

NORTHWESTERN Banker Newsletter

Vol. 9 No. 10

Des Moines, Iowa

June 30, 1980

Consider Premium Ban, Gas Coupons

EVERY banker should be aware of two important matters that merit the personal attention of each executive officer. The first is the call by the Federal Depository Institutions Deregulation Committee for comment on the committee proposal to ban merchandise premiums for attracting deposits. The second is the Department of Energy proposal to create a gas rationing coupon system that would have to be administered by the nation's financial institutions and could cripple the system, with the cost being borne by the institutions!

Premium Ban

Because of the intense interest in the Depository Institutions Deregulation Committee proposal to ban premiums, the deadline for comment has been extended to July 16, instead of the original cutoff date of June 16. The comments should be addressed to Norman R. V. Bernard, executive secretary of the committee, Federal Reserve Building, 20th Street & Constitution Avenue, N.W., Washington, D.C. 20551.

The Bank Marketing Association has filed a statement with the committee opposing its action, stating that bank management should not be subjected to additional restrictions on their ability to attract deposits. BMA President Norwood

W. "Red" Pope said, "Our board is not making a judgment on whether banks should or should not offer premiums. Our opposition is aimed primarily at the principle of adding a greater regulatory burden on finan-

Illinois Officers



Posing in front of the old courthouse in St. Louis after their election are 1980-81 Illinois Bankers Association officers (left to right): **Donald R. Lovett**, 2nd v.p.; **James A. Fitch**, 1st v.p.; **Jack D. Lemmerman**, pres., and **Thomas M. Rochford**, treas.

cial institutions at a time when the pressing public need is for less regulation."

John H. Guinan, president of Christmas Club a Corporation of Easton, Pa., also strongly opposes the ban on premiums. "At a time in our economic history when banking institutions are badly in need of savings funds," he wrote the committee, "such an action would be counter-productive. Bank premiums are a tested and proven method of convincing young people in particular to start the savings habit. Without this type of incentive, many people would spend their dollars rather than saving, and this would add to inflation."

A spokesman for the American Bankers Association said the ABA is anxious to have the opinions of its members on this matter of premiums. He said the bankers participating in the recent Government Relations Council session where the proposal was initially discussed were ambivalent in their responses. Since that time, apparently, many have given further thought to the subject and, considering that it may be as much as six years before equity in interest rate competition is achieved with thrifts, have decided that there should be no ban on premiums. Since ABA will be testifying before the committee, it desires to have as much member input as possible.

At their annual convention in
PREMIUM BAN . . .
(Turn to page 3, please)



ASK JERRY TRUDO

to make MNB work for you.

Toll free: 1-800-332-5991

Merchants National Bank 

Member F.D.I.C.

A 'BANKS OF IOWA' BANK

Call a BANKERS' BANKER

1-800-362-1688, toll-free in Iowa

Ben Eilders
Correspondent
Banking Department

**Bankers
Trust**
Come Grow
With Us

Des Moines, Iowa 50304
Member FDIC,
Federal Reserve
System



ABA to Visit China

C. C. Hope, Jr., president of the American Bankers Association, is scheduled to head a four-man ABA delegation which will spend 12 days in the People's Republic of China from August 4-16. Arranging the trip was Norman Ross, chairman of ABA's communications council and senior vice president, First National Bank of Chicago, a frequent visitor to China the past three years. He will accompany Mr. Hope, along with Willis Alexander, ABA executive vice president. They will be joined by K. J. Luke, chairman, Hawaii National Bank, Honolulu.

Barry Sullivan Named First Chicago Chairman

Barry F. Sullivan, 49, executive vice president at Chase Manhattan Bank N.A., New York, has been named chairman and chief executive officer of First Chicago Corp., effective July 28, to succeed A. Robert Abboud, who resigned April 28. The announcement was made June 25 by Ben Heineman, a director of First Chicago who has headed the holding company's search team for a new chief executive. He said Mr. Sullivan's salary at First Chicago will be \$375,000 and with bonuses will be more than \$500,000, compared to the \$400,000 salary and bonus package he had at Chase.

Iowa News

CEDAR RAPIDS: Stephen P. Men-
Federal Reserve Bank of St. Louis

zner has been promoted from assistant vice president to vice president in charge of marketing at Peoples Bank and Trust Co., according to Ted J. Welch, president, following the June board meeting.

DES MOINES: Hawkeye Bancorporation has contracted to purchase Capital City State Bank here, which has assets of \$90 million, according to Paul D. Dunlap, president of Hawkeye, and H. Jack Moors, president of Capital City State Bank. No personnel changes are planned. Hawkeye has \$1 billion in assets and Capital City would be the 25th bank in the holding company, if the contract is approved by the Federal Reserve Board.

DES MOINES: Leland S. Long, formerly with the farm management department of Central National Bank & Trust Co., has joined Agri Industries here.

GRINNELL: Loan officers David S. Burrell and Dennis H. Hanson have been promoted at The Poweshiek County National Bank to assistant vice president and assistant cashier, respectively. The announcement was made by President Max A. Smith.

MAQUOKETA: The public was invited to a recent open house to view the new West Platt Street detached office of Jackson State Bank. The architectural design for this project was done by the Kirk Gross Company of Waterloo.

SHENANDOAH: H. H. Broadhead, Jr., chairman, First Stock Yards Bank, St. Joseph, Mo., won the Southwest Iowa Bankers Golf Tourney with a 72. Don Ostrand, vice president, First National Bank, Omaha, scored a 75.

SIBLEY: The Federal Reserve Board on June 23 approved purchase of First National Bank here by Hawkeye Bancorporation. The bank has assets of nearly \$20 million and will become Hawkeye's 24th bank when the transaction is completed July 31.

Illinois News

BELLWOOD: Bank of Bellwood is seeking permission to establish a facility at 1759 North Mannheim Road, Stone Park.

ROCK FALLS: John W. Glover has been named president and chief executive officer of the Community State Bank. He was formerly president of Lake Forest National Bank.

Currently, Mr. Glover is director of District 5 of the BAI.

WHEATON: Nancy L. Singer has been advanced to executive vice president and Eugene S. Usecheck has been elected vice president and cashier. Ms. Singer, now the second ranking officer of the bank, joined Bank of Wheaton in May, 1977, as assistant vice president. Mr. Usecheck joined the bank in 1973 and now will be the senior officer responsible for collections, customer accounting and operations.

Nebraska News

OMAHA: David C. Applegate has joined Nebraska State Bank as president. He was formerly assistant vice president at Bank of Nebraska in LaVista, and earlier worked at Keith County Bank in Ogallala.

OMAHA: Edgar M. Morsman, Jr., 41, senior vice president at United States National Bank, is moving to Minneapolis to become vice president of loan administration for Northwest Bancorporation. He will be succeeded as manager of the commercial banking division at U.S. National by Ronald E. Schneider, 34, vice president and commercial banking officer.

Minnesota News

ELMORE: The First National Bank has scheduled open house on July 11 from 9:00 a.m. to 8:30 p.m. and July 12 from 9:00 a.m. to 3:00 p.m. for the public to view its new bank building.

HASTINGS: Merle D. Borchers has been elected president of Northwestern National Bank, effective August 1. He will succeed Richard P. Pike, who is retiring to pursue other business interests. Mr. Borchers joined Northwestern National Bank of Omaha, his home town, in 1964, and moved to Banco headquarters in Minneapolis two years later. Since 1977 he has been vice president-banking business group in Banco's corporate office.

LAKEFIELD: The First National Bank has converted to a state charter under the name of First Trust Bank of Lakefield. All officers

	BANKERS PARTICIPATING
	LeasePlan, Inc.
545 - 31st Street	Des Moines, Iowa 50312
R. L. "DICK" SELLON • P. D. "DUANE" DEVAULT	



NEW ISSUE

SALE DATE: June 24, 1980

\$1,100,000
RICE LAKE, WISCONSIN
(Barron County)
General Obligation Corporate Purpose Bonds

MOODY'S: A

Dated: April 1, 1980

Denomination: \$5,000

Both principal and semiannual interest (April 1 and October 1, first coupon due on October 1, 1980) payable at a bank to be designated.

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

MATURITIES

<u>6.40%</u>			<u>6.50%</u>		
\$10,000	April 1, 1981	5.20	\$100,000	April 1, 1991*	6.50
20,000	April 1, 1982	5.35		<u>6.60%</u>	
20,000	April 1, 1983	5.50	115,000	April 1, 1992*	6.60
25,000	April 1, 1984	5.60		<u>6.75%</u>	
30,000	April 1, 1985	5.70	115,000	April 1, 1993*	6.75
30,000	April 1, 1986	5.85		<u>6.90%</u>	
30,000	April 1, 1987	6.00	120,000	April 1, 1994*	6.90
80,000	April 1, 1988	6.10		<u>7.00%</u>	
80,000	April 1, 1989*	6.25	120,000	April 1, 1995*	7.00
80,000	April 1, 1990*	6.40		<u>7.10%</u>	
			125,000	April 1, 1996*	7.10

*Optional in inverse numerical order beginning April 1, 1988 at 100%.

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

The City of Rice Lake is located on U.S. Highway 53, about 100 miles northwest of Minneapolis and St. Paul, and about 50 miles north of Eau Claire, Wisconsin. The City is the principal trade center for a large area extending to a 50 mile radius. Retail business is the backbone of the City economy, with figures showing the City among the highest per capita retail sales in the State. The City serves a trade area estimated at a population of 40,000. Transportation is by U.S. Highways, the Soo and Northwestern Railroads, Greyhound Bus Lines, six truck carriers and the Wisconsin Northern Transportation Company. Retail establishments include national chains such as Schultz Bros., Wards, Penneys, Coast to Coast, Gambles and Woolworth as well as local firms. Major employers include: Wright Products, Nichols Homeshield, Birchwood Manufacturing, Mascott Foods, and American Enterprises.

These bonds are being issued in accordance with Wisconsin Statutes in order to finance various corporate projects and to refund outstanding indebtedness. In the opinion of counsel, these bonds are legal and binding general obligations of the City of Rice Lake, Wisconsin, 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

Equalized valuation, taxable property, 1979	\$137,087,850
Assessed valuation, taxable property, 1979	88,517,710
Net direct debt, including this issue	2,494,860
Total direct and overlapping debt	2,962,911
Population, 1980 estimate: 7,860	
	Direct debt per capita: \$317.41
	Total debt per capita: 376.96

Under Wisconsin Statutes, a City always receives 100% of the taxes levied for it, as the County assumes all delinquencies.

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

The information contained herein 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.



Will your present bank processing system handle NOW accounts when you are ready?

Modern Banking Systems, Inc., "on premise" computer system has been designed with NOW accounts in mind. When you are ready, we are ready.



Model 990 Minicomputer

TEXAS INSTRUMENTS.

Our complete Hardware and Software Package is designed for smaller banks to allow "on premise" one step handling of your items and **complete daily updating** of all accounts in your bank. After the daily on-line update of your accounts, you will be able to display on your Video Terminal any of your accounts with all information **up to date**.

The **Software** package includes proof, DDA, savings, CD's, loans, general ledger, and CIF.

All records are maintained on "hard" disk and are **always** on-line for immediate access.

This system can be installed in your bank, meeting your specifications, in three to five months.

Modern Banking Systems, Inc. includes all the training of your people required for the proper operation of your system.

Because we have a "Software Maintenance Agreement," you **do not** require any programming knowledge or programmers in your bank.

For more information please call or fill out the information request form. The telephone number is **(402) 392-0151**. Ask for Dan Cronin, Bob Friend or Joe Nelson.

INFORMATION REQUEST FORM

NAME _____

BANK NAME _____

ADDRESS _____

CITY, STATE _____

ZIP _____

MAIL TO: **MODERN BANKING SYSTEMS, INC.**
6818 GROVER STREET
OMAHA, NE. 68106
ATTN: ROBERT FRIEND

CALL ON THE "PERFORMANCE TEAM"

where common transactions are handled uncommonly well.



FIRST NATIONAL LINCOLN

13th & M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.

and directors remain the same.

ST. PAUL: Susan K. Schultz has resigned as cashier at Capital City State Bank to join First National Bank in Hudson, Wis., according to K. A. Heiser, executive vice president of the Wisconsin bank.

Montana News

GREAT FALLS: Jerry Girres has been promoted to assistant vice president-personnel at First Bank Great Falls, according to John Reichel, president. Mr. Girres has been with the bank since 1964.

Colorado News

Three savings and loans in the state have been ordered by the Federal Home Loan Bank Board to cease offering interest-bearing checking accounts. One, the Otero Savings & Loan Association, says it will fight the order from the FHLB and that its 11 branches will continue offering its Check-In account. All three s&l's maintain they are not doing anything illegal under Colorado law. The other two institutions are Majestic Savings & Loan, Denver, and Golden Savings & Loan, Golden.

DENVER: FDIC coverage has been approved for the new Charter Bank and Trust, which has \$1 million capital and is located in Englewood.

Wyoming News

CASPER: Thomas H. Hogan has been elected vice president and manager of the commercial loan department at Wyoming National Bank here. The appointment was announced by Robert W. Miracle, president. Mr. Hogan moves to Casper from Central Bank of Cleveland, Ohio.

PREMIUM BAN . . .

(Continued from front page)

Duluth earlier this month, members of the Minnesota Bankers Association voted for the elimination of premiums. The resolution said the MBA "urges support of the Federal Depository Institutions Deregulatory Committee's proposal to prohibit the use of merchandise premiums for deposit accounts because Federal Reserve Bank of St. Louis

the current regulation setting dollar limits for premiums cannot be effectively monitored or uniformly enforced, thus frustrating consumer savings programs by encouraging the shift of account balances in response to premium promotions. The elimination of premium giveaway programs will permit all financial institutions to compete equally for deposit accounts through the offering of competitive market rates."

A letter from the Northwestern Banker publisher to Mr. Bernard at the DIDC office states, "It seems strange that the first action taken by your so-called Deregulation Committee is a proposal to further regulate the banking industry by outlawing the use of premiums. Premiums have long served as an effective marketing tool, and there is a greater need for them now, as interest rates fall.

"As we see it, banning premiums will further erode deposits and the incentive to save—thus increasing inflation."

The current rate of savings in the United States is estimated at 3%, while in Japan it is reported to be 22%!

Gas Rationing

The ABA was to testify last Friday before a House subcommittee to voice its strong opposition to the proposed gasoline rationing coupon proposal from the Department of Energy. Since Congress earlier sidestepped the touchy issue by authorizing the Department of Energy to set up a gasoline conservation program, the Department of Energy came up with the gas coupon pro-

gram. Under this, the nation's financial institutions would be obligated to hold, count, handle, distribute and account for an estimated five billion paper coupons every 90 days! By contrast, the Federal Reserve Bank, which is assigned overall responsibility for supervision of this nightmare, has its hands full accounting presently for 1.3 billion pieces of currency in circulation. As proposed by the D of E, the financial institutions, meaning primarily the 42,000 banking outlets, would bear the expense of the program. The director of the IRS, as quoted by ABA President C. C. Hope, Jr., testified to Congress he wanted it that way because if his office did it there would be adverse public reaction to IRS and it would cost too much money!

As the matter now stands, unless the House and Senate both vote to block the D of E proposal, the plan will go into effect, thus creating a law in reverse of the usual procedure.

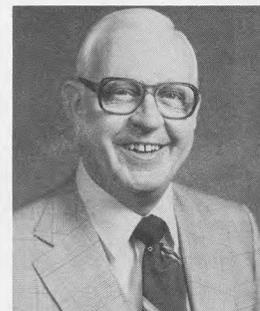
Sen. Bennett Johnson of Louisiana has a proposal before the Senate, which is endorsed by ABA, to price gasoline higher with a tax so that price rationing is imposed. The tax money created would be recycled to cut income tax withholding. Since this is an election year, Senate leaders so far have avoided scheduling any hearings on the proposed bill.

ABA solicits the support of all member banks, their staffs and their customers in opposing this measure by writing to Congressmen and the Department of Energy, with copies to the ABA. □

Single System Banking Now

National Bank of Waterloo

Waterloo, Iowa 50704 Member FDIC



Phone Bill Rickert
at 1-800-772-2411.



FOR SALE OR LEASE

Instant Auto Teller
Fully equipped, needs only
electric power and telephone
hook-up to become operational.
Temporary or permanent
installation.
Units available for
immediate delivery.

Financial Products, Inc.
P.O. Box 1035
Eau Claire, Wisconsin 54701
Phone: (715) 835-8160

WANT ADS

Rates 50 cents per word per insertion.
Ad \$2 for file numbers. Identity of file
number advertisers cannot be revealed.
Payment in advance, please.

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

POSITION WANTED

Commercial Loan Officer, with real estate experience,
seeks new opportunity.

Installment Loan Officer, with six years experience,
wants to relocate.

ISU Grad—Now branch manager, wants to relocate in
central Iowa.

1979 Nebraska Law Grad seeks trust position.

Write or call Malcolm Freeland, Freeland Financial
Service, Inc., 306 Fifteenth Street, Des Moines, IA
50309. Call (515) 244-8163. Employer pays fee. (PW)

AG BANKING CAREERS

- SENIOR LOAN OFFICER. . .Indiana . . . \$16-23,000
- CREDIT MANAGER. . .Ohio . . . \$23-25,000
- AG LENDING OFFICER. . .SE Minnesota \$16-18,000
- COMMERCIAL. . .Iowa . . . \$20-25,000
- LOAN OFFICER. . .Iowa . . . \$15-20,000
- CREDIT SUPERVISOR. . .Ohio . . . \$17-21,000

Since 1968, banks and other ag-related employers
have been paying us to find the personnel they need.
For more information, give Linda (our banking special-
ist) a call today.

agriCAREERS, INC.
AGRICULTURAL PERSONNEL RECRUITERS

(515) 394-3145 New Hampton, IA 50659

POSITION AVAILABLE

AG LOAN OFFICER—We prefer a person with some
college and who has had good ag lending experience.
A major responsibility will be to perform farm budget-
ing and financial planning assistance. Our start salary
could range from \$20,000 to low \$30,000, depending
upon qualifications. If you have an interest in this
position, please send an application or a resume to:
Bob Hadland, EVP, Farmers & Merchants State Bank,
Lamberton, MN 56152. We are an equal opportunity
employer. (PA)

AG LENDING PROFESSIONALS—Outstanding posi-
tions available within our loan department. Due to
continued growth (40 offices in 13 western states),
there are several openings for loan officers. Candi-
dates need minimum six years agricultural lending
experience. Send resume and income requirements
to: Lynn R. Loken, Western Farm Management Com-
pany, 3333 Quebec Street, Suite 3400, Denver,
Colorado 80207. Phone (303) 388-4084. (PA)

RETAIL BANKER—Outstanding growth opportunity
for right person. We are a large suburban bank in the
midwest, with plans to restructure our instalment
lending activities into a broader personal banking
approach. The individual we are seeking will be divi-
sion chief and a member of the executive committee.
Must have excellent credentials. Replies will be held
in strict confidence. An Equal Opportunity Employer.
Write file KBQ, c/o Northwestern Banker. (PA)

Operations—Three positions open in Iowa for persons
with two to five years experience.

CEO wanted for \$15 million bank in western Iowa.
Excellent salary.

Trust Officer wanted for \$30 million Nebraska bank.

Insurance/Ag Lender wanted for Iowa bank located in
Lakes region.

Write or call Malcolm Freeland, Freeland Financial
Service, Inc., 306 Fifteenth Street, Des Moines, IA
50309. Call (515) 244-8163. Employer pays fee. (PA)

Holder and Associates

Bank Consultants
Specializing in Bank Acquisitions
515-232-0814

P.O. Box 450 405 Main Ames, Iowa 50010
DONALD E. HOLDER, Principal

FOR RENT

Deluxe lake home located on Hill Lake south of Grand
Rapids. Golf and tennis on the lakeshore. Within
minutes of winter ski resort. Available year-around—
by the week or by the day. For information and reserv-
ations call (612) 823-7217.

FOR SALE OR LEASE

One Olivetti P-603 posting machine with a BRD disc.
\$1,800. Call (515) 245-7222.

Saxon Bond Copier. \$800. Call (515) 245-7222.

Independent Management Services
Specializing in Bank Acquisitions
By Independent Investors
No Broker Fees

Call 515-223-1044
Homer Jensen — **Dick Buenecke**
3737 Woodland Ave. Executive Suite 120
West Des Moines, Iowa 50265

WANT TO BUY

Used night deposit. Must have bag drop for mer-
chants. South Story Bank, Slater, IA 50244. Phone
(515) 685-3566. (WTB)

SERVING PROFESSIONALLY

Banking, Financial & Business Personnel
Iowa and Nationwide
CAPITAL PERSONNEL SERVICE
714 Central National Bldg. 515-283-2545
Des Moines, Iowa 50309

**PARTIAL LIST OF
AVAILABLE POSITIONS**

ASST. VP—Good spot for a generalist. Small bank in
rural community wants a person that can help them
grow. \$20,000

LENDING—Great opportunity to join a solid bank and
grow with it. Responsibilities are general in nature
and you will be groomed for the #2 spot. \$18,000

TRUST—Senior officer. Experience needed. Will
eventually take full responsibility for department.
\$22,000

EVP—Must have solid experience and be able to run a
small bank. Should have experience in commercial
and ag. \$28,000

#2—Ground floor opportunity with new charter. Will
be involved with all aspects of the bank. \$25,000

EVP—Minnesota bank. Must have BA degree with 5+
years experience. Ideal background will have both
commercial and ag lending. \$32,000

ALL FEES PAID BY MANAGEMENT

For further information respond in confidence to:



Bank Division
ROBERT HALF of Iowa, Inc.
317 6th Ave.
Des Moines, IA 50309
(515) 244-4414

POSITION AVAILABLE

Eastern South Dakota bank seeks individual with
farm background. Will work up to management
position within two years. Salary commensurate
with education and/or experience. Reply file
KMP, c/o Northwestern Banker. (PA)

FOR SALE

3M Secretary II plain paper copier. 63,000 copies.
\$1,800. Call Bob Coon Jr. at First State Savings Bank,
McGregor, Ia. Phone (319) 873-3425. (FS)

Burroughs TT-102 electronic on-line teller machines;
1-3 years old. \$1790 each (original cost \$3400).

Burroughs TR-102 electronic teller machines. Upgrad-
able to on-line; 2-3 years old. Guaranteed. Freight
paid. \$995 each (original cost \$2100).

NCR 152-70 teller machines. Completely recondition-
ed; 15 days free trial. Guaranteed. Freight paid. \$775
each.

NCR 490 desktop check encoders. Full-field. Guar-
anteed. Freight paid. \$875 each.

NCR 775 proof machine; 12 pockets. \$10,900. Main-
tenance will transfer.

Call (214) 757-7760 (FS)

POSITIONS AVAILABLE

EXECUTIVE VICE PRESIDENT—New charter in
excellent suburban area. Opportunity
for #1 spot in 2-3 years. 30K

AGRI LOAN—Position will be second officer in
Rocky Mountain bank. Prefer 5-7 years
experience. 25K

INVESTMENT OFFICER—Manage entire port-
folio for \$50MM midwestern bank.
Finance degree desirable. 28K

SENIOR ANALYST—Background in analysis
of banks and related financial institu-
tions required. Prefer CFA. 28K

OPERATIONS OFFICER—3-4 years experience
with a large bank desired. This is the #2
spot with opportunity to advance to top
spot. 22K

COMMERCIAL LOAN—\$30MM suburban bank
seeks lending officer with commercial
and real estate experience. Will advance
to executive vice president. 25K

JUNE IS JR. OFFICER MONTH

We are featuring experienced officers in the 14M to
18M range. If you are in the salary bracket and want to
make a change or if your bank is looking for a junior
officer, please call us.

TOM HAGAN & ASSOCIATES
OF KANSAS CITY

P.O. Box 12346 / 2024 Swift
North Kansas City, Missouri 64114
(816) 474-6874