

NORTHWESTERN Banker Newsletter

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November 1, 1971

Illinois Bank Management Conference November 3-4

The 26th Annual Illinois Bank Management Conference, sponsored jointly by the Illinois Bankers Association and the University of Illinois, will be held November 3-4, 1971 at the Krannert Center on the U of I campus in Urbana. Details of the conference were announced by William S. Badgley, chairman, IBA Committee on Bank Management, and President, First National Bank of Belleville.

The day-and-a-half conference will begin Wednesday morning (November 3) with "The Economic Outlook" by Carl T. Arlt, Bailey professor of money, banking and finance, University of Illinois, Urbana. Following Mr. Arlt's presentation the program will then turn to the topic "Getting Back To The Basic Principles of Lending" and will include a presentation on "Commercial Lending" by Kent W. Duncan, senior vice president, Harris Trust and Savings Bank, Chicago, and one on "Agricultural Lending" by Kenneth J. Benda, chairman, Independent Bankers Association's Agriculture-Rural America Committee, and President, Hartwick State Bank, Iowa.

A noon luncheon will feature remarks by John E. Corbally, president, University of Illinois.

On hand to extend greetings at the dinner session will be Lewis H. Clausen, IBA president, and president, Champaign National Bank. The featured dinner speaker will be Paul S. Nadler, professor of business administration, Rutgers Uni-



K. W. Duncan



C. P. Moore

versity, New Jersey, who will discuss "The Outlook For Business And Banking."

The Thursday morning session (November 4) will begin with an address entitled "New Directions For Bank Supervision" by H. Robert Bartell, Jr., Commissioner of Banks and Trust Companies, State of Illinois. Concluding the conference will be a panel discussion on "Profitability And Asset Management."

Management Conference Set For Sioux Falls

The 1971 South Dakota Bankers Association Bank Management Conference will be held at the Ramada Inn in Sioux Falls on November 3, with the Management Committee under the chairmanship of Francis Card.

The implications of the foreign bank account law on treasury regulations on South Dakota banks will be discussed by Jim Smith of the U.S. Treasury Department. "What to Keep and What to Burn" — a discussion of record retention will be

presented by C. P. "Buck" Moore, president of the First National Bank of Aberdeen. "The Market Place" — a new teaching technique in the field of economics that helps to illustrate the role of banks and is now available will be demonstrated. "'72 Legislation?" will be presented by Senator Harvey Wollman, minority leader of the Senate and Don Osheim, Speaker of the House of Representatives.

A panel of South Dakota bankers will discuss current topics of interest. Usury will be discussed by John Lasher, vice president, Northwestern National Bank, Brookings. John Lillibridge, president, Burke State Bank, Burke will discuss mortgage foreclosures. Howard Lee, president, First National Bank, Volga, will present the bank insurance agencies and Bruce Hodson, executive vice president, Blackpipe State Bank, Martin, will discuss loans where collateral is on reservation property. Television video tapes, its application in employee training and also utilization of these cassettes for improved banker image through TV stations will be presented by Peter Reilly of the American Bankers Association staff. Banquet speaker for the conference will be Dr. Charles Jarvis.

FDIC Rejects Branch On Anticompetitive Grounds

For the first time, a Federal banking agency — the Federal Deposit Insurance Corporation — has rejected an application to open a new branch on the

(Continued on back page)



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Interest Rates Free Of Controls In Phase Two

Interest rates will remain free of controls under Phase II of President Nixon's New Economic Program — but under the careful watch of a new Committee on Interest and Dividends and the threat of controls unless yardsticks to be developed by the Committee are met.

The Committee will formulate and execute a program for obtaining voluntary restraint on interest rates, subject to review by the Cost of Living Council. And the President is asking Congress to give him standby interest rate and dividend control authority under the Economic Stabilization Act to back up the Committee actions if needed.

IOWA NEWS

CEDAR RAPIDS: Rigoberto A. Areces, vice president of Banks of Iowa, Inc., has been appointed to the Regional Export Expansion Council by Secretary of Commerce Maurice H. Stans. The council is active in mobilizing the American business community to increase exports of goods and services to other countries.

CORALVILLE: The Iowa state banking board has denied permission for Coralville Bank & Trust Co. to establish an office in University Heights, which is located within the corporate limits of Iowa City.

DES MOINES: The Iowa state banking board has approved the application of Bankers Trust Company for a parking lot office to be located at 1552 East Euclid in Eastgate Shopping Center.

DES MOINES: At the annual Iowa Bankers Convention held last week, Thomas H. Huston, president, Columbus Junction State Bank, Columbus Junction, was elected president of the Iowa Bankers Association. John Chrystal, president,

Iowa Savings Bank, Coon Rapids, was elected vice president, and Clark Houghton, president, First National Bank, Iowa City, was elected treasurer. A total of 4,041 bankers and their wives attended.

DES MOINES: B. C. Grangaard, president, Central National Bancshares, announced that an application has been filed with the state superintendent of banking for a charter for a new bank to be known as Central State Bank to be located at 35th Street and the Freeway in West Des Moines. Total initial capital will be \$750,000. The incorporators are: Ronald D. Kenyon, Rolland L. Rasmussen, William H. Fulton, Dean W. Mitchell, Dale C. Smith, and Robert H. Clark, Jr. The latter is listed as president.

DES MOINES: Tentative plans for construction of a major downtown office development comprising three-quarters of a block, including Bankers Trust Building, the Odd Fellows Building, the Chamberlain Hotel and Bankers Trust parking lot, were announced last week by John Ruan, chairman of Bankers Trust, and Robert J. Sterling, president. The structure under consideration includes as possible principal tenants Bankers Trust, The Ruan Companies and Blue Cross-Blue Shield. A further announcement is expected soon to clarify plans now in the formative stage.

RED OAK: Hawkeye Bancorporation has filed a statement seeking registration of 530,000 shares of common stock, to be offered for public sale at \$11 per share maximum through underwriters headed by Kidder Peabody & Company and First Mid-America of Lincoln. Also included in the statement are 111,588 shares of common stock, to be offered in exchange for minority common stock interests in three proposed constituent banks and 89,772 shares issuable upon exercise of outstanding common stock purchase warrants. The company is a

bank holding company with majority interests in six banks. Net proceeds of its stock sale will be used to purchase interests in three of the proposed constituent banks and the balance will be applied to repayment of short-term bank loans and for other corporate purposes.

NEBRASKA NEWS

BELLEVUE: Henry W. Ley, Nebraska director of banking, recently approved the charter of the Southroads Bank which will operate in Bellevue. The new bank plans to establish two locations and a drive-in window, according to Walter W. Clark, president.

ELGIN: George A. Wright, one of the original organizers of the Bank of Elgin, retired recently from his positions as director and chairman of that bank's board of directors.

GORDON: At the October board meeting of the First National Bank, Robert Stachan was promoted from loan officer to assistant vice president. He has been with the bank since May, 1971.

OMAHA: Kirk P. Miller, manager of the United States National Bank's mortgage loan department will join Iowa Securities Company of St. Paul, a subsidiary of Northwest Bancorporation, on November 1.

OMAHA: Kenneth E. Johnson, a data processing manager at the Omaha National Bank has been promoted to an assistant operations officer. Mr. Johnson is the first black officer at the bank.

OMAHA: Joseph A. Davis has joined First Mid-America Inc., as an account executive. The announcement was made by Dale C. Tinstman, president. Mr. Davis will be assigned to the Omaha office.

OMAHA: Chiles, Heider and Company, Inc., is the first Omaha-based company to become a member of the New York Stock Exchange, Inc. The announcement



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was made jointly by the New York Stock Exchange and Charles F. Heider, president of Chiles, Heider.

ORD: Gary Garnick will join the staff of the First National Bank according to Donald E. Blaha, executive vice president. He was recently graduated from the University of Nebraska business college. He will begin management training at the bank.

MINNESOTA NEWS

FARIBAULT: John A. Marien has been appointed a vice president of the Security National Bank, according to Richard W. Peavey, president. He was previously with Northwestern National Bank of South St. Paul as a vice president.

MIDDLE RIVER: Dale Pogatchnik, former part owner of Northwestern State Bank of Hallock, recently assumed duties as vice president of First National Bank in Middle River. He replaces Bruce Eckblad who has been vice president for six months. Mr. Eckblad was transferred to Finlayson where he will be cashier of the First State Bank recently purchased by Lowell and Dale Pogatchnik. They sold their interest in the Hallock bank last August.

MINNEAPOLIS: Richard H. Vaughan has been elected president of Northwest Bancorporation succeeding Henry T. Rutledge, who becomes chairman and continues as chief executive officer. Mr. Vaughan, 44, will be the fifth president in the 42-year history of the \$4 billion bank holding company. He is presently executive vice president of Northwestern National Bank of Minneapolis, largest bank in the Bancorporation group.

ST. CLOUD: Edward C. Wiesner and Dale Thompson have been elected to the board of directors of the St. Cloud National Bank and Trust according to a recent announcement. Mr. Wisner has been vice president and trust officer in the bank since 1965 and Mr. Thompson has been a cashier and vice president at the bank since 1968.

ST. PAUL: Andrew G. Sall was named vice-chairman of the wholesale group officer loan committee of the First National Bank. Richard Shepley was named assistant vice president for leasing trust and special loan. Hugh A. Fitzgerald and Gary R. Woeltge were named assistant vice presidents. Dennis K. Dingman, Jeff-

rey T. Pearson, Craig R. Johnson and John C. Thomas were named commercial loan officers.

WAYZATA: Joseph Clemons was recently elected president of the First National Bank. He was formerly vice president for the Third Northwestern National Bank of Minneapolis.

NORTH DAKOTA NEWS

ELLENDALE: Gerald Mangin has been advanced from vice president and agricultural representative to president and director of First National Bank, according to Franklin Larson, chairman of the board. Mr. Larson had been serving as president since the retirement of L. L. Coleman one year ago. Harley Jundt has been named ag rep for the bank.

MINOT: Richard (Rick) K. Anderson has been named assistant cashier at the First Western Bank by president John Hoeven. Mr. Anderson has been associated with the bank since August 1968.

RUGBY: Claude Zweber, president of the Citizens State Bank, announced the election of George Carman as an assistant vice president of the bank and manager of the Citizens Insurance Agency.

VALLEY CITY: David Severson has been appointed assistant agricultural representative at the First National Bank, Walter Bauer, president, recently announced. Mr. Severson was previously on the staff of the First National Bank in Bismarck.

COLORADO NEWS

DENVER: Ground-breaking ceremonies were held recently for the new 45,000 square-foot United Banks Service Building at the Denver Technological Center. The new facilities will house the recently formed United Banks Service Company, a wholly owned subsidiary of United Banks of Colorado. James S. Morgan, formerly vice president of Denver's systems research group for United Banks of Colorado, is president.

WYOMING NEWS

CASPER: Mary Hutsell has been appointed operations officer at the First National Bank of Casper according to Robert E. Bryans, president. She will supervise the teller and new accounts departments.

JACKSON HOLE: Formal dedication ceremonies were conducted recently for the new First National Bank of Jackson Hole. Robert T. Noel is president of the bank which conducted a week-long open house for the opening.

LANDER: Ralph D. Williams has been named president of the First National Bank of Lander. He is presently vice president and cashier of the Guaranty Bank and Trust Company of Denver. He will assume his duties in mid-November, according to W. A. "Bill" Smith, chairman of the board, succeeding Robert W. Finkbinder, who resigned in September.

MONTANA NEWS

HELENA: Chief Justice James T. Harrison of the Montana Supreme Court said he is fearful that history may be about to repeat itself — in the form of too many banks for the business.

In dissenting to a court majority's decision allowing a second bank to open in Roundup, the chief justice said:

"There was a time in Montana when every hamlet had a bank and as one travels about the state now the only brick building in our many ghost towns is that of a defunct bank.

Agreeing with Justice Harrison's dissent to the majority opinion announced Sept. 2 was Justice Wesley Castles.

The majority of the court had ruled, in effect that State Banks Supt. John A. Dowdall had the authority to license without a hearing the First Security Bank of Roundup opened its doors last month.



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FDIC Rejects Branch . . .

(Continued from front page)

grounds that it would be anticompetitive.

Also, the law under which FDIC passes on branch applications does not expressly mention competition as one of the six banking factors to be taken into account. But FDIC believes that competition is an inherent part of the "convenience and needs" factor and must be considered in branching cases.

The rejected branch applications were part of a series of related decisions on merger, branch and main office applications of the Citizens and Southern Bank system in the Atlanta area and its surrounding counties.

In the opinion of banking attorneys, the rejection of new branch applications on anticompetitive grounds is highly significant. If it sticks, the theory could be used to block branching by larger banks in states now open or opened in the future to branch banking.

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House Kills Insurance For Credit Unions

A move to win quick House passage of the credit union share insurance amendment bill (H.R. 9961) has failed and, according to House Banking Committee Chairman Wright Patman (D., Tex.), chances are poor that it will be considered again this year.

As expected, Patman attempted to get the bill through the House last Monday under a special procedure requiring a two-thirds vote. The measure failed on a vote of 197 yeas, 122 nays and 112 members not voting.

The measure will now have to be brought up under regular procedure which requires its scheduling for floor action by the House Rules Committee.

However, during debate on the measure, Repr. Patman disclosed that the Rules Committee "has indicated it will not give me a hearing on a rule" for it. "So this means in this session of Congress this bill will be dead," the Texas Democrat warned, urging its passage under the special procedure of "suspending" the rules.

Basically, the bill would require the National Credit Union Administration to insure any Federal credit union for two years which meets its statutory reserve requirements and is not in violation of any other section of the Federal Credit Union Act. There are some 1,400 Federal credit unions which have not yet qualified for insurance, many because they failed to meet another special reserve established under a separate section of the law by NCUA.

Another provision of the bill would require NCUA to insure the share accounts of state chartered credit unions even though they accept demand deposits, provided that the demand deposits are not insured and subordinated

to the claims of the shareholders in the case of liquidation.

Finally, the bill would authorize NCUA to guarantee against loss any "person" who assumes liabilities by purchasing the assets of an open or closed insured credit union. This provision defines "person" as any "credit union, individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity."

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