.) of the Senate and House Banking Committees think "unilateral action" to do this would be a "blatant usurpation of congressional powers."

If the Fed is "prohibited by present law from paying interest on reserves," Mr. Miller wrote the chairmen, "then obviously this method will not be available without congressional authorization."

But, he adds, "this is a legal question, and if the Banks do have authority under present law to pay such interest, just as they have authority to pay all business expenses, then I am sure you would not suggest that the Federal Reserve forego that authority."

Mr. Miller acknowledges, however that if the 2 committees agree with their chairmen on this point, it seems unlikely that the Fed would undertake to pay interest on reserve balances "in the absence of appropriate congressional approval."



CHMN. MILLER

The Fed chairman says he will review any Fed plan to pay interest on reserves with Proxmire and Reuss "before any official action by the Board." Any Fed plan, he adds, will be published "with ample time for comment...for full consideration by your committees, and for any legislative action that may be required."

ABA President Comments On Tax Cuts and Spending

Americans are fed up with inflation-induced increases in their tax rates, but the difficulty is that they have not yet decided where government spending should be cut, the president of the American Bankers Association (ABA) said today at a meeting here of the District of Columbia Bankers Association.

California's Proposition 13 tax rollback passed because "California homeowners could not swallow another round of higher property taxes merely because inflation had pushed the nominal value of their homes through the roof," A. A. Milligan declared. "They had had enough."

The ABA president warned that rolling back taxes by itself is no solution, however. Spending by government must be cut also.

"And that is precisely what will

happen if taxpayers shut off the flow of revenue to the federal government — without at the same time shutting off public demands for federal programs." Deficit spending, he said, inevitably spurs inflation.

"We have become a nation of special interest groups," said Mr. Milligan, who is also president of the Bank of A. Levy, Oxnard, Calif.

"Today a legislator who wants to stay in office can do so only by satisfying the largest number of special interests — consumer groups, environmentalists, labor, retired persons, farmers — even bankers. Somehow the greater good seems to get lost in the shuffle. There is no special interest group fighting to stop inflation."

The ABA president said what is needed is "a change in our attitude toward government — a willingness to pay the full price for government services, and a willingness to forego those services if they are too expensive."

To Review Fed Regulations

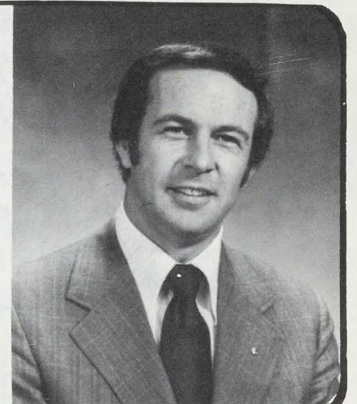
The Board of Governors of the Federal Reserve System is undertaking a review of all its regulations and related interpretations and rules to determine whether they need modernization or can be otherwise improved.

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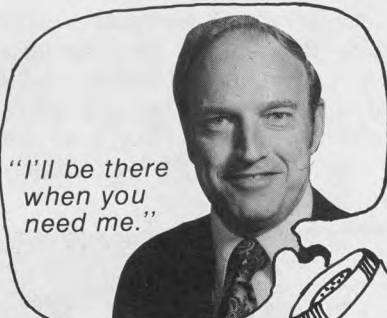


Iowa News

The Iowa Group of Robert Morris Associates (RMA), the national association of bank loan and credit officers, has been formed officially. The group will function under RMA's Missouri Valley Chapter.

Officers are: Chairman E. Leslie Greaves, senior loan services officer, Iowa-Des Moines National Bank; Vice Chairman Bill J. Boyer, vice president, Capital City State Bank; Secretary Bradley Burt, commercial loan officer, Bankers Trust Company, and Treasurer William B. Greaves, vice president,

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Correspondent Bank Officer
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SECURITY NATIONAL BANK
SIOUX CITY, IOWA. MEMBER F.D.I.C.

Central National Bank & Trust Co., all of Des Moines.

CHARITON: Steven B. Barger will join the First State Bank as assistant vice president in charge of marketing and customer service on July 1. He comes to the bank with a background in promotional and marketing experience. He formerly was with a local realtor.

DES MOINES: The appointment of James R. Bullard as senior vice president of Hawkeye Bancorporation has been announced by Paul D. Dunlap, president. Mr. Bullard has been president of the Clay County National Bank in Spencer. He will assume the new position about August 1.

DUBUQUE: Ronald J. Kramer has joined Key City Bank and Trust Company as loan officer. For the past three years he has been employed by Thrift Plan, Inc., in Waterloo and Mason City as branch manager.

OSAGE: The telephone number appearing in the 1978 Iowa Bank Directory for The Home Trust and Savings Bank is incorrect. The number should be 515-732-3763.

STATE CENTER: Dwayne Hochhalter has been appointed vice president of Central State Bank. He previously had been an FDIC examiner for the past eight years.

Nebraska News

ALLIANCE: Funeral services were held recently for Paul M. Hefti, chief executive officer of the Abbott Banks of Nebraska.

GRAND ISLAND: Overland National Bank has announced the promotions of 10 employees. They are: Laurence L. Jepson, executive vice president; Jon Luebs and

Radean Block, senior vice presidents; Duane Phillips, vice president and cashier; William J. Sheve, Jr., and James Anders, vice president; Gerald Fouik and Karen Neidfelt, assistant vice presidents, and Peggy Stewart and June Andrews, assistant cashiers.

ORD: The Board of Governors of the Federal Reserve System has announced its denial of the application of Mid-Nebraska Bancshares, Inc., here to become a bank holding company by acquiring Nebraska State Bank, Ord.

STROMSBURG: Lyle F. Stoneman, recently retired vice president of the First National Bank & Trust Company of Lincoln, has been elected assistant secretary of the board of the Stromsburg Bank. He has worked with the officers of the bank for 20 years as a correspondent banker.

Minnesota News

The School of Banking, St. Olaf College, Northfield, is underway this week.

COLUMBIA HEIGHTS: The Northeast State Bank of St. Paul has opened an office at 3980 Central Avenue NE.

FAIRMONT: The Fairmont National Bank has announced the promotion of Maxine C. Cox to loan operations officer.

FARIBAULT: Jay E. Gannon has been named vice president and manager of instalment loans at First Northwestern National Bank. He formerly was an instalment loan officer at the First National Bank of Mason City, Iowa, since 1966, where he began his banking career.

INVER GROVE HEIGHTS: Drovers State Bank of St. Paul has



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NEW ISSUE

MOODY'S: "Aa"
S & P: "AA"

\$17,200,000

FARGO, NORTH DAKOTA

General Obligation Refunding Improvement Bonds of 1978

Dated: June 1, 1978

Denomination: \$5,000

Both principal and semiannual interest (February 1 and August 1, first coupon due February 1, 1979) payable at Northwestern National Bank of Minneapolis, Minnesota.

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

MATURITIES

	<u>6.00%</u>			<u>5.20%</u>	
\$1,045,000	August 1, 1979	4.20	\$935,000	August 1, 1990*	5.20
1,190,000	August 1, 1980	4.40		<u>5.25%</u>	
1,180,000	August 1, 1981	4.55	820,000	August 1, 1991*	5.25
1,155,000	August 1, 1982	4.65		<u>5.30%</u>	
	<u>5.00%</u>		810,000	August 1, 1992*	5.35
1,155,000	August 1, 1983	4.75		<u>5.40%</u>	
1,155,000	August 1, 1984	4.80	775,000	August 1, 1993*	5.45
1,155,000	August 1, 1985	4.85		<u>5.50%</u>	
1,075,000	August 1, 1986	4.95	770,000	August 1, 1994*	5.50
1,080,000	August 1, 1987	5.00	505,000	August 1, 1995*	5.60
1,050,000	August 1, 1988	5.05	305,000	August 1, 1996*	5.70
	<u>5.10%</u>				
1,040,000	August 1, 1989	5.15			

*Optional in inverse order beginning August 1, 1989 at 100%.

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

Fargo, the county seat of Cass County and the largest city in North Dakota, is located in the heart of the agriculturally rich Red River Valley adjacent to the city of Moorhead, Minnesota. Fargo has grown to become the major wholesale and retail distribution center for a trade area with a radius of 200 miles as well as a major medical and educational center. There are approximately 300 wholesale and 90 manufacturing firms in Fargo producing a variety of goods including agricultural implements, structural steel, dairy and paper products and building brick. Agriculture and agribusiness have also become a key element in the economy of the City. Agricultural property is valued at \$1,000-\$1,500 per acre. Major agricultural production includes wheat, sugarbeets and potatoe crops.

These bonds are being issued pursuant to the provisions of Chapters 22 to 27, North Dakota Statutes. The proceeds of this issue, together with funds on hand, will be used to refund in advance of maturity, \$18,995,000 of the City's presently outstanding bonds. In the opinion of counsel, these bonds are legal and binding general obligations of Fargo, 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 value of taxable property, 1977-78	\$657,994,838
Assessed value of taxable property, 1977-78	113,701,508
Gross direct debt, including this issue	41,884,000
Net direct debt, excluding assessments & self-supporting	1,465,837
Total net direct, overlapping & underlying debt	5,978,790
Population, 1977 estimate: 59,000	
	Gross direct debt per capita: \$709.90
	Net direct debt per capita: 24.84
	Total debt per capita: 101.32

Tax collections have approximated 99.1% of taxes levied for the last five years.

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FIRST NATIONAL LINCOLN

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opened a facility at 6800 Cahill Avenue.

MARSHALL: David V. Derner was elected vice president in charge of commercial loans of the First Northwestern National Bank. He joined the bank in 1972.

MENDOTA HEIGHTS: Nancy Kallas has joined the Dakota County State Bank as administrative assistant, to be situated in the bank's detached facility at Inver Grove Heights.

PINE ISLAND: The Tri County Investment Co.'s application for approval to acquire 83.06% of the voting shares of The Security State Bank here has been approved.

Montana News

GLENDIVE: Steven W. Pence has joined the First National Bank's agricultural credit department. He formerly was agricultural representative at the First Northwestern National Bank of Billings.

MILES CITY: Janet Sheehy has been named real estate loan representative at the First National Bank. She comes to Miles City from Havre where she was with the Havre Federal Savings and Loan since October of 1976.

North Dakota News

JAMESTOWN: Joe Thomas has joined the First Bank of North Dakota as an assistant cashier and agricultural representative. Since June of 1975 he has been with the Merchants Bank in Rugby.

MANDAN: The Mandan Security Bank recently held its grand opening week of festivities, according to William Clairmont, chairman. Built at a cost of about \$650,000, the new bank features warm earth tone colors.

Illinois News

Illinois bankers will be examining their roles at Estate Planning Seminars, sponsored by the Illinois Bankers Association agriculture division, on June 27 at the LaSalle-Peru Holiday Inn, on June 28 at the Springfield Holiday Inn, and on June 29 at the Mt. Vernon Holiday Inn.

The three one-day seminars will be headed by Gale Saint, attorney at law, Bloomington, and David R. Currie, assistant professor, Illinois

State University, Bloomington. Discussions will focus on how to better equip and inform the community banker in recognizing financial and estate problems.

BUFFALO: Farmers State Bank has received consent to establish a facility on the Mechanicsburg-Buffalo County Road.

CHICAGO: Irene O'Halloran has been promoted to consumer loan officer of Chicago City Bank and Trust Company.

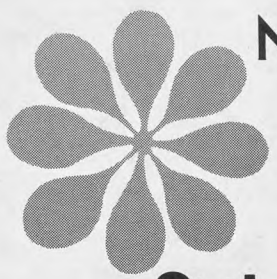
KANKAKEE: Peoples Bank of Marycrest has received consent to establish a facility at 189 North Kinzie Avenue in Bradley.

OSWEGO: Oswego Community Bank has received consent to exercise limited trust powers.

PEORIA: Commercial National Bank has announced the appointment of Michael J. McDermott as assistant trust investment officer.

SPRINGFIELD: Bank of Springfield has received consent to exercise limited trust powers.

Note!



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NORTHWESTERN BANKER 306-15th St. Des Moines, Iowa 50309

CLINTON: First Clinton Bancorporation, Inc., has received approval to acquire 80% of the voting shares of the First National Bank & Trust Company here.

COBDEN: Union Bancgroup & Co., St. Louis, Mo., has received consent to become a bank holding company by acquiring The First National Bank here.

MECHANICSBURG: An application for a permit to organize the Mechanicsburg Citizens Bank at West Main Street has been filed. The bank's capitalization of \$750,000 would consist of \$300,000 in both capital and surplus and \$150,000 in reserve. The 30,000 shares of stock would have a par value of \$10.

MIDLOTHIAN: Midlothian State Bank has received consent to establish a facility at 14301 South Cicero Avenue in Crestwood.

MONMOUTH: Monmouth Trust and Savings Bank has received consent to establish an office at 1123 North Main Street here.

NORTHBROOK: Charter Bank of Techny has become a member of the Federal Reserve.

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COMMERCIAL LOAN OFFICER—For Kansas City area bank, Prefer person with min. of 5 years loan experience. Excellent sal. and benefits.

The above are a sample of current listings. Whether you are seeking relocation or an additional banker for your bank, put our many years of bank officer placement service to work for you. Write in confidence to Tom Cannon, Bank Consultant or Tom Chenoweth, Mgr., FINANCIAL PLACEMENTS, P.O. Box 13786, Kansas City, Mo. 64199. Phone (816) 421-7941.

POSITION WANTED

BS degree with experience in operations, data processing and credit analysis, desires a lending position. Write ADL, c/o Northwestern Banker.

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POSITION AVAILABLE

Ag Loan Officer for Nebraska Bank. Banking experience not required. Several years experience in agri-business related field very helpful. Send resume to File ADH, c/o Northwestern Banker.

HELP WANTED

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POSITION AVAILABLE

Vice President, #2 person in bank with ag-loan experience. Central Illinois community of 2,500, \$14 million bank. Write file ADC, c/o Northwestern Banker.

POSITION AVAILABLE

Cashier with experience in operations and credit. \$7M NE Iowa bank. Send resume to Box ADG, c/o Northwestern Banker.

PARTIAL LIST OF AVAILABLE CANDIDATES

RECENT GRADUATE - BA with good grade point. Very good image, willing to work and has midwest background. Wants an opportunity. Asks \$7,000.

CEO PRES. - Experienced in all phases of banking plus management consulting. Some accomplishments are increased net income by 45% in 1 year, increased total deposits by 37% in 2 years. Asks \$27,000.

PRESIDENT - 6 years in management including some as V.P. Ready for the #1 spot. Heavy agri, commercial and consumer credit & lending. In current position has completely renovated the operations system. Earns \$19,000.

LOAN OFFICER - Background in commercial and consumer lending. Other areas include Bank Card Program, Officer Loan Review Committee and Outside Customer Call Team member. Earns \$17,500.

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POSITION WANTED

Harvard, MBA with financial and agri-business background desires management role with bank along with partial or full equity buy out. Write Box ADD, c/o Northwestern Banker.



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Immediate opening for vice president in \$21MM bank located in Western Illinois near Iowa border. Experience needed in all types of lending. Write Box ADJ, c/o Northwestern Banker.

POSITION AVAILABLE

Aggressive \$80 million metropolitan Des Moines bank is looking for an installment loan officer with a minimum of four to five years experience. Excellent opportunity for the right person. Salary open. Write File HSO, c/o Northwestern Banker.

POSITIONS AVAILABLE

VICE PRESIDENT—\$20MM Kansas bank, close to metro area. General loan experience with emphasis on instal. and RE preferred\$20,000

COMMERCIAL LOAN—\$150MM metro area bank seeks addition to staff. 5 yrs. of loan experience with major credits required.....Mid \$20's

AUDITOR—Several spots available for internal auditing positions. Degree in accounting and 2-3 yrs. bank experience needed\$15-18,000

SECOND OFFICER—Rural bank of \$10MM located close to large city. Handle all operations, reports, and some Ag loans\$22,000

AG LOAN—Potential CEO position. Small community in plains state. Should have 5 yrs. or more Ag lending and working knowledge of operations\$22,000

CEO—Southern Missouri rural bank with good growth potential. Strong loan background and good administrative skills requiredOpen

Many other fine opportunities available. Call or send salary history and resume. All inquiries handled on a confidential basis.

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Linda Blue Smith, President
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