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

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IN IOWA

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DROVERS NATIONAL BANK OF CHICAGO

IN 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 Morningide 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.

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 85 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.

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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 450,000 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 that construction decisions will be made at a later date.

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 CDs.

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 response 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

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

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The NORTHWESTERN BANKER
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...Professionals in Livestock Loans

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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 pending 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.

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