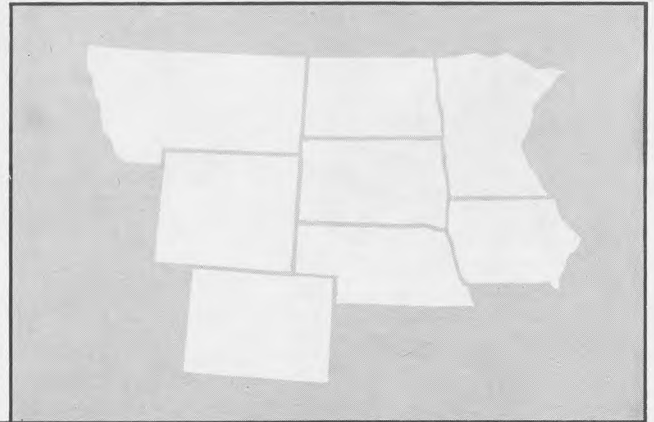


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1108

Des Moines, Iowa

July 15, 1968

Finance Committee Urges Trust Action

A scorching report on banks and the alleged financial power wielded by their trust departments has been issued by the Subcommittee on Domestic Finance, which is a section of the House Banking and Currency Committee, headed by Rep. Wright Patman of Texas.

Chairman Patman has asked Attorney General Ramsey Clark to "look into the antitrust questions raised by the serious and widespread problems of interlocking stockholdings and directorships" disclosed by the two-volume, 2,000-page study.

The subcommittee staff offered a list of 14 suggestions for legislative and administrative action:

1. Annual disclosure by each bank trustee of aggregate holdings in all capacities of stock registered with the SEC.

2. Annual disclosure by all pension funds of the contents of their portfolios.

3. Prohibition of any bank trust department holding more than 10 per cent of any class of stock of any corporation required to be registered with the SEC.

4. Prohibition of any employee

benefit fund holding or voting any class of stock of the corporation creating the fund.

5. Disclosure of all proxy voting by bank trust departments of all securities registered with the SEC.

6. Consideration of passage of a Federal statute similar in concept to the Federal Indenture Act of 1939 to be applied to all trust instruments.

7. Consideration of creating a regulatory agency to assume jurisdiction over certain aspects of the management of employee benefit funds.

8. Application to bank trust departments of the prohibition against short-swing profits by corporate insiders as embodied in Section 16 (b) of the SEC Act.

9. Prohibition against all insured banks holding or voting their own stock held in their trust departments.

10. Prohibition against any officer or director of a commercial bank, mutual savings bank, savings and loan association or insurance company from serving as an officer or director of any other commercial bank, mutual savings bank, savings

and loan association or insurance company.

11. Prohibition of any officer or director of a commercial bank, insurance company or other financial institution serving on the board of directors of any corporation where such financial institution manages an employee benefit fund for such a corporation.

12. Prohibition of an officer or director of a commercial bank or other financial institution serving as an officer or director of any other corporation where the financial institution holds in the aggregate more than 5 per cent of any class of stock of that corporation.

13. Careful study and determination by the Department of Justice as to whether the trust business should be considered as a separate line of commerce from commercial banking for purposes of the antitrust laws, and whether antitrust action should be brought against bank trust departments under the Sherman and/or Clayton Acts.

14. Determination by the Department of Justice, the bank supervisory agencies, the Civil

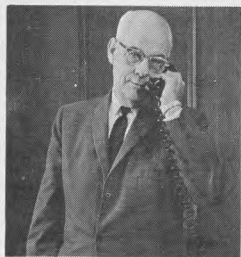
(Continued on Page 4)

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IOWA NEWS

ALBIA: John Griffin, president of the First Iowa State Bank, has retired after 54 years in banking. He began his banking career with the Albia State Bank in 1914 and joined the First Iowa State Bank in 1930, when it was formed through the merger of three Albia banking institutions.

ANDREW: An application has been filed with the Iowa Banking Department for permission to move Andrew Savings Bank charter to Bellevue. If granted, an office would be retained in Andrew, as well as the one presently operated in LaMotte.

CRYSTAL LAKE: An application has been filed with the Iowa Banking Department for permission to



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move the Manufacturers Bank & Trust Company charter to Forest City.

DAVENPORT: The Scott County Bankers Association annual Vigilante Shoot will be held July 17 at the Davenport Police Officers Rifle Range at Mt. Joy, near the Davenport airport. The event will start with noon luncheon.

DES MOINES: Robert J. Sterling, president of Bankers Trust Company, has announced the promotion of W. F. Nelson from commercial loan officer to assistant vice president. Prior to joining the bank in 1967, Mr. Nelson was with the Small Business Administration for eight years as a supervisory loan officer covering 49 counties of Iowa.

DES MOINES: C. W. Aurand, president of Iowa-Des Moines National Bank, has announced the promotion of Richard L. Sellon from assistant vice president to vice president in charge of the installment loan department. He succeeds Charles R. Clift, vice president, who retired earlier this month.

DES MOINES: The Iowa Executive Council will conduct a hearing today (July 15) at 9:30 a.m. in the Governor's Conference Room in connection with moving the Silver City State Bank charter to Glenwood. The application for this move was approved earlier by the Iowa Banking Department, but has been appealed by the Glenwood State Bank and the Mills County Savings and Loan Association.

LISBON: An open house in the newly remodeled quarters of the Lisbon Bank and Trust Company will be held July 18.

RICEVILLE: Ronald F. Kocher has been elected cashier of the First National Bank, succeeding Curtis C. Noble, who retired June 1. Mr. Kocher joined the bank in April and was previously associated with the State Bank of Fayette, Iowa, and Security State Bank of Radcliffe, Iowa.

WINTERSET: The Union State Bank has been purchased by Gene and Elmer Lange of Sac City. The brothers own and operate a large dairy and creamery in Sac City. The stock was purchased from Francis Lockwood, a director and former officer of Bankers Trust Company, Des Moines, and the estate of the late Scott C. Pidgeon, former president of Bankers Trust. Gene Lange is a son-in-law of the late Mr. Pidgeon. Don A. Bolton, cashier of the Union State Bank, will continue to be managing officer of the bank at Winterset.

NEBRASKA NEWS

BRAINARD: Charles Novak, president of the Bank of Brainard, and Louis Novak, executive vice president, have sold controlling interest in the bank and the Novak Brothers Insurance Agency to John and Kermit Wagner of Schuyler, Neb., and Leon E. Langemeier of Lyons, Neb. Management and operation of the bank and insurance agency will be handled by two present junior officers and directors, Francis Novak and Gene Docekal, and the new owners. Mr. Langemeier is now president of three Nebraska banks, the First National Bank of Lyons, the Bank of Mead and the First National Bank of Stanton.

LINCOLN: The annual fall conference for correspondents of First National Bank & Trust Company will be held here on Friday and



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Saturday, September 13 and 14. Details of the conference will be announced at a later date.

MINNESOTA NEWS

CROOKSTON: Ernest Hilkey, manager of the installment loan department of the First National Bank of Crookston, has been elected assistant vice president at the bank. Robert D. Cameron, also of the installment loan department, has been named assistant cashier.

DULUTH: The District 10 Conference of the American Institute of Banking will be held here July 19 and 20. Approximately 400 delegates are expected to attend. Meetings and banquets will be held in the Duluth Civic Arena-Auditorium.

MINNEAPOLIS: Alan F. Naylor of the commercial banking department at the First National Bank of Minneapolis and Lawrence W. Payne of the trust department have been named assistant vice presidents at the bank. Seven newly elected officers have been named assistant cashiers. They are: James L. Reissner and W. Thomas Turner, commercial loan department; Robert Gruman, marketing, and John M. Brown, Brian O. Gilchrist, Roy F. Rasmussen and Thomas C. Woldum, all of the retail banking department, James N. Kirscht, trust operations; John W. Scanlan, corporate trust, and Charles M. Tilden, personal trusts, have been named assistant secretaries.

MINNEAPOLIS: The Bank of Minneapolis has announced promotion of three officers to vice presidents. They are: Jack V. Wallace, H. C. Thompson, Jr., and Joseph E. Theis. All three men were formerly assistant vice presidents.

ROBBINSDALE: Robert L. Rasmussen has been elected vice president of the Guaranty State Bank of Robbinsdale and the Northeast State Bank of Minneapolis. He has been assistant cashier of the Robbinsdale bank, in which position he will be succeeded by Roger J. Neubauer, formerly loan teller.

ST. PAUL: Gary Feldt, 24, has been named assistant cashier at the Gambles Continental Bank. He joined the bank last year, after

working at the Stockyards National Bank in South St. Paul.

SLAYTON: John Carpenter has been named vice president and secretary of the board of directors of the Murray County State Bank. For the past five years, he has been with the Rock County Bank at Luverne, Minn.

TRACY: The name of the Farmers and Merchants State Bank has been changed to the Northwestern State Bank of Tracy.

WATERVILLE: Arnold W. Leen, formerly an assistant cashier at the Marquette National Bank, has been named chief executive officer at the Citizens State Bank of Waterville. Mr. Leen started with the Marquette National Bank in 1957, later became a loan officer and was named assistant cashier in 1961.

WHEATON: James E. Hausauer has been elected president and director of the First State Bank, effective August 1. He will replace Carroll C. Denton, who has asked to be relieved of his managerial responsibilities for health reasons, but will continue as vice president and cashier at the bank.

WILMONT: Mrs. Ruth Ruesch has resigned as assistant cashier of the First National Bank of Wilmont. She has been with the bank since 1964. Mrs. Delores Groenewold has joined the staff at the bank.

SOUTH DAKOTA

ABERDEEN: Lloyd A. Johnson has been named president and director of the Aberdeen National Bank, effective August 1. He succeeds J. Fred Joyce as managing officer and trust officer. Mr. Joyce has accepted a similar position with the Southside National Bank of Missoula, Mont.

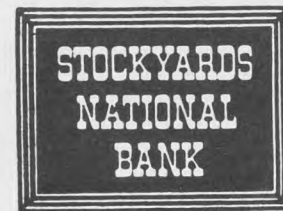
ABERDEEN: Five men have joined the staff of First National Bank of

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Aberdeen. They are: Charles Hannan, trust department; Harold Lewis, audit department; Robert Osborne, Milbank office; Lyle Paschke, Redfield office, and Larry Klingman, bank trainee.

SIOUX FALLS: Earl L. Melloon, assistant vice president of Union Bank & Trust Company, has retired after more than 27 years of service to that institution. He has been associated with the bank since 1941.

NORTH DAKOTA

BISMARCK: The executive council of the North Dakota Bankers Association announces that fall Group Meetings will be as follows: Tuesday, October 8 at Devils Lake; Wednesday, October 9 at Williston; Thursday, October 10 at Dickinson; Friday, October 11 at Jamestown.

FARGO: Jack Evje has been named manager of the Timepay department of the Merchants National Bank and

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Trust Company. He succeeds K. H. Hermanson, who has been with the bank for 10 years and will now join the Bank of West Bellevue, Wash. Mr. Evje has been with the bank since 1949.

MINOT: Kenneth Kiemele has joined the operations area staff of First National Bank. Prior to joining the bank, he served as an accountant with Weber, Spaulding & Company, Minot.

COLORADO

DENVER: William H. Giffen, 43, president of the Metropolitan National Bank, has died in the Colorado General Hospital after a long illness. He was associated with the Bank of Las Vegas in Nevada before joining the Metropolitan National.

DENVER: Fred Allen, manager of the Cherry Creek office of the Columbia Savings and Loan Association, has been promoted from assistant vice president to vice president. He will remain as manager of the new Cherry Creek office.

MONTANA NEWS

BUTTE: The Security Bank of Butte has been sold to a group headed by Alan Noyes, Bozeman, and Edward Towe, Circle, according to former majority stockholders Paul Robert and Paris Robert. Other members of the purchasing group are Dr. Arthur Evans, Denver; Raymond E. Dana, Minneapolis, and Thomas E. Towe, Billings. Edward Towe succeeds

Paul Robert as president, and Mr. Noyes is vice president and managing officer.

MISSOULA: J. Fred Joyce has been named president and chairman of the board of the Southside National Bank, effective August 1. He most recently served as president and trust officer of the Aberdeen National Bank, Aberdeen, S. D. Donald E. Nolan, who has been president of the Missoula bank, will serve as chairman of the bank's board of directors.

WYOMING NEWS

NEWCASTLE: John T. Vucurevich, president of the Rushmore State Bank, Rapid City, has purchased controlling interest in the National Bank of Newcastle. He purchased the stock owned by Joe Watt, bank president; George Mills, director, and Burke Peterson, former executive vice president and cashier at the bank. No changes in bank personnel are anticipated at this time.

NATIONAL NEWS

LOS ANGELES: Theodore Wendel (Ted) Johnson, 65, former senior vice president of Security Pacific National Bank, Los Angeles, has died in a hospital here. He retired from Security Bank in May, 1967, exactly 50 years after he joined the bank in May of 1917.

NEW YORK: The board of directors of the First National City Bank has approved in principle plans to form

a "one-bank" holding company. It would be known as the First National City Corporation, and its initial investment would be the stock of First National City Bank. Formation of the holding company is subject to approval of the shareholders, the Comptroller of the Currency and rulings from the Internal Revenue Service.

Trust Action . . .

(Continued from Page 1)

Aeronautics Board, the Interstate Commerce Commission, the Securities and Exchange Commission, the Federal Communications Commission and other government agencies as to whether the data and other information presented in this study warrant either legal action or proposals for amendments to present law in order to effectively carry out the public interest.

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