

NORTHWESTERN Banker Newsletter

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Senate Approves Farm Credit Bill

The United States Senate has passed a bill to permit the farm Credit System to liberalize its farm lending, expand its non-farm lending, and consolidate its money-market borrowing.

The bill was passed on a voice vote, with little debate and no opposition on the floor of the Senate. It now goes to the House, where the Agriculture Committee has been holding hearings on a similar bill. Action will probably be taken by the House when its members return from recess in September.

The Senate granted the system the authority it sought to expand into financing non-farm rural housing and farm-related businesses, and to offer credit-related services. It placed restrictions on this lending and services, which were not in the FCA-sponsored bill, but are similar to those the FCA said it would impose by regulation.

The Senate bill also restricts the Farm Credit Investment Bond, which the system sells to individual investors, to the same interest rate commercial banks are permitted to pay on deposits of the same amount and maturity — in effect, the ceiling under Federal Reserve Regulation Q.

It grants the system the two main objectives it sought: Permission to make lower-equity farm real estate loans by removing the present provision limiting

these to 65% of a farm's normal value and authority to issue a single money-market security to replace the bonds and debentures now issued separately by different types of farm credit banks.



The bill also makes it possible for co-ops that borrow from Banks for Cooperatives to serve more non-farmers by cutting the proportion of members who must be farmers from 90% to two-thirds.

Commercial banking organizations had opposed giving the system authority to expand into non-farm lending, and had asked that the non-credit services it offered be closely restricted.

They also had asked Congress to do away with the Farm Credit Investment Bond, which they consider competition for savings deposits, and to remove the system's tax exemptions.

The bill limits FCS non-farm housing loans to "single family low- and moderate-priced" units. These, the Agriculture Committee said in its report on the bill, should be in the open country

and in areas "where regular commercial credit is not available."

The bill passed by the Senate also sets up an appeal procedure for borrowers turned down for loans and provides for better representation, on farm credit association boards of the types of farming in their areas — an apparent answer to the objections of Sen. Henry Bellmon, R., Okla., who had charged that Oklahoma Production Credit Associations are dominated by and loan mainly to big cattlemen.

The bill permits the system to finance businessmen who provide farmers services "directly related to their on-farm operating needs," and permits to offer farmers non-credit services "appropriate to their on-farm operations."

7th Fed Asks Views On Clearing Center

Banks in the western counties of Iowa have received a letter from the Federal Reserve Bank of Chicago asking for their views and preferences on clearing items from either the Omaha branch of the Kansas City Fed or through a proposed clearing center in Des Moines.

Banks throughout Iowa have received a questionnaire from the Chicago Fed on check flow. The questionnaire seeks answers on number of items, dollar amounts and specific sources for each bank.

(Continued on back page)

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IOWA NEWS

DES MOINES: Iowa Bankers Assn. has abandoned its annual booth at the State Fair in favor of sponsoring a TV special during fair week. Filmed during the opening three days of the fair, the special will be shown on nine TV stations, located in Des Moines, Omaha, Fort Dodge, Davenport, Sioux City, Mason City, Waterloo, Cedar Rapids and Ottumwa, Aug. 25-26. Dick Buxton, exec. v.p., Peoples Tr. & Sav. Bk., Indianola, is chmn. of PR committee, which is in charge of the project.

DES MOINES: Nat'l. Bk. of Des Moines has been refused a parking lot office at 6564 N.W. Sixth Dr., Saylorville Twnshp. by the Comptroller.

GRUNDY CENTER: Farmers Sav. Bk. moved to its new home recently and open house is planned for Aug. 28 with other activities planned during the week.

HILLS: Elmer J. Draker has been named exec. v.p. by the Hills Bk. & Tr. Co. Joining the bank 12 years ago, he

has been cash. He will also retain this title.

MANNING: Controlling interest in the Manning Trust & Sav. Bk. has been purchased from the Lodwick-Manning Company by a group of Nebraskans headed by Harold S. and David C. Meyers. Others in the group include Jeff Zimmerman, William B. Campbell, Sam Marvin, Richard E. Hunter, Jack B. Norris and Phillip F. Werner. Mr. Zimmerman serves as chmn. of the Bank of Peru and Security Nat'l. Bk., Superior, both in Nebr. The Meyers are active in the ag limestone mining business in Nebraska.

NORTHWOOD: Plans have been completed for the construction of a new bldg. for the Northwood St. Bk.

PAULLINA: A.C. Horstman has retired as v.p. and cash. of the First Nat'l. Bk. after 47 years in banking.

SAC CITY: George H. Pingrey, president, announces that Larry Reding joined the staff of Sac City State Bank July 1 as ag representative. A graduate of Iowa State University, he was vocational instructor in the Sac City schools for six years.

NEBRASKA NEWS

AINSWORTH: Forrest H. Kern has been named vice president and cashier from the position of cashier at The First National Bank of Ainsworth according to a recent announcement.

HASTINGS: Leonard R. deMoor has

been promoted to assistant vice president in charge of the First National Bank's installment loan department. He replaces James Montgomery, who has resigned.

LINCOLN: S. Edward Cople has recently purchased from Howard Hall 39,000 of 150,000 shares of the West Gate Bank according to a recent announcement.

LINCOLN: The First National Bank & Trust Company's BankAmericard division will conduct a Business Development Seminar on Friday, August 20, for its 143 BankAmericard agent banks. The seminar will be held in the "Top of the First" meeting room. Registrants will be welcomed by William C. Smith, president of the bank. Presiding at the seminar will be Duane Schainost, assistant vice president and manager of the BankAmericard division at the First. The program:

Keynote Speaker — Charles T. Russell, vice president, National BankAmericard, Inc., San Francisco.

"Demonstration of Electronic Merchant Terminals" — Moderated by Donald D. Dischner, vice president — administration, First National. Demonstrations by computer manufacturers.

Luncheon speaker — Bob Devaney, University of Nebraska athletic director and head football coach.

"Current Legislative Trends Affecting Charge Cards and Banking" — Charles M. Pallesen, Jr., attorney, Lincoln.

"Marketing BankAmericard" — Robert Sinkey, Swanson-Sinkey-Ellis Advertising Agency, Lincoln.

"A Member Bank's Viewpoint" — H. Jack Moors, president, First National Bank, Hastings.

Registrants will be guests of First National Bank on Saturday at the Shrine All Star High School Football Game, featuring teams composed of stars from Nebraska high schools.

LITCHFIELD: The Litchfield Bank has filed an application with the Department of Banking, State of Nebraska, for a charter to engage in the business of banking. A hearing has been set for September 30 at the Department of Banking office in Lincoln.

OMAHA: The Center Bank has in-





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creased its capital from \$750,000 to \$1 million and its surplus from \$950,000 to \$1 million, Ray E. Stanley, president, has announced. The action gives the bank a total capital structure, including undivided profits and reserves, of \$3.2 million. Center Bank is the largest state chartered bank in Nebraska and has assets of more than \$40 million.

NORTH BEND: Arden D. Wolf, president of Platte Valley Bank, announces the promotions of Stan Vala from cashier to assistant vice president and cashier and Mrs. Eleanore Granger from assistant cashier to assistant vice president and auditor.

MINNESOTA NEWS

HALLOCK: Cecil, Dale and Lowell Pogatchnik, owners of the controlling interest of the C-D-L Corporation, a holding company owning the controlling interest of the Northwestern State Bank of Hallock, sold the controlling interest of the holding company to a banking group headed by James Fitl, vice president of the Mid-City Bank of Omaha, Nebraska. The Pogatchniks will continue as officers of the bank. Don Harmes of Gibbon, Nebraska, will soon join the bank as a new bank officer.

MINNEAPOLIS: George H. Dixon, president of First National Bank of Minneapolis was recently elected a director of Honeywell, Inc.

MINNEAPOLIS: Dorothy Monsen and Thomas J. Cecka were named commercial banking officers by First National Bank. Patrick W. Morrow III and Larry A. Bakken were named trust officers. George A. Holthus joined the



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bank as assistant vice president and heads the new method and research department.

WINONA: Jerry L. Kellum has been appointed as trust officer of The Merchants National Bank of Winona replacing W. R. Thompson who resigned recently.

WINONA: Dale A. Evans has been elected assistant cashier of Winona National and Savings Bank. Mr. Evans joined the bank in 1968.

ILLINOIS NEWS

CHICAGO: The Comptroller has approved a parking lot office for O'Hare International Bank at 5745 East River.

NEW LENOX: FDIC has approved trust powers for the New Lenox St. Bk.

OAK BROOK: The Comptroller has approved a charter for the National Bk. of Oak Brook.

ROLLING MEADOWS: The resignation of John J. Woods as pres. of the Bank of Rolling Meadows and the appointment of Willis A. Glassgow, Jr. as his successor has been announced. Mr. Woods has accepted a job with Baird & Warners, Inc., as asst. to the pres. Mr. Glassgow, 37, has been with the Bank of Lisle as v.p. & cash. for the past four years. He was previously with Morris Plan Co's. of Iowa.

SKOKIE: The Comptroller has approved a parking lot office for the First Nat'l. Bk. at 7919 N. Babb Avenue.

COLORADO NEWS

DENVER: The election of Bruce M. Rockwell, president of the Colorado National Bank, to the board of directors of Colorado National Bankshares Inc. has been announced by the registered bank holding company. Mr. Rockwell will continue as president of the bank. He was named CNB chief in May, 1970.

DENVER: Several major executive shifts and realignment of responsibilities were announced by the board of directors of The First National Bank of Denver and The First National Bancorporation, Inc. Named senior vice president in charge of the correspondent bank department was J. Rodney Uhrich, presently a vice president in the department. He succeeds Carrol L. Stubbs who retires August 28. Joe Liller, who has been president of First National Advisers, Inc., will now devote full time to real estate loans and investments for that corporation. Succeeding Mr. Liller as head of the loan department will be Albert D. Latham, Jr.

POSITION WANTED

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Clearing Center...

(Continued from Page 1)

The information will be used in a feasibility study for a clearing center for Des Moines. Money has been budgeted for the center, and hearings have been held by the Fed in Des Moines, Sioux City, Cedar Rapids and Dubuque. Individual meetings have also been held with major correspondent banks in Chicago.

WISCONSIN NEWS

GREEN BAY: People's Marine Bank has named Harold Pfothenauer as a.c. in the personal banking dept.

MANITOWOC: The Comptroller has approved the purchase and assumption of assets of the St. Bk. of Francis Creek by the First Nat'l. Bk., Manitowoc.

MARSHFIELD: The name of The Citizens Nat'l. Bk. of Marshfield has been changed to Citizens Nat'l. Bk. & Tr. The location of the bank will be changed to 400 South Chestnut Ave.

OSHKOSH: First National Bank will change location to 119-125 North Main.



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ST. NAZIANZ: Adrian Neill, pres., St. Nazianz St. Bk., held open house recently in observance of completion of new banking quarters.

SOUTH DAKOTA NEWS

RAPID CITY: Greg Falk has been elected as mgr. of the northeast office of the National Bk. of South Dakota. He succeeds Gideon Stroh who resigned to enter another business in Alliance, Nebr. Mr. Falk has been supervisor of recreation at the South Dakota School of Mines.

SIOUX FALLS: W. S. Baker has been elected pres., First National Bank, succeeding his father, W. W. Baker. The new president joined the bank in 1959 as a teller. He was named vice pres. in 1969. The senior Mr. Baker is nearing a half century in the banking business.

Curtis W. Kuehn, who has been with the bank since 1952, was named senior vice pres.

NORTH DAKOTA NEWS

COLUMBUS: The FDIC has approved a branch at Lignite for the Columbus St. Bk.

MONTANA NEWS

ROUNDUP: The FDIC has approved the new First Security Bank. William D. Bianchi is pres.

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WANTED

Operations Officer, under 44 years of age, for approximately \$40 million southeast Iowa bank with own computer. Should be able to coordinate proof bookkeeping and data processing as well as other operational areas and understand correct systems. Salary negotiable. Write File BSE, c/o NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

WANT TO BUY

Used Burroughs posting machine - preferably a late model series 6212. A late model F212 will be considered providing it has been under maintenance contract and in good working order. Lester State Bank, Lester, Iowa 51242.

POSITION AVAILABLE

Farm Representative needed. \$10 million eastern Iowa county seat bank. Bank experience desired. Write File JST, c/o NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

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