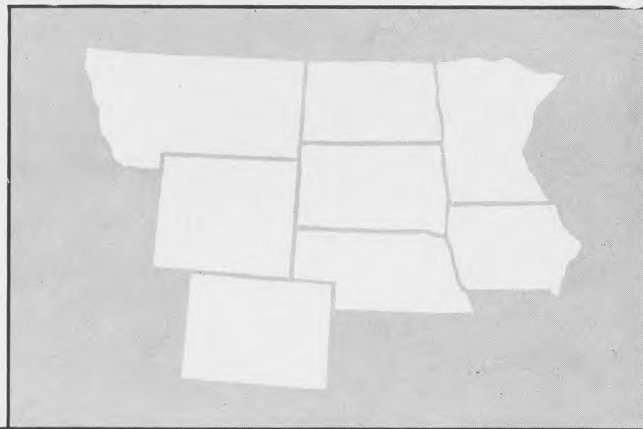


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 993

Des Moines, Iowa

September 26, 1966

## To Rule on Insurance for National Banks

Will national banks in cities of 5,000 or more population be able to continue to sell insurance under the ruling made by Comptroller James J. Saxon in 1963?

An important ruling on the matter will be made in U.S. District Court in Atlanta, Georgia, tomorrow (September 27). The Comptroller and the Citizens and Southern National Bank in Atlanta, have asked the court to dismiss the suits brought against them by the National Association of Insurance Agents. NAIA has complained that the rights of its members have been violated and that national banks are entering the insurance business in violation of the law. The suits against the bank and the Comptroller were filed in December, 1965.

The National Banking Act, passed in 1863, did not specifically authorize banks to conduct an insurance business. The Act was amended in 1916, giving banks in towns of not more than 5,000 the right to sell insurance.

Comptroller Saxon has long advocated "one-stop banking" and the concept of a "department store of banking" whereby national banks could offer many services, including the sale of insurance. As far back as 1957, Mr. Saxon served as a registered lobbyist in Washington, working on the Financial Institutions Act. A part of this Act would have authorized national banks to sell insurance. It was

highly debated and finally defeated by the Congress.

NAIA contends that the Comptroller "doesn't want to face the music of the plain language of the law" and as such he has made an administrative ruling circumventing the wishes expressed by Congress in 1957.

Citizens and Southern in Atlanta is the largest bank in Georgia. It has established a working relationship with American Southern Insurance Company and proceeded to sell insurance under the administrative ruling made by the Comptroller. Estimated annual premiums are now running about \$1,000,000 according to figures obtained by NAIA.

### Government Moves Ahead To Control Savings Rates

Continued attention is being given in Washington to the matter of interest rates, how to control them, the factors that go into their makeup, and their effects on various segments of the economy. After quick passage of the bill giving the Federal Reserve Board authority to set commercial bank savings rates, and the Federal Home Loan Bank Board similar authority over S&L dividends, President Johnson's signature was expected to be placed on the measure immediately.

Meanwhile, speculation on what

steps would be taken ranged from retaining the Fed's present ruling of 5% ceiling on CD's under \$100,000 and 5½% over \$100,000 to an eventual reduction in the permissible CD rate ceiling for banks to 4½%. The latter course is one that certain S&L factions feel they have a commitment for from certain government leaders. The 4% passbook rate apparently would remain unchanged.

Any drastic reduction in the CD rate immediately would no doubt accelerate and accentuate the "tight money" problems of commercial banks right now, since about \$5¼ billion -- nearly one-third of the total CD's in banks -- was due to roll over in September. A reduced CD rate, and continuing high return from government issues, could drain this needed money away quickly from the commercial bank lending stream.

### NATIONAL NEWS

CHICAGO: Alloys O. Aspess, systems officer in data processing at Harris Trust and Savings Bank, died September 17 after a brief illness.

KANSAS CITY: Don Anderson, assistant cashier with Commerce Trust Company since 1963, has been assigned to the correspondent banking department. He will work with Vice President Tom Cannon in the states of Iowa and Nebraska.

(Continued on back page)

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**IOWA NEWS**

**ACKLEY:** Controlling interest in the Ackley State Bank is to be purchased by A. M. Saylor, Clarion. Final settlement and transfer of stock is to be completed by the end of the year. No changes in the present board, employees or policies are planned.

**CEDAR FALLS:** Local banks have joined the "long weekend" trend by announcing that there will no longer be Saturday banking hours, but that Friday banking hours will be extended.

**COUNCIL BLUFFS:** Charles Telfander, assistant vice president, State Savings Bank, has been appointed to the Council Bluffs City Council.

**DANVILLE:** Charles Wagner, formerly vice president, has been elected president of the Danville State Savings Bank, succeeding the late Bert E. Dodds.

**DES MOINES:** George Buser, assistant secretary of the Iowa Bankers Association, will remain associated with the organization until after the IBA convention next month. It was reported last week that his resignation became effective September 15.

**DeWITT:** John R. Crowley, formerly assistant cashier at DeWitt Bank and Trust Company, has been elected cashier at the First National Bank of Galena, Illinois.

**EPWORTH:** Clyde Grenz, Tyler, Minn., has been elected cashier of

the Epworth Savings Bank, effective October 1. Prior to his move to Minnesota, Mr. Grenz had been associated with a California bank. The placement was concluded through Bankers Service Corporation, Des Moines.

**FAIRFIELD:** Directors of the Iowa State Bank have approved final plans for a new Drive-In banking facility at Burlington Avenue and North Fourth Street.

**FOREST CITY:** Clarence O. Nerby, vice president, Forest City Bank and Trust Company, died recently at a local hospital following a heart attack.

**FORT DODGE:** The newly built home for The State Bank has been opened for business. The bank, chartered in 1934, began construction on the new building, at the head of Central Avenue, nearly one year ago.

**IDA GROVE:** Peter H. Nielsen has joined Ida County State Bank as vice president. He resigned September 1 from Sloan State Bank at Sloan, where he was executive vice president and cashier. He had been at Sloan seven years, and prior to that was with the national banking department and with First State Bank, Battle Creek.

**WATERLOO:** The three Waterloo banks remain closed on Saturdays, effective September 17. Extended Friday hours and Drive-in banking hours have been introduced.

**NEBRASKA NEWS**

Group Meetings of the Nebraska Bankers Association will get under-

way with the Group 6 meeting October 10 at Sidney. The other five groups will meet as follows: 5, October 11, North Platte; 3, October 12, Norfolk; 2, October 12, Fremont; 4, October 13, Hastings, and 1, October 14, Lincoln.

**BRUNING:** A 75th anniversary and open house celebration will be held October 1 and 2 at the Bruning State Bank. October 2 has been set aside for bankers.

**COMSTOCK:** Keith A. Whaley, Sargent, and Robert A. Wekesser, Lincoln, have purchased the Farmers & Merchants Bank from Robert Walker, Kearney. Mr. Wekesser is senior vice president and head of the bond and investment department at the National Bank of Commerce, Lincoln.

**COZAD:** Jerry Wittenberger, 36, formerly vice president, Farmers and Merchants Bank, Comstock, has been appointed to take charge of the installment loan department at First National Bank, Cozad.

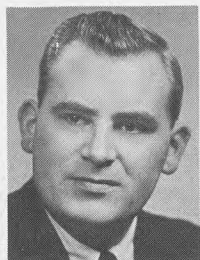
**DAVID CITY:** The remodeling and expansion program at the First National Bank should be completed approximately November 1, according to President Paul Kosch.

**FREMONT:** Gene H. Tallman, Lincoln, has been elected a director of the First National Bank of Fremont. Mr. Tallman is president of Universal Surety Company and Inland Insurance Company. He is also a director of National Bank of Commerce, Lincoln.

**GERING:** J. G. Elliott, Scottsbluff insurance man, has sold the major portion of his interest in the Gering National Bank to John Gayer, Valley Forge, Pa. Mr. Gayer will succeed Mr. Elliott as chairman of the board.

**LEXINGTON:** Lexington State Bank has made application to change its location from 523 North Washington Street to the corner of 7th and Lincoln Streets, site of its present parking lot office, where the bank would erect a new building.

**LINCOLN:** Bernard Farmer has been elected vice president and Roy Yaley has been named assistant vice president at National Bank



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of Commerce. Mr. Farmer will be in charge of computer services for businesses and banks throughout the state. Mr. Yaley joins Tom Waldo, Winton Buckley and Rex Miller in the correspondent bank department. He will be traveling throughout Nebraska. He comes to the Lincoln bank from a position as vice president and director of Gering National Bank.

The bank's stockholders have approved an increase in capitalization from \$2,860,000 to \$3,003,000 through a 5% stock dividend. Directors also transferred \$250,000 from undivided profits to increase the surplus account to \$3,250,000.

**LINCOLN:** A full report on the First National Bank and Trust Company's recent Correspondent Bank Conference, by Ben Haller, Jr., editor, will appear in the October issue of *Northwestern Banker*.

**NORFOLK:** Open house has been planned for November 11 and 12 at the new building recently completed by the De Lay First National Bank. November 11 has been set aside for bankers and contractors and November 12 for the general public, according to B. M. De Lay, president. Donald J. Smejkal, formerly branch manager for University CIT Credit Corporation in Norfolk, has joined the bank where he will be in charge of a new consumer credit department.

**NORFOLK:** Henry Reynolds, president, National Bank of Norfolk, has announced that the bank will expand its building. Specific plans will be announced at a later date.

**OMAHA:** More than 800 bankers and their wives representing 340 banks in 13 states were in attendance at the Omaha National Bank's Correspondent Bank Centennial Conclave last week. A report will appear in the October issue of *Northwestern Banker*.

**OMAHA:** The newly-opened Center Bank Drive-In at 42nd and Center will be open from 8 a.m. to 8 p.m. during the week and from 8 a.m. to noon on Saturdays.

**OMAHA:** Security National Bank of Omaha has announced plans to build a drive-in, walk-in banking facility on the southwest corner of 41st and Dodge Streets. The bank



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will move, in a few weeks, into its new headquarters at 35th and Farnam Streets.

**MINNESOTA NEWS**

**CANNON FALLS:** Ed Jaspers, 42, has joined the First National Bank as operations officer. For the past 13 years, he had been managing officer of the First National Bank of Eden.

**DULUTH:** Robert P. Hatten and Timothy Burgess have been elected assistant cashiers at the First American National Bank of Duluth, according to Emmons W. Collins, president.

**MINNEAPOLIS:** The fifth annual convention of the Independent Bankers of Minnesota will get underway Wednesday and will continue through Thursday at the Radisson Hotel in Minneapolis.

**ST. JAMES:** Mrs. Hans Kruger has been elected cashier and William Beam has been named assistant cashier at First National Bank here.

**SOUTH DAKOTA NEWS**

**BRANDON:** Three area banks have been merged to form the United National Bank of Brandon, according to the plan announced several months ago by John Vucurevich of Rapid City, who is president of all three banks. They will operate

under the charter of the United National Bank at Brandon, with branches in the other two towns.

**NORTH DAKOTA NEWS**

**CANDO:** Organizers of Towner County State Bank have been authorized by the state banking board to incorporate the bank under state banking laws. Principals are William J. Hoffman, Gordon O. Olson and James A. Jorde, all of Cando; John R. Benson of Bisbee, and Russell Mattson and J. Dale Martz, of Rock Lake.

**CROSBY:** Subsequent to purchasing the Noonan Exchange, the Farmers State Bank, Crosby, has opened a paying and receiving station at Noonan.

**FARGO:** Charles Tighe, Bismarck, and Eugene Rich have resigned as members of the board of directors of the State Bank of Fargo. Mr. Tighe, North Dakota lieutenant governor, resigned due to the press of other business. He is succeeded by Oral A. Holm, Fargo realtor. Mr. Rich, former state banking director, will continue as executive vice president. His place on the board has been taken by Robert F. Young, Fargo insurance man.

**JAMESTOWN:** James Voll has

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## MONTANA NEWS

**BUTTE:** At last word, Albert E. Leuthold, state superintendent of banks, was awaiting a ruling from the Montana attorney general as to the legality of the proposed merger between First National of Butte and Daly National at Anaconda. Under the merger, the banks reportedly propose to use a forgotten "depression" law passed in 1931 to set up a branch bank in Anaconda, although Montana law specifically passed a nonbranching law in 1927. The 1931 law permits consolidated banks to operate offices in the same or adjoining counties. The two cities are 22 miles apart. The merger proposal will be submitted soon by the two banks to the Comptroller of the Currency. The Attorney General's ruling will be transmitted by Mr. Leuthold to the Comptroller.

## COLORADO NEWS

**BEAR VALLEY:** Richard C. Meckley was promoted last week from executive vice president and cashier to president of the First National Bank. He succeeds Eugene H. Adams, who continues as board chairman. Mr. Adams also is president of the First National Bank of Denver, with which the Bear Valley bank is affiliated. Robert D. Binder, vice president, was elected to the board of First National at Bear Valley. Frank S. Peterson was advanced from assistant cashier to cashier.

**DENVER:** Christian K. Johnson has been promoted from assistant trust

officer to vice president and trust officer at American National Bank.

**DENVER:** North Denver Bank President Etienne Perenyi said the bank's issue of 6,000 of new shares of stock have been oversubscribed. Authorized last June by stockholders, the 15-year old bank now has capital seven times the original \$235,000.

**DENVER:** Mrs. Dale K. Norris has been promoted to auditor of the National City Bank, one of three women in the state to hold such a position in a commercial bank.

**LAKEWOOD:** Merlin Williams, vice president, Jefferson County Bank, is the new president of the Suburban Clearing House Association. Dean T. Dearing, president of the North Valley State Bank of Thornton is vice president. John D. Rankin, vice president and cashier, Broomfield Bank, is secretary-treasurer.

## NATIONAL NEWS

(Continued from front page)

**NEW YORK:** Joseph F. Glibert has rejoined The Bank of New York as a vice president in the investment counsel department. He left the bank in 1954 to take an executive position with Maryland Casualty Company, Baltimore.

**ST. JOSEPH, MO.:** Roger A. Hegarty and Thomas R. Wall, III, have been elected to the board of directors of The First National Bank, according to J. M. Ford, II, president. Mr. Hegarty, who has been with the bank since 1958, is vice president

and assistant to the president. Mr. Wall is general merchandising manager of Townsend and Wall Company.

**WASHINGTON, D.C.:** Carter H. Golembe has resigned as deputy manager and secretary of the state bank division of the American Bankers Association in ABA's capitol office here, effective November 1. He plans to open a private office as an economic consultant to banks and other institutions.

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