

NORTHWESTERN Banker Newsletter

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Patman Puts H.R. 5700 on 'Back Burner'

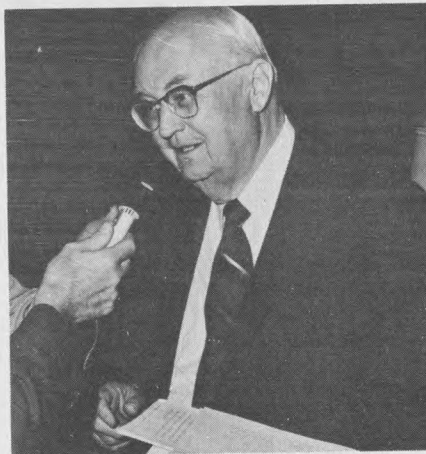
While addressing members of the news corps at the National Press Club in Washington, D. C., Rep. Wright Patman (D., Tex.), chairman of the House Banking Committee, admitted that his banking reform bill "is on the back burner." However, he is confident that his H.R. 5700 will be passed in some form to at least control interlocking directorships, a target he has aimed at with regularity for a long period of time.

Mr. Patman's optimistic remarks are in contrast to the statement made several weeks ago by Rep. Gerald Ford (R., Mich.), House minority leader, who ventured the prediction that the status quo would prevail and that no banking reform bill would be passed by this current Congress (NORTHWESTERN BANKER Newsletter, July 12, 1971).

Mr. Patman's committee continued last week to conduct hearings to determine whether the federal government should grant loan guarantees to bail out companies like Lockheed Aircraft Corporation.

The urgency of the Lockheed problem will throw further discussion of H.R. 5700 beyond Labor Day, Mr. Patman stated to the newsmen. He foresees a "general area of agreement" on conflicts of interest involving directors serving on several boards of directors, but he declined to delve into any possible compromises on this point.

The main part of the banking reform bill that Mr. Patman expects to get passed is definitely the interlocking directorate situation, and probably on a



Wright Patman

geographical basis. His revision of the bill would prohibit an institution with less than \$500 million in assets from certain interlocks with the same type of institutions and concerns within the same Standard Metropolitan Statistical Area or within a radius of 100 miles. Further, interlocks with respect to any insurance company with assets over \$500 million would be prohibited regardless of geographical location.

Generally, H. R. 5700 as proposed by Mr. Patman would prohibit any director, trustee, officer or employee with management function in a financial institution with more than \$500 million in assets from serving in a similar capacity with any other commercial bank, S&L, mutual savings bank, bank or S&L holding company, credit union, insurance company or broker dealer.

He would exempt interlocks among

companies within a group of companies, including bank and S&L holding companies, bank and S&L holding companies controlled by mutual savings banks, and certain insured banks controlled by mutual savings banks.

Other approaches to controlling interlocks vary from Mr. Patman's. Rep. William S. Moorhead (D., Pa.) and Federal Reserve Board Chairman Arthur S. Burns would bar interlocks between competing financial institutions in the same geographic area. Chairman Burns would prohibit interlocks between institutions located in the same city, town or village or in adjoining cities, towns and villages. Rep. Moorhead's proposal is to bar interlocks based on a certain distance from each other, with the actual distance not yet stipulated.

It is predicted that Mr. Patman will give up, among other things, his efforts to control interlocks relating to operation of bank trust departments and to outlaw financial institution premium giveaways in an effort to get at least some kind of bill passed following the Labor Day weekend.

WYOMING NEWS

LUSK: Herman E. (Hep) Pearson has been elected president of the Stockmans National Bank, according to Andrew McMaster, chairman. Mr. Pearson has been vice president of the bank since joining it in October, 1970. He succeeds Mr. McMaster who has held the post of president since early in 1964. A native of Eaton, Colo., Mr. Pearson received

(Continued on back page)

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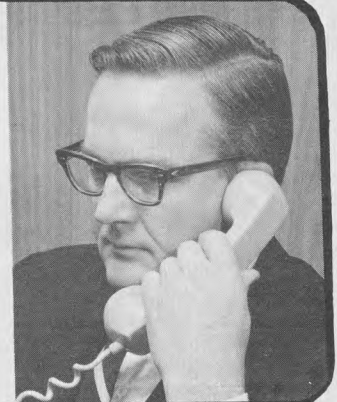
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IOWA NEWS

AMES: A "Bank on Swine" Day will be held in Kildee Auditorium at Iowa State University August 5 starting at 9:30 a.m. Conducted by ISU personnel in cooperation with the livestock industry committee of the Iowa Bankers Association, it is designed particularly for the education of bank personnel, executives and directors. Key swine producer customers of banks also are welcome as guests. Registration of \$5 each will cover the noon luncheon.

DES MOINES: Central National Bancshares, Inc., which owns 98.8% of Central National Bank & Trust Company, filed a registration statement with the SEC July 22 covering a proposed initial offering of 250,000 shares of its common stock. 100,000 shares are to be offered by the company and 150,000 shares by a selling shareholder through an underwriting group headed by Dain, Kalman & Quail, Incorporated of Minneapolis. Net proceeds from the sale of the 100,000 shares offered by the company are intended to be used in connection with the acquisition of additional banks and bank-related businesses and for working capital.

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MODALE: The FDIC reports that Jack R. Eakin has purchased 561 of 1,000 shares of the Modale Savings Bank from the Modale Insurance Agency, Inc. Mr. Eakin is president of State Bank & Trust Company, Council Bluffs.

PLAINFIELD: A recent FDIC report states that Donald E. Schrage, executive vice president of Farmers State Bank, has purchased 708 of the 1,500 shares of stock in the bank. Sellers are listed as H. C. Stevens, president, Olive Stevens, H. C. and Ruth Stevens, Elmer Chester, Adolph Oberheu, Louis Wedeking and Edwin Waltemate, vice president.

SAC CITY: The telephone number listed in the 1971 Bank Directory for the Citizens Savings Bank should be 712-662-7195 instead of 712-662-7184.

THOMPSON: Ernest Osmundson has been named chairman of Peoples State Bank and is succeeded as president by his son, Bruce Osmundson. Dennis Underbakke has been elected cashier, the position formerly held by the new president. The senior Osmundson and his father organized the bank in 1933. Bruce Osmundson has been cashier at the bank since 1946.

WALKER: Controlling interest in Walker State Bank has been purchased by Mr. and Mrs. Alan J. Mannetter from Robert H. Isensee and Duane Prill. Mr. Mannetter, who has been an FDIC examiner working out of the Grand Island, Nebr., field office, succeeds Mr. Isensee as president and director. His

wife, Patricia Mannetter, succeeds Mr. Prill as vice president and director.

MINNESOTA NEWS

AITKIN: Charles Norris has been elected assistant cashier and manager of the installment loan department at Security State Bank. Mr. Norris, 31, has been with Northern City National Bank of Duluth the past five and one-half years.

DULUTH: Edward E. Michel has retired as vice president at Northern City National Bank after serving 47 years with that institution and its predecessor bank.

PIERZ: Kenneth Held, 28, has joined the Merchants State Bank as asst. cashier. He was previously with American Nat'l Bk., Little Falls.

SAVAGE: The Savage State Bank has been purchased by John O'Brien Kessler III, former president and owner of Kessler and Maguire Mortuary, St. Paul. Mr. Kessler, chairman of the bank, was also named president to succeed Obert M. Udem, who has resigned. Mr. Kessler also is chairman of First National Bank at New Prague.

WILLMAR: James Buisman was promoted to a.v.p. by the Bank of Willmar. Richard Schurtz has resigned to head a new chartered bank in Olivia. Carl Jones is a new a. c.

NEBRASKA NEWS

CAMBRIDGE: The FDIC reports the sale of the bank's 450 shares to James C. Chitwood, Karen Chitwood, Lester Johnson, Mickey Mundorff and Dwight Gangwish. The sellers are listed as P. W. Phillips, president; Margaret Phillips, vice president; R. H. Phillips, cashier; Jeanette E. Young and Helena Stansible.

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The new officers and directors are M. M. Mundorff, chairman; Jim Chitwood, president, cashier, and director; K. K. Chitwood, vice president and director; Dwight M. Gangwish and Lester J. Johnson, directors.

OGALLALA: The Nebraska banking department has approved the application of Mel Adams, president of Keith County Bank, and directors of the bank to organize the Ogallala Savings & Loan Association. Mr. Adams will be its president and Larry Vincent of the bank staff will be general manager. Operations were to start today.

SCOTTSBLUFF: H. D. Kosman, president of Scottsbluff National Bank, announces the promotions of J. T. Selzer as executive vice president and R. G. Finke as senior vice president in charge of lending activities.

ILLINOIS NEWS

ROCK CITY: L. E. McKee, L. E. McKee, Jr., and Betty T. McKee, all of Pecatonica, Ill., have purchased controlling of the Rock City Bank. At a July 27th meeting of the board they were elected to the board to succeed M. J. Hoover, C. R. Doty and Robert G. Briggs. L. E. McKee was named vice president and L. E. McKee, Jr., was elected executive vice president. All other officers and directors remain the same. L. E. McKee will remain in Pecatonica as executive vice president of the Bank of Pecatonica.

SPRINGFIELD: Henry Kirschner, president, Town & Country Bank, has announced acquisition of property at Ash

and MacArthur Boulevard for future expansion. A detailed announcement is planned soon.

SOUTH DAKOTA NEWS

HURON: James A. Wilson was recently elected personal loan officer at the Northwestern National Bank according to William Larson, vice president and manager. Mr. Wilson joined the bank a year ago after having spent two years with the United California Bank.

SELBY: Ted Schanzenbach, executive vice president of the First National Bank, is the new executive councilman for Group IV. Mr. Schanzenbach was appointed by SDBA President Orville Bonacker to fill the unexpired term of John O'Donnell who was elected as South Dakota Bankers Association vice president in May.

SIOUX FALLS: The 19th Annual Minnehaha County 4-H Barbecue is scheduled for Saturday evening, August 14. The event is sponsored by Northwestern National Bank and generally serves over 2,000 people. It will be held again at Barbecue Park during the Sioux Empire Fair in Sioux Falls, and is the bank's recognition of Minnehaha County 4-H members who have exhibited at the Fair.

COLORADO NEWS

BOULDER: The School for International Banking, sponsored by the ABA, is being conducted at the University of Colorado August 1-15 for 120 officers and management personnel in the international departments of commercial banks.

BOULDER: Donald M. Culver, chairman of National State Bank, has announced these executive promotions: Richard C. Meckley, president of The First National of Bear Valley, to president and chief executive officer of National State Bank. He replaces Rein Veerkamp, who is now vice chairman. Ralph R. Adams, vice president in the correspondent bank department of First National, Denver, to senior vice president and senior loan officer of National State. Bruce D. Alexander, president of The First National Bancorporation, Inc., and Mr. Meckley to the National State board of directors. Mr. Meckley, who will move to Boulder, will remain for the present as president at The First National of Bear Valley.

DENVER: Marvin R. Becker has been elected assistant vice president and Ken Rosauer has been named assistant cashier at Central Bank and Trust Co. Mr. Becker has been employed by Peat, Marwick, Mitchell and Co. as an audit supervisor for the past five years. He is a member of the American and Colorado CPA societies. He will be manager of Central's accounting department. Mr. Rosauer is a native of Iowa and before joining Central Bank in 1959 had been employed by Peoples Bank and Trust Company of Waterloo. He will be manager of the purchase and supply department.

MONTANA NEWS

ROUNDUP: The FDIC has approved application for membership of the newly organized First Security Bank. William D. Bianchi is president of the bank, which has \$400,000 capital accounts.

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Wyoming News...

(Continued from Page 1)

his BS degree at Colorado State University. In 1944-45 he was a cattle and hog buyer for Armour & Co., then was a farmer-feeder until joining Greeley National Bank as ag rep in 1955. He became vice president and commercial loan officer before leaving in 1968 to join Cheyenne National Bank. He left Cheyenne to join the Stockmans National.

NORTH DAKOTA NEWS

BOWMAN: Walt Eiseman, who joined the staff of the First National Bank March 1, has been elected an assistant vice president, according to an announcement following the latest board of directors meeting.

COLUMBUS: The FDIC has approved an application from Columbus State Bank to establish a facility in the town of Lignite.

ENDERLIN: Leon Ries, manager of Peoples Insurance Agency, has been elected vice president and cashier of Peoples & Enderlin State Bank, succeeding Wayne Kaspari, who has moved to Marion.

LANSFORD: James G. Schmidt has been named manager of the station here for American State Bank of Minot.

MARION: Wayne Kaspari has purchased an interest in the State Bank of Marion and has assumed his duties as executive vice president and manager of the bank. He was associated with insurance firms at Aberdeen, S. D., and at Lisbon before

joining the Peoples and Enderlin State Bank in Enderlin in May, 1969. He has resigned as vice president and cashier of the Enderlin bank to move to Marion.

WANT ADS

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