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Congress Battles Over H.C. Legislation

The attempts by bankers and the Nixon Administration to exempt non-banking affiliates acquired by one-bank holding companies by a certain date appears headed for certain defeat in the House Banking Committee unless Republican committee members stand together in support of such a grandfather clause.

Meeting in separate caucuses, committee Democrats stood solidly – but not unanimously – behind Chairman Wright Patman (D., Tex.) in opposition to any grandfather clause, while Republicans were divided on the question of whether such a clause should be included in the legislation. Republicans took no votes in their meeting on the grandfather clause, but Democrats in favor of such a provision could only muster four votes for any date.

With the present make-up of the committee – 20 Democrats and 15 Republicans – 18 votes are needed to carry any proposal. Therefore, those pressing for a grandfather clause must firm up Republican support behind the provision and win over three Democrats.

Democrats also lined up solidly – but again not unanimously – behind a suggestion to list the activities in which one-bank holding companies would be allowed

to engage. Such a listing of permissible activities – which would bar one-bank companies from the general insurance and travel agency business – was presented in the Democratic caucus by Representative Henry S. Reuss (D., Wis.).

To provide “catch-all” language to allow for evolutionary changes in banking, the language of the Reuss proposal would pick up the permissible activities section of the 1956 Act, requiring that the activity be “so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto.”

In addition, the Fed would be required to find that the new activity does not result in a monopoly and does not tend to substantially lessen competition. The proposal also contains a “public interest” standard which the Fed must consider.

In the event of the failure of the Board to act on application within a 91-day period, the proposal states, the application will be deemed to have been granted. This provision is particularly pleasing to multi-bank holding companies which have complained about the time lag now experienced in getting a decision from the Fed.

The Reuss proposal also allows the Board to seek legislative

action whenever it finds that the conduct of any activity by a bank holding company would be in the public interest, but cannot be authorized under the Act.

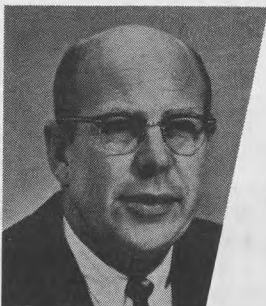
The Board also would be required to furnish the attorney general with a copy of any holding company application. In turn, the attorney general must furnish the Board a report of the competitive factors involved within 30 days.

At least two changes in the Reuss proposal will definitely be made. First, clarifying language will be added to permit a bank to continue performing activities that it is currently performing. The second change would require the Fed to notify the Comptroller of the Currency or the Federal Deposit Insurance Corporation whenever a bank holding company files an application. The Comptroller or the FDIC would then be given 30 days to comment on the application.

NATIONAL NEWS

DODSON, TEX.: The First State Bank here was closed May 12, and the receivership tendered to the FDIC by state banking authorities. Deposits of the bank, estimated at approximately \$1,100,000 are in-

(Continued on Page 4)



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IOWA NEWS

ALGONA: C. W. (Bill) Conn was elected president of Security State Bank at a recent special meeting of the board of directors. He had served as president until 1968. He replaces W. B. Lundberg who, along with Board Chairman Maurice E. Thompson, was removed from office in the bank by John Chrystal, state superintendent of banking. Their removal followed an examination of the bank May 5 and the Hawkeye Loan Co., May 12, which Mr. Thompson and Mr. Lundberg own. The small loan company license of Hawkeye Loan was suspended for 30 days, effective May 17. H. E. Long was named chairman of the board. All other officers were reelected by the board.

Mr. Chrystal said the bank is not in a difficult position but that it appeared after the Hawkeye Loan Co. examination that this firm "is in difficult financial straits."

Mr. Thompson is recuperating in satisfactory condition at Lutheran Hospital in Fort Dodge from injuries suffered in a one-car accident May 6 when he apparently fell asleep at the wheel and struck a bridge abutment.

BUFFALO CENTER: Wright Thompson of Clear Lake has been employed by the Farmers Trust and Savings Bank here as assistant cashier. Mr. Thompson has had 16 years of banking experience in Radcliffe and Clear Lake. He will spend some time in Buffalo Center to familiarize himself with the bank's operations and

later this year move to the bank's Lakota office.

CASEY: Application has been received by the FDIC from Casey State Bank to merge with Menlo Savings Bank of Menlo, with Casey State being the resulting bank. An office would be retained at Menlo. No action has been taken yet by FDIC. A similar application has been filed with the Iowa Department of Banking.

CORALVILLE: M. J. Pooler, founder and executive vice president of the Maquoketa State Bank, has been named president of the Coralville Bank and Trust Company, succeeding Gordon C. Hall. Mr. Pooler sold his interest in the Maquoketa bank in 1966 and subsequently has been employed by the Federal Deposit Insurance Corporation.

DENISON: T. C. Aarestad will retire as president of First National Bank of Denison on June 1 and will be succeeded by Joseph G. Vaage, 43. Ronald Havlik was elected vice president and cashier to take the position vacated by Mr. Vaage, and George Evers was promoted from assistant cashier to assistant vice president.

DES MOINES: The Windsor Heights office of Bankers Trust Company is being converted to a chartered state bank. Authority for the change was granted by the Iowa Banking Department. No capital or name has yet been decided.

MARSHALLTOWN: Ed Bloom, an

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FDIC examiner located at Burlington, Ia., has been elected vice president and cashier of Commercial State Bank here. He replaces Dwight Willard who is moving June 1 to Spencer in a top executive position with Farmers Trust & Savings, as announced last week. Mr. Bloom formerly lived in Marshalltown while with the FDIC.

NEBRASKA NEWS

ARLINGTON: The Arlington State Bank has announced plans for construction of an \$85,000 banking facility. Construction is to get underway immediately, with completion scheduled for November 30.

ELM CREEK: The Elm Creek State Bank has purchased the facilities where the post office is presently located, and occupancy is expected to take place on May 31.

HASTINGS: James Pittz, auditor for the First National Bank here, is the new president of the Central Nebraska Chapter of the Bank Administration Institute.

OMAHA: Dale C. Tinstman, president of First Mid America Inc., has announced the appointment of D. Cornell Arendt as manager of the Lincoln office of First Mid America. Mr. Arendt has been serving as a registered representative for the firm the past eight years.

O'NEILL: Edward Campbell, retired O'Neill banker, has died at the age of 78. He joined the First National Bank here in 1909 and was continuously employed there for 55 years.

MINNESOTA NEWS

HASTINGS: Richard Pike, vice president of the Northwestern National Bank of Rochester, has been elected president of the Northwestern National Bank of Hastings, effective July 1. He succeeds Bernard Engels, who has been elected executive vice president of the Center Bank of



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Omaha, Nebr. With the exception of two years with the credit department of Northwest Bancorporation in Minneapolis, Mr. Pike has spent all of his banking career in Rochester.

ST. PAUL: The Minnesota Senate has voted 37 to 28 to defeat the Uniform Consumer Credit Code bill. The measure would have set maximum interest rates on loans, legalized 18% revolving charge and credit card accounts and enacted a score of consumer protection items. The bill was defeated 32 to 30, but the action was reconsidered.

ILLINOIS NEWS

CHICAGO: Application for Federal Deposit Insurance has been approved by the FDIC for the North Bank here. Total capital accounts at the bank stand at \$2,000,000. Gerard C. Specht is bank president.

CHICAGO: Howard J. Johnson, executive vice president of the American National Bank and Trust Company here, has been re-elected president of the Catholic Charities of Chicago.

GLENWOOD: The FDIC has approved application for FDIC membership for the Glenwood Bank. Total capital accounts at the bank stand at \$750,000.

ROMEDEVILLE: Application of the First Bank of Hampton Park for Federal Deposit Insurance has been approved by the FDIC. Daniel O'Connell is bank president. Total capital accounts at the bank amount to \$750,000.

SPRINGFIELD: The House Committee on Banking has postponed indefinitely a hearing on a bill to create a commission to study branch

banking. The postponement was the result of a burst of resistance on the part of smaller banks throughout the state which challenged the fairness of singling out one business for a \$20,000 legislative study.

COLORADO NEWS

DENVER: Monroe M. Rifkin has been named to the board of directors of the Boulevard National Bank. He is president, chief executive officer and a director of American Television and Communications Corporation.

DENVER: Arch L. Metzner, Jr., senior vice president and trust officer of the Denver U. S. National Bank, has been granted an extended leave of absence for personal reasons. He joined the bank in 1946 and has been serving as vice president and trust officer since 1957.

LAKEWOOD: According to the recent District Court ruling of Judge Ron Hardesty, minority stockholders of the defunct Rocky Mountain Bank of Lakewood do not have the right to sue the bank's former officers on behalf of the bank. Judge Hardesty held the right of pursuing such claims belongs to the Colorado Bank Commissioner.

MONTE VISTA: Vernon T. Reece, Jr., former Denver banker, has resigned as president of Fidelity Bank and Trust Company, Monte Vista, to return to Denver as executive vice president and general manager of the Colorado Business Development Corporation.

NORTH GLENN: Wesley J. Watson has been advanced to president of the First National Bank of North Glenn. Charles A. Cramer has been

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named assistant vice president. Mr. Watson has been serving as executive vice president at the bank since September, 1968, and previously had been with the First National Bank of Denver as vice president in the correspondent bank department. Mr. Cramer has been with the bank since 1966 and was serving as assistant cashier.

MONTANA NEWS

BILLINGS: James D. Bennett, president of the newly formed First Citizens Bank here, has announced the appointment of Gene Oakland as vice president and Bob Spannagel as cashier. Mr. Oakland has 13 years of banking experience in a Billings bank. An early June opening is planned at the bank.

DEER LODGE: Funeral services were held here on May 7 for Harry N. Alger, assistant vice president, Deer Lodge Bank and Trust Company.

GREAT FALLS: Douglas J. Dundas, former president of the Great Falls National Bank and past president of the Montana Bankers Association, died suddenly May 18 at his home on Flathead Lake.



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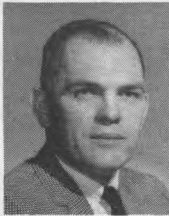




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AT

COMMERCE TRUST BANK

Kansas City, Missouri

National News

(Continued from Page 1)

sured by the FDIC to the \$15,000 maximum for each depositor.

KANSAS CITY, MO.: Lawrence E. Smith, III, president of Western Envelope Manufacturing Company and vice president of Smith-Grieves Company, both of Kansas City, has been elected a director of First National Bank, it was announced by Barrett S. Heddens, Jr., president of the bank. Mr. Smith is presently serving as vice president of the Envelope Manufacturers Association of America.

LOS ANGELES: The United California Bank has purchased the stock owned by Charles E. Salik and associates, representing a controlling interest in the Salik Bank in Basel, Switzerland. The Salik Bank has one office located on St. Jakobstrasse, with total assets of approximately \$60 million.

LOS ANGELES: Robert A. Huss, vice president of Security Pacific National Bank, has been appointed to head the bank's services development department, head office. Prior to this promotion, he was in charge of the market development and research division.

NEW YORK: The American Bankers Association and the National Bankers Association will co-sponsor a four-day Bankers Conference on Urban Problems at the Palmer House in Chicago on June 8-11. Registration will begin at 1 p.m. on June 8. This is the first time the two groups have joined to organize such an event.

WASHINGTON, D.C.: Comptroller of the Currency William B. Camp has increased the assessment rate for national banks for the first time in eight years. Under the new schedule, the current assessment rate will be raised to 4½ cents from 4 cents per \$1,000 of assets; the base assessment rate to \$200 from \$100, and the

per branch assessment to \$50 from \$25. Branch applications filed on and after July 1 will also be subject to a \$500 fee. Fees for special examination services will be increased - some by as much as 100%. The higher rate becomes effective with the next assessment, which will be on the second call report for 1969.

WASHINGTON, D.C.: Stanley C. Silverberg has been promoted to deputy director of the division of research of the FDIC. Mr. Silverberg joined the FDIC as assistant director of research in 1967.

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