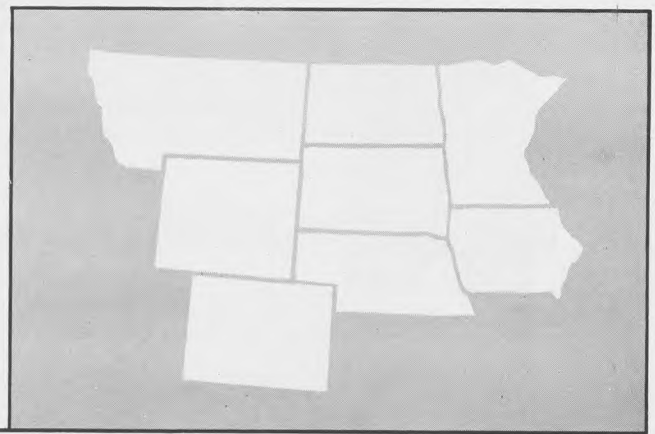


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 980

Des Moines, Iowa

July 11, 1966

ABA Urges Support of Amended S.3158

In a letter to the chief executive officers of all 13,800 banks which are members of the American Bankers Association, A.B.A., President Archie K. Davis said that a bill to give the Federal banking agencies additional enforcement tools, if properly amended, merits the support of all banks.

Mr. Davis said "recent reports on the so-called 'cease-and-desist bill' (S. 3158) now pending before the Senate Banking and Currency Committee have tended to create some confusion as to the position of our Association and the reason for its adoption." He emphasized that the A.B.A. opposes the measure in its present form but explained the amendments proposed by the Association which are intended to rectify the deficiencies.

Mr. Davis, who is chairman of the board, the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, said banking faced a challenging decision on the bill, noting that it would have been "easy and deceptively popular" to reject the measure out of hand. "But in a matter of much great importance to bankers, what is needed is thoughtful, responsible action," he stated. "For if our dual banking system is to survive -- and especially if we are to avoid centralization of Federal banking authority -- then commercial bank-

ing cannot take the risk of denying proper tools to permit the banking agencies to stop unsound banking and to remove the unsavory elements from the industry."

Part of Mr. Davis' letter follows:

"It should be emphasized that The American Bankers Association opposes S. 3158 in its present form. This opposition is based essentially on three points: the bill does not require that the State regulatory agencies be given first priority in certain supervisory actions; it places too much power in the hands of a single Federal official; the wording of several sections is so broad as to provide an inordinate grant of power to the Federal banking agencies.

"We have proposed a series of amendments which will rectify the deficiencies noted above. Specifically, with respect to State banking departments we have recommended that the bill be amended to provide that no action can be taken by a Federal agency if, after notice, the appropriate State agency has obtained the necessary corrections. In the case of the Comptroller of the Currency we have suggested that the principle underlying existing statutory law (that officer-removal action by the Comptroller be reviewed by the Board of Governors of the Federal Reserve

System) be retained in the present bill. With respect to other provisions of the bill, the A.B.A. has recommended deleting or substantially narrowing certain broad grants of authority in order to assure maintenance of traditional judicial and administrative safeguards for individuals and institutions.

NATIONAL NEWS

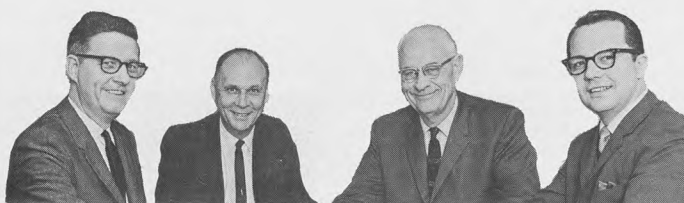
Interest Rate Jumps Spread Across Nation

The boost in the prime rate--from 5½% to 5¾%--reported last week, has since become generally nationwide within the metropolitan centers. Chemical Bank New York Trust Company initiated the boost and was followed within hours by banks in Chicago, Los Angeles, Boston, Philadelphia, Pittsburgh, Cleveland and San Francisco.

DALLAS: J. Lewell Lafferty, senior vice president, Republic National Bank of Dallas, died a week ago Sunday.

NEW YORK: Charles W. Bisset and Manning W. Voorhees have been named vice presidents of First National City Bank.

SAN FRANCISCO: Calvin C. Adams has been promoted to vice president in the national division in Bank of America's head office here.

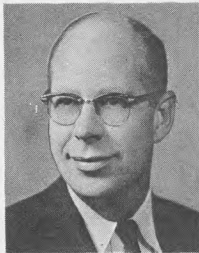


Bob Buenneke, George Harnagel, Jerry Nelson
and Dale Luckow.

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IOWA NEWS

International Bank Buys Central National Control

Bell Intercontinental Corporation recently announced agreement between Bell and International Bank of Washington, D.C., providing for the sale of 333,249 shares (63.4%) of the common stock of the Central National Bank and Trust Company of Des Moines by Bell to International Bank.

George Olmstead, former Des Moines businessman and chairman of Financial General Corporation, of which International Bank is a part, reported that the bank's present officers, local directors and management personnel will be retained. The agreement is subject to approval.

ALBIA: J. E. King, president, Peoples National Bank, Albia, has announced his candidacy for state representative, on the Republican ticket, from the Monroe-Lucas District.

AMES: Ground has been broken for a bank parking lot office to be opened by Union Story Trust and Savings Bank at the North Grand Shopping Center.

COUNCIL BLUFFS: Dale Ball, president, First National Bank of Council Bluffs, has been named a member of the Ak-Sar-Ben Council.

DAVENPORT: The 1966 Vigilante

Party will be held here Wednesday, July 20. The party last year hosted a total of 250 bankers and peace officers.

DES MOINES: Funeral services were held last week for Mrs. Lena Hubbell, 72, widow of James W. Hubbell, former chairman of Bankers Trust Company. Survivors include Cy Kirk, vice president, La Salle National Bank, who resides at 4525 Chamberlain Drive, Des Moines. Mr. Kirk is a son.

DES MOINES: Robert Sparks Burlington, 58, a well-known Iowa radio newsman, now unemployed, has been charged with robbing the Iowa-Des Moines National Bank of \$1,500 in a holdup June 22.

DeWITT: An application for a national bank charter here has been denied by the Comptroller of the Currency.

EAGLE GROVE: Plans have been formulated for a new bank building for the Eagle Grove State Bank (Brenton).

HARLAN: Rand Petersen, vice president, Shelby County State Bank, has been elected to another four-year term as 7th District GOP District Committeeman.

HUMBOLDT: Construction has begun on the new brick building for the Gilmore City office of the Humboldt Trust and Savings Bank.

INDEPENDENCE: Percy Sorg, executive vice president, Farmers State Savings Bank, reports that a



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major remodeling project will be initiated at the bank approximately October 1.

LeMARS: First National Bank has announced an increase in rate on Certificates of Deposit and is now paying up to 4.75%.

MARION: Ground has been broken for the new building to be erected by Farmers State Bank. The building is to be completed next spring.

MASON CITY: Gary A. Hermann has been elected an assistant cashier at the First National Bank of Mason City.

PELLA: J. G. Boat, president, Pella National Bank, has sold a substantial part of his interest in the bank to Paul D. Dunlap, president, Houghton State Bank, Red Oak. Mr. Boat will remain as president and chairman for an indefinite period of time. Bankers Service Corporation, Des Moines, negotiated the transaction. C. W. Gifford at the same time, was advanced from assistant cashier to assistant vice president.

TIPTON: A new building to be constructed by Tipton State Bank is expected to be completed by early winter.

THORNTON: Mrs. Beulah Hopkey has been elected assistant cashier at the First State Bank here.

NEBRASKA NEWS

BEATRICE: Neale Kelley, cashier and director, Security State Bank, Hubbard, Iowa, will join First National Bank and Trust Company, Beatrice, in mid-August as a vice

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president. Harold R. Deitemeyer, president of the Beatrice bank, reports that the purchase of the Blue Springs State Bank was completed recently, through the First Group, Inc., of Beatrice.

FIRTH: Byron Dunn, state banking director, has announced that a bank charter has been approved for the State Bank of Firth. President of the bank will be Roland F. Beach. It will have a capital account of \$90,000. Mr. Dunn also announced the liquidation of the First Co-operative Credit Association under a voluntary action.

LINCOLN: The Nebraska Banking Department has issued a cease and desist order against the Peninsula Savings and Loan Association of San Mateo, California. The department reported that the California S&L had been advertising its savings account program and investment certificates without approval from state banking officials.

OMAHA: Robert D. Northrop, Omaha, and Frank P. Marks, Lincoln, have been elected assistant vice president and controller, respectively, of First Nebraska Securities, Incorporated, according to E. M. Hunt, president of the Nebraska-based investment firm.

OMAHA: A bank, as well as a department store, supermarket, movie theatre and tire shop are planned for a proposed shopping center at 76th and Dodge streets. The Lincoln Realty Company, New York, owner of the 15-acre tract, indicates that it has commitments from companies for each of the installations with the exception of the bank.

MINNESOTA NEWS

ALBANY: Approval was received from banking authorities to combine The First State Bank and the Stearns County National Bank of Albany and the banks began combined operations July 1.

HAMBURG: The controlling interest in the State Bank of Hamburg has been purchased from Allan R. Burrell by Henry C. Reget, Minneapolis, who becomes a director. W. I. Danielson and R. C. Danielson, president and vice president, respectively, of State Bank of Sargent,

also join the bank's board of directors.

HUNTLEY: Farmers State Bank of Huntley recently marked its 50th anniversary with a one-day open house celebration. Leonard Nelson, president of the bank, has been associated with the institution for 47 of its 50 years.

MINNEAPOLIS: Benjamin M. Storey, Jr., vice president, Kalman & Company, has been elected to the national board of governors of the Investment Bankers Association of America.

NORTHFIELD: Northfield National Bank recently moved into its new banking quarters after having served its customers from a temporary location for several months. The bank's former building was demolished to make way for the new one-story structure.

PRINCETON: John W. Barton, president, Princeton State Bank, died recently at the age of 82. Mr. Barton was a former vice president of Metropolitan National Bank, Minneapolis, which later merged with Northwestern National Bank.

PRIOR LAKE: E. Norman Barsness, president, reports that the Prior Lake State Bank recently held open house for customers and friends. Mr. Barsness purchased controlling interest in the bank from Fred Hodgdon last January.

RUSH CITY: The controlling inter-

ests of H. R. Hommedal, president, State Bank of Rush City, and his son, Herman R. Hommedal, Jr., cashier, have been sold. John O'Brien, president, Security State Bank of Askov and First National Bank of Floodwood, has been elected president of the bank. George D. Crockett, St. Paul, was named executive vice president and took over active management of the bank July 1.

VIRGINIA: Donald E. Westfield, assistant vice president, has taken over duties as manager of the installment loan department at State Bank of Virginia, succeeding Ronald J. Havlik, assistant vice president, who assumed new duties in the real estate and commercial department.

SOUTH DAKOTA NEWS

BELLE FOURCHE: W. C. (Bill) Earwood, manager of the Spearfish Branch of the Bank of Belle Fourche, died recently in Rapid City. Mr. Earwood, 36, had been manager of the facility since April, 1964. Funeral services were conducted at Modale, Iowa, Mr. Earwood's former home.

MONTANA NEWS

Haines Named Secretary Of Montana Bankers Assn.

E. J. (Woody) Haines, vice president, First National Bank of Laramie, has been named the new sec-

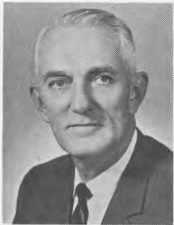
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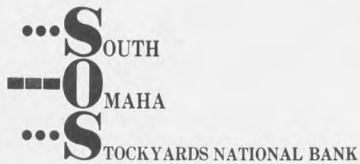
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retary of the Wyoming Bankers Association for the 1966-1967 year. Mr. Haines succeeds William R. Engstrom, assistant cashier, Rawlins National Bank, who announced his resignation at the WBA's recent annual convention.

RIVERTON: American National Bank recently marked its fourth anniversary by announcing that resources topped the \$5.5 million mark.

MONTANA NEWS

BILLINGS: Ida Mae Sessions, auditor of the First National Bank and

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Trust Company since 1946, retired recently after 42 years of service to the institution. George Ferguson, agricultural officer, also retired recently after a lengthy career in agri-banking.

BILLINGS: Richard H. Spalding has been advanced to assistant trust officer from investment analyst and Eddie Bert Leuthold has been elected an assistant cashier at Midland National Bank.

LIVINGSTON: The new home of the First Security Bank is scheduled for completion in August. The white taverntine and marble building is being constructed at a cost of \$250,000.

COLORADO NEWS

DENVER: Several top officials of the Federal Reserve System will be in Denver Saturday, July 16, for the annual joint meeting of the boards of the Federal Reserve Bank of Kansas City and its Denver branch.

DENVER: Colorado's state chartered S&L's are scheduled to receive permission August 1 to make secured or unsecured personal loans. Commercial bankers in Denver have voiced opposition to the move and predict a court test which could go all the way to the Supreme Court.

LATE NEWS...

ALEXANDRIA, MINN.: Martin Haar has been named executive vice president at Alexandria State Bank. He had been vice president and cashier, Farmers and Merchants Bank, Aberdeen, South Dakota.

HUBBARD, IA.: Security State Bank has purchased an adjoining building for purposes of future expansion.

OMAHA: P. M. Pederson has been advanced from vice president and cashier to senior vice president at First West Side Bank. W. E. Jehde has been promoted from vice president to vice president and cashier, R. L. Hale, R. G. O'Connor and T. E. Dewey were advanced to assistant vice president.

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