

# NORTHWESTERN Banker

Oldest Financial Journal Serving The Central and Western States

No. 1200

Des Moines, Iowa

December 22, 1969

## Season's Greetings and A Happy New Year

As we approach the Holiday Season, the majority of banks in the *Northwestern Banker* area can look back and assess 1969 with mixed emotions.



Looking back at '69.

Banks outside the money market centers are reporting record earnings for the year, and from this standpoint they have much for which to be thankful. It is true that community banks have felt the effects of credit restraint and tight money, but certainly not to the same degree as have the city banks. There are indications that this might change for smaller banks in 1970, but with a continued strong agricultural economy, it appears that the New Year offers continued prosperity.

Without question, the biggest problem that all banks are facing is the development of a good public image. 1969 has been described as the year of disaster

on the legislative front, both in Congress and in many state legislatures. It would seem that the favorable earnings picture has contributed to an attitude of complacency in the banking fraternity.

Two resolutions might be in order. One—when the ABA, IBA or your state association calls for help, don't pass the buck. Offer them your full cooperation. Two—assess the credit needs of your trade area. Are you going the extra mile to assist your local businessmen and farmers—or are you letting the PCA, S&L's and government agencies do the job for you? If you find a generation gap or an out-of-date lending policy, 1970 may be the year of decision for your bank. Now is the time to take a positive approach, rather than a negative approach in the banking business.

### National Bank Tax Bill Approved by Congress

Congress has passed and sent to the White House a national bank tax bill which limits the power of the states to tax national banks until 1972, but permits unlimited taxation of all banks after that time.

Under the legislation, any state may immediately impose any tax—

other than intangible personal property taxes—on a national bank having its principal office in that state, if the tax is imposed on state banks. However, except for sales taxes, documentary taxes and property taxes, a tax may not be applied on a bank after enactment unless either the tax was applicable before enactment or the state legislature takes action to authorize it. A list of taxes could be imposed on out-of-state national banks.

On January 1, 1972, states would have full authority to impose any tax on national banks if they impose such taxes on state banks.

### Insurance Coverage Hiked To \$25,000 by House Unit

An increase in insurance of accounts at banks and savings and loan associations from the present \$15,000 to \$25,000 has been voted by the House Banking Committee as part of sweeping legislation to extend the Interest Control Act.

The measure before the committee, introduced by Chairman Wright Patman, contained a provision to hike FDIC and FSLIC insurance coverage to \$20,000. But the committee approved an amendment by Representative Tom S. Gettys to (Continued on page 4)

Merry  
Christmas  
IOWA-DES MOINES  
NATIONAL BANK



## ED LEAHY—New Man on Security's Team



We predict you'll choose him Rookie of the Year!



**security national**  
in sioux city

### NATIONAL NEWS

**NEW YORK:** Henry C. Alexander, who headed Morgan Guaranty Trust Company of New York from its formation in 1959 until 1965, has died following a long illness. He was 67.

### IOWA NEWS

**ANAMOSA:** Lyle Gerdeman, auditor at the Citizens Savings Bank, has been promoted to assistant vice president. He has been with the bank since 1964. Mrs. Marguerite Stoll, an employee of the bank since 1963, has been named assistant cashier.

**BURLINGTON:** The FDIC has approved the application of the Burlington Bank & Trust Company to establish a parking lot office at the northwest corner of Roosevelt Avenue and West Avenue here.

**BURLINGTON:** Group 11 of the Iowa Bankers Association will hold its annual meeting on Saturday, February 21. The pre-convention party will be held on Friday night, February 20.

**CEDAR RAPIDS:** Banks of Iowa, Inc., which owns 100% of the stock of the Merchants National Bank here, is seeking SEC registration of an initial offering of 130,000 common shares of which 65,000 are from selling stockholders. Also registered were 300,000 additional shares to be offered from time to time in exchange

for securities of banks located in Iowa.

**CEDAR RAPIDS:** Competition for deposits continues in eastern Iowa with Guaranty Bank & Trust Company here offering no minimum balance and free checking service. Other banks in the city are offering \$200 minimum balance plan. Peoples Bank & Trust started paying 4% on regular savings and 5% on Golden Passbook. Others may follow.

**CEDAR RAPIDS:** Gary A. Yanda has been elected assistant vice president at the Peoples Bank & Trust Company. Vernon J. Gericke has been named trust officer, and Gary D. Ernst has been elected assistant trust officer.

### NEBRASKA NEWS

**LINCOLN:** A stock offering by the Kearney First National Company to stockholders of NBC Company, has been approved by the SEC and other bank regulatory agencies. Subscription certificates entitling NBC Company stockholders to buy shares of common stock of Kearney First National Company have been issued and will be effective until December 29, 1969.

Under the offering, NBC Company stockholders will be entitled to buy, at \$6 per share, one share of common stock of Kearney First National Company for each full five shares of NBC Company stock owned as of the close of business on August 15, 1969.

NBC Company owns 100% of the stock of the National Bank of Commerce in Lincoln. If a majority of the Kearney First National Company stock is purchased through the offering, Kearney First National Company and the First National Bank in Kearney will join the National Bank of Commerce (through NBC Company) and Lincoln Bank South as affiliates through common ownership.

Harold Oldfather, chairman, First National Bank, Kearney, has been elected chairman of the board of the Kearney First National Company, and Glenn Yaussi, president of the board of NBC Company, president and treasurer. Paul J. Amen, president, National Bank of Commerce, has been elected executive vice president and secretary and Alan Oldfather, president, First National, Kearney, executive vice president.

**OMAHA:** Promotions at Stock Yards National Bank include: Robert E. Dahl to senior vice president; John F. Farrell to vice president, and Victor D. Hoelting to vice president and cashier.

### MINNESOTA NEWS

**ALBERT LEA:** Harold A. Knudson has been elected assistant vice president and agricultural representative at the First National Bank of Albert Lea. Robert C. Rundquist has been named assistant cashier. Mr. Knudson began his banking career at the bank as agricultural representative and will continue to head the agricultural department. Mr. Rundquist joined the bank in March, 1969, as a loan officer in the installment loan department.

**BRAINERD:** Wayne Pitlick of Pine River has joined the installment loan department at the Citizens State Bank here as a loan officer.

**COTTAGE GROVE:** Officers and directors have been elected for the new Park-Grove National Bank, scheduled to open here in mid-January. John D. Turner, vice president of Mid American Bancorporation, Inc., has been elected president and director. Donald G. Nordlie, formerly vice president of the First National Bank of New Prague, has been named vice president, and Richard P. O'Connell, assistant cashier of Midway National Bank, St. Paul, has been elected



Correspondent services? Rely on  
"the pacesetter bank."

"the  
pacesetter  
bank"



**Bankers Trust co.**

SIXTH AND LOCUST, DES MOINES

Member: Federal Reserve System and  
Federal Deposit Insurance Corporation

YOUR STATE BANKERS ASSOCIATION  
OFFICIAL SAFE, VAULT AND  
TIMELOCK EXPERTS

**F. E. DAVENPORT & CO.**  
OMAHA



# For Decisive Action

Rely on NBC for all your correspondent needs.



Member FDIC

**National Bank  
of Commerce**

Main Bank 13th & O Sts. / Patio Office 10th & O Sts. / Lincoln, Nebraska

## Credit Controls Voted by House...

The House has passed 259-136 a bill to set up sweeping standby controls over all forms of credit.

In addition to authority for the President to empower the Federal Reserve Board to institute such controls, the measure contains other far-reaching sections designed to check inflation and at the same time make more funds available for housing.

It was passed over strong opposition by Republicans, who tried to substitute a more limited measure similar to one already passed by the Senate.

Under the terms of this bill, if the President found a need and the Federal Reserve Board concurred, every kind of personal and business lending could be controlled as to amount, terms and interest.

## Continental Bank to Offer 5% Time Bonds...

Continental Bank, Chicago, has introduced a new savings instrument: bonds that pay 5% annual interest and double in value in less than 14 years.

These "5% Time Bonds" will be new to Chicago, according to Continental.

Compounded continuously, the 5% bonds earn an effective annual interest rate of 5.13%, the highest bank savings rate now permitted under Federal regulations for this

type of instrument. Interest will be credited every three months from date of purchase. The 5% rate is guaranteed for the life of the bond—13 years, 315 days.

The bonds will be sold for one-half their face value.

## NASSB Board to Study Regulatory Restructuring...

The board of directors of the National Association of Supervisors of State Banks has established a special committee on restructuring the bank regulatory system. The new committee, which will consist of not more than seven persons, to be appointed in the near future by NASSB President and Board Chairman Harry Bloom, is charged with developing a written report recommending an Association position on the question of restructuring the Federal bank regulatory system, to be considered by the board no later than March 13, 1970.

In announcing the board's decision, President Bloom, who is state bank commissioner of Colorado, noted that "the NASSB, as the recognized representative of the interests of State banking departments and because of its concern for the welfare of State-chartered banking institutions, is particularly interested in the effects that any regulatory restructuring would have on the equal partners in our dual banking system. We are also peculiarly well qualified by long experience and combined expertise to develop a unified



**Merry  
Christmas**

from

**NORTHWESTERN  
BANKER**

position which will provide some realistic guidelines for needed reform.

## Fed May Tighten Controls...

The Federal Reserve Board may have to adopt "tighter and more painful controls" to stop inflation, Fed Vice Chairman J. L. Robertson cautioned recently.

Mr. Robertson asserted that "people must be made to realize that the Fed will not abandon the purpose for which it was created, that the fires of inflation will be quenched." His remarks were prepared for the dedication of the Fed's new communications and records center in Virginia hills.

## Season's Greetings



HARRIETTE ALLISON

**BANKERS PERSONNEL SEARCH, Inc.**  
1314 Register and Tribune Building  
Phone - 515-282-4446  
Des Moines, Iowa 50309





# 1st LINCOLN ...Professionals in Commercial Loans

FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN  
12th & N Street • LINCOLN, NEBRASKA • Member: F.D.I.C.



cashier. Directors elected, in addition to Mr. Turner, are Walter G. Andrews and David A. Shern, chairman and president, respectively, of Mid America Bancorporation; Richard L. Stryker, president of D.C.R. Company, and Louis R. Tinucci, restaurant owner in Newport, Minn. The new bank will be located in the Cottage Grove shopping center.

KASSON: Jon J. Schmidt has been named assistant cashier at the Kasson State Bank. He has been employed as a Minnesota state bank examiner, stationed in Rochester.

MAPLE LAKE: Lloyd Brandsrud, Don Weismann and Russ Baker have purchased controlling interest in the Security State Bank from the estate of the late A. H. Ney, former bank president, and his widow, Elsie Ney. Mr. Brandsrud has been elected president; Mr. Weismann, executive vice president, and Mr. Baker, vice president and cashier. Mr. Brandsrud, formerly cashier at the bank, has 35 years of experience in the banking business. Mr. Weismann, former bank president, has been with the bank continuously for 25 years. Mr. Baker, formerly assistant cashier, came to the bank in 1946.

### ILLINOIS NEWS

CHICAGO: Robert L. Northway, vice

president at the Drovers National Bank, has died at the age of 51. Mr. Northway had been with the bank for 33 years and was in charge of the bank's savings department.

CHICAGO: Robert M. Martindale, president of Midwest Bank Card System, Inc., will join LaSalle National Bank as a vice president and director of marketing on January 1. He formerly served with the Marine Midland Trust Company, Syracuse, N.Y.; Marine Midland Corporation, Buffalo, N.Y., and the Texas Bank & Trust Company, Dallas.

### SOUTH DAKOTA NEWS

PARKSTON: Albert Sindelar of Huron has joined the staff of the Farmers State Bank here. Mr. Sindelar has been associated with the Farmers Home Administration and its parent agencies for over 30 years. He most recently served as a real estate loan officer with the FHA office in Huron.

VIBORG: The Security National Bank has announced plans for construction of a new brick bank building. The new 2,500-square-foot structure will have a full basement, along with drive-in window, night depository and four private offices. Plans call for the building to be completed by fall, 1970.



Call  
**Dale F. Fagot**  
for ...

**Personal Attention  
to All Your  
Correspondent Needs**

CALL  
402  
AREA CODE  
**341-8765**



Member Federal Deposit  
Insurance Corporation

### COLORADO NEWS

COLORADO SPRINGS: The Colorado Commercial Bank has announced it has obtained options to lease and purchase land at the corner of Cascade Avenue and Kiowa Street for new quarters. Previous plans, which now have been canceled, called for a new building to be constructed at Pikes Peak and Wahsatch Avenues.

ENGLEWOOD: Gary Cassell, vice president of the Republic National Bank of Englewood, has been elected to the bank's board of directors.



**A**t this time of the year we realize, more than ever,  
just how much it means to have the friendship  
and confidence of folks like you.

Without you we could not prosper and grow.  
And so, as we convey our "Season's Greetings"  
may we express the feeling that is with us  
at all times and say . . . simply  
but sincerely . . . "Thank You."

## BANK INVESTORS

A Division of  
IOWA REALTY COMPANY

Richard C. Newlin, Executive Vice President  
3521 Beaver Avenue, Des Moines, Iowa 50310  
515 / 277-6211





Frank Boesche



Bob Baker



Jim Fowler

## BOESCHE, BAKER AND FOWLER

PART OF YOUR TEAM  
AT

# COMMERCE TRUST BANK

Kansas City, Missouri

- I would like to sell my majority bank stock.
- I would like to buy majority bank stock.

Please Contact: J. Mason Henry, President  
**Charles E. Walters Co., Inc.**  
P. O. Box 1313, Omaha, Nebr. 68101

### Insurance Coverage . . .

(Continued from page 1)

further increase the coverage to \$25,000.

In another action, the committee voted to strike the provision requiring the Federal Reserve Board to purchase at least \$6 billion of mortgages from the federal agencies and in the open market. But it accepted provisions to control bank commercial paper and Euro-dollar borrowing, allow the Federal Home Loan Bank System to operate a secondary market for conventional mortgages, revise S&L

insurance requirements and liberalize mortgage lending restrictions for national banks.

## WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.  
NORTHWESTERN BANKER  
306 15th St., Des Moines, Iowa

### INCREASE 1970 PROFITS

Cy Kirk and Max Roy, vice presidents of LaSalle National Bank, Chicago, are prepared to assist you and your bank in planning increased profits for 1970. Whether it is an analysis of your bond portfolio or a cost study of your general banking services, LaSalle National Bank has the facilities to serve your every need. Call Cy or Max today at (Area Code 312) 782-5200 for immediate action.

### POSITION AVAILABLE

Northeast Iowa suburb bank has officer position available for young

man with operations and loan experience. Starting \$8,000 plus extras. Reply with resume in confidence. Write File BEB, in care of NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

### FOR SALE

Used Diebold vault door and casing, with inside doors. 30% by 80. Good condition. Security Savings Bank, Scranton, Iowa. Phone 712/652-3311.

### WANTED

Used drive-in bank window. Contact Gerald L. Koepke, Vice President-Cashier, The Commercial Bank, Blue Hill, Nebraska 68930. Phone (area code 402) 742-3111.

### WANT TO BUY

Used Addressograph-Multigraph graphotype. State age, condition and price. Write File GIB, NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

### FOR SALE

Bankers' car mats, place mats, napkins, desk pads, farm record books, shopping bags. Independent Products Corporation, Onamia, Minnesota 56359.

### BANK EQUIPMENT FOR SALE

Ideal for remodeling or modernization. Furnishings are approximately 12 years old and in excellent condition. Included are: 7 inch Diebold vault door, tellers' counter and equipment, 2 Diebold walk-up windows, vault door, desks, chairs, file nets, and much more. Furniture be available approximately June 1970. Complete detailed brochure will be mailed upon request. Write: Mr. J. R. McDermott, Cashier, Old Orchard Bank & Trust Co., 90 Old Orchard, Skokie, Illinois 60076.

### FOR SALE

Loan application forms for the modern agricultural banker. Samples on request. Farm Business Council, Inc., P. O. Box F, Urbana, Illinois 61801.

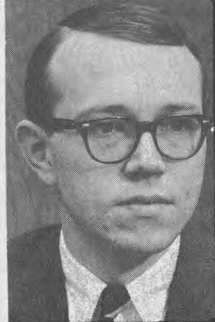
There are so many ways we can help you  
That's why over half the banks in Iowa are  
— MNB correspondents

Eric Hender  
Assistant Vice President



**MERCHANTS NATIONAL BANK**

CEDAR RAPIDS, IOWA 52401  
Member FDIC



Bank Under the Big



"The Bank That Cares"

**CENTRAL NATIONAL BANK AND TRUST COMPANY**  
Member Federal Deposit Insurance Corporation

No. 1200 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.  
Federal Reserve Bank of St. Louis