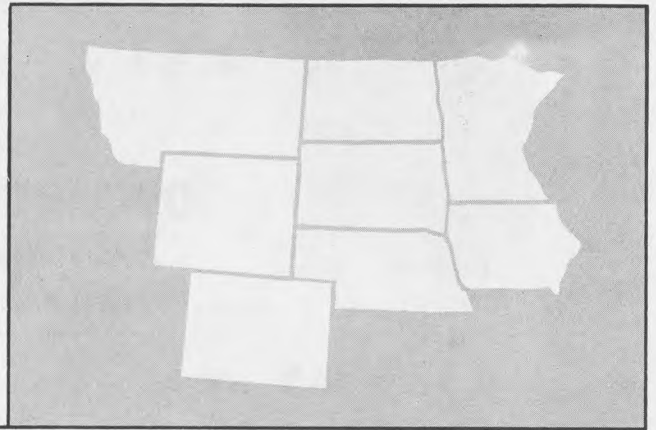


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1062

Des Moines, Iowa

October 30, 1967

## Record Crowd of 5,250 at Iowa Convention

An all-time record high registration of nearly 5,250 bankers and their wives was recorded for the 81st Annual Convention of the Iowa Bankers Association in Des Moines last week.

J. Howard Laeri, newly-elected president of the American Bankers Association, made his first appearance before a state bankers association meeting and lost no time in addressing himself to one of the crucial problems facing the commercial banking industry today. Mr. Laeri, who is vice chairman, First National City Bank, New York, reviewed the changing economic scene over a period of decades and stated... "When we try to match the speed of change, the competition we provide in many instances is being curtailed, if not circumvented altogether."

He discussed specifically the proposal before Congress to create an entirely new banking system and said:

"Now we face the proposal to create Federal Savings Banks in all of our 50 states. It has already been subjected to committee action. Here is a stunning example of the kind of governmental inconsistency that is making competition more difficult.

"This is not a new proposal. It has been floating around Congress for the last ten years. What

is new is that S&L's have now joined in, and with little more than a change in stationery could become "banks" as the public has come to know them. But would they be banks? Or would such a law merely create another system of pseudo-banks favored by special tax treatment and, in effect, allow it to enter the market as a subsidized industry.

"According to the most recent data, S&L's pay only half of the relative taxes of commercial banks; mutual savings banks now pay only an eighth as much. Moreover, when Federal finances are strained and the President is asking the American people and business to pay an additional 10% surtax, it seems paradoxical at best to create additional tax shelters.

"Finally, to claim with the advocates of this legislation, that granting S&L's the privileges of making consumer loans as well as loans secured by stocks, bonds and insurance policies would in no way reduce the flow of mortgage money, is just plain ludicrous.

"I cite this example because it is typical of the inconsistencies of the anti-competitive drive that is underway in the country today.

"The issue here is not increased competition, which commercial bankers expect and wel-

come. The issue here is fair competition. If other financial institutions want to act as commercial banks, then they should not be subsidized and should assume the responsibilities of commercial banks--with respect to liquidity, with respect to reserves, with respect to conflict of interest requirements, with respect to the payment of Federal taxation, with respect to all those principles that are fundamental to banking and the protection of the public."

Convention delegates unanimously adopted the proposal to elect a vice president each year who would succeed automatically to the office of president the following year. New officers for 1967-68 are: President--Oliver A. Hansen, president, Liberty Trust & Savings Bank, Durant; Vice president--James W. Lipton, Jr., executive vice president and cashier, Ida County State Bank, Ida Grove, and Treasurer--John F. O'Neill, president, First Trust & Savings Bank, Armstrong.

A strong warning on impending inflation was issued by Beryl Sprinkel, vice president and economist, Harris Trust & Savings Bank, Chicago. He said, in part: "The problem clearly is not insufficient demand, but in fact, the opposite. It now appears that we are entering

**Iowa Convention...**

(Continued to back page)

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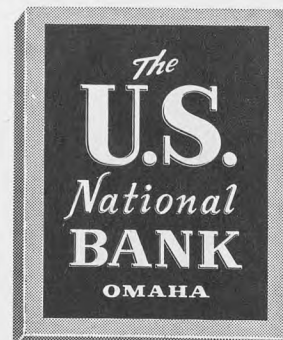


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### **IOWA NEWS**

**CLINTON:** Robert A. Lothringer, vice president, Clinton National Bank, has been advanced to executive vice president.

**DAVENPORT:** Tom Figge, son of V. O. Figge, president, Davenport Bank & Trust Co., has joined First National City Bank, New York, in the bank's training program.

**DES MOINES:** East Des Moines National Bank has opened an office in Pleasant Hill at 3400 Maple Drive, it was announced recently by Paul T. Manning, president. Sol Croom, formerly with Iowa State Bank, is office manager.

**DIAGONAL:** Funeral services were held last week for Elbert M. Watson, 54, president of the First State Bank and a member of the Iowa legislature.

Mr. Watson was found shot to death in the bank's basement. An apparent suicide victim, he was married and the father of six children.

**FAYETTE:** Craig Williams of Allen, Nebraska, has been elected president and director of the State Bank of Fayette. He succeeds Gene Harvey, who sold his interests to Robert Isensee and associates of Mason City. Mr. Isensee is president of the United Home Bank and Trust Company in Mason City.

Mr. Williams, who is president of the Security State Bank in Allen, will move to Fayette as active head of the bank there. He is a

former resident of northeast Iowa and a graduate of Northern Iowa University in Cedar Falls.

**NEW HAMPTON:** Both banks here, First National and Security State, began paying 4½% interest October 1 on one-year CD's of \$500 and over.

**ODEBOLT:** The old bank building formerly occupied by the old First National Bank has been purchased from Charles E. Lakin by Odebolt State Bank for \$37,500. Bank officials said they plan to move into the new quarters as soon as permission for the move has been cleared and remodeling has been completed.

**OSCEOLA:** Keith Richard has been elected vice president of the Clarke County State Bank, effective November 15, according to R. A. Robinson, president. Mr. Richard has been associated the past 14 years with the Citizens State Bank at Humeston, the past eight years as president. He is a past director and officer of Security State at Allerton.

**SIOUX CITY:** The Toy National Bank has made application to the Comptroller of the Currency to establish a branch at the Bellas Hess Shopping Center, Hiway 75 and Glenn Avenue, Sioux City.

**WEST UNION:** Richard Vagts has been advanced from assistant cashier and auditor to cashier, the post formerly held by the late Carl Schori, who died September 25. Mr. Vagts has been with the bank 17

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years. Bruce Crandall was advanced from assistant cashier to assistant vice president. Mr. Crandall was graduated from the University of Iowa in 1961 and served with Merchants National, Cedar Rapids, until joining First National three years ago.

### **NEBRASKA NEWS**

**CAMBRIDGE:** Lyman Larsen, formerly with Farmers & Merchants Bank at Axtell, has joined the staff of the Cambridge State Bank.

**GRAND ISLAND:** S. N. Wolbach, president of the First National Bank, has announced the promotion of LeMoyné Monson to supervisor of data processing.

**SUPERIOR:** Mrs. W. A. Matson, whose late husband was a banker in Superior a number of years ago, has presented \$5,000 to the Brodstone Memorial Hospital here in memory of her late husband. The gift was in the form of 20 shares of stock in the Citizens State Bank of Jewell, Kans., where Mr. Matson was cashier until his death several months ago.

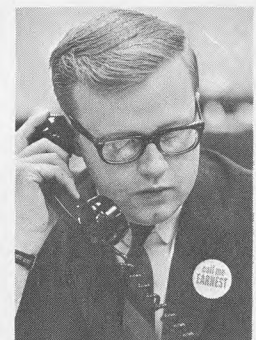
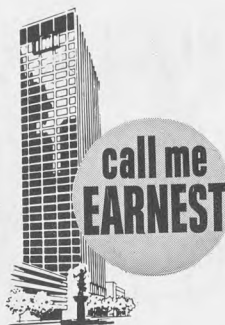
**TEKAMAH:** Lloyd Palmer, a director of the First National Bank for

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many years, died October 18. Mr. Palmer was a farmer in the Tekamah area.

## MINNESOTA NEWS

**BURNSVILLE:** An application for a state bank to be located in this town at Highway 13 and Nicollet Avenue, has been filed, according to Marvin L. Rye, commissioner of banks. The name of the new bank would be Burnsville State Bank. Incorporators Paul R. Schanno of Mendota and John J. Todd of South St. Paul have proposed capital funds of \$300,000. No date for a hearing has been set.

**MANKATO:** Jim Weir will become associated with Valley National Bank on November 1 as manager of Commerce Agency, Inc. He was formerly vice president of the First National Bank of Brewster, where he had been the past year. Prior to that he was with First National Bank of Windom, where he was an officer in the First National Agency for 10 years.

## SOUTH DAKOTA NEWS

**SIOUX FALLS:** Four nationally prominent speakers will address bankers attending the 18th Annual Bank Management Conference of the South Dakota Bankers Association at Holiday Inn on November 8. Roy Terwilliger, executive secretary-treasurer, announced last week that the following will be on the program:

Nat S. Rogers, president, Deposit Guaranty National Bank, Jackson, Miss., and immediate past president, ABA savings division.

Keith Funston, former president of the New York Stock Exchange, and now chairman of the board of Olin, Mathieson Company.


James E. Smith, associate federal legislative counsel, ABA, Washington, D. C.

Hon. Bourke B. Hickenlooper, U. S. Senator from Iowa.

The first three men will speak at the morning session. Sen. Hickenlooper will be the banquet speaker.

The afternoon program will be devoted to a panel discussion of the Uniform Commercial Code in South Dakota. Donald Porter, SDBA legal counsel, will moderate. Participants are: William Sawtell,

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Nebraska Bankers Association legal counsel, Omaha; David A. Shern, vice president, First National Bank of St. Paul, Minn.; James A. Halls, Minneapolis attorney, and Gale Fisher, Sioux Falls attorney.

Presiding at the Bank Management Conference will be John O'Donnell, chairman of the SDBA committee, and president, First National, Lemmon. Dr. Donald Ward, president, Yankton College, also will address the morning session briefly. Clifford C. Sommer, president, Security Bank & Trust Company, Owatonna, will also address the afternoon session before the UCC panel starts. SDBA President Walter Pailing will preside at the banquet.

## NORTH DAKOTA NEWS

**BOTTINEAU:** The State Bank of Souris was moved from Souris to Bottineau effective October 23 and changed its name to State Bank of Bottineau. The Federal Reserve Bank of Minneapolis announces the bank will remit at par and the combined ABA transit number and routing symbol is 77-387...913.

## COLORADO NEWS




**BRIGHTON:** The United States Comptroller of the Currency has rejected an application for a national bank charter to be known as Adams County National Bank of

Brighton. Word of the rejection was announced by J. R. Thomas, Denver, regional administrator of national banks. Representing the applicants was Richard K. Schumann, former Denver banker and now executive vice president of Greeley National Bank in Greeley. He is also a director of two of the latter bank's affiliates -- West Greeley National and Cache National, also of Greeley.

**DENVER:** November 16 has been set as the date for a hearing on an application for a state bank charter for the proposed Montbollo State Bank to be located near Interstate 70 and Peoria Street. Plans for the bank first were announced May 6, 1966. Organizers at that time all were officers or directors of the Aurora National Bank. Since then, controlling interest of the Colfax National Bank in Denver was acquired by some of the men and they are now officers or directors of that bank.

Organizers are listed as Kenneth A. Bundy, Aurora newspaper publisher; Dr. Mathew Gibson, Jr.; Edward Hanifen, president of Aurora National; Vincent N. Schmitz, a CPA; Charles A. Sillstrop, president of Colfax National; George T. Sweeney, attorney and vice president of Colfax National, and Thomas A. Waters, investments.

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Mr. Patman, whose committee is conducting a continuing study of beneficial ownership of bank stock, said he welcomes the proposals requiring bank stock owned by family members of directors, officers and stockholders and by "insiders" in an individual capacity to be disclosed.

### Iowa Convention...

(Continued from page one)

a period of the most serious inflation since World War II. In fact, inflation is already upon us as consumer prices have recently been rising at about a 4% annual rate. Prices will rise at least that rapidly next year and perhaps more. From 1951 until the middle of 1965, the rise in consumer prices was only slightly about 1% per year, so that current and prospective price trends are indeed discouraging.

"The cause is not difficult to find... both monetary and fiscal policy have been highly expansionary and they are resulting in rapid increases in private and Government spending. Our economy is near full employment of both labor and capital resources so that much of the spending impetus will result in higher prices rather than higher production. To such an environment, banks are likely to be loaning more money at higher rates of interest."

### NATIONAL NEWS

CHICAGO: The ABA National Cred-

it Card Conference will be held at the Conrad Hilton Hotel November 9-10. Nine panel presentations will be made on all phases of credit card business, ranging from pre-entry studies to latest merchandising developments.

CHICAGO: First National Bank will hold its Annual Conference for Correspondent Banks November 19-21. The business sessions will be held throughout Monday, November 20 and will conclude at noon the following day.

ST. LOUIS: The First National Bank in St. Louis will hold its 21st Annual Conference of Bank Correspondents at the Sheraton-Jefferson Hotel Tuesday, November 14. Headlining the program will be Senator Stuart Symington; David S. Lewis, who is president of McDonnell Aircraft, and Dr. Leslie C. Peacock, senior vice president and economist, Crocker-Citizens National Bank, San Francisco.

WASHINGTON, D.C.: Wright Patman (D., Tex.), chairman of the House Banking Committee, has praised the three Federal supervisory agencies for proposing bank stock ownership disclosure rules.

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