

Oldest Financial Journal Serving The Central and Western States

No. 1262

Des Moines, Iowa

December 14, 1970

Consumer Spending Key to Growth

Consumer spending will be the bellwether of renewed economic growth through 1971, Tilford C. Gaines, vice president and economist, Manufacturers Hanover Trust, told nearly 1,000 corporate executives at the bank's business conference in New York last week.

At the same time, Mr. Gaines said, "the assumed pickup in consumption spending, in turn, rests upon continued strong development of more optimistic consumer attitudes that would lead to a drop in the unusually high savings rate of recent quarters."

Mr. Gaines conceded, however, that "there is very little evidence" to support an assumption of improved consumer attitudes and a lower savings rate. He said recent surveys indicated consumers plan to spend more on major appliances and housing but consumer confidence continues to deteriorate.

-

Discussing the battle to control inflation, Mr. Gaines said there is "a good chance" the President in his January message will call for some form of income policy "that would involve the government more directly in price and wage decisions."



Tilford C. Gaines

Turning to interest rates, Mr. Gaines said:

"The drop in interest rates on all maturities of debt instruments during the past month reflects a trend that is likely to continue through 1971. However, total demands for credit next year promise to be very large, particularly in the longer-term bond and mortgage markets. Therefore, while long-term interest rates should continue to trend lower, the trend will constantly encounter opposition from a steadily huge supply of new bond offerings. Long-term interest rates should be a bit lower a year from now than they are today, but it seems likely to me that they still will be very high by comparison with any earlier norm."

He pointed out that corporations as a group "have made little headway toward improved liquidity" this year, and that until corporate balance sheets have been put into better shape, the possibility of another crisis in the financial markets will exist."

Mr. Gaines said he found it difficult to be optimistic about the balance of payments situation, explaining:

"Realistically, U. S. policy officials must face up to the possibility that the dollar is fundamentally overvalued and that some arrangement that would revalue upward a number of other currencies vis-a-vis the dollar – which is another way of saying devaluing the dollar – might be necessary."

In another talk at the conference James M. Roche, chairman of General Motors, said that motor vehicle sales in the United States could reach an all-time high of 12 million units in 1971, assuming a continued improvement in the economy and no major interruption of production.

This would be about 15% over 1970 sales, and could top the previous record of 11.5 million units, including imports, set in 1969, Mr. Roche said.

A sales volume of 9.5 to 10 million cars and two million trucks (Continued on back page)

The <u>only</u> correspondent Bank you'll really ever need.

99

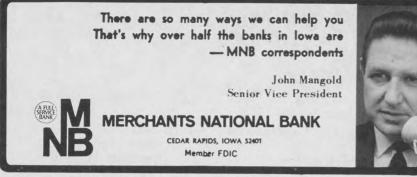
66

Central National Bank & Trust Company

LOCUST AT SIXTH AVENUE, DOWNTOWN DES MOINES, PHONE 243-8181 MEMBER F.D.I.C.

Federal Reserve Bank of St. Louis

Digitized formation and https://fraser.stlouisted.or



IOWA NEWS

CLINTON: Louis Wallenberg, 78, former president and chairman of the Iowa State Bank, Clinton, died recently in an auto accident near Erie, I11.

COLFAX: Paul Monroe, member of the board of directors of the First National Bank of Colfax, died recently in a nursing home in Newton. He was 81.

CRESTON: Joseph G. Knock, president of the Iowa State Savings Bank, has announced the formation in the bank of a trust department and the naming of H. A. Mertens to head it. Mr. Mertens was named vice president and trust officer. Mr. Mertens has been in accounting for 18 years and was senior partner in a Grundy Center firm.

GRINNELL: John L. Wemer has been elected assistant cashier of the Poweshiek County National Bank. He has been with the bank since October 1969.

INDIANOLA: The Peoples Trust & Savings Bank is celebrating the opening of its new Peoples Motor Bank with an open house all this week.

KNOXVILLE: Dr. G. H. Andrew has been elected to the board of the Iowa State Savings Bank, succeeding the late J. E. Snover. Dr. Andrew is an optometrist.

MASON CITY: Robert B. Okerstrom has been elected assistant vice president of the First National Bank



Digitized for FRAGEBrge Harnagel https://fraser.stlouis Reserve Bank of St. Loui

of Mason City. With the bank since 1963, he is currently serving in the commercial loan department.

NEWTON: Robert E. Vance, chairman of the board, Jasper County Savings Bank, has announced the appointment of Donald R. Runger as the president of the bank, effective February 1. At that time Mr. Vance will become first officer of the board and continue as chairman of the trust committee. A. E. Peters, now president, will become chairman.

Mr. Runger is currently vice president and senior trust officer of the First National Bank of Dubuque. A Minnesota native and a Loras College graduate, he joined the Dubuque bank in 1958. After promotions through various departments, he was named vice president and trust officer in 1966 and to his present position in 1969.

PERRY: Funeral services were held here and in Bedford, December 8, for Joseph F. Longfellow, 83, who died suddenly of a massive coronary attack at his home in Perry. He began work in the Bedford National Bank in 1909 and retired as vice president in 1957 but remained as a director through 1968 giving him 59 years of banking to his credit. He is survived by his widow; one son, Howard, vice president and cashier of the National Bank of Rockwell City; one daughter, Helen (Mrs. L. A. Utterback) of Perry, four grandchildren and three brothers.

ILLINOIS NEWS

DES PLAINES: Frederick F. Webster, chairman of the board of the First



National Bank of Des Plaines, has announced the appointment of Jack D. Hughes to the board, succeeding the late Thomas M. Blake. Mr. Hughes is president of Littlefuse, Inc., and director and group vice president of Component Divisions of Tracor, Inc., parent company of Littlefuse.

15

*

-

12

è

-

*

t

MARENGO: L. W. Ackman, president of the Marengo State Bank, has announced plans to build a motor bank at the corner of Ann Street and U.S. 20. The building will be of colonial design and will measure 408 by 40 feet. It will have two walk-up windows inside and four drive-up units outside, a night depository and a parking lot.

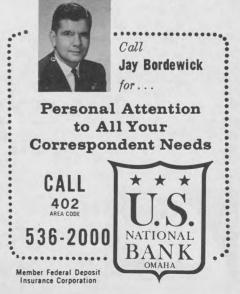
The project has been planned by Bank Building and Equipment Corporation of America, a leading consulting firm. Bank Building will also supervise construction.

MOMENCE: The Parish Bank and Trust Company has established a branch at 110 South Gladiola Avenue, Momence.

TINLEY PARK: An application has been filed with the Illinois Commissioner of Banks and Trusts by five men seeking a charter for a bank to be called Brementowne Bank and to be located at 6801 W. 159th Street in Tinley Park. The five are Vincent Page, Palos Heights; Thomas V. Markle, Chicago; A. Thomas Maras and Albert A. Payne, both of Oak Lawn; and Michael Lombard, Evergreen Park. The bank would have total capitalization of \$750,000.

MINNESOTA NEWS

ALEXANDRIA: Arthur M. Mehr has been elected cashier of the First National Bank. He has been vice



Member Federal Deposit Insurance Corporation

you get what you want

IOWA-DES MOINES

NATIONAL BANK

We're here to help

FIRST NATIONAL BANK OF OMAHA 16TH & FARNAM - OMAHA, NEBRASKA

president and cashier of the First State Bank of Babbitt, Babbitt, Minn.

ANOKA: The State Bank of Anoka recently held open house to display its new facilities to the public. The bank provided refreshments and door prizes.

BEMIDJI: Elgin L. Phillips, 67, president of the First National Bank died recently at the Bemidji Hospital. He was made president in 1969, having joined the bank in 1934 as an assistant cashier.

EDINA: William O. Roberts has been promoted to assistant vice president and Norbert A. Ebhardt to assistant cashier at First Southdale National Bank. Both have been with the bank's installment banking department since 1967, Mr. Roberts as managing officer since 1969.

MANKATO: At Security State Bank William Wolenhaus, formerly an assistant vice president at the National City Bank, Minneapolis, has been elected vice president, and five men have been added to the board of directors. The five are: Chester M. Willer, John P. Mueller, Thomas P. Frederick, G.E. Corcoran, and Robert M. Muellerleile.

LAKEFIELD: According to the Comptroller of the Currency, the estate of Earl C. Sucker recently sold 256 of the 1,000 outstanding shares of the First National Bank to Harold G. Thornburg, Sr.

MARSHALL: An open house was held last month at the Western State Bank in recognition of Wally A. Regnier, vice president, on the occasion of his 25th anniversary with the bank. Coffee and cookies were served. A recognition dinner was held in the evening at Club 59. In attendance were the directors and officers of the bank. Don Aschbrenner, president, presented Mr. Regnier with a watch in appreciation for his quarter century of service to the bank.

MEDFORD: Don Bruzek has joined the First State Bank as a specialist in real estate and insurance. A recent unsuccessful candidate for state representative, Mr. Bruzek has more than 35 years experience in real estate and insurance.

MINNEAPOLIS: Wheelock Whitney, chief executive officer of Dain, Kalman & Quail, Inc., has been elected president of the Investment Bankers Association of America.

NEBRASKA NEWS

GRAND ISLAND: Five area banks have filed formal protests with the State Department of Banking over the pending bank charter applications for the Five Points area. The banks are: The State Bank of Cairo, the Bank of Doniphan, the First National Bank of Grand Island, the St. Paul National Bank, and the Bank of Wood River.

LINCOLN: Chairman Frank Wille of the FDIC has announced the appointment of Robert E. Barnett of Lincoln as assistant to the chairman. Mr. Barnett, a Lincoln native who served with a New York law firm and then returned to Nebraska in 1967 as executive counsel to Gov. Norbert T. Tiemann, since January has been executive director of the Nebraska Constitutional Revision Commission.

LINCOLN: Paul J. Amen has been elected chief executive officer of National Bank of Commerce in addition to his position as president. Glenn Yaussi will continue as chairman of the board of the bank and as chief executive officer of NBC Co., a one-bank holding company that owns the majority stock in the bank. Mr. Amen has been president of the bank since March 15, 1967, the same date Mr. Yaussi was elevated from president to chief executive officer



and chairman. Starting January 1, 1971, Mr. Amen will assume full operation of the National Bank of Commerce and Mr. Yaussi will devote more time to the holding company.

MEMBER: FDIC . FRS

MONTANA NEWS

BILLINGS: The FDIC has approved coverage for the Western Bank, a new bank with total capital accounts of \$500,000.

BILLINGS: The FDIC has approved coverage for the Western State Bank, which has total capital accounts of \$500,000.

BILLINGS: Controlling interest in the Security Trust and Savings Bank has been sold to Homer A. Scott, a rancher and president of the Bank of Commerce, Sheridan, Wyo., from R.M. Waters, chairman of Security Trust and Savings, Warren F. Vaughan, president, and O. M. Jorgenson, former chairman and president. Mr. Scott will become chairman, Mr. Vaughan will continue as president, and Messrs. Jorgenson and Waters will remain on the board.

GREAT FALLS: The Federal Reserve has given approval to the Montana Bank to establish a drive-in facility in Great Falls.



Strengthening international banking connections and services through City National Bank's International Department has become quite a custom.



Member F.D.I.C.

WYOMING NEWS

C'ASPER: Dick Corbridge, vice president and trust officer for the First National Bank of Casper has resigned his position to become a vice president and trust officer of the Southern Arizona Bank & Trust Co. of Tucson, Ariz., effective January 4. Mr. Çorbridge started at First National in 1949.

His successor will be Don Swanton, who has been associated with Mr. Corbridge since 1964 as a trust officer.

CHEYENNE: Mrs. Dorothy Ann Becker has been sentenced 18 months in a federal prison by a U. S. District Court in Cheyenne for her complicity in the abortive holdup of the Stockgrowers State Bank at Evanston, Wyo., on August 28. The 43-year-old mother of five is a native of Santa Monica, Calif.

The principal figure in the attempted holdup, Donald Edward Donohoe of San Pedro, Calif., has pleaded not guilty to the robbery by reason of insanity and not being presently mentally incompetent to stand trial.

JACKSON: Vern Hughes has withdrawn as an organizer of the proposed Jackson Hole National Bank and has been succeeded by Hugh Soest, according to a spokesman for the group, Karl Johnson. According to Mr. Johnson, Mr. Hughes withdrew because of an apparent "discrepancy with the capitalization."

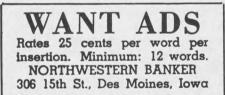
RAWLINS: William M. McIntosh, a Sweetwater rancher, has been elected a director of the First National Bank, according to Floyd Rummel, president.

WHEATLAND: A. Edward Kendig, president of the First National Bank, has been elected Wyoming director of the Independent Bankers Association of America. He has served as a member and vice chairman of the association's standing committee on taxation and competing financial institutions.

Consumer Spending... (Continued from Page 1)

for the 1971 calendar year, Mr. Roche said, compares with the prestrike estimate of 9.5 million to 9.7 million cars for the model year ending September 30, 1971.

"We are also expecting that the new American small cars, such as GM's Vega, will recapture some of the market from foreign cars. In 1971, sales of imported cars in the United States are expected to account for about 11% of the industry total, down from the 15% share estimated for this year," he said.



POSITION AVAILABLE New state bank seeking young, experienced banker knowledgeable operations, credits, lending, etc., as executive vice president capable of assuming presidency in several years. Should be available early 1971. Write File BCT, in care of NORTHWESTERN BANKER, 306 -15th St., Des Moines, Iowa 50309.

LA SALLE MOVES AHEAD LaSalle National Bank, Chicago, has installed a Centrex telephone system to give you better service. You may now dial direct to Max Roy and Cy Kirk on their new number (area code 312) 443-2774. Of course, Max Roy may still be reached in Iowa City (319/338-5224) and Cy Kirk in Rockford (815/398-9521). Their home stamping ground remains the same -LaSalle National Bank, 135 South LaSalle Street, Chicago, Ill. 60690.

ADVERTISING HELPS

For the agricultural banker - ads, mats, editorials and newsletters that sell full service banking to farmers. Samples available. Farm Business Council, Inc., 1300 Hagan Street, Champaign, Illinois 61820.

POSITION WANTED

39 year old bank officer with 17 years operations, credit and insurance experience available after January 1, desires responsible and challenging position. Resume on request. File DFB, NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

"THE CATTLEMAN'S POCKET GUIDE" An ideal gift for your ranch and farm customers. Pocket size booklet with .calculated prices and weights on calves, yearlings, cows and fat cattle. Your advertising available on the back cover or .45¢ per copy without advertising. For more information write to Ressler and Berndt, Inc.-Box 201, Mandan, North Dakota 58554.

POSITION AVAILABLE

Vice President and Cashier of \$37 million assets East Central Illinois bank. All inquiries kept confidential. Send resume in complete confidence to Box BCR, in care of the NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

FOR SALE

10

+

Four inch thick vault door and modern four window teller unit – for information call or write Earl F. Kooker & Associates, Bank Design Consultants, Spencer, Iowa. Phone (712)262-1499

EXE	CUTIVE GIFTS
We have -	SONY
TV	Calculators
Stereo	Dictating Machines
Radios	Tape Recorders
- priced fro	m \$13.95 to \$2,400.
Contact:	
Econ	omy Service Co.
Tom	C. Hutchinson
1115 High Str Telepho	eet Des Moines, Iowa one (515) 244-0114

No. 1262 Northwestern Banker is published five times monthly (including magazine issue) by the Northwestern Banker Company, Digitized for 306 AFffeenth Street, Des Moines, Iowa 50309. Subscriptions 50¢ per copy, \$6 per year. Second class postage paid at Des Moines, https://frase_town: Address all mail subscriptions, changes of address (Form 3579), manuscripts, mail items to above address. Federal Reserve Bank of St. Louis