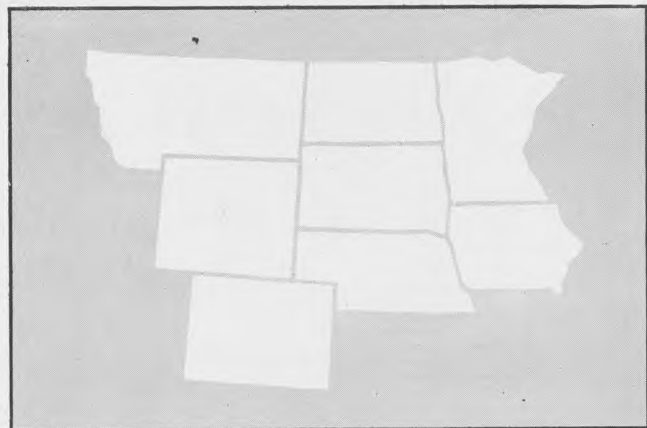


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 983

Des Moines, Iowa

August 1, 1966

## S.2575 To Get First Formal Hearing

Proposed legislation (S.2575) to prevent criminal infiltration of commercial banks was scheduled to get its first formal hearing before the Senate Banking Committee as this issue went to press.

Sen. John McClellan (D.-Ark.) chairman of the Permanent Investigations Subcommittee, was to testify. He introduced the bill last year on behalf of himself and six other senators after the subcommittee concluded its hearings into activities of Federally-insured banks.

Sen. McClellan has appeared personally at several state bankers conventions in the area served by *Northwestern Banker* (including Iowa, Minnesota and Colorado) explaining the major provisions of the bill, which are as follows:

1. Authorize public hearings, if requested, on national bank chartering applications and provide for court appeal of the Comptroller of the Currency's chartering decisions.
2. Limit the borrowing of money for the purchase of bank stock and set up new procedures for Federal regulatory agency clearance on transactions involving 10% or more of the outstanding voting stock in an insured bank.
3. Empower the Federal Deposit Insurance Corporation to require insured banks to report

certificates of deposit held by any one person, firm or corporation in an amount or amounts aggregating \$100,000 or more.

4. Require registration with FDIC of money brokers placing more than \$100,000 a year in insured banks and certification of them by FDIC.

5. Establish penalties for banks paying more than the legal rate of interest on time and savings deposits.

6. Grant FDIC authority to require any Federally-insured bank to undergo an independent audit if, in its opinion, such an audit is warranted.

Under the bill, the Comptroller also would be required to seek the views of the Federal Reserve Board and FDIC before allowing a state bank to convert to a national charter. The oath of office for national bank directors would be amended to require affirmation that the director is not acting for an undisclosed principal. Any person convicted of a crime involving moral turpitude would be barred from participating in an insured bank's ownership, management or control unless approved by FDIC. And, false loan statements would become criminal violations.

### NATIONAL NEWS

CHICAGO: J. Parker Hall, III, has joined Harris Trust and Savings

Bank as assistant vice president in the trust investment division of the trust department.

KANSAS CITY: Robert D. Schrock has been appointed economic consultant to the regional administrator of national banks in the Tenth National Bank Region, serving Iowa, Nebraska, Missouri and Kansas.

KANSAS CITY: Joseph J. McGee, Jr., president, Old American Insurance Company, has been named to the board of directors of the Commerce Trust Company.

LOS ANGELES: E. Herrick Low, executive vice president, United California Bank, has been named to the bank's board of directors, increasing the number of board members from 24 to 25.

MILWAUKEE: William G. Brumder has resigned as chairman of First Wisconsin National Bank. He has been succeeded as chairman and chief executive officer by Joseph W. Simpson, Jr. George F. Kasten has been elected president and Hal C. Kuehl has been named executive vice president.

NEW YORK: J. Garrard Holt and George H. Roberts, III, have been named vice presidents of First National City Bank.

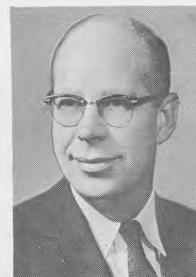
NEW YORK: Arthur Beck and Henry C. Whitney have been elected vice presidents of the Chase

(Continued to back page)



KEEP US IN MIND  
WE'RE EASY TO FIND

283-2421



HOMER JENSEN



GORDON DODGE

Member Federal Deposit Insurance Corp.

**IN SIOUX CITY. . . THE BANK FOR PERSONAL SERVICE**

**SNB SECURITY NATIONAL BANK**

Member Federal Deposit Insurance Corporation

**IN IOWA**

**Bernie Miller represents Chicago's only Stock Yards bank!**

**DROVERS NATIONAL BANK OF CHICAGO**

**IOWA NEWS**

**ANTHON:** Walter Sterrett, Jr., cashier, First Trust & Savings Bank, has been elected to the board of directors.

**CLINTON:** Clinton National Bank has announced new customer hours resulting in several additional banking hours per week. The bank's drive-in facility will be open 9 a.m. to 8 p.m. Fridays and the main bank will be open from 5 p.m. to 8 p.m. Fridays. The drive-in will also be open from 9 a.m. until noon Saturdays.

**COUNCIL BLUFFS:** Larry White has joined the Council Bluffs Savings Bank as auditor. He is a graduate of Morningside College in Sioux City and has been employed by Arthur Andersen & Company in Omaha as an accountant.

**EAGLE GROVE:** Lyle Abrahamson, Cresco, has joined the staff of the Security Savings Bank here.

**ELDORA:** Raymond L. Nance has been advanced to vice president of the Hardin County Savings Bank. Mr. Nance had been an assistant cashier. Also, Paul Schaa has been elected an assistant cashier.

**FAYETTE:** Don Rainer, former Fayette County Farm Bureau fieldman, has joined the State Bank of Fayette as an assistant cashier.

**GRINNELL:** Larry A. Mindrup has joined the staff of The Poweshiek County National Bank as executive assistant. For the past three years, he had been a farm mortgage field representative for the Metropolitan Life Insurance Company.

**POCAHONTAS:** Arlo M. Benson, assistant vice president at The Commercial State Bank, has been elected a director of the bank. He succeeds Gilbert A. Hunt who was recently honored for having completed 40 years of service to the bank.

**REMSEN:** Len C. Lamar, vice president and cashier, First Trust and Savings Bank, has been elected to the bank's board of directors.

**NEBRASKA NEWS**

**National Bank of Commerce States Stand on Branching**

In a letter addressed to all Nebraska bankers, Glenn Yaussi, president, National Bank of Commerce Trust & Savings, Lincoln,

has stated that the bank has not promoted branch banking legislation.

"It has been reported," he said, "that a public relations firm has indicated that our senior vice president, Gene Eaton, approached them in behalf of our bank to promote branch banking legislation. This report has no basis of fact."

Noting that the Nebraska Bankers Association, in October, 1965, voted overwhelmingly in opposition to branch banking, Mr. Yaussi added, "Since that time, there has been no effort by this bank or its officers in promoting branch banking or the introduction of any branch banking legislation in the next legislature. Furthermore, we do not know of any other bank or individuals who are sponsoring such legislation."

**MINNESOTA NEWS**

**ASHBY:** First State Bank of Ashby has increased the amount of its capital stock from \$25,000 to \$50,000, by stock dividend.

**BLUE EARTH:** Cecil F. Stilgebouer has been elected president of the First National Bank of Blue Earth, succeeding Roger B. Kleven who has resigned. Mr. Stilgebouer, a native of Nebraska, began his banking career in 1935 in Benkelman, Nebr. He had most recently been vice president in charge of staff administration in the executive offices of First Bank Stock Corporation, Minneapolis.

**ST. CLOUD:** Jerry J. Kigan, president of the Northwestern Bank & Trust Company, has been elected president of the Minnesota Taxpayers Association.

**SHAKOPEE:** Theodore Weiland, 89, a director of the First National Bank here, died recently. His career with the bank spanned 45 years as an active officer. He retired at the age of 65 and began his own real estate firm.

**SOUTH DAKOTA NEWS**

**ABERDEEN:** G.L. Hill, executive vice president of the Farmers and Merchants Bank, has been appointed to the Smaller Bank Commission of the NABAC for a term of three years.

**YOUR STATE BANKERS ASSOCIATION OFFICIAL SAFE, VAULT AND TIMELOCK EXPERTS F. E. DAVENPORT & CO. OMAHA**

**Hey, A NEED South of the Border**



**George Harris**

Keep this unbrero, but her of gringos who with correspo of any kind.

Si! These cab riding your often so look



If you have o lems, check w clearings, or overline situa ing you from larger custom gricultural o visit with us.

PUT A "FA THE SPOT! NOW! ADIOS!

PHONE 31

**Be of**

Member F Insura

**Proud of our heritage of service to Iowa banks, we're building at 6th & Locust for an even greater tomorrow.**

**Central NATIONAL BANK AND TRUST COMPANY**  
Member Federal Deposit Insurance Corporation

migo!  
HELP

Always the First to Serve You!

# First National Bank of Omaha

16 TH & FARNAM - OMAHA, NEBRASKA

Member Federal Deposit Insurance Corporation



CHESTER: Clement E. Reddin, manager of the Dakota State Bank here, died recently at the age of 66 years.

that construction decisions will be made at a later date.

## COLORADO NEWS

DENVER: Ted W. Piester, Jr., and Mrs. Barbara R. Moore have been elected assistant trust officers at the Denver U.S. National Bank.

DENVER: A proposal to split The First National Bank of Denver stock 2½ for 1 and issue a \$1 million stock dividend will be offered to shareholders in the near future. If approved by shareholders, the plan would authorize a split of the presently outstanding 180,000 shares of \$50 par value per share into 450,000 shares of \$20 par value per share. The bank also announced the elections of Ronald A. Loose, Thomas R. Roberts and R. Jack Sumner as new assistant cashiers.

DENVER: Larry Menefee and Robert Galloway have been advanced from assistant vice president to vice president at Colorado National Bank. Mrs. Genevieve Mann has been promoted from assistant cashier to assistant vice president. Robert Brisnehan has been named assistant controller and Edward Lucero has been named trust operations officer. Mrs. Mann is the first woman to be named an assistant vice president at the bank.

## WYOMING NEWS

ROCK SPRINGS: The first step has been taken in a building program by the Rock Springs National Bank. John W. Hay, Jr., newly-elected president of the Wyoming Bankers Association, is president of the bank. Workers have begun razing an old theater building on property adjacent to, and owned by, the bank. Mr. Hay reports that building plans are indefinite and

## House Committee Approves 4.5% Lid on Consumer CD's

A bill which would place a statutory limit of 4.5% on new certificates of deposit issued in amounts of \$100,000 or less has been approved by the House Banking Committee.

The committee also voted to authorize the Federal Home Loan Bank Board, for the first time, to set mandatory dividend-rate limits for deposits in S&L's.

The bill, opposed by both the ABA and the U.S. Savings and Loan League, is a temporary one, which would apply the lid until August 1, 1967. The 4.5% limit would apply only to new CD's and deposits currently outstanding at higher rates could be renewed once at their current yields.

The bill would also bar interest payments in excess of 5.5% on larger CD's.

Archie K. Davis, president of the American Bankers Association, said, "The Administration's most recent proposal ... does contain one element to which the American Bankers Association is, and must be, adamantly opposed. I refer, of course, to the proposal to establish by statute a ceiling of 5% on all commercial bank time deposits below \$100,000.

"Statutory control implies rigidity and inflexibility and nothing could be potentially more damaging to economic stability than to have one sector of the financial community operating under rigid Congressional control in an otherwise freely competing market. If there is to be interest regulation, it must be left to the discretionary authority of an objectively responsible regulatory body insulated from the pressures of political expediency. Such a body must be free to move swiftly in re-

"SERVING BANKS AND BANKERS SINCE 1948"

## Bankers Service

CORPORATION

BANK STOCK BROKERS  
BANK PERSONNEL

1301 R & T BLDG.

PHONE 515-244-3113

DES MOINES, IOWA 50309

sponse to rapidly changing circumstances." Mr. Davis did make note that the proposals remedy one situation, since they apply to S&L's as well as banks.

In the August issue of...

## The NORTHWESTERN BANKER

Are your bank service charges up-to-date or out-of-date? Do you charge enough for your bank's valuable services? What are other banks doing to meet the growing costs of bank services?

You can find some of the answers in the August issue of the *Northwestern Banker*.

In an exclusive survey of numerous banks in the upper midwest, bankers discuss their service charges, how they have been established, changes made in them and future changes under consideration.

In another forthright article, Prof. Lewis E. Davids contends that state surplus funds should be kept in the state's commercial banks rather than being invested elsewhere.

Also in the August magazine, being mailed this week, are loan and deposit figures, as of June 30, received by July 18, for representative banks in each of the upper midwestern states served by the *Northwestern Banker*.

Make Plans NOW to Join...



The NORTHWESTERN BANKER  
post-A.B.A. convention 10-day  
HAWAIIAN TOUR

# 1st LINCOLN ...Professionals in Livestock Loans

FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN  
12th & N Street • LINCOLN, NEBRASKA • Member: F.D.I.C.



nder your som-  
e are a couple  
o will help you  
ndent services

alleros will be  
territory more  
for them soon.



ollection prob-  
with us for fast  
if excess or  
tions are keep-  
n helping your  
ers, either ag-  
r commercial,

ST GUN" ON  
Write or phone

GA 1-1850

St. Louis

SHINGTON AVENUE

OUIS 66, MO.

Federal Deposit

Digitized for FRASER

<https://fraser.stlouisfed.org>

Federal Reserve Bank of St. Louis



Call  
Wayne Thorndyke  
for

**Personal Attention  
to All Your  
Correspondent Needs**

CALL  
402  
AREA CODE

**341-8765**



Member Federal Deposit  
Insurance Corporation

Manhattan Bank, N.A. Both men are in the bank's metropolitan department.

NEW YORK: Boris S. Berkovitch has been elected a vice president of the Morgan Guaranty Trust Company, effective September 1.

NEW YORK: Lawrence M. Pritchard, Arthur W. Rossiter, Jr., C. Robert Safford and Walter B. Terry have been elected vice presidents of Morgan Guaranty Trust Company.

NEW YORK: Joseph C. Cantwell, Frank W. Hurst, Robert McC. Jordan, Louis G. Kreutzer, Jr., Frederick G. Lauer, Jr., and Raymond J. Ludwig have been elected new vice presidents of Bankers Trust Company.

NEW YORK: John P. Dowling, C. Barrett Leary and Daniel N. Quigley have been elected vice presidents of Manufacturers Hanover Trust Company. All are in the bank's metropolitan division.

WASHINGTON, D.C.: In a letter sent last week to chief executive officers of member banks, Archie K. Davis, president of the American Bankers Association, has outlined the ABA's reaction to the Administration's recently-announced position on the cease and desist legislation now pend-

ing before the Senate Banking and Currency Committee. The administration and ABA agreed on several proposed amendments to the legislation, but disagreed on officer removal provisions. The ABA contends that bank officers should be removed only in cases of personal dishonesty and that the Board of Governors of the Fed should approve any such action by the Comptroller. The Treasury prefers the original proposals. Mr. Davis noted that the ABA will not support the legislation without inclusion of the safeguarding amendments proposed by the ABA.

### LATE NEWS...

#### North Dakota

MINOT: Lee G. Holden, an employee of Olmsted County Bank and Trust Company, Rochester, Minnesota, since 1959, has joined the real estate and loan department of the American State Bank here.

#### Nebraska

OMAHA: Morris F. Miller, president of The Omaha National Bank, has sent a letter to Nebraska bankers informing them that his bank will not sponsor a branch banking bill in the next session of the Nebraska legislature. (See inside for statement made by the National Bank of Commerce in Lincoln.)

"We are distressed," Mr. Miller said, "by a number of stories reaching us to the effect that The Omaha National Bank will sponsor or promote, directly or indirectly, a branch banking bill in the 1967 session of the Nebraska legislature. Such stories are not true, and anyone repeating them is either misinformed or deliberately misrepresenting the facts."

OMAHA: P.M. Pedersen has been promoted to senior vice president at First West Side Bank. W.E. Jahde is new vice president and cashier, T.E. Dewey, R.G. O'Con-

nor and R.L. Hale have been named assistant vice presidents.

SARGENT: Hal Thompson has joined Farmers State Bank as an assistant vice president.

WAYNE: L.B. McClure has retired as vice president of the First National Bank after a career of 49 years. He remains a director.

#### Iowa

DES MOINES: Glenn D. Hummel has been elected assistant cashier at Iowa State Bank. He had been farm representative.

JEFFERSON: Harlan Sterk, Dana office manager, Jefferson State Bank, has been elected assistant cashier.

OSKALOOSA: Thomas D. Brown, 68, vice president, Iowa Trust & Savings Bank, died recently.

#### South Dakota

DRAPER: Draper State Bank held open house recently in observance of its 60th anniversary.

### WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.  
NORTHWESTERN BANKER  
306 15th St., Des Moines, Iowa

### AVAILABLE

Cash-Flow Budget and Farm Loan Application forms for the banker who wants to update his farm loan files. Samples for inspection. Farm Business Council, Inc., P.O. Box F, Urbana, Illinois 61801.

### BANKS WANTED

Hard-working staff of energetic Chicago Loop bank desires to serve more banks in the midwest better than they have ever been served before. This is not a lip-service ad. We'll perform! Call Max Roy in Iowa City at 338-5908. Or phone us direct at La Salle National Bank, 135 S. La Salle St., Chicago, Illinois 60690. State 2-5200 (area code 312). Complete trust services. Member of Federal Deposit Insurance Corporation, of course!



George Harnagel

We're here to help  
you get what you want

**IOWA-DES MOINES  
NATIONAL BANK**

Member Federal Deposit Insurance Corporation

**Kirk Gross Co**  
BANK PLANNING  
Waterloo, Iowa

No. 983 Northwestern Banker is published five times monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscription 50¢ per copy, \$4 per year. Second class postage paid at Des Moines, Iowa. Address all mail (subscriptions, changes of address, Forms 3579, manuscripts, mail items) to above address.