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The Management of Change

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Company

SOME observers of public behavior in this country point to an unusual phenomenon that appears to be developing: increasingly large numbers of citizens have been turned off by the political process and are content "to sit at the side of the road and watch the parade go by."



R. A. RILEY

This is not exactly the way this Republic came into being, nor will it be sufficient to protect and preserve our freedoms in this century of the Republic's existence.

Two deeply entrenched trends are dampening the American spirit and tending to blur the American dream.

One is widespread acceptance of the erroneous belief that non-involvement is a safe and acceptable way of life under a participative form of government such as our own.

The other is the way we have come to look upon change as almost always a serious threat to our personal

and national well-being rather than as a possibly potential blessing.

Change Spurs Progress

Change, after all, has always been the spur of progress. The important consideration is that change be managed by those it affects rather than left to whim and to chance.

In the expanding and formative years of our Republic, change was welcomed because citizens felt they took part in bringing it about. Now we seem to fear it.

Perhaps the most costly mistake we make in assessing the overall effects of change is that we often believe we no longer have control over it and we conclude that social or political developments take place beyond the reach and without the influence of those they affect.

That, of course, is wrong. As citizen-voters and taxpayers, we still have a say in our destiny as a people and as a nation. If we really desire to, we can help influence the direction of the ship of state—and we can affect what takes place in our society.

We Can Shape Change

To allow ourselves to become resigned to the proposition that "what will be will be" is tantamount to giving up a part of our basic freedom of choice. Our reaction to change, therefore, should not be solely that we must learn to live with it or even

make the best of it, but more that we must learn to shape it.

This alternative is open to us. We can choose to help manage change through political action. We can work toward making it serve better the needs of society as a whole instead of the sometimes limited interests of the vocal few.

We have in America today approximately 220 million people. They are the rightful heirs to the benefits and accomplishments of the most successful experiment in social and political freedoms ever undertaken. But they also have the natural responsibility to work to preserve and strengthen the unique system that is ours.

Sometimes blinded by our great material blessings, we have been known to lose sight of the fact that the freedoms we have inherited need to be protected. If neglected, they can be gradually undermined by the very process of change over which we have come to doubt that we can any longer exercise effective control.

Faith in Simplicity

Another handicap stemming from the success of our economic system as a whole is the eroding of our faith in the importance of simplicity and the value of little things in the makeup of those grand events which can so drastically alter our lives for good or bad.

This is explained as the social fall-
CHANGE MANAGEMENT . . .
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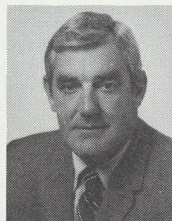
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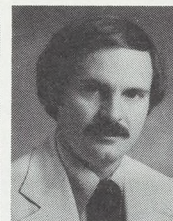
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FDIC Sets Rules for Leap Year Interest Rates

The FDIC's general counsel has released guidelines to banks for proper methods of computing and advertising interest on deposits in the approaching leap year of 1980. FDIC Chairman Irvine H. Sprague said "It is important that each bank accurately and fully state the method it uses and the effect of the extra day in the leap year on a deposit's interest earnings."

Named to Fed Board

Joe F. Kirby, Sioux Falls, S.D.; Henry N. Ness, Fargo, N.D., and Zane G. Murfitt, Philipsburg, Mont., have been elected to the board of directors of the Federal Reserve Bank of Minneapolis.

Mr. Kirby is chairman of Western Surety Co. in Sioux Falls. He will begin a three-year term as a class "B" director on January 1.

"Opportunity Talks..." Robert Scott, Correspondent Banker



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Mr. Ness is a senior vice president of The Fargo National Bank & Trust Co. He will succeed Nels E. Turnquist, president of the National Bank of South Dakota, Sioux Falls, as a class "A" director on January 1.

Mr. Murfitt is president of Flint Creek Valley Bank, Philipsburg. He succeeds Donald L. Scothorn who resigned earlier this year as a class "A" director. His term begins immediately.

Iowa News

CENTERVILLE: Centerville National Bank will celebrate the opening of their newly-remodeled main bank building, Southside City Square, with an evening event December 13.

FARLEY: The Farley State Bank has received consent from the state banking department to transfer \$100,000 to the surplus account. When the transfer is made December 28, surplus will total \$600,000 and the capital account will be \$300,000.

LAKE CITY: Michael F. Newland has joined the Lake City State Bank as vice president assigned to all lending areas with emphasis on agricultural credit. He was formerly executive vice president and cashier of the Lohrville Savings Bank.

SIOUX CITY: Robert C. Steffe has been advanced from assistant cashier to assistant vice president at Valley State Bank here. He will manage the bank's West Town office currently being remodeled. Charles R. Parsons has been elected assistant cashier to assume responsibility for lending operations.

WHEATLAND: William J. Waters has been appointed senior vice president of the First Trust and Savings Bank here. He was

formerly a vice president. Also promoted were Gene Russell, assistant vice president, and Louise Homrighausen and Karen Dake, assistant cashier.

Nebraska News

BLAIR: Michael B. Urdahl has joined the lending team of the Blair Bank, starting in the collections department. He was formerly employed at Dana College here.

HASTINGS: Willard T. Essex has been elected a vice president of First Northwestern Trust Co. of Nebraska, Hastings office. He formerly served as managing trust officer.

HEBRON: Services for James R. Kenner Sr., 84, president of the Thayer County Bank here, were held last month. Mr. Kenner, a former president of the Nebraska Bankers Association, retired from

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Contributions are limited to \$1500.00 or 15% of your compensation, whichever is less. Contributions must be in cash.

Can my wife or husband have an IRA?

Yes, if either of you have earned income and are not covered by a qualified plan.

What about my non-working spouse?

If your income is \$11,866 or more, and your spouse is not employed, you may put 15% of that amount or a total of \$1,750 into an IRA for yourself and your spouse. This must be split equally — \$875 for each spouse.

How is my IRA invested?

Your bank will invest the funds in Federally insured savings or certificates of deposit for long term growth.

Do I save on taxes?

Yes. Your contributions are fully deductible from Federal and State income taxes.

What about the earnings on my IRA?

They accumulate, tax deferred, until you elect to start your retirement.

When can I start my retirement?

The law states that you may start at age 59½ or you can wait until 70½ when you must begin taking out your retirement account.

What options are available in taking out my funds?

You have several options: lump sum, monthly payments, joint monthly payments with your spouse or over a certain number of years.

When I retire what are my tax consequences?

The income from your IRA will be taxed at ordinary income tax rates. However, if you qualify under today's tax rules you may elect to average your income, which may reduce the amount of tax due. Most people will benefit on taxes because of less income upon retirement and double exemptions after reaching age 65.

When do I have to make my contribution to the IRA?

The law now allows you up to February 14th of the following year to make your contribution.

What happens if I die?

All funds in your IRA will be paid to your beneficiaries.

If I am covered by Social Security can I still have an IRA?

Yes. Social Security is not considered a qualified plan, so you may also have an IRA for additional retirement income.

If I have to withdraw part of my IRA before I reach age 59½, what happens?

The withdrawal becomes ordinary income to you and a 100% penalty tax is assessed against the amount you withdraw. (There is no penalty on withdrawal because of disability.)

Is there a penalty for excess contributions?

Yes, a 6% tax on the excess unless you withdraw before filing your tax return for that year. It may, however, be credited to your next year's contribution.

How do I start an IRA?

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CHANGE MANAGEMENT . . .

(Continued from page 1)

out of macro-environment. The "think big, be big" syndrome in which everything is counted in billions and trillions and the accomplishments of advancing technology stagger the most blase imaginations.

Our Federal government, for example, spends and legislates itself into trillions of dollars of on-going indebtedness and future financial commitments, and there is no evident great public outcry of concern about it.

Our Gross National Product (GNP), the sum of the combined value of all goods produced and services rendered in any one year, is calculated today at approximately \$1,800 billion (nearly two trillion dollars).

American technology puts a man on the moon. Earth probes look on Jupiter and a space vehicle explores Mars. While all of us are duly impressed by the gigantic and the almost incomprehensible, we are paradoxically forced to recognize that little things can still be important. Calamity threatens because a 50-cent cotter pin fails. The reported malfunctioning of a water coolant valve threatens the population of an entire area.

So we take heart in the knowledge that it is still true that mighty oaks from little acorns grow. The solitary voice can be heard in the wilderness, if we will but listen. That famous shot of musketry actually did produce reverberations felt 'round the world.

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most productive and therefore, in comparison with equal territory, the most valuable piece of real estate in the world. Whether by choice or not, we find ourselves bonded together as partners in a common business—the Business of America.

The principal ingredients of any business are people (manpower), money (capital), and materials (resources, machines and equipment). These ingredients are the same whether we're talking about a company, government or the entire economic system on which government depends.

If these key ingredients are managed efficiently and well, economic change will go forward in such a way as to best serve the national welfare.

If misdirected by excessive government meddling and unnecessary regulation, or wasted out-right because of being subjected to non-productive edicts and restraints, the Business of America will suffer.

If such a scenario were allowed to proceed to its logical conclusion, without the power and persuasion of citizen-owners applied to bring it under control, the nation's assets could disappear.

Vital Areas

It is these vital areas of political economics (national decision-making with economic consequences) that the management of change becomes decisive to the future of our country and all of its people.

These are the areas over which we, as owners and managers of this Business of America, must maintain a critical and ever-watchful eye. We must not allow ourselves to be tuned out and turned off on the false premise that things are too big and too complex for individual citizen involvement.

And above all, we must encourage others who are our partners in this business of managing change for the good of the country to remember always that the involvement of people—individual voters—in the political process can produce results. The only weakness of citizen involvement is that we don't have enough of it because we don't work hard enough to bring it about.

Need we be reminded that it is only when the management of change is left to the few that Representative Government is weakened and Democracy can be made to fail?

Our principal product in this country is still freedom. It should serve as a lesson to us that there are

still great numbers of people in the world who know neither how to make freedom work nor how to preserve it once they have it.

Perhaps more important for the Business of America at this critical time in world history is that we guarantee the continued availability of our precious product and merchandise it better in the home market, so to speak.

There will always be customers hungry for freedom. As citizen-managers, it is our job to see to it that we have enough of this enduring yet perishable product to operate our economic system successfully during our lifetime and to pass it on intact to the generations that come after us. □

Reaffirm Bill Support At Leadership Conference

More than 300 bankers attending the ABA Banking Leadership Council special meeting in Washington, D.C., last week reaffirmed their support of two banking bills now before Congress. They continue to support the Fed bill sponsored by Sen. Wm. Proxmire (D-Wis.), chairman of the Senate Banking Committee. This bill would place all financial institutions under Fed imposed reserve requirements for their checking or transaction accounts. This includes all commercial banks, s&ls, credit unions and mutual savings banks. Reserves would be at a substantially lower level than at present and would be subject to a 10-year phase-in period.

They also reaffirmed support of NOW accounts provided the phasing out of the rate differential under Reg Q is part of the package.

It is expected that Congress will act soon with enabling legislation for transaction account to overcome the Appeals Court decision of last spring that declared these accounts unconstitutional until specifically authorized by Congress. Credit union officials were preparing in recent days to shut down share drafts until they are sure the legislation will be passed. It is expected this legislation would be for one year, expiring December 15, 1980, on the same date as the Interest Rate Control Act (Reg Q).

At the conclusion of their meeting on November 28, bankers participating in the Leadership Conference went directly to Capitol Hill to express their views to their individual Senators and Representatives.

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active duty several years ago. His son, James R. Kenner Jr., is executive vice president and managing officer of the bank.

McCOOK: The McCook National Bank held an open house at its new drive-in facility located at West Fifth and D Street here on December 1, according to P. M. Graff, president.

SEWARD: Velda Roberts has joined the Jones National Bank here as trust officer to implement the organization of a new trust department. She was formerly with the First National Bank & Trust of Salina, Kan.

YORK: The First National Bank here has filed for permission from the regional administrator of national banks to locate CBCT units in Benedict and Henderson.

Illinois News

GALESBURG: James D. Anderson has been promoted to assistant vice president at First Galesburg National Bank. He joined the bank in 1975 and has been a loan officer since 1978.

KEMPTON: David Massey has joined Kempton State Bank & Trust Co. as cashier. He was formerly employed by First Trust & Savings Bank of Kankakee. Marsha Gualandi has been promoted to assistant cashier and will assume control of teller operations.

ROSCOE: An application by the First Bank of Roscoe for Federal de-

posit insurance has been approved by the FDIC. The bank's total capital accounts are \$1 million.

STERLING: W. Kevin Kline has joined The Central National Bank of Sterling as EDP systems director. Formerly he was data processing manager at the First National Bank & Trust Co. of Rochelle.

Minnesota News

FAIRMONT: Phillip S. Hartmann has been elected assistant cashier at the Fairmont National Bank. He joined the bank in 1974.

MINNEAPOLIS: Michael Messerschmidt has been named trust operations manager at Midland National Bank of Minneapolis. Diane E. Senne has joined the bank as assistant personnel manager.

ROBBINSDALE: Evelyn Woolard has been elected auditor at First Robbinsdale State Bank. Formerly assistant auditor, she joined the bank in 1970.

TWIN VALLEY: The Twin Valley State Bank has received approval from the state banking department and the FDIC to move the bank's quarters to 205 Main Ave. West. Plans call for the construction of a 4,000 square foot facility which should be ready for occupancy in the spring.

Wyoming News

CHEYENNE: Richard J. Fleck has been elected vice president of the Equality State Bank here. He joined

the bank as cashier when it was founded two years ago.

RAWLINS: Regina Muir has been appointed cashier of the Wyoming Bank of Rawlins. She was most recently operations officer and has been with the bank since its opening in April, 1978.

Montana News

DILLON: Gary Love has joined the State Bank & Trust Co. here as vice president and loan officer. Formerly he was a loan officer with the Montana Livestock Production Credit Association working in Beaverhead and Madison Counties.

GREAT FALLS: Dixon S. Merrill has been elected a trust officer of the Trust Corporation of Montana here. He formerly served as director of investor and public relations for Beehive International in Salt Lake City.

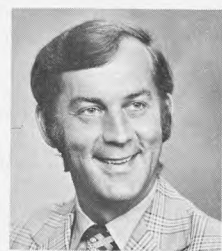


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