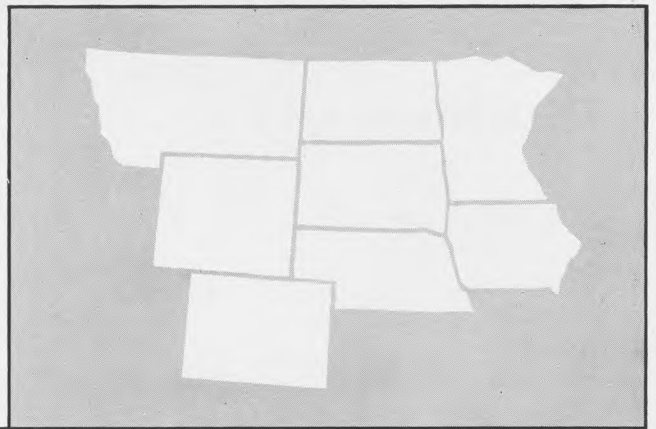


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 976

Des Moines, Iowa

June 20, 1966

ABA Position on 'Cease and Desist'

"The legislation now pending before the House Banking and Currency Committee which would restrict the ability of commercial banks to issue certificates of deposit has been attracting a great deal of interest. However, as news reports make clear, there are so many different and conflicting proposals circulating in the Committee that it is becoming increasingly difficult to determine just who stands where."

So stated Dr. Charls E. Walker, executive vice president, The American Bankers Association, in opening the National Automation Conference held recently in Chicago.

He added, "There should, however, be no question about the position of The American Bankers Association. First, we are strongly urging the Committee to act only on the basis of full and adequate information concerning the CD situation. The fact is that only partial information is now available. The Federal banking agencies are now putting together the results of special surveys which may throw some light on the matter. However, additional research may well be necessary.

"Second, we are determined that whatever legislation does emerge--and today it is not at all clear that early action will be forthcoming--in no way impinges upon the ability of the nation's Main Street banks to compete equit-

ably and vigorously for the public's savings. As our representatives before the Committee have made crystal clear, the small denomination certificate of deposit--ranging from say \$100 to several thousand dollars--is an indispensable device used by thousands of small banks in their efforts to hold and attract savings funds. To restrict in any significant way the ability of these Main Street banks to engage in this healthy and economically useful competition would be against the public interest and against the interest of the financial system.

"Third, the A.B.A. is adamantly opposed to any Congressionally dictated interest rate ceilings. History abounds with examples of how the setting of such ceilings--whether with respect to coupon rates on Government bonds, on Federally insured mortgage loans, or on other instruments--tends to create inequities and to restrict the flexible operation of the financial system. Thus if any legislation does emerge, the A.B.A. will do everything in its power to make certain that it is only discretionary power granted to the banking agencies, with the clear understanding that it is to be used only in such manner as to afford reasonable competitive equality among banks and between banks and other financial institutions.

"This, of course, implies that

comparable authority be granted to the Federal Home Loan Bank for its regulation of the savings and loan industry."

NATIONAL NEWS

CHICAGO: The School of Bank Public Relations and Marketing opens its two-week summer term Sunday, July 3, with a tentative combined enrollment of 178. The School, in its 19th year, will be conducted on the campus of Northwestern University. Numbers enrolled from the states served by *Northwestern Banker* are: Colorado, 2; Iowa, 2; Montana, 2; Nebraska, 3; South Dakota, 1, and Wyoming, 1.

CHICAGO: William G. Ericsson and Howard J. Johnson have been elected executive vice presidents at American National Bank and Trust Company, according to Robert E. Straus, chairman of the board. Mr. Ericsson had been a vice president and Mr. Johnson was senior vice president. Leslie W. Hunt and A. Frederick Pitzner were advanced to vice president.

CHICAGO: George C. Bergland, assistant vice president, has been advanced to vice president at The First National Bank of Chicago. Named assistant vice presidents were: Nels R. Johnson, James Y. Robertson, Octovio Allende, Jr., and L. Thomas Bryan.

(Continued to back page)

Central NATIONAL ENJOYS A "MAIN-STREET RELATIONSHIP" WITH MOST IOWA BANKERS

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IOWA NEWS

BETTENDORF: First-Illinois Mortgage Company, a local firm formed 18 months ago, has purchased controlling interest in the Bettendorf Bank and Trust Company from Diversified Discount and Acceptance Corporation, Minneapolis. The purchase will become effective July 15. Robert T. Knapp, president of the bank, will retain his position. Paul Knowles, president of First Iowa-Illinois, reported that other bank personnel would also be retained.

BRANDON: The Brandon office of the Urbana Savings Bank was recently burglarized of approximately \$3,600 in bills and change.

DAVENPORT: Ground has been broken for the new building to be constructed by the First National Bank of Davenport. The \$1 million building is scheduled for completion in April, 1967. Dean Duben is president of the bank which opened in August, 1963, in temporary quarters in the Professional Arts Building.

DES MOINES: Ground has been broken for the new Bankers Trust Company drive-in office opposite the Merle Hay Plaza shopping center. The bank also has facilities in Windsor Heights and Grimes.

FAIRFAX: Gordon K. Sorg, a teller at Fairfax State Savings Bank since October, 1964, has been promoted to assistant cashier.

SCRANTON: Thomas P. Hunt has been elected executive vice president and Dennis H. Reed has been named cashier at the Security Savings Bank. Mr. Hunt had been cashier and Mr. Reed had been assistant cashier.

WHEATLAND: Approximately 450 persons attended the recent open house at First Trust and Savings Bank, marking the completion of the bank's new building. Dana Musser, formerly assistant cashier at Farmers State Bank, Marion, has been elected assistant cashier. He is manager of the bank's Lost Nation office. M. T. (Pete) Jensen, cashier, was advanced to the newly-created post of senior vice president.

WOODWARD: Clarence Stout, 24, Boone, was arrested last Tuesday and was charged with having robbed the Woodward Office of the Brenton State Bank of Dallas Center earlier the same day.

NEBRASKA NEWS

DeWITT: Miss Mary Arledge, vice president, cashier and director of DeWitt State Bank, has announced her retirement. She began her banking career in 1920 with Farmers and Merchants Bank and has been with DeWitt State Bank since 1933.

GERING: Roy Yaley, vice president and assistant trust officer, Gering National Bank, has announced his retirement effective July 1.



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GRAND ISLAND: An application for a state bank charter for the proposed Bank of Grand Island, Incorporated, was withdrawn last week three days after application had been made. Applicants included Warren A. Connell, Donald Diers, Ralph D. Kelly, Richard E. Kurtz, Sr., C. C. Nelson, Robert D. Marcotte, Fred H. Hawkins and Lawrence R. James.

OMAHA: Carl N. Bloom, vice president, First National Bank of Omaha, will retire after 22 years of service in the correspondent bank division. He has announced the acceptance of a position with the Central States Health and Life Company of Omaha. His new position with the insurance company will enable him to continue working in the field of banking.

OMAHA: N. Howard Nilson, general manager, Omaha Works of Western Electric Company, has been elected a director of The Omaha National Bank. Daniel J. Monen, who has served as a member of the board since 1951, has been elected the new vice chairman of the board. Mr. Monen joined the bank in 1924 and was ultimately named senior vice president in charge of the estate and trust division.

OMAHA: Kirk P. Miller, vice president, The United States National Bank, has been named to the Omaha City Planning Board. Mr. Miller, whose term runs through August 1, 1967, is the only banker on the five-man board.

John R. Burnham, 43, has been elected an assistant vice president

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OMAHA

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in the bank's installment loan department. He had been in the consumer finance field in Omaha for the past 20 years.

OMAHA: First Nebraska Securities last week opened offices in the Continental Building at 19th and Douglas streets. The firm occupies the entire ground floor of the building. The Nebraska-based organization which recently merged Storz-Wachob-Bender Company, has offices in Lincoln, Grand Island, Hastings, Sioux City, Iowa, and Atlantic, Iowa.

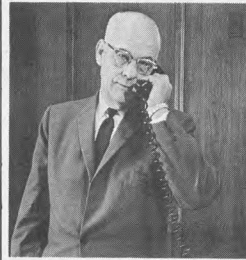
STUART: The Tri-County Bank recently celebrated its 20th anniversary and completion of an extensive remodeling project with an open house.

VALENTINE: Three directors of the closed Nebraska State Bank of Valentine have averted lawsuits by settling out of court for their liability in connection with a \$3.4 million embezzlement by Richard Davenport, former president of the bank. J. W. Tobin, Valentine, and J. F. Morris, Wood Lake, agreed to pay \$20,000 each and Mrs. Minnie Davenport, Valentine, agreed to pay \$5,000. The bank's former cashier, Frank L. Colburn, Valentine, refused to agree to a settlement and a civil suit was subsequently filed against him in Cherry County District Court. The State Banking Department emphasized that the settlements and suits in no way imply that the directors knew of or participated in the financial manipulations which resulted in the bank's failure.

MINNESOTA NEWS

BLACKDUCK: Orville H. Olson, assistant cashier, Security State Bank, Bemidji, has resigned his position to accept a similar post at the Blackduck State Bank. His appointment becomes effective July 1.

BLOOMINGTON: Donald A. Mueller has been named auditor and John



Jerry Nelson

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IOWA-DES MOINES NATIONAL BANK

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Meredith Crabtree has been elected cashier at Northwestern National Bank of Bloomington-Richfield.

BUTTERFIELD: Wayne Kispert, executive vice president, and M. James Kloster, assistant cashier, have been elected to the board of directors of the State Bank of Butterfield.

DETROIT LAKES: Dave Rogstad has joined the staff of the First National Bank here, marking the fourth generation of the family to be associated with the institution. Mr. Rogstad's great grandfather, P. S. Peterson, founded the bank in 1927.

MINNEAPOLIS: Harvey L. Werner, Werner Transportation Company, has been named to the advisory board of the Lake Street Office of Northwestern National Bank.

MINNEAPOLIS: Gamble-Skogmo, Incorporated, Minneapolis-based retail, wholesale and mail order merchandising company, has announced that an offer is being made by its subsidiary, Peak, Incorporated, to purchase 500,000 shares of common stock of First National Stores, Incorporated, a Boston-based chain of supermarkets.

MOORHEAD: Ervin E. Johnson has been elected assistant cashier at Moorhead State Bank, according to M. James Trask, executive vice president. He had been with the First State Bank of Belmond, Iowa and, for the past two years, was an assistant examiner for the Minneapolis Fed. Mr. Johnson succeeds E. R. Jacobson, who resigned to become assistant cashier at First Southdale National Bank in Edina.

SOUTH DAKOTA NEWS

HURON: Construction has begun on a new drive-in bank facility for Northwestern National Bank. The new unit is scheduled to be opened in the fall.

SIoux FALLS: Joseph C. Pruitt, 34, assistant cashier, Northwestern National Bank, died recently in a Sioux Falls hospital.

SIoux FALLS: Truman D. Phelan, formerly branch manager of the Sioux Falls Dun & Bradstreet office, has joined the commercial credit department of Northwestern National Bank.

NORTH DAKOTA NEWS

BUFFALO: Gorman King, Valley City, has been elected chairman of the board and H.R. Edlund, Buffalo, has been named president of the newly-organized First State Bank of Buffalo. Glenn B. Pfeifer, formerly cashier, Kindred State Bank, has been named cashier.

HARVEY: Leo C. Stein has been elected vice president of the National Bank of Harvey. Henry J. Polkinghorn was named chairman of the board. Romaine Nelson has submitted his resignation as assistant cashier to become cashier and managing officer of the State Bank, Columbus.

COLORADO NEWS

DENVER: Work has begun on construction of the 42-story Park City apartment complex, the tallest building in Colorado. The building

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will be known as "Brooks Towers" in honor of the late Elwood M. Brooks, former board chairman of Central Bank and Trust Company and one of the originators of the plan for the Park City project.

WYOMING NEWS

CHEYENNE: Mrs. Ruth Eldridge and Marvin K. Coughenour have been elected assistant vice presidents at the American National Bank.

MORAN: John W. Hay, Jr., president, Rock Springs National Bank, has been elected the new president of the Wyoming Bankers Association. The association recently concluded its 58th annual convention at Jackson Lake Lodge here. William R. Engstrom, assistant cashier, Rawlins National Bank, has resigned as secretary of the association. Convention details will appear in the July issue of the *Northwestern Banker*.

NATIONAL NEWS

(Continued)

LOS ANGELES: United California Bank, Los Angeles, has announced that at a special meeting of the board of directors of Western Bancorporation held recently in Los Angeles, the directors approved a plan under which Western Bancorporation proposes to offer shares of its capital stock in exchange for those outstanding shares of the capital stock of United California Bank which are not presently owned by Western Bancorporation. Authorization and approval have not been obtained from governmental authorities.

NEW YORK: Richard B. Dickson, formerly assistant vice president, has been elected a vice president of First National City Bank. He

has been associated with the bank since his graduation from Lehigh University in 1950.

NEW YORK: Edgar B. Stern, Jr., president, Royal Street Corporation, has been elected to the board of directors of The Mosler Safe Co.

WASHINGTON, D.C.: James L. Robertson, a member of the Federal Reserve Board and a native of Broken Bow, Nebraska, has suggested that the government allow savings banks to become full-fledged commercial banks all of which would be known collectively as "thrift institutions."

LATE NEWS...

GRAND ISLAND, NEBR.: Byron Dunn, state banking director, reports that a new application has been made for a charter for the proposed Bank of Grand Island, Inc. (See item inside.) The charter application which had been withdrawn had listed 416 South Locust Street as the proposed site. The site proposed in the new application is 1608 West Second Street.

SUTHERLAND, IA.: Security State Bank will hold open house, marking completion of its newly-remodeled banking quarters, Saturday, June 25, from 2 until 5 p.m. and from 7 until 9 p.m.

OWATONNA, MINN.: Clifford C. Sommer, president, Security Bank and Trust Company, has announced his candidacy for state senator.

MINNEAPOLIS: John F. Pierce has been elected vice president of First Bank Stock Corporation. He had been associated for 25 years with the New York Fed.

DYERSVILLE, IA.: Ed. Lauerman, Jr., Luana, has been named cashier of the Fidelity Bank and Trust here effective July 1. He has been cashier of the Luana Savings Bank. HOLSTEIN, IA.: Herbert P. Knuth, 60, president of the Holstein State

Bank, died recently following a long illness.

DULUTH, MINN.: The election of Chester C. Lind, president, First National Bank of Aberdeen, South Dakota, as executive vice president of the First American National Bank of Duluth has been announced by Emmons W. Collins, president, First American. Robert F. Poirier has been advanced from vice president to senior vice president at First American and George G. Barnum, Jr., vice president, has resigned his position.

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