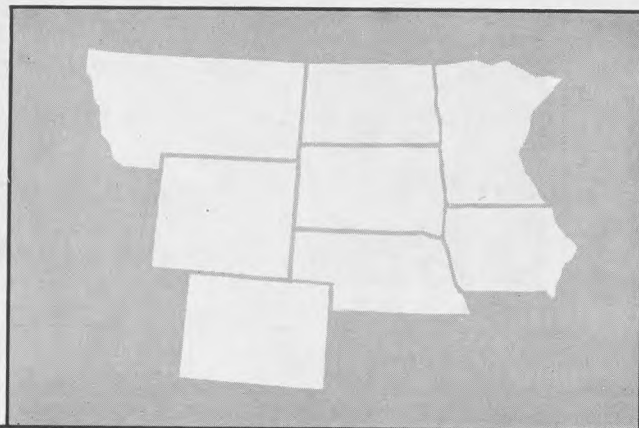


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1104

Des Moines, Iowa

June 24, 1968

## Foresee Dangerous Banking Proposals

"Keep in touch with your Congressmen and pay attention to the major proposals for new banking legislation."

This warning was conveyed to bankers by a variety of speakers at most of the spring conventions and regional meetings in the *Northwestern Banker* area. Checking some of the current proposals, the advice should be followed by every officer and director of every bank, regardless of size.

Some of the proposals may seem 'innocent' at first glance — but in actual practice they may have broad and dangerous ramifications. For example, the extension of credit by banks for the purchase of unlisted stocks would come under Federal Reserve Board control under legislation approved by the Senate Banking Committee. The Fed has maintained that the additional control of margins is needed as a safeguard against the excessive use of credit in the over-the-counter market. The Fed has indicated that if granted the regulatory authority over unlisted stock purchases on credit, it would use the author-

ity over unlisted stock purchases on credit, it would use the authority to regulate margins of only certain actively traded issues.

Intentions may be good — but, what would be the situation if the regulatory authority was applied to bank stocks and an 80% margin requirement was established? This would seem to end independent ownership of banks, and it would place severe limitations on the marketability of closely-held bank stocks.

Another example is the so-called Antirobbery measure, which has passed the House and is now in the Senate Banking Committee. It requires the Federal Reserve Board, the FDIC and the Comptroller of the Currency and the FHLBB to issue regulations spelling out minimum standards for the installation of protection equipment. The regulations issued by the agencies would set time limits within which banks and S&L's would have to meet the standards. Both banks and S&L's would have to file periodic reports with the agencies

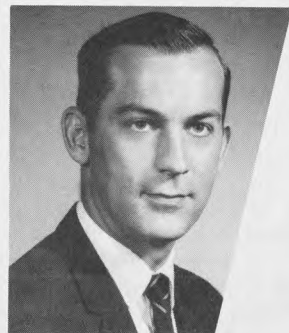
on the security practices. Any institution violating the regulations would be subject to fines of up to \$100 a day! It would seem that the regulations might be prohibitive in cost to many of the smaller banks. Certainly, the requirements for a \$100 million bank should be different from a \$3 million bank.

Much has been written and said about the Federal Charter Bill and its inherent dangers. Perhaps lesser known — but still dangerous — are bills like the one introduced by Sen. Philip A. Hart of Michigan, designed to prevent banks and other lenders from making a profit in the writing of credit life insurance.

Congress will no doubt adjourn in early August — but the next six weeks will be important — and the time for bank officers and directors to keep in close touch with their Congressmen.

### South Dakota Secretary To Join ABA Staff

Roy W. Terwilliger has resigned as exec. sec-treas. of the SDBA, effective Sept. 1, to accept a position with the ABA, as secretary of the state assn. section and special asst. to Dr. Charles E. Walker, ABA exec. v.p.



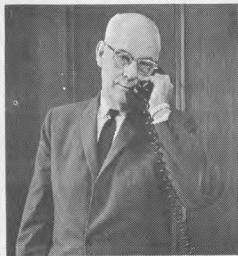
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## **IOWA-DES MOINES NATIONAL BANK**

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### **IOWA NEWS**

**AMANA:** Members of the Benton-Iowa County Bankers Association will hold their summer meeting here tonight (June 24) starting at 6:00 p.m.

**BETTENDORF:** John Pheiffer has been named the director of the Bettendorf Bank and Trust Company's new business development department, beginning July 1. He is presently executive secretary for the Bettendorf Chamber of Commerce.

**CHARITON:** Jim Clark has been named trust officer to head an expanded trust department at the National Bank and Trust Company. He has been with the bank since December 28.

**COUNCIL BLUFFS:** Wayne C. Clark has been named cashier of the First National Bank, replacing Mrs. Betty J. Feder, who is moving from this area.

**DESMOINES:** Ronald Andersen has been named assistant cashier of

the First Federal State Bank. He joined the bank in April after seven years with O'Dea Finance Company, Des Moines.

**DIAGONAL:** The First State Bank has been sold to A. B. Wissink of Maquoketa. Mr. Wissink also operates a bank at Andrew, Iowa.

**SIOUX CITY:** Paul Bekins, 68, president of the Bekins Van and Storage Company and a director of the Security National Bank, died recently in a Sioux City Hospital following an illness of several months.

**TIPTON:** James E. Moore has been named president and chairman of the board of directors at the Tipton State Bank. He succeeds L. D. Suchomel, who recently resigned. Mr. Moore has been associated with the bank for 23 years, most recently as vice president.

R. J. Ferguson has been named vice president and cashier. He also was elected to the bank's board of directors, to fill the vacancy created by Mr. Suchomel's resignation, and has been with the

bank for 20 years, most recently as cashier.

**WILLIAMSBURG:** The formal opening of the Farmers Trust and Savings Bank's new bank building will be held Saturday, June 29.

### **NEBRASKA NEWS**

**ATKINSON:** Leo Adams, director of the First National Bank was honored recently by members of the bank for his 50-year banking career. He began his banking career in 1918 in Chander, Nebr., and came to Atkinson from St. Paul, Minn., in 1955.

**BIG SPRINGS:** The U. S. Supreme Court has ruled that Duane Earl Pope, found guilty in the fatal shooting of three bank employees and wounding of a fourth in the 1965 robbery of the Farmer's State Bank of Big Springs, cannot be put to death under federal law. Deuel County, Nebr., Attorney Robert E. Richards said he is considering an attempt to try Pope on four state complaints. If found guilty, the 25-year-old man could be sentenced to death under state law. Victims of the \$1,500 robbery were Andreas Kjeldgaard, 77, bank president; Glen Hendricks, 59, cashier, and Mrs. Lois Ann Hathen, 35, bookkeeper. A fourth person, Franklin Kjeldgaard, now 29, was left partially paralyzed by bullets in the back and neck.

**COZAD:** Cliff Young has been named assistant cashier of the Cozad State Bank to succeed former cashier Jerry Nightingale, who will become president of the Farmers State Bank at Silver Creek, Nebr. Mr. Young has completed four years with the Center Bank of Omaha and was associated with the National Bank of Commerce for two and one-half years.

**DAKOTA CITY:** An application for a bank charter has been filed with the State Department of Banking by the proposed Sookota State Bank. Hearing has been set for August 22 at the Liquor Control Commission, 401 NSEA Building, 605 South 14th Street, Lincoln, Nebr.

**FALLS CITY:** Robert Perry, vice president of the Richardson County Bank, has announced the appointment of Don Campbell to the bank's installment loan department.

**LOUP CITY:** Dean and Roger Sack of York, Nebr., and William A. Bowness of Lincoln have purchased the First National Bank of

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Loup City. The bank has been owned by the Owens and Ryan Families, who will continue to operate it until September and will then remain as directors. Mr. Bowness will take over management of the bank on September 1.

OMAHA: An open house will be held by the West Side Bank in its newly expanded banking quarters on June 29 and 30. Construction of the \$1 million addition to the bank began about a year and a half ago.

OMAHA: The National Labor Relations Board has directed the First National Bank to offer re-employment to five women workers who walked off their jobs last September 12 in protest of long working hours. The bank had refused to allow the five to return to work the day after the walk off, contending they had quit their jobs.

RAVENNA: Norman A. Schmidt, 37, of Ord, Nebr., who presently operates a public accountant firm, has accepted the position of vice president at the Ravenna Bank. He will assume his duties July 1 and will be acting cashier and auditor at the bank.

## MINNESOTA NEWS

BLOOMING PRAIRIE: Larry A. Bergemann has been named farm representative at the Farmers and Merchants State Bank. He was formerly engaged in farming near Welcome, Minn.

CLARA CITY: Construction was begun recently on the new Citizens State Bank. The two-story structure is to be completed by November 1, 1968.

LeROY: Russell L. Noble of Riceville, Iowa, has purchased controlling interest in the First National Bank. He is now serving as vice president and cashier of the Riceville State Bank, but will move to LeRoy as soon as housing becomes available.

MURDOCK: Donald R. and Jerry D. Peterson have purchased controlling interest in the First State Bank from John O. Bohmer of Brooten, Minn. Donald Peterson has been elected president and

cashier of the bank, and Jerry Peterson has been elected vice president. Mr. Bohmer will remain as chairman of the bank's board of directors.

NORTHFIELD: The third annual session of the Minnesota School of Banking got underway Sunday, June 23, when 140 students registered for the one-week school held on the campus of St. Olaf College. Truman Jeffers, secretary of the Minnesota Bankers Association, is director of the school. Students attend the one-week sessions two years in a row, with principal emphasis on studies involving small bank management.

ROCHESTER: The 14th annual conference of the Upper Midwest Agricultural Credit Council will be held at the Kahler Hotel June 26-28. Registration will begin at 1:00 p.m. Wednesday, June 26.

ST. PAUL: Two new directors have been named to the board of the Northwestern National Bank. They are Henry T. Rutledge, president of Northwest Bancorporation, and George Tesar, general manager of Dayton's department store in St. Paul.

TRACY: The Farmers and Merchants State Bank will become the Northwestern State Bank of Tracy, effective July 1.

ST. PAUL: Robert T. Wallner has been named president of the First Security State Bank, to succeed Clarence H. Gieske, who will retire as president, but will continue as a member of the bank's board of directors. Mr. Wallner has been associated with the bank for 14 years, serving as manager of the installment loan department, cashier and, since 1962, vice president and a director.

## ILLINOIS NEWS

CHICAGO: The Illinois Bankers Association soon may recommend legislation to boost the state's usury ceiling above its present 7% level, according to Robert C. Schrimple, executive vice president. The association is considering the matter closely and is expected to reach a decision before the Illinois Legislature convenes on July 15.

HOYLETON: Application to withdraw from Federal Reserve membership has been filed by the Hoyleton State and Savings Bank.

## Court Rules National Banks Not Subject to Sales-Use Tax

WASHINGTON: The Supreme Court, by a vote of 5 to 3, has ruled national banks are not subject to state sales and use taxes.

The Court reversed a decision by the Massachusetts Supreme Judicial Court, which held that national banks must pay such taxes because they are no longer "Federal instrumentalities."



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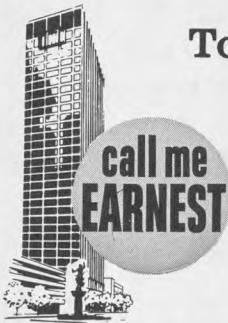
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### SOUTH DAKOTA NEWS

**ABERDEEN:** James P. Scheurenbrand has resigned as assistant vice president of the Aberdeen National Bank, to join the Kansas State Bank and Trust Co., Wichita, as a vice president. He had been with the Aberdeen National Bank for ten years.

Roy C. Hanson, assistant vice president and manager of the time-pay department, will move to the commercial department to assume Mr. Scheurenbrand's duties. LeRoy Misfeldt will take over the duties in the timepay department.

**SISSETON:** Marlowe Stenson of New Effington has joined the Roberts County National Bank, as assistant cashier and co-manager of the insurance department. He was formerly with the Bank of New Effington.

### NORTH DAKOTA NEWS

**BISMARCK:** The 1968 Group Meetings have been announced by William J. Daner, secretary of the North Dakota Bankers Assn. They are: Oct. 8 (Tuesday), Devils Lake; Oct. 9 (Wednesday), Williston; Oct. 10 (Thursday), Dickinson, and Oct. 11 (Friday), Jamestown.

**MINOT:** Union National Bank has named Joe E. Roberts as assistant vice president. He was the first commander of the Minot Air Force Base. His duties will include public relations and business development.

The bank has also announced the election of Morris Lawrence as assistant vice president and ag representative. He was formerly assistant cashier.

### COLORADO NEWS

**DENVER:** Controlling interest in the Colfax National Bank has been purchased by Dan H. Sebastian, a Denver banker since 1953, and Edward M. Willis, head of Certified Indemnity Co. of Denver.

Selling their interests in the bank were a group of officers, former officers and directors of the Aurora National Bank, who had acquired control of the Colfax National in January 1967.

Mr. Sebastian has resigned as senior vice president of the North Denver Bank, where he had been an officer for the last two years, to take over active management of the Colfax National.

Mr. Sebastian also is president of the Buena Vista Bank & Trust Co. and the Bank of Fairplay. Mr. Willis is associated with Mr. Sebastian in the ownership of the two banks.

Charles R. Sillstrop, who has been president of the Colfax National, is to become president of the new Montbello State Bank,

scheduled to be opened near the intersection of Interstate 70 and Peoria St., in Adams County.

The Colfax National was opened Oct. 1, 1962.

**EVERGREEN:** FDIC has approved a drive-in facility for the Evergreen State Bank.

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