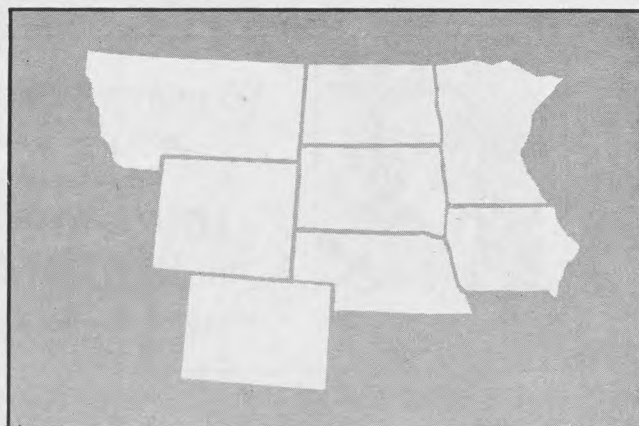


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1105

Des Moines, Iowa

July 1, 1968

Federal Chartering Suffers Fatal Blow

It appears that Federal chartering legislation may have suffered a fatal blow as a result of the House Banking Committee's action, eliminating it from the housing bill and instead giving the savings and loan industry certain of the "chartering" bill's investment and fund-raising provisions.

If the major savings and loan amendments are enacted this year, much of the reason for the savings and loan support of Federal chartering will disappear. Without S&L backing, chances for enactment of Federal chartering legislation will be remote. The real hope for Federal chartering has been the political pressure which the S&L industry could put forth.

The new powers which the House Banking Committee approved are important, and they could mean increasing competition with commercial banks. They include:

1. Authority for Federal S&L's to accept "deposits" and pay "interest," which represents an important change in terminology, and empowering them

to accept deposits for fixed, minimum or indefinite periods of time, in the form of pass-books, time certificates of deposit, and other evidences of savings accounts. Implementation of these new powers would be subject to an association's charter and to regulations by the Federal Home Loan Bank Board. Also, no association could delay payments to savers for more than 30 days without specific permission from the FHLBB.

2. Authority for Federal S&L's to issue notes, bonds, debentures or other securities (except capital stock), again subject to the specific control of the FHLBB.

3. Permission for Federal S&L's to invest in CD's issued by FDIC-insured banks.

4. Authority for the financing of small single-family homes (vacation homes, etc.) up to \$5,000 as a home improvement loan.

5. Permission for Federal S&L's to make loans for the purpose of mobile home financing.

6. Authority for Federal S&L's

to make loans on the security of loans or investments which are otherwise legal for Federal S&L's. This would permit Federal S&L's to make loans secured by governments under so-called repurchase agreements — a practice which was engaged in until a ruling by the general counsel of the FHLBB that such transactions were not legal under the Home Owners Loan Act.

The committee rejected only one request of the S&L industry — authority to finance home furnishings. The commercial banks have contested any request by the S&L industry for permission to finance home furnishings on the grounds that this would place the S&L industry in the consumer credit business. The committee did approve mobile home financing authority which is usually done through a chattel mortgage, a form of consumer credit.

The action now goes to the House floor. Depending on the type of rule granted by the House Rules Committee establishing the procedure under which the bill will be debated,

(Continued on page 6)

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IOWA NEWS

AMES: Norman W. Heald has been elected auditor of the First National Bank. He is a graduate of Iowa State University with a degree in agricultural education and came to the bank in December, 1967.

RED OAK: Hawkeye Bancorporation has filed an application with the Federal Reserve System for: (1) prior approval to acquire 69% or more of the voting shares of Burlington Bank and Trust Company (received); (2) prior approval to acquire 80% or more of the voting shares of the Pella National Bank (received), and (3) prior approval to acquire 51% or more of the voting shares of First National Bank, Clinton (received).

THORNTON: Tom Siskow has been

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promoted from assistant vice president to vice president at the First State Bank. He has been employed by the bank since 1964 and was previously employed by the Public Loan Company, Mason City.

WASHINGTON: Paul G. Reynolds has been employed as auditor and teller at the National Bank of Washington. For the past 20 years he has been a field engineer with Burroughs Corporation, working out of Ottumwa.

NEBRASKA NEWS

OMAHA: President Johnson has announced his intention to nominate C. Everett Spangler, retired vice president of the Federal Intermediate Credit Bank of Omaha, to a six-year term on the Federal Farm Credit Board. Mr. Spangler retired from the bank in 1967, after more than 33 years with the Farm Credit System.

MINNESOTA NEWS

HASTINGS: Miss Rita E. Truax and Roger J. Reuter have been appointed cashiers at the Northwestern National Bank. Miss Truax has been employed by the bank for the past 13 years. Mr. Reuter has been with the bank for two and one-half years.

MANKATO: Michael J. Wangan has been named assistant cashier at the First National Bank of Mankato, to succeed Terry Enge, who resigned from the bank to enter another field of work. Mr. Wangan

was previously associated with the First National Bank of Minneapolis and the Red River National Bank, Grand Forks, N. D., on a trainee basis before joining the First National on June 15.

MORA: The Comptroller of the Currency reports a transfer of 969 shares of stock in the Peoples National Bank. Former owners were Elmer Holznagel, Leo Anderman and Carlton Waddell. New owners are Charles E. Peterson, Robert Gorham, Wilbur Gorham and F. J. Grahn.

NEW BRIGHTON: Romane Kaufmann and Marvin Peterson have been named assistant cashiers at the First State Bank. Mr. Kaufmann joined the staff of the bank in 1966 as head teller. Mr. Peterson joined the First State in 1957. Both men were elected to the bank's board of directors in June.

SAINT PAUL: Daniel Haslerud has been named a director of the Minnesota State Bank, to fill the vacancy created by the retirement of Charles B. Wagner. Mr. Haslerud is the bank's chief administrative officer and has been associated with the bank since 1947.

WAYZATA: The Comptroller of the Currency has approved the conversion of the North Shore State Bank of Wayzata to the First National Bank of Wayzata.

SOUTH DAKOTA NEWS

BURKE: The Federal Deposit Insurance Corporation has approved application of the Burke State Bank to convert a limited facility in Bonesteel, S. D., to a full service facility.

HARTFORD: Daniel C. Wood, 46, president of the Community Banks of Hartford, Humboldt and Colton, died suddenly in Las Vegas, Nev. Mr. Wood, who resided in Sioux Falls, had recently returned to Las Vegas where he had spent

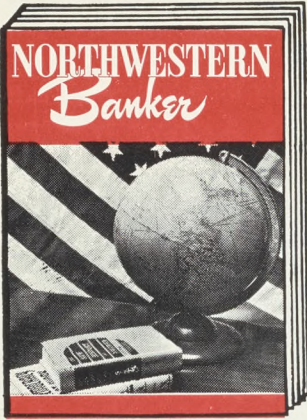


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some time the past year because of health reasons.

PRESHO: Harold N. Thomson, past president of the South Dakota Bankers Association, has joined Ebin, Robertson and Company, Inc., Minneapolis investment bankers. He will represent the municipal and government bond department in Montana and South Dakota. Mr. Thomson was vice president of the National Bank of South Dakota at Presho from 1962 to 1967.

SIOUX FALLS: Donald F. Bertsch has been named auditor at the National Bank of South Dakota, effective July 15. He will supervise all auditing procedures for the bank and its facilities located throughout the state. Since January, 1968, he has been supervising examiner of the North Dakota Regional Audit for First Service Corporation, the servicing affiliate of First Bank System, Minneapolis.

VERMILLION: Application filed by the United National Bank of Vermillion for a detached facility to be located at the corner of Cherry and Elm Streets in Vermillion has been approved by the Comptroller of Currency.

WESSINGTON SPRINGS: The Federal Deposit Insurance Corporation has approved application by the American State Bank to convert its Wolsey office, Wolsey, S. D., to a full service facility.

NORTH DAKOTA NEWS

LARIMORE: Curtis Cornelius, executive vice president of the Elk Valley State Bank, has been named president of the bank, to succeed C. H. Erbele, who retired from the bank on July 1 after 20 years of service. Mr. Cornelius was previously vice president and cashier of the State Bank of Warren, Minn.

ILLINOIS NEWS

BELLEVILLE: Approval has been given by the Comptroller of the Currency to an application filed by the Belleville National Savings Bank for a detached facility to be located at 326-30 West Main Street, Belleville.

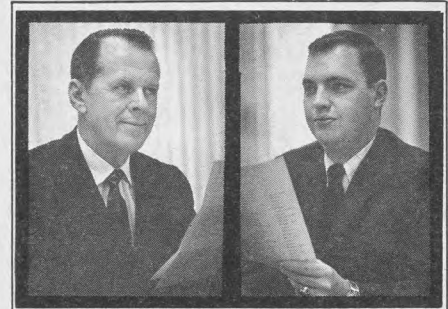
tional Bank and Trust Company has announced that it will pay 5% annual interest to savers who deposit at least \$1,000 to open one of the bank's new "Golden Pacesetter" accounts. Until now, these accounts earned 4 $\frac{3}{4}$ % annually.

SPRINGFIELD: Application of the First National Bank of Springfield to open a detached facility at the northeast corner of Fourth and Capitol Avenues has been approved by the Comptroller of the Currency.

COLORADO NEWS

DENVER: John F. Falkenberg, Ronald C. Harris and Bryan J. Williams have been promoted from assistant vice presidents to vice presidents at the First National Bank of Denver. Advanced from assistant cashiers to assistant vice presidents were John R. McNeil, Donald Martin, Robert B. Spindle and Jerome B. Woods, Jr. Elected assistant cashiers were Richard A. DeRusha, Verlyn E. Wolf, Jerry D. Wrench and Robert J. Wyatt. Howard T. Alexander and Kenneth Penland have been named assistant trust officers.

DENVER: Charles P. Gallagher has been promoted to vice president and trust officer at the Central Bank and Trust Company. He joined the bank's trust department in 1954 and was currently serving as trust officer. Richard G. Lesko has been named assistant



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trust officer. He joined the bank in 1967. Richard G. Lesko also has been elected assistant trust officer at the bank.

DENVER: A state bank charter for the Columbine State Bank, to be built at E. Hampden Avenue and S. Oneida Way, has been approved by the Colorado Bank Board. Heading the bank will be Charles H. Smukler as board chairman and Sidney S. King as president. Both are officers of the Alameda National Bank.

DENVER: Clay W. Allen, security analyst with the Colorado National Bank, has been named investment officer in the trust department. He joined the bank in 1964.

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Federal Chartering...

(Continued from Page 1)

an attempt may be made by commercial banking interests against some of the new S&L powers. Also, an attempt may be made on the House floor to restore "Federal chartering" as an amendment, but the outlook for such a move succeeding is not good. In order to protect their own amendments, it is unlikely the S&L industry would support such a move.

NATIONAL NEWS

LOS ANGELES: The Security First National Bank and Pacific Nation-

al Bank of San Francisco have jointly announced their intention to merge on July 1. The merged institution will be known as Security Pacific National Bank. Head office of the new bank will be at the present headquarters of Security First National. Pacific National's office will become the northern California headquarters of the merged institution.

MELBOURNE, FLA.: Howard N. Hebert, formerly executive vice president and trust officer at the National Bank of Melbourne and Trust Company, has been named president of the bank. Prior to entering banking in 1956, Mr. Hebert practiced law in Montana. He has been with the Melbourne bank since 1965.

MILWAUKEE: Philip M. Klutznick of Chicago, board chairman of Urban Investment and Development Company and senior partner in Klutznick Enterprises, and Howard J. Tobin of Milwaukee, president and director of Wisconsin Gas Company, have been named directors of Mortgage Guaranty Insurance Corporation.

ST. JOSEPH: Larry M. Rogers has joined the staff of the First National Bank as assistant vice president in the correspondent banking and agricultural credit department. He was previously in the correspondent banking department of the Bank of St. Louis, Mo.

SAN FRANCISCO: Walter E. Hoadley, nationally known economist, has been named executive vice president at the Bank of America. He will head the bank's economics department and will continue as a member of the managing com-

mittee and the advisory council of the bank's board of directors.

A. W. (Tom) Clausen and Chauncey J. Medberry also have been named executive vice presidents. Both men are becoming members of the bank's managing committee. Mr. Clausen, who operates out of the San Francisco head office, also has been appointed vice chairman of the bank's general finance committee. He will continue to head Bank of America's commercial lending activities in northern California. Mr. Medberry has been named executive officer-trust activities and will have responsibilities for the bank's statewide trust policies and investment activities.

NEW YORK: Frank E. Reed and Donald J. Kahrs have been elected vice presidents of Morgan Guaranty Trust Company of New York. Mr. Reed, 33, is assigned to the midwestern district in the bank's national group. He formerly was a vice president of The Bank of New York. Mr. Kahrs, 38, is assigned to the bank's Park Avenue office.

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No. 1105 Northwestern Banker is published five times monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 50¢ per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579), manuscripts, mail items to above address.