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Predicts Future Banking Trends

Paul S. Nadler, professor of business administration, Rutgers University, spoke on "Banking Trends in the Seventies" at the First National Bank of Chicago's 24th Conference of Bank Correspondents. Excerpts from his talk appear below:

We are going to see Regulation Q raised and then eliminated, because you know you just can't keep these artificial restraints on. Part of the price of this is that the Savings and Loans are going to have more authority. You know and I know they are getting checking account authority, they are getting consumer credit authority, they are going to be very much like banks. Already they are becoming distributors of Federal Funds to the Fannie May, Ginny May and the Federal Home Owners Bank Board. They have the political weight to become much more like full service banks and what they want now are the advantages without any of the work, without any of the reserve requirements and its Q assessments, but we know they are going to be more like us and probably 10 years from today there will probably be no real differences.

On this note, we have to realize what the credit card is doing to banking. Right now 14% of after-tax income goes into repaying



Paul S. Nadler

instalment debt. The credit card is not a way of generating new volume but of making it more efficient. You get that one-time evaluation of your credit and then you use it over and over and over again. And what we're seeing is this—already more checks are cashed in supermarkets than in banks. The credit card is a way of getting your credit without having to see the bank. More and more we deposit our checks automatically, deposit our payroll checks in the bank. More and more, you're seeing no need for the convenience of visiting the office. So what does it mean for banks? I will say this, that where a local bank is doing the job, nobody can push them off the map.

Well, let me take one final point, and that is the question that the 1970's will be a decade of capital shortage. Let's face it. On supplies of funds we rec-

ognize the following: we have more young people than old; the young borrow, the old save. Our society has less savings. Meanwhile, through this new emphasis on money supply, we are seeing a restriction on the available funds in the economy. And the public looks at banking in an environment where we're interested not so much in the gross national product, but in the gross national by-product. The whole idea of making our world a better place, improving our environment, and he says what are you going to do to put bank funds where they are needed?

Now let me finish by talking about this a couple of minutes, cause some of you may have seen the program, "The Banks and the Poor." It was repulsive. Your blood boils—but then you start having second thoughts and you realize that if a program like that shows that we have one helluva image problem to solve in the banking business, that the public really doesn't know what banking is about. You've got a job to do—to get the public to recognize (1) that a bank is not a fat-cat-mattress sitting there with its own money that we decide what to do with and (2) that the bank is not something that the public controls and that the bank isn't part of the government.

Now, let me modify this note.
(Continued on back, page)



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IOWA NEWS

CEDAR RAPIDS: Final action on the application of Brenton Banks for a state bank charter here is awaiting completion of routine investigation by the state banking department and the FDIC. The bank would be known as Brenton Bank and Trust Company of Cedar Rapids. The primary site selected is at the intersection of 1st Avenue and 2nd Street. An alternate site is listed in the event the primary site is not available.

DANVILLE: Dan P. Kelley, executive vice president, has been appointed to the board of the Danville State Savings Bank, filling the vacancy caused by the death of Albert H. Schroeder who had been on the board since 1936.

GRAND JUNCTION: The Peoples Trust and Savings Bank recently held an open house at its newly-remodeled bank with door prizes, gifts, and refreshments, according to R. G. Loof, president.

INDEPENDENCE: The Federal De-

posit Insurance Corporation has given its consent to an application by the Farmers State Savings Bank for the exercise of full trust powers.

OSCEOLA: The newly-chartered Osceola State Bank & Trust Company recently opened for business. A. B. Wissink is president and chairman of the board and John Meyer is executive vice president and cashier. The board of directors consists of Mr. Wissink, Lloyd Querrey and Dale Stephenson, both of Osceola, and M. O. Riepe and Bennett A. Webster, both of Des Moines.

The bank has also been approved by the FDIC for coverage.

RICEVILLE: Remodeling has been completed on the building housing the First National Bank. The bank is also planning to use a computer system on checking accounts.

SIOUX CITY: Steven J. Van Dyke has been appointed assistant cashier of the Toy National Bank.

SWEA CITY: The Swea City State Bank recently held open house to

Northeast Iowa Banks

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display its remodeling and 1500-square-foot expansion. The bank has added a night depository and a community room. The lobby, teller windows, and bookkeeping department are located in the addition.

WATERLOO: Gordon H. Millar has been elected to the board of directors of the Waterloo Savings Bank, replacing James Carney who has resigned. Mr. Millar is assistant general manager of the John Deere Waterloo Tractor Works.

ILLINOIS NEWS

ARLINGTON HEIGHTS: A charter has been issued for the organization of the North Point State Bank, to be located on Rand Road in the North Point Shopping Center. Harold C. Harvey is president and George J. Logan, cashier of the bank which will have total capital accounts of \$1 million.

CARY: A permit to organize has been issued by the Commissioner of Banks and Trusts to a group of applicants proposing to establish a bank to be called the First Security Bank of Cary-Grove. The bank, to be located at 45 Highway 14 in Cary, would have total capitalization of \$650,000.

Organizers are: James J. DiOrio, Bensenville; Claude W. Youker, Jr., Wheaton; Charles C. Looney, Lake Forest; Kenneth Larrance, Highland Park; William T. Giova, Elmhurst; Kenneth L. Block, Winnetka; Vernon S. Hoesch, Naperville; and R. J. Spaeth, Cary.

“ “ “ ”

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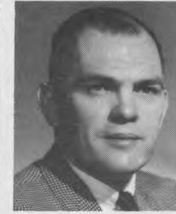
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Dick Muir

COMMERCE BANK of Kansas City

CHICAGO: The FDIC has consented to establishment by the Metropolitan Bank and Trust Company of a facility in quarters already owned by the bank at the southwest corner of West Cermak Road and South Bell Road.

DEERFIELD: An application for a permit to organize has been filed with the Commissioner of Banks and Trusts by Donald N. Brown, Northbrook; Fred C. Griffiths, Park Ridge; Charles H. G. Kimball, Chicago; C. T. Mitchell, Western Springs; and Robert J. Wilson, Naperville.

The bank, to be called Deerbrook State Bank and to be located in the Deerbrook Shopping Center, would have total capitalization of \$750,000.

GRIDLEY: The FDIC has consented to exercise of limited trust powers by the State Bank of Gridley.

VERGENNES: The FDIC has approved removal of the main office of the Vergennes State Bank from Vergennes to 101 North Washington Street, Carbondale. The name of the bank will be changed to The Bank of Carbondale.

WORTH: The FDIC has consented to the exercise of full trust powers by the First State Bank of Worth.

NEBRASKA NEWS

LINCOLN: Funeral services were held recently for J. Floyd McLain, who was director of the State Department of Banking from 1949 to 1959. He worked for the department for 33 years.

OMAHA: The regional offices of the Federal Deposit Insurance Corporation, serving the states of Nebraska and Iowa, have been moved from Kansas City to Omaha and will open on a full-time basis on Monday, December 7, it was announced by Stanley Pugh, regional director. The

new offices are located in Suite 1200, Woodmen Tower, 1700 Farnam Street, and will occupy all of the 12th floor. In addition to Mr. Pugh, the staff includes Howard C. Thedens, assistant regional director, and Robert W. Ellis, examiner. There are 12 examiners resident in Nebraska and 19 in Iowa, all reporting to the new Omaha office. All Nebraska banks are members of the FDIC, and only a half-dozen of Iowa's 670 banks are non-members.

MINNESOTA NEWS

EAGLE BEND: Walter B. Bergstrom, director and cashier of the Citizens State Bank of Eagle Bend, died recently at the age of 81. He had worked at the bank for 59 years, right up to the week before his death.

FERGUS FALLS: Silas Olson, 59, president of the Fergus Falls National Bank and former assistant vice president of the Midland National Bank of Minneapolis, died recently of an apparent heart attack at his Fergus Falls home.

HERMAN: Harold Thielman, 50, cashier of the First National Bank, was killed recently in an auto accident. He had been with the bank since 1939.

HOPKINS: G. William Jude has been named president of First National Bank, succeeding Svante H. Severson, who becomes board chairman. Mr. Jude has been executive vice president.

WILLMAR: John D. McDonald has been elected vice president, First National Bank. Mr. McDonald was

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formerly assistant vice president, Southdale National Bank, Edina. Both banks are members of First Bank System.

COLORADO NEWS

AURORA: The Federal Deposit Insurance Corporation has approved coverage for the Peoples Bank of Arapahoe County, Aurora. B. A. Heffley is president of the bank, which has total capital accounts of \$450,000.

DENVER: The Federal Deposit Insurance Corporation has approved coverage for the Mid States Bank, which has total capital accounts of \$500,000. The bank's president is H. J. Bleakley.

DENVER: An application for charter of a new bank, to be called the Fidelity National Bank and to be located in the Denver Technological Center at East Belleview Avenue and Interstate 25, has been filed with the regional administrator of national banks. Agent for the organizers is Winton S. Howard, chairman of the board of the Continental National Bank of Englewood and also one of the organizers. Other organizers are: Keith Anderson, George M. Wallace, John R. Crowley, and Paul W. Miller, all of Denver.

Proposed capitalization is \$100,000, with a surplus of \$100,000 and undivided profits of \$150,000.

DENVER: Michael C. Quinlan has



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been promoted to vice president in the commercial banking department of the United Bank of Denver. He has been with the bank since May.

DENVER: The U. S. Department of Justice has filed suit in Denver U.S. District Court to block acquisition of the Colorado National Bank by United Banks of Colorado, Inc. The antitrust suit alleges that the acquisition will lessen banking competition in the Colorado Springs area and tend to create a monopoly there. United Banks has already received approval of the acquisition from the board of governors of the Federal Reserve Board.

MANITOU SPRINGS: The FDIC has approved the establishment of a drive-in facility at 484 Manitou Ave. by the Bank of Manitou.

MINTURN: The FDIC has approved coverage for the Eagle Valley Bank,

a new bank with total capital accounts of \$200,000. President of the bank is Roger L. Reisher. The bank is scheduled to open in a new building January 4.

MONTANA NEWS

HELENA: Robert F. Burke has been elected president of the First National Bank and Trust Company, succeeding Harold M. Ormseth, whose reassignment within the First Bank System will be announced shortly. Mr. Burke has been senior vice president of the bank since last December.

Banking Trends...

(Continued from Page 1)

because there is such a thing as long-range self-interest. You've got to build a community because without a community, there is no bank.

But beyond that, you have a real job. Sitting in this room we've got people representing several billions. You are entrusted to get a decent return for the people who own it. Secondly, you are not the government; you should not be making the decisions of what is socially needed, but take that and moderate it by the idea that without a community there is no bank left. This is the number one problem that you will have to solve in the decade of the 70's.

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