

NORTHWESTERN Banker Newsletter

Vol. 7 No. 27

Des Moines, Iowa

October 30, 1978

Fed Promises Pricing by January

Federal Reserve Board Chairman G. William Miller said he will give Congress by January a tentative list of prices the Fed plans to charge for its currently free services to member banks, in order to mitigate industry opposition to legislation aimed at stopping declining membership.

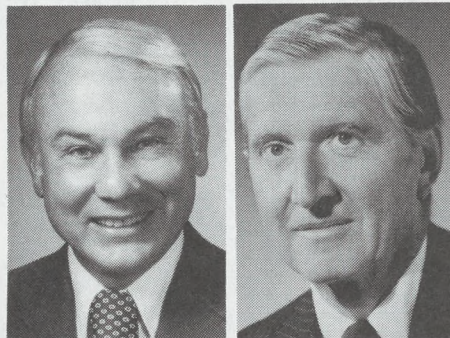
Mr. Miller said Fed membership legislative proposals in both the House and Senate were dropped earlier this month because Congress simply ran out of time.

"The decision to defer to next year was certainly at our request in order to be sure that the various questions and concerns of varied constituents about these proposals are examined with care, and that there's adequate time for everyone to study the impact of these proposals," Mr. Miller said.

Mr. Miller said among the substantive issues to be addressed in the interim period is the effect of Federal Reserve pricing of services on the present structure of the correspondent banking system.

One of the major objections of the American Bankers Association, which lobbied heavily against the bill, was that unanswered questions about details of future Fed pricing systems made it impossible to judge the effects of changes in the banking system.

"I hope that we can give Congress by next January some suggested pricing schedules that'll make this issue much easier to resolve," he said.



G. W. MILLER

J. H. PERKINS

In a related development, the ABA announced it is holding a meeting of economists from the private and public sectors in January to look at the impact of Fed pricing on bank customers and banks and the Fed's role in the modern banking system.

ABA Position

ABA President John Perkins said the ABA will seek participation from bank economists, academicians, economists from the bank regulatory agencies, and House and Senate Banking Committees.

Mr. Perkins' call for the meeting was sparked by proposed legisla-

tion dealing with the pricing of Fed services to member banks. "Solutions were being advanced when no one was exactly sure what questions were being asked. The undeniably major impact of this legislation on how the business of banking is carried on was unknown," he said.

That is why the ABA sought and obtained postponement of legislation because the long-term implications demanded more analysis, he said.

A study being prepared for the ABA by ABT Associates and Arthur Anderson, Inc. on the impact of Fed pricing on bank customers and banks should be completed next spring.

"The results of that study should help us arrive at answers to many of the questions left unanswered in the House Banking Committee's legislation on Fed membership," Mr. Perkins said.

Automatic Transfer Starts November 1

The new automatic transfer service will start Wednesday, November 1, and the Fed and FDIC have issued identical guidelines for advertising. The agencies

AUTOMATIC TRANSFER ...
[Turn to page 7, please]

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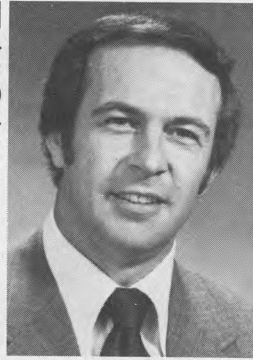
Iowa News

AMES: Funeral services were held Friday for Arthur W. Lucht, former president of the Union Story Trust & Savings Bank. He served as a director of the bank at the time of his death.

CEDAR RAPIDS: Banks of Iowa, Inc., total assets on September 30 totaled \$100,813,721, an increase of 14% over the \$872,622,607 reported on the same date in 1977. B of I becomes the first Iowa-based bank holding company to exceed the one billion mark in assets. Total deposits were \$848,953 at the end of the third quarter, up 13.4% from \$748,341,256 a year ago. Loans were \$580,557,670, a 14.6% gain over 1977 figures. B of I owns eight Iowa banks, with Merchants National of Cedar Rapids as lead bank.

COON RAPIDS: John Chrystal, president and chairman of the Iowa Savings Bank, Coon Rapids, has been elected to a four-year term on the Grinnell College board of trustees. Mr. Chrystal was a

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Terry Martin
Vice President

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

member of the Board of Regents of Iowa from 1963 to 1965 and is a past president of the Iowa Bankers Association.

DES MOINES: The Iowa Bankers Association is now offering a toll-free wats line. IBA members in Iowa can call direct to the IBA by dialing 1-800-532-1423.

MARION: The Board of Governors of the Federal Reserve System recently approved the application by Northwest Bancorporation, Minneapolis, to acquire the First National Bank of Marion.

MUSCATINE: Funeral services were held recently for S. G. Stein III, 81, founder of the Central State Bank, Muscatine. He served as chairman from 1948 to 1975 and continued as honorary chairman.

SAC CITY: Three promotions have been announced at the Citizens Savings Bank, Sac City. James C. Hoft was promoted to vice president and security officer; Larry Henderson was promoted from assistant vice president and agricultural loan officer to assistant vice president and cashier, and Phyllis A. Davis was promoted to assistant cashier in charge of the operations department.

SIBLEY: Sibley Bancorporation recently received approval from the Board of Governors of the Federal Reserve System to become a bank

holding company by acquiring the First National Bank of Sibley.

SIOUX CITY: Wilfred I. "Bill" Buck, operations officer at the First National Bank, Sioux City, will retire Nov. 1 after 43 years of service. He began his career in 1935 as a messenger with the then Woodbury County Bank & Trust Co. He later joined First National when the two merged in 1963.

SIOUX CITY: Two staff members have been promoted at the Toy National Bank. Neola Rasmussen is assistant personnel officer, having joined the personnel department in 1973. Linda Robeson is assistant operations officer. A branch manager and teller supervisor prior to her new position, she joined the bank in 1973.

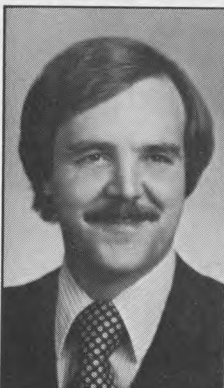
Nebraska News

FREMONT: Janet S. Howard was

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S & P: "AAA"

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Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due June 1, 1979) payable at the office of the City Treasurer, Des Moines, Iowa.

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

MATURITIES

	<u>5.875%</u>			<u>4.90%</u>	
\$200,000	June 1, 1981	4.60	\$400,000	June 1, 1988	4.90
300,000	June 1, 1982	4.65		<u>4.95%</u>	
	<u>4.875%</u>		400,000	June 1, 1989	4.95
300,000	June 1, 1983	4.70		<u>5.00%</u>	
300,000	June 1, 1984	4.75	400,000	June 1, 1990	5.00
400,000	June 1, 1985	4.80	500,000	June 1, 1991	5.00
400,000	June 1, 1986	4.85			
400,000	June 1, 1987	4.875			

LEGALITY TO BE APPROVED BY AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, ATTORNEYS, DES MOINES, IOWA.

Des Moines is the capital of the State of Iowa and also the county seat of Polk County. Since its incorporation in 1851, it has served as the commercial, industrial, governmental and financial center for the State. Des Moines is the home of Drake University (enrollment 5,800), Grand View Junior College (enrollment 1,600) and several other smaller colleges and business schools. Des Moines is an important insurance center with 58 home offices located in the City. The largest is Bankers Life Company with 1,860 employees. Also, important is the printing and publishing industry; the largest employer in this category is Meredith Corporation who employ 2,426 in the printing of Better Homes and Gardens and other periodicals. Besides insurance and publishing, there are an estimated 400 factories in the area with combined sales in excess of \$500,000,000. Major industrial employers in the area include John Deere (farm equipment, 2,800 employees); Firestone Tire (tires, 2,200 employees); and Pioneer Hybred Seed Co. (seeds, 1,400 employees). Large commercial employers located in Des Moines include Northwestern Bell Telephone (2,700 employees); Younkers Department Stores (2,440 employees) and Iowa Power & Light Co. (1,360 employees). In addition, it is estimated that the various levels of government provide employment to 16,500 people in the area. The population according to the 1970 Census was 201,404 and is presently estimated at 200,000. Des Moines is served by five airlines, seven railroads and 46 truck lines. Interstate highway No. 35 and 80 intersect in Des Moines. The area included within the City's limits is about 65 square miles.

These bonds are being issued under the provisions of Chapter 384, Code of Iowa, 1977, as amended, to defray costs of the 1978-79 Capital Improvement Program. In the opinion of counsel, these bonds are legal and binding general obligations of Des Moines, 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, 1978	\$2,255,463,432
Direct debt, including this issue	48,280,000
Total direct and overlapping debt	64,804,150
Population, 1978 estimate: 200,000	
	Direct debt per capita: \$241.40
	Total debt per capita: 324.02

Tax collections have approximated 99.91% 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:

The information contained in this circular is not guaranteed, but is derived from sources we deem reliable and is that on which our purchase of these bonds was based. Offered subject to prior sale and change in price.

Supplement To Northwestern Banker Newsletter 10-30-78



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Diversified Communications Company, Inc. is the professional. We know all the right words that are the hallmark of competitive banking. A.T.B. is not another word, it's an answer. For both you and your customers.

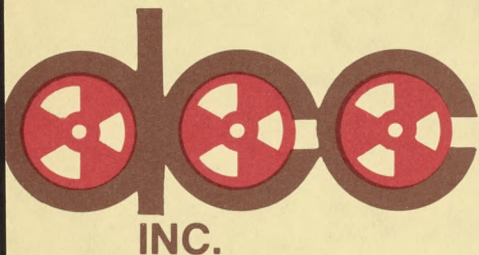
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Supplement To Northwestern Banker Newsletter 10-30-78

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recently appointed an instalment loan officer at the First National Bank & Trust Co. of Fremont. She previously served as auditor.

AURORA: First National Bank & Trust Co. in Aurora recently announced the addition of Tom Wigley, an Omaha attorney, to its trust department. He is a graduate of Doane College in Crete and the University of Nebraska Law College.

KEARNEY: Melvin Wiens was recently elected agricultural loan officer at the First National Bank & Trust Co. of Kearney. A graduate of the University of Nebraska, he was previously employed by the Standard Oil Co. and the Funk Seed Co.

Minnesota News

GRAND RAPIDS: Neil Hedin has joined the First Northwestern National Bank as manager of its Hill City office. He has been with the Third Northwestern National Bank in Minneapolis for the past 14 years.

LE CENTER: The First National Bank, Le Center, recently observed its 75th anniversary. The bank was chartered in 1903.

MINNEAPOLIS: The Minneapolis Federal Reserve Bank has its first female director. Sister Generose Gervais succeeds Charles Poe Jr., who moved from the district earlier this year. Sister Gervais is administrator of St. Mary's Hospital in Rochester.

MINNEAPOLIS: Northwestern National Bank recently announced the election of Barbara Stuhler as a director. She is a professor and associate dean of community relations and extension services at the University of Minnesota.

ROCHESTER: Northwestern National Bank of Rochester recently broke ground for a permanent detached facility at its Green Meadows site. The new building is expected to be completed by late

Illinois News

CHICAGO: Joe Valenti has joined the North Shore National Bank as senior vice president. He was formerly with Drovers Bank of Chicago as senior vice president.

CHICAGO: The board of directors of Harris Trust and Savings Bank recently approved the transfer of \$30 million from the bank's undivided profits to surplus. This transfer increased the bank's undivided profits to surplus. This transfer increased the bank's lending limit on loans to one borrower from \$25 million to \$30 million.

CHICAGO: Funeral services were held recently for Will N. Lane, a prominent Chicago banker. Death was caused by an automobile accident in Arizona. Mr. Lane was chairman of Lake View Trust & Savings Bank and Northwest National Bank. He was also a major owner in Pioneer Bank & Trust Co.

HILLSDALE: The Board of Governors of the Federal Reserve System recently approved an application by the Joy Development Corp., Davenport, Iowa, to acquire shares of Hillsdale Development Corp., a bank holding company that controls Old Farmers & Merchants State Bank in Hillsdale.

Colorado News

DENVER: The Board of Governors of the Federal Reserve System recently approved the applications by Mountain Financial Services, Inc., to acquire South Aurora State Bank and to sell credit life, credit accident and health insurance directly related to extensions of credit by its subsidiary bank.

DENVER: R. John Rhoades Jr. has been promoted to consumer loan officer at the National City Bank of Denver. He joined the bank in April.

EVERGREEN: Marsha Covey was recently promoted to loan officer at the First National Bank of Evergreen. She joined the bank in

1971 as a loan secretary and later served as loan representative.

Montana News

BUTTE: Scott A. Santee has been elected a vice president of Miners Bank of Montana, N.A. at Butte. He most recently served as an assistant vice president with the Alaska National Bank of the North in Anchorage.

North Dakota News

LIDGERWOOD: The following staff members have been promoted at the First National Bank in Lidgerwood: LaVerne Honl from cashier to assistant vice president; Gregory Palm from assistant cashier to cashier and operations officer, and Lois Wisnewski to administrative assistant.

AUTOMATIC TRANSFER ...

[Continued from page 1]

said ATS must be preauthorized in writing by the customer and that the customer must be informed that the bank reserves the right to require a 30-day notice before an automatic transfer is made. Also, the agencies emphasized the importance of informing customers that ATS involves both a checking and savings account.

The November magazine issue of the Northwestern Banker features an exclusive eight page article giving details on plans offered by major area banks.

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Municipal
Bonds...



Jim Stanard

SHEARSON

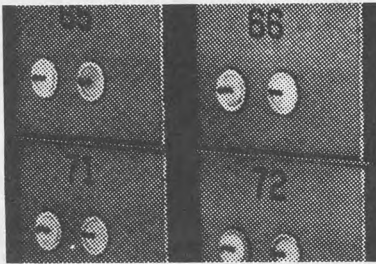
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Wyoming News

CASPER: Construction is under way at the site of the new facility for Hilltop National Bank in Casper. The bank, now located on the main shopping level of the Hilltop Shopping Center, will move to the east end of the terrace level of the complex.

DOUGLAS: The First National Bank at Douglas recently announced the addition of two employees. Chuck Duncan is an assistant vice president and commercial lending officer. He previously resided in Casper. Eddie George has been hired as a management trainee. He was formerly employed by C.N.I., Inc.

KEMMERER: The board of the First Wyoming Bank, N.A.-Kemmerer recently announced the election of F. D. (Don) Steadman as executive vice president and said that he will subsequently become a member of the board. Mr. Steadman previously served as chief executive officer at a Millheim, Pa., bank and as a bank examiner for the Office of the Comptroller of the Currency.

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LOAN OFFICER: Loan Officer in growing \$30MM bank located in good South Central Illinois county seat town, with 5-10 years experience in commercial, agriculture and real estate lending. Good salary and fringe benefits. Send resume and salary requirements. Write file ABR, c/o Northwestern Banker.

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POSITION WANTED

Ag loan officer trainee. November, 1978 graduate from Iowa State University, with B.S. in Ag Business and minor in Finance. Strong background in ag and finance. Paul Dorr, 108 G - University Village, Ames, Ia. 50010. (515) 292-2148

PARTIAL LIST OF AVAILABLE POSITIONS

AG LENDING - Should have bank exp. Need an ag related background. Acctg. or operations a plus. Salary \$12,000.

AG REPRESENTATIVE - Ia. bank needs a person with 5 yrs. exp. Duties mainly lending with some farm mgt. Would like a person raised on a farm. Salary \$20,000.

TRUST - We currently have several positions open. Duties are varied: operations, administrations, investments. Salaries extend into the lower \$20's.

INSTALLMENT LENDER - Neb. Bank. 1 yr. exp. needed. Should come from GMAC, CIT or small loan co. Must have collections exp. Will be #2 in dept. Salary \$12,000.

VP LENDING - Need exp. in commercial & ag. Some operations a plus. Can develop into a CEO position. Salary \$22,000 plus bonus.

LENDING - Rural bank in central Ia. Need exp. in commercial, installment & ag. Salary \$16,000.

COMMERCIAL LENDER - Need 5 yrs. exp. Will work in lending & operations. Bank is part of holding co. and growth potential is excellent. Salary in low \$20's.

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CASHIER—Rural central Missouri bank. Position could be #2 spot. Loan background helpful\$20,000

SECOND OFFICER—Rural Iowa bank close to metro area. Requires solid background in ag credit and some operations experience.\$23,000

COMMERCIAL LOAN—Senior position in 25MM bank affiliated with major Colorado holding company. Must have experience with 6 figure credits\$28,000

AG LOAN—10MM Nebraska bank. Any knowledge of operations helpful but primary duties will be farm credits\$18,000

DATA PROCESSING—Assume management of operations for major bank D.P. department. I.B.M. equipment Open

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