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Protest Justice Plan Urging Branching

A strong protest is being registered by the Independent Bankers Assn. of America over the Justice Department's plan to urge a liberalization of state branching laws as a means of ostensibly providing greater competition in banking.

In a letter to Attorney General John N. Mitchell, IBAA President Rod L. Parsch deplored the Justice Department plan as "an unwarranted and unprecedented intrusion of the Federal government into the affairs of the states."

Mr. Parsch, whose letter followed a meeting between IBAA representatives and officials of the antitrust division, urged Mr. Mitchell to scrap the plan.

The Justice Department is seeking Nixon Administration endorsement of its plan through the Budget Bureau. If endorsed, the department apparently would ask the Council of State Governments to consider recommending the plan to state legislatures.

The plan basically calls for a re-examination of state laws that restrict branching — with an eye toward creating more alternatives to would-be anticompetitive mergers for banks seeking to extend their markets.

It suggests that de novo branch-

ing be allowed in states where limited branching appears to be a deterrent to increasing competition. It suggests that home office protection be eliminated, especially in developing areas or



Rod L. Parsch

in states where such laws protect only big banks. It suggests that banks be forbidden to open branches in areas where economic conditions do not warrant, thereby cutting the means where a bank can preempt competitors from opening branches in these areas later. It suggests relaxation of state laws that now insulate some areas from competition by registered bank holding companies. And it suggests that bank regulatory agencies be relied on to ensure that liberalized branching authority is exercised in a pro-competitive manner.

IBAA claims that this plan, rather than promoting competition,

would "suppress it by fostering widespread branching systems which can only lead to concentration and the disappearance of independent banks," Mr. Parsch said.

"We are determined," Mr. Parsch told Mr. Mitchell, "to use all means available to us to oppose your endeavors to influence state legislatures to accelerate this trend."

The Justice Department plan is a "marked departure" from President Nixon's "new Federalism" philosophy, reflecting "heavy handed Federalism" instead of the decentralization of government Mr. Nixon has promised, he said.

In addition, Mr. Parsch complained that Mr. Mitchell's department intends to pursue the plan "obliquely, through the Council of State Governments, when such proposals should be addressed to Congress."

Freeze on 1-Bank Holding Firms

Several members of the Senate Banking Committee have let it be known that "definitive" one-bank holding company legislation should not be enacted this year. Instead, they feel that one-bank holding companies should be placed under Federal control that

Freeze...

(Continued on back page)

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IOWA NEWS

The first week of May group meetings gets underway today (Monday) with the Group 6 meeting at Des Moines Golf and Country Club.

Group 10 meets Tuesday, May 5, at the Oskaloosa Country Club. Social hour starts at 5:00 p.m., followed by dinner and the meeting.

Group 7 meets Wednesday, May 6, in Waterloo. Golf in the morning at Sunnyside Country Club. Meeting starts with noon luncheon at the Elks Club.

Group 8 meets Thursday, May 7, in Clinton. Golf in the morning at Clinton Country Club. Meeting starts with noon luncheon, also at the Country Club.

MOORHEAD: Approval has been granted to Moorhead State Bank to withdraw from the Federal Reserve System without a six-month notice.

MT. AYR: Harold M. Ross, 73, chairman, Security State Bank, died April 13. He was president of the bank from June, 1948, when he and

Lew Ross and Dillon Ross of Council Bluffs bought control of the bank, until January, 1963, when he was elected chairman. His brother, Lew Ross, former president and chairman of Council Bluffs Savings Bank, died during the past year. Harold Ross' son, Robert S. Ross, is vice president of Harlan National Bank, Harlan.

RICHLAND: Official approval has been given by the Federal Reserve Board in Washington, D.C., to the previously announced merger of Union State Bank of Richland with Union Bank & Trust Company of Ottumwa. A bank office is being maintained in Richland.

NEBRASKA NEWS

The Nebraska Bankers Association's 73rd annual convention is underway at Cornhusker Hotel in Lincoln. A full report, with pictures, will be published in the June issue of the *Northwestern Banker*.

FULLERTON: Funeral services were held April 23 for Everett M. Black, who died after an extended illness. Mr. Black was president of the First National Bank in Fullerton and was a former president of the Nebraska Bankers Association.



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HASTINGS: The Nebraska Bankers Association's 10th Annual President's Golf Tournament will be held here at Lochland Country Club Tuesday, May 19, starting at 10 a.m. All bankers are invited to participate.

PERU: The Bank of Peru has been purchased by United Rock Construction, Inc., of Weeping Water, Nebr., from Carrol and John Lewis. The Construction firm is owned by Harold and David Myers. The new board of directors consists of Harold Myers; Jess Zimmerman, chairman, Omaha; Selmer Dahl, Peru; Dr. Neal Gomon, president of Peru State College, and Clay Kennedy of Brownville. Elected president was Selmer Dahl, who recently moved from Norfolk. Previously, he was in banking in Hershey, Nebr., North Dakota and South Dakota.

WYMORE: Gary Essman joins Wymore National Bank today as assistant vice president and loan officer, it was announced by W. W. Cook, president. Mr. Essman has been assistant cashier at the Beatrice National Bank & Trust Co., of which Mr. Cook is chairman.

ILLINOIS NEWS

Roland W. Blaha, commissioner of banks and trusts for Illinois, has issued two charters to new banks and two permits to organize banks. The newly-chartered banks are:

Carpentersville - Suburban Bank and Trust Company, 94 Kennedy Memorial Drive; Kane County. Total capitalization - \$650,000, consisting of \$250,000 each in capital and surplus and \$150,000 in reserves. Officers: Benjamin C. Getzelman, chairman and vice president; Donald G. Stebbins, president, and Charles E. Brown, cashier.

Chicago - First State Bank of Chicago, 4646 North Pueblo Avenue. Total capitalization - \$1,750,000, consisting of \$700,000 each in capital and surplus and \$350,000 in

THE GROUP 3 MEETING

This year is moved to
SHERATON MOTOR INN
Mason City on

Thursday, May 21

* * * * *

For Further Information
Contact:

Jack W. Nielsen,
Secretary, Group 3,
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reserves. Officers: Dennis F. Voss, chairman; C. Frederick Potter, president; Wilbur C. Mattila and Joseph D. Zizzo, vice presidents; G. W. McGavren, cashier, and Joyce M. Halabrin, assistant cashier.

Permits to organize have been issued to groups of applicants to establish state banks as follows:

Addison - First Community Bank of DuPage, 727 Army Trail Road, DuPage County. Total capitalization - \$750,000, consisting of \$300,000 each in capital and surplus and \$150,000 in reserves. Organizers: Charles J. Shukes, John F. Powers and John A. Schulkins, all of Addison; Edwin J. Bobowiec, Bartlett, and David A. Bridewell, Winnetka.

Chicago - Northeast State Bank, 6300 N. Broadway. Total capitalization - \$1,000,000, consisting of \$400,000 each in capital and surplus and \$200,000 in reserves. Organizers: David Parson, Winnetka, Stanford Goldman and Jacob Fox, Chicago; Richard Durra and Jack A. Durra, Evanston, and Leon Skan, Wilmette.

BLUE ISLAND: Vincent C. Yager has been appointed vice president, commercial loans, First National Bank.

CHAMPAIGN: The Illinois Bankers Association will hold its 33rd Annual Trust Conference May 5-6 at the Champaign Country Club. Clark W. Brogan, vice president, First National Bank, Mattoon, is IBA trust division president.

CHICAGO: Harry W. Petrie has been appointed senior vice president and cashier at Illinois State Bank.

GLENVIEW: Harold C. Harvey has joined Glenview State Bank as senior vice president. He was formerly vice president with Citizens B&T, Park Ridge.

MINNESOTA NEWS

EDEN PRAIRIE: Northwest Bancorporation has filed a charter application with the Regional Administrator of National Banks for a proposed bank to be known as Northwestern National Bank of Eden prairie, located near the intersection of Highways 169-212 and 78th Street. Capital accounts would be \$750,000. Dennis W. Dunne, vice president of Northwest Bancorporation, and four Eden Prairie men are listed as organizers and directors.

HIBBING: Alexander M. Castle, president since January, 1960, of the First National Bank of Cloquet, has been elected president and director of The First National Bank of Hibbing. Both banks are affiliates of First Bank System. Mr. Castle will succeed Henry Nosek at Hibbing, who has been elected executive vice president and director of First System Agencies. Both assignments are effective June 1, 1970.

ST. PAUL: Acquisition discussions between Park Plaza State Bank of St. Louis Park and Mid America Bancorporation have been temporarily discontinued, according to a joint announcement by David A. Shern, president of Mid America and Charles Bard, president of Park Plaza. Dis-

cussions had been underway since February.

SOUTH DAKOTA NEWS

ARTESIAN: Boyd B. Hopkins, Sr., president, Live Stock State Bank, reports that progress is being made in efforts to rebuild the town's business section after a disastrous fire on April 7 destroyed a large segment of the main business street. Proprietors of the firms met at the bank last Monday night with the Small Business Administration officials, after Mr. Hopkins contacted the SBA. Artesian was declared a "disaster area" and the owners are getting SBA loans at 3% interest to rebuild. Involved were the grocery store, filling station, bar, elevator, theater and laundromat. The bank and an adjoining building were spared.

MITCHELL: B. H. Horstman has been advanced to senior vice president of Mitchell National Bank. He will also continue as cashier. He has been with the bank since 1938 and is currently president of Group 3 of the South Dakota Bankers Association.

RAPID CITY: The South Dakota Bankers Association will hold its 78th annual convention here at Howard Johnson Motor Inn, May 7-9.

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Michigan Bank Closed

Chairman Frank Wille of the Federal Deposit Insurance Corporation has announced that the Corporation commenced payment of insured deposits in The Peoples State Savings Bank, Auburn, Michigan, at 12:00 noon, Friday, April 24, 1970.

The Federal Deposit Insurance Corporation was appointed receiver of The Peoples State Savings Bank on April 18, 1970, after it had been closed by the Michigan Commissioner of Banking. Deposits in the bank, estimated at about \$10,000,000, are insured by the FDIC to the \$20,000 maximum for each depositor.

Also at noon on April 24, Bay City Bank & Trust Company, Bay City, Michigan, and Chemical Bank and Trust Company, Midland, Michigan, opened a branch at Sanford, Michigan, the two locations where The Peoples State Savings Bank had

operated its main office and only branch.

1st National of Chicago Board to Meet in Europe

Directors of First Chicago Corporation, parent company of The First National Bank of Chicago, will hold the first board meeting outside Chicago in the bank's 106-year history during May.

Chairman Gaylord A. Freeman, Jr. said the board meeting will be held on May 8 at the bank's London branch, in a circuit of European international banking and commercial centers to take a close look at the expanding multi-national operations of the bank's growing international network.

Cities on the group's itinerary are: Dublin, London, Paris, Brussels, Frankfurt, Milan and Beirut.

Three new offices currently pending are in Dublin, Geneva and Jamaica. Six offices were opened last year.

Freeze...

(Continued from Page 1)

forbids expansion or acquisitions until the newly-appointed Presidential Commission on Financial Structure and Regulation has an opportunity to study the matter, after which Congress then can expect legislation.

In general, Senate Banking Committee members agree that the House-passed bill is much too restrictive and severe. After much delay, Sen. John Sparkman, chairman of the Senate Committee, announced last week that hearings on the one-bank legislation would begin May 12. Administration officials will be the lead-off witnesses.

President Nixon wrote a letter to

Senator Sparkman that he expects Reed O. Hunt, appointed Commissioner of the Presidential Commission, to have his organization staffed and ready to start work no later than June 1.

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LA SALLE VICE PRESIDENTS TO BE AT IOWA GROUPS...

Max Roy and Cy Kirk, vice presidents of La Salle National Bank, Chicago, will be on hand for the Iowa Group Meetings. Bankers of Group 6 (Des Moines); Group 10 (Oskaloosa); Group 7 (Waterloo), and Group 8 (Clinton) will find Max and Cy ready and willing to discuss current banking services. If you need immediate action, call them at Area Code 312/782-5200 today.

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