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Hearings Planned on National Bank Taxation

The House Banking Committee will begin hearings soon—possibly this month—on legislation to subject national banks to taxes paid by state banks.

House Banking Committee Chairman Wright Patman has disclosed his intention to move into this area. He indicated he may call the sessions before the committee begins voting on one-bank holding company legislation. Hearings may begin this week, he said.

The strongest bill before the committee would take away from national banks all exemptions from state taxation in their home state. A bill by Mr. Patman would make national banks subject to state and local sales, use and personal property taxes levied on state banks. And 12 Florida Congressmen are sponsoring a bill that would make national banks subject to sales, use, personal property, intangible personal property and documentary stamp taxes paid by state banks. Sen. Spessard Holland (D., Fla.) is sponsoring this measure in the Senate.

To Request Rate Change On U.S. Savings Bonds...

Congress will be asked by the Nixon Administration within a

month to lift the 4.25% ceiling on U. S. savings bonds.

This was confirmed by a Treasury spokesman after Treasury Secretary David M. Kennedy last week told a Defense Department savings bond rally that savings bonds should be competitive with other types of savings.

It was not immediately clear whether removal of the ceiling completely or merely a higher percentage rate would be requested. However, there has been speculation that the Administration will ask for a 5% ceiling on Series E bonds, up from the present 4.25%. A number of bills already pending on Capitol Hill would do likewise.

NATIONAL NEWS

NEW YORK: Four members of the staff of the American Bankers Association have been promoted or given additional titles, it was announced by Willis W. Alexander, president.

Roy W. Terwilliger, secretary of the ABA's State Association Section, has been named special assistant to the president. He joined the Association last year after serving as executive secretary of

the South Dakota Bankers Association.

John S. Clark has been named assistant director of marketing. He has been serving as assistant to the director since he joined the Association last year.

Dorothy P. Davison has been promoted to assistant to the director of printing. Miss Davison heads the department's editorial section.

Theresa A. Townsend has been named librarian at the ABA's Washington Office, a newly-created position.

ST. LOUIS, MO.: John Fox, chairman of the board of Mercantile Trust Company, has announced that the U.S. Department of Justice has approved the group headed by Thomas R. Green as the prospective purchaser of the proposed Security Bank and Trust Company. The purchasers will proceed directly with the office of the Comptroller of the Currency to obtain a national charter for the new bank.

Other members of the purchasing group, in addition to Mr. Green, are Benjamin D. Pessin, Frank J. Sain, Jack Molasky, Max Lubin, Donald M. Green, Albert S. Kopf, Lanny R. Price, Sidney Katz, Sam Pessin and Isaac Danzig.

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IOWA NEWS

The second week of the Iowa Bankers Association Group Meetings will be held at the following locations this week: May 19—Group 6, Des Moines; May 20—Group 5, Council Bluffs; May 21—Group 2, Okoboji; May 22—Group 3, Clear Lake.

FORT DODGE: James H. Redman, president of the State Bank, has announced his candidacy for vice president of the Iowa Bankers Association. Election will be held at the 83rd annual convention in Des Moines on October 19—22.

LAKE CITY: The Lake City State bank recently held an open house in its newly completed bank building.

FAYETTE: Craig Williams has resigned as president of the State Bank



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The Bank That's On Top of Things In Northwest Iowa

of Fayette, effective May 29. No future plans have been announced.

MAQUOKETA: Judge Arthur F. Janssen, director of the Jackson State Bank and Trust Company, has been elected chairman of the board, succeeding H. K. Lee, who is retiring. Jerry S. Maples, vice president and trust officer, has been named a director.

RUTHVEN: Wm. Brennan, president of Ruthven State Bank, died Wednesday night, May 14.

SPENCER: Dwight Willard will join the Farmers Trust and Savings Bank on June 1 in a top executive position. He has been vice president and cashier of the Commercial State Bank, Marshalltown.

NEBRASKA NEWS

OMAHA: The Iowa-Nebraska Investment Bankers Annual Field Day will be held Friday, May 23, at the Omaha Country Club.

OMAHA: Adon Jeffrey, president of the First National Bank, Wayne, has been elected president of the Nebraska Bankers Association at its 72nd annual convention here on May 5—6. H. L. McKibbin, executive vice president of the Bank of Gering, has been elected vice president, and Fred H. Douglas, vice president of the Omaha National Bank, has been elected to a three-year term as treasurer.

OMAHA: Frank O. Starr has been named director, president and chief operating officer at the Omaha National Bank, effective immediately. Morris F. Miller will continue at the

bank as chairman of the board and chief executive officer. Mr. Starr came to the bank from the National Bank of Detroit, where for the past two years he has served as vice president and officer in charge of branch offices.

Melvin D. From has been named assistant marketing research officer; Kenneth W. Kroeker, assistant investment officer; John D. McChesney, assistant loan officer; Arthur S. Meyers, assistant data processing officer; Lois L. Norris, assistant trust officer; Mary Sturm, assistant operations officer, and Don R. Mead, investment officer, all at the Omaha National Bank.

OMAHA: Current economic and monetary developments will receive top-level consideration at the joint meeting of the boards of the Federal Reserve Bank of Kansas City and its Omaha branch here on May 22. Special guest at the session will be J. L. Robertson, vice chairman of the Federal Reserve System board of governors. Serving as chairman for the meeting will be Dolph Simons, editor and president, the Lawrence (Kan.) "Journal World," Kansas City Fed board chairman, and Henry Y. Kleinkauf, president, Natkin & Company, Omaha, who is Omaha branch board chairman.

WAYNE: The 9th annual Nebraska Bankers Association President's Golf Tournament will be held at the Wayne Country Club on Tuesday, May 27, beginning at 9:00 a.m. A buffet luncheon will be held from 11:00 a.m. to 2:00 p.m., with a social hour and banquet concluding the day's activities. Registration for the day's activities is \$18.

MINNESOTA NEWS

KENT: R. Dean Hegeholz, former executive vice president of the Clay County State Bank of Dilworth, has been named president and cashier of the Kent State Bank. Mr. Hegeholz

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fills the vacancy created by Oscar Olson, 84, of Kent, who has retired and his brother, Lewis Olson, 86, who is also leaving the bank for duties at the First National Bank at Barnesville.

MINNEAPOLIS: The National Association of Bank-Women, Inc., will meet at the Radisson Hotel in Minneapolis on May 21-23 for its 1969 tri-regional conference. Approximately 150 women bank officers from 12 states are expected to attend the meeting. The theme of the three-day program will be "Let's Step Along with Banking."

MINNEAPOLIS: William B. Grandy has been named treasurer and Mrs. Grace E. Lund assistant secretary at the Farmers and Mechanics Savings Bank.

MINNEAPOLIS: Minnesota Bankers Association Vice President S. R. Wheaton, executive vice president of the First National Bank of Elk River, was named the official nominee for president of the Minnesota Bankers Association in action taken earlier this month by the MBA Nominating Committee.

PRINCETON: The Princeton State Bank has entered into negotiations with Robert Dunn, owner of the Inland Lumber Company for purchase of that property, which will be used as the site for construction of a new bank building.

ST. CLOUD: Two new assistant vice presidents have been appointed at the Plaza Park State Bank. They are Roger F. Spanier, who has been with the bank since 1961 and Bernard Gruenes, who comes to the bank after serving as cashier of the Farmers State Bank of Watkins, Minn., for eight years.

ST. PAUL: Marvin L. Ellison, formerly an assistant vice president in the commercial banking department at the Northwestern National Bank, and Cecil Pogatchnik, previously a commercial banking officer with the Butte

branch of the First National Bank of Anaconda, Mont., have been named vice presidents at the Northwestern National.

NORTH DAKOTA NEWS

There will be a series of four Truth-in-Lending workshops, sponsored by the North Dakota Bankers Association, held throughout the state this month. The schedule for the meetings is as follows: Tuesday, May 20-Grand Pacific Hotel, Bismarck; Wednesday, May 21-Oak Manor Hotel, Fargo; Thursday, May 22-Westward Ho, Grand Forks; Friday, May 23 - Clarence Parker Hotel, Minot.

The North Dakota Bankers Association also is sponsoring workshops on the Bank Protection Act and Regulation "P" for bank security officers and others interested this month. Each workshop will begin at 1:30 p.m. Following is the workshop schedule: Tuesday, May 20-Grand Pacific Hotel, Bismarck; Wednesday, May 21-Oak Manor Motor Hotel, Fargo; Thursday, May 22-Westward Ho, Grand Forks.

SOUTH DAKOTA NEWS

BROOKINGS: Funeral services were held earlier this month for Frank R. Goodfellow, 78, who for 42 years had been president of the Bank of Bruce. Mr. Goodfellow died in Rochester, Minn., following a brief illness.

ILLINOIS NEWS

BELVIDERE: Controlling interest in the First National Bank and Trust Company has been purchased by Seth G. Anthony from Bert A. Getz, according to a report from the Comptroller of the Currency.

CHICAGO: The Illinois Bankers Association will hold its 78th annual

convention at the Conrad Hilton Hotel here May 25-27. Keynote speaker will be Illinois Governor Richard B. Ogilvie, who will address the first general session on Monday, May 26. The annual meeting and election of officers will be held Tuesday afternoon, May 27.

CHICAGO: The State of Illinois has brought suit to force Defiance Industries, Inc., an Ohio holding company, to give up controlling stock interest in two Chicago banks. The banks are the Guaranty Bank and Trust Company and the Mercantile National Bank. The corporation is charged with "willful violation of the Illinois Bank Holding Act for several years."

HARVEY: The FDIC has approved application of the First State Bank of Harvey to exercise full trust powers.

MORRISON: Funeral services were held May 6 for Lynn H. Petersen, executive vice president of Smith Trust and Savings Bank. Mr. Petersen died in an aircraft accident in Montana.

TINLEY PARK: Application of the Bremen Bank and Trust Company to exercise limited trust powers has been approved by the FDIC.

MONTANA NEWS

HELENA: The 63rd annual convention of the Montana Bankers Association will be held at Jackson Lake Lodge, Jackson, Wyo., on June 19-21. Registration will be held on Thursday afternoon, June 19, and business sessions on Friday and Saturday morning, with adjournment at noon on Saturday, June 21. The fourth annual Golf Tournament will be held on Thursday, June 19, starting at 9:30 a.m.

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Banking Returns as "Provider of Financial Services"

Banking is on the move "to reclaim its proper role as the major provider of financial services to the public," according to Earl L. Bimson, president of the \$1.4 billion Valley National Bank of Arizona. Banking is making a "decided" shift in direction and entering "what history will know as banking's industrial revolution."

Mr. Bimson, national president of the Bank Administration Institute, made these remarks before senior management personnel of San Francisco area banks at a recent meeting of the Central California and Golden Gate Chapters of BAI.

"Perhaps for the first time in 30 years, our industry is making a real

effort to shake off the inhibitory effects of the Great Depression," he said. "We are moving to reclaim banking's proper role as the major provider of financial services to the public.

"This is not an easy effort, because for generations we have been tightly restricted as to what we can do—both by law as well as tradition.

"We have been told what we may pay for money and what we may charge for money. We are told how much we may lend and how much we invest, and in what.

"We are regulated as to what services we can give the public, and what services they must find elsewhere."

Mr. Bimson emphasized that he was not calling for an end to all restrictions or saying that existing regulations were bad.

"I am saying, however, that bankers are beginning to wonder if the restrictions are too inflexible for today's complex economy.

"This is why you see many banks breaking out of the old molds and forming one-bank holding companies. They are motivated to seek more flexibility in a world of economics in which flexibility has been a keynote for a generation.

"It is true that these changes have not occurred in all banks, but it is also true that the bank that does not absorb these new concepts in the future will not be able to compete.

"The ideas and the action will originate with the men who use all available assistance and sources at their disposal," he added, pointing out that organizations such as the Bank Administration Institute can provide the needed research, education and technical assistance.

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