

NORTHWESTERN Banker

Oldest Financial Journal Serving The Central and Western States

No. 1161

Des Moines, Iowa

May 12, 1969

Urges Revision of Bank Regulatory System

A four-point plan for revising and revitalizing the bank regulatory system was spelled out recently by James M. Hall, California superintendent of banks, during an address he gave before the 23rd Western Regional Convention of the Bank Administration Institute in Coronado, Calif.

He noted that "at the heart of my suggestions is the idea that qualified state bank regulators should be placed on a par with the Comptroller of the Currency. This concept of parity, if pursued, will result in a more logical and stable regulatory system."

He outlined his four-point program as follows:

1. Develop a procedure to judge objectively the quality of all bank examination and regulation, whether performed by state or federal officials. A judging procedure has been suggested whereby the FDIC would accept the report of a visitation committee made up of state and federal officials, members of the banking community, and knowledgeable professionals, such as attorneys and accountants. These accrediting teams would inspect state banking departments and determine whether their performance is adequate in terms of the accepted standards.

2. Primary, direct regulation and

supervision, including chartering, branching, examination and corrective supervision, be made the responsibility of the Comptroller of the Currency for national associations and qualified state banking authorities for state chartered banks. This would relieve state banks from the burden of duplicate examination by federal authorities. The decisions of the state banking regulator in branching matters would be given full faith and credit by the FDIC or the Federal Reserve. Such a system substantially increases responsibilities and powers of the FDIC Board.

3. With such expansion of FDIC powers, two additional members should be added to the FDIC Board. The Comptroller would continue as one of the present three-man board, while a member of the Board of Governors of the Federal Reserve System should be added, as well as a member representing state banking authorities.

4. This recommendation deals with financing the improvement of state banking departments through direct or indirect financial assistance and support contributed by the FDIC and the Federal Reserve. The Fed, for instance, generates a substantial investment income, which is turned over annually to

the Treasury. In 1967 this was nearly \$2 billion. The FDIC is presently required by statute to pay one-third of its net assessment income annually into the deposit insurance fund, which presently stands at more than \$3.5 billion. By simply reducing the statutory requirement from one-third to 25%, funds could be made available for training and other assistance to the state banking departments, without in any way increasing the assessment burdens on insured banks. In 1967, this difference would have amounted to nearly \$23 million. What better investment could be made with the idle capital funds of the FDIC than the promotion of a sound banking system through improved supervision?

NATIONAL NEWS

KANSAS CITY, MO.: Robert L. Baker, most recently with Union National Bank of Manhattan, Kan., has been elected an assistant vice president in the correspondent banking department of Commerce Trust. He will travel in Kansas. Richard H. Muir, formerly with Security National Bank of Sioux City, Iowa, also has been named an assistant vice president and will travel in Nebraska and Iowa.

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IOWA NEWS

ALGONA: C. R. LaBarre, president of Home Federal Savings and Loan Association of Algona, has resigned to become chairman of the board of directors. M. J. Mowers, executive vice president, has been elected president and will also retain his position as secretary. Mr. Mowers has been with the organization since 1946.

CARLISLE: Open house was held Saturday at the Hartford-Carlisle Savings Bank here to observe completion of a major building program.

DAVENPORT: Robert T. Knapp has resigned as president of Northwest Bank and Trust Company. No future plans have been announced.

DECORAH: The Decorah State Bank has announced plans to build a new bank building next door to its existing structure, on the site of the John E. Lennon and Robert Hunt buildings which have been purchased

by the bank. Both buildings will be demolished to make way for the new bank. The present bank building will be remodeled.

DES MOINES: Robert G. Erickson has been elected chairman of the board of Scandia Savings and Loan Association, a newly created post. E. A. Garanson, formerly a vice president, has been elected president to succeed Mr. Erickson. Reinhold O. Carlson has been elected executive vice president and will head branch office operations.

DES MOINES: The Iowa Bankers Association will sponsor an all-day meeting on truth-in-lending as it applies to installment loans at the Hotel Fort Des Moines here beginning at 10 a.m. on Wednesday, June 4. Installment loan officers in Iowa banks are invited to attend the meeting.

FARMERSBURG: Floyd Moser has sold controlling interest in the Farmersburg Savings Bank to LeRoy C.

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Darby of Monona, Iowa. Final transfer will be completed January 1, 1970. No personnel changes are anticipated at the bank, with the exception of the retirement of Carroll Oelke, executive vice president, who is currently serving in his 51st year with the bank, in January, 1970.

GRUNDY CENTER: Farmers Savings Bank has purchased two adjacent properties on Main Street as sites for future bank expansion.

INDEPENDENCE: The Farmers State Savings Bank held an open house last week in its remodeled bank building. Bank offices have been rebuilt and new walk-up and drive-in windows have been installed at the bank.

MT. PLEASANT: Robert O. Eppard, assistant manager of the Henry County Co-op, has joined the staff of the Mt. Pleasant Bank and Trust Company.

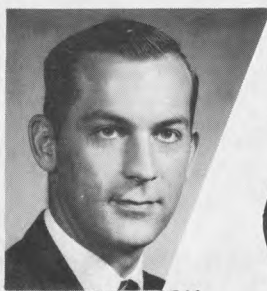
NORASPRINGS: The First State Bank of Nora Springs recently opened for business in its new bank building. Drive-in banking and a night depository are just two of the new services now available to customers at the bank.

NEBRASKA NEWS

The Nebraska Bankers Association will sponsor three truth-in-lending conferences to be held throughout the state this month. The conference schedule is as follows: May 20 - Holiday Inn, North Platte, 1:30 p.m.; May 21 - Midtown Holiday Inn, Grand Island, 1:30 p.m.; May 22 - Fontenelle Hotel, Omaha, 2:00 p.m. Legal counsel from the Federal Reserve Bank of Kansas City and NBA attorneys will participate in the conference programs. Advance reservations are not necessary.

HAYESCENTER: Hardy Counce, president of the First National Bank, has died following a heart attack. He was 65.

LINCOLN: First Mid America Inc., investment banking firm with head-



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quarters in Omaha and Lincoln, has opened a branch office in Kansas City, Mo. The new office is the company's ninth.

SCOTTSBLUFF: Jack J. Moss, formerly associated with the Western National Bank of Casper, Wyo., has been named assistant vice president of the Western National Bank.

WISNER: David H. Knust has joined the staff of the First National Bank. He comes to Wisner from Omaha.

GERING: The Gering National Bank recently observed its 59th anniversary.

MINNESOTA NEWS

ADRIAN: The Adrian State Bank recently moved into its new bank building. An open house is scheduled for Saturday, May 17, from 10 a.m. to 8:30 p.m.

CALEDONIA: The Comptroller of the Currency has approved conversion of The Sprague State Bank to the Sprague National Bank. Gus W. Carlson, Jr., is bank president.

CROOKSTON: Directors of the First National Bank have announced the purchase of the Crookston Hotel to provide a suitable site for future expansion and additional parking facilities.

MARINE: The Security State Bank of Marine, Marine on St. Croix, celebrated its golden anniversary in its newly remodeled banking quarters with an open house on May 9.

MINNETONKA: Application has been filed with the State Department of Commerce for a proposed state bank to be located in the 7-Hi Shopping Center at the intersection of Highway 7 and 101 here. Incorporators named in the application are: David B. Trach, St. Louis Park; Folke R. Victorsen, Edina, and Paul N. Steiner, Minnetonka. Proposed capital struc-

ture is \$400,000, consisting of \$200,000 common capital, \$100,000 surplus and \$100,000 undivided profits. No date has been set for hearing on the application.

MINNEAPOLIS: C. Jay Parkinson, chairman and chief executive officer of Anaconda Company, New York, has been elected to the board of First Bank System, Inc. He is also a director of Chase Manhattan Bank NA, New York.

ST. PAUL: Roland Nordlund, executive vice president of the Hillcrest State Bank since 1965, has been named president of the bank. He was one of the original incorporators of the bank and has been active in the bank's management since it was established in 1955. William A. Smith, Jr., who joined the bank in 1957 as cashier, has been promoted to vice president and cashier. Roy W. Wemeier, who joined the bank in 1961 as assistant cashier, has been named assistant vice president. Howard L. Erickson, who came to the bank in 1968 as mortgage loan officer, has been elected assistant cashier. John V. Lusk, who has been with the bank since 1965, has been named assistant manager, installment loan department.

WILLMAR: Truman Homme has been promoted to assistant cashier and auditor at the First National Bank. He came to the bank as an auditor trainee in 1963.

ILLINOIS NEWS

CHICAGO: The Association of Chicago Bank Women has elected new officers for the 1969-70 year. They are: President—Miss Molly Kramer, commercial banking officer, Harris Trust & Savings Bank; vice president—Miss Norine Herbert, assistant vice president, Chicago City Bank & Trust Company; secretary—Miss Blanche Kirian, assistant secretary of the



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corporate trust department, American National Bank & Trust Company; treasurer—Miss Dorothy Borchardt, real estate officer, State National Bank of Evanston.

LAKE FOREST: Raymond J. Walter, manager of the First National Bank of Lake Forest's two facilities at Great Lakes, has been named assistant vice president. Arnie D. Hice of the Great Lakes facility and Kenneth Jacobs, head of the computer division, have been named assistant cashiers.

ONARGA: Application of the Onarga State Bank to exercise limited trust powers has been approved by the FDIC.

SOUTH DAKOTA NEWS

HIGHMORE: Gary Palmer has been transferred to the First State Bank here where he will assume duties as insurance department manager. He was previously associated with the insurance department of the First National Bank in Miller, S. D.

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MONTANA NEWS

HELENA: Howard E. Vralsted, a 1969 winter-quarter graduate of the University of Montana, has joined the staff of the Union Bank and Trust

Company. He has been assigned to the bank's trust department.

NORTH DAKOTA NEWS

GRAND FORKS: The 84th annual convention of the North Dakota Bankers Association is being held here this week, May 14-16.

COLORADO NEWS

BOULDER: Two veteran officers of the National State Bank of Boulder have resigned. They are Charles L. Sayre, president of the bank for many years and senior vice president since its recent sale, and Clyde R. Reedy, executive vice president. Neither man has announced future plans. Two staff members of the bank have been promoted. Bernard R. Miles, vice president and cashier, has been named first vice president. John R. Reich has been promoted to vice president and cashier.

WANT ADS

AVAILABLE

Cash-Flow Budget and Farm Loan Application forms for the banker who wants to update his farm loan procedures. Samples for inspection. Farm Business Council, Inc., P. O. Box F, Urbana, Illinois 61801.

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No. 1161 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.