

# NORTHWESTERN Banker Newsletter

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## Propose Broad Changes for Banks

It is possible that savings and loan associations will be allowed to offer checking accounts, interest rate ceilings will be removed from savings accounts, and a shake-up will occur in federal regulatory agencies.

These are among a long list of recommendations to be made soon to President Nixon by the Presidential Commission on Financial Structure and Regulation, according to published reports received by the NORTHWESTERN BANKER. Major recommendations include:

A 10-year phase-out of interest ceilings on time and savings deposits, certificates of deposit and share accounts. Prohibition against payment of interest on demand deposits would be retained.

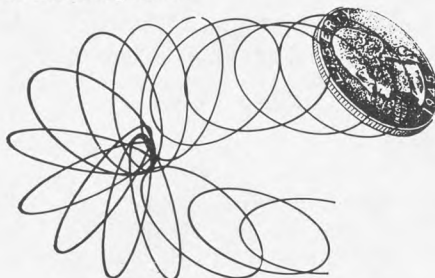
Broad new lending and operational powers for thrift institutions, including authority to invest in stocks, offer checking accounts and credit cards, and to make loans nationwide.

Authority for commercial banks to operate mutual funds and to engage in the same activities permitted bank holding companies.

Federal charters for stock savings and loan associations, mutual savings banks, and "mutual commercial banks."

Mandatory membership in the Federal Reserve System for all commercial banks and S&L's and mutual savings banks that offer checking accounts.

Elimination of reserves on time and savings deposits and share accounts and uniform reserve requirements on demand deposits.



A single tax formula for all checking account institutions.

A new agency to supervise all state chartered, insured commercial banks and state-chartered mutual savings banks and certain state-chartered insured S&L's offering checking accounts.

A National Bank Administrator independent of the Treasury Department to supervise and charter national banks, federal mutual savings banks, federal mutual commercial banks, and to supervise certain federal S&L's with checking accounts.

A new agency to insure commercial banks, savings banks, S&L's and credit unions under three separate insurance funds.

The report will cap more than a year of intensive study by a host of representatives of various financial institutions. There is little doubt that the report will have an important impact on financial

institutions of all kinds and sizes. After the final report has been approved by the commission, the detailed recommendations will be published in the NORTHWESTERN BANKER.

It seems unlikely that the report will be quickly translated into legislative action — at least in 1972. The Administration, Senate and House will have their main attention on the November elections, and complex financial issues are not designed to capture votes. Also, House Banking Committee Chairman Wright Patman (d., Texas) through whose committee any legislation concerning financial institutions would be routed, has expressed hostility to the Commission and its proceedings.

President Nixon announced the formation of the Commission in the spring of 1970, and named Reed O. Hunt, retired chairman of Crown-Zellerbach, chairman. Other Commission members are:

Atherton Bean, International Multi-foods Corp., Minneapolis; Morris B. Crawford, Jr., Bowery Savings Bank, New York; Morgan Earnest, Earnest Homes, Inc., New Orleans; J. Howard Edgerton, Calif. S&E Assn., Los Angeles; Richard G. Gilbert, Citizens S&L Assn., Canton, Ohio; William Grant, Businessmen's Assurance Co., Kansas City, Mo.; Alan Greenspan, Townsend-Greenspan & Co., Inc., New York; Walter S. Holmes, CIT Financial Corp., New York; Lane Kirkland, AFL-CIO, Washington, D.C.; Donald S. MacNaughton, Prudential Insurance Co. of America, Newark, N. J.;

(Continued on back page)



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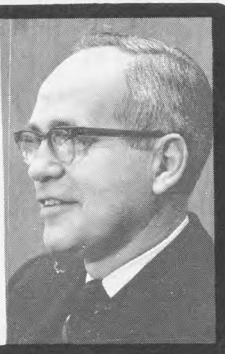
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**IOWA NEWS**

**ALTOONA:** Homer R. Jensen has been elected a director of Altoona State Bank, replacing Warren Ferguson. Mr. Jensen is vice president of Capital City State Bank, Des Moines. Mr. Ferguson is president of the Des Moines bank.

**BEDFORD:** The Bedford National Bank is currently observing its 100th anniversary. Open house activities will continue through January 1.

**BURLINGTON:** An agreement has been reached for First National Bank, Burlington, which has assets of \$37.5 million to join Banks of Iowa, Inc., Cedar Rapids.

This was announced by V. P. Cullen, chairman of the Burlington bank.

The agreement — subject to approval of the Board of Governors of the Federal Reserve system, and tender for exchange of at least 80 per cent of the stock of the Burlington bank — provides for exchange of seven shares of Banks of Iowa (valued at about \$175 — \$24.75 a share) for each share of First National of Burlington.

Under the proposal the First National bank will continue to operate as a completely autonomous unit with the same local board of directors and officers. The plan calls for Cullen and Dale Kelley, president of the Burlington bank, to be directors of Banks of Iowa.

**DES MOINES:** Dean Knudson, president of the University Bank & Trust Company, Ames, has been named president of the newly-organized Independent Bankers Association in Iowa.

Other officers elected at a meeting in Des Moines last week are: vice president, Don Kirchner, president, Peoples Trust and Savings Bank, Riverside; secretary, G. M. Barnett, president, Guthrie County State Bank, Guthrie Center; treasurer, Christy Armstrong, executive vice president, American Trust and Savings Bank, Dubuque.

Robert Dixon, president of the Rolfe State Bank, and Stan Barber, president of the Wellman Savings Bank, will also serve as members of the administrative council. Mr. Dixon is state director of the Independent Bankers Association of America, and Mr. Barber is a past president of the national organization.

**DES MOINES:** The Iowa Bankers Association said Monday it is conducting a poll of its membership on whether it favors restricting the growth of multi-bank holding companies in the state and of liberalizing the bank office law. The poll is intended for completion in time for the start of the Iowa legislative session next month.

Specifically, the Iowa BA said it seeks individual bank views on a vote taken last week by the organization's legislative committee in support of the so-called omnibus bank bill. This measure would limit a multi-bank firm to

controlling no more than 10% of the deposits in the state.

The bill, as drafted and approved earlier this month by a committee of Iowa legislators for submissions in the 1972 session, also calls for expanding the number and function of bank offices.

The Iowa BA legislative committee at its meeting in Des Moines voted 27-7 in favor of the measure.

On the following day more than 75 independent bankers meeting in Des Moines voted unanimously to oppose the measure.

**GARWIN:** Controlling interest in the Farmers Savings Bank has been sold by George Elwell to Gerald F. Knapp of Marshalltown, who has been in business in Garwin for 26 years and a director of the bank for three years. Mr. Knapp also purchased the George Elwell Insurance Agency, and will take possession December 31. L. D. Nieuwenhuis will continue as cashier, and Mrs. Maxine Hagedorn will continue as bookkeeper.

**OSCEOLA:** Keith Richard has announced his intention to retire as president and managing officer of the Clarke County State Bank as of December 31. Earl Curtis, executive vice president, will become managing officer.

**SPRAGUEVILLE:** The Iowa Banking Department has approved a move for the Farmers Savings Bank to Preston. The bank has maintained an office in Preston.

**ILLINOIS NEWS**

**CHAMPAIGN:** Thomas M. Rochford, president, Bank of Illinois, has announced acquisition of the Dowell Agricultural Specialists Company, previously owned by Jesse M. Dowell. Mr. Dowell will head the bank's farm management department.

**ELKHART:** The Commissioner of Banks and Trusts has issued a charter for the organization of the Elkhart Community Bank, 2nd and Washington Streets in Elkhart. Total capitalization is \$400,000. Officers will be: Emil M. Verban, chairman; Perry Williams, president; Robert F. Olson, vice president, and Wilmer Dale Lyons, cashier.



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**HARVEY:** The First State Bank of Harvey has elected new officers and directors. The new directors are: George J. Jansen, Louis F. Kusay, Paul J. Schutt, Robert L. Schutt, and John R. Watson. The resignations of Sybil Koenecke and Harold Plattner of Fennimore, Wisconsin, were accepted. Sybil is the widow of the late Howard Koenecke, founder, president, and chairman of the bank.

New officers are: Robert L. Schutt, chairman; John E. Jansen, president; Harold C. Dykstra, vice president; Dr. Daniel C. Altier, vice president; William E. Donahue, vice president; Ted C. Rasmussen, cashier; C. R. Colton, assistant vice president, and Daniel E. McLean, assistant cashier.

**LISLE:** Richard J. Fitzgerald has joined the Bank of Lisle as assistant vice president in charge of business development. He has been with the correspondent bank division of the LaSalle National Bank, Chicago.

**OAK BROOK:** The Commissioner of Banks and Trusts has granted a charter to the First Security Bank of Oak Brook, 105 Oakbrook Mall. Total capitalization is \$1 million. Organizers include: Archie R. Gagne, St. Charles, Illinois; John J. Hamer, St. Charles, Illinois; G. Ward Stearns, Naperville, Illinois; John D. Neesley, Naperville, Illinois; James J. DiOrio, Bensenville, Illinois; Vernon S. Hoesch, Naperville, Illinois; Kenneth Larrance, Highland Park, Illinois; and Claude W. Youker, Jr., Wheaton, Illinois.

**PEKIN:** William E. Troutman, president of the First National Bank, has announced the election of Virgil J. Vogel as a director. He is president of Vogels, Inc. and Bird Provision, producers of Bird Farm Sausage. The board also advanced H. Wayne Carmichael from trust officer to vice president and trust officer.

## IMPORTANT NOTICE!

We want to publish news of any officer or director changes, increases in capital structure, or other important action taken at your annual meeting. Send this news at once to **NORTHWESTERN BANKER**, 306 Fifteenth Street, Des Moines, Iowa 50309.



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## COLORADO NEWS

**AURORA:** The Aurora National Bank is issuing 8 per cent subordinated capital notes in denominations of \$500 and multiples thereof, according to Edward F. Hanifen, president. The notes are for a period of 84 months but the bank is reserving the right to recall them at 100 per cent, plus accrued interest, on or after Nov. 1, 1974.

**DENVER:** The Federal Reserve Board has approved the application of the \$662.8 million-deposit United Banks of Colorado, Inc., to acquire the \$16.3 million-deposit Colorado Commercial Bank, Colorado Springs.

## NORTH DAKOTA NEWS

**GRAND FORKS:** Pershing Boe, president of the First National Bank in Grand Forks for the past six years, has resigned effective immediately.

Mr. Boe said he will be affiliated with another bank, but is not at liberty to announce his plans.

Fred R. Orth, chairman of the board of First National, said a search is beginning immediately for a new president.

Mr. Boe succeeded Mr. Orth as president of the bank in February, 1966. Prior to coming to Grand Forks, he had been vice president, trust officer and a director of the First National Bank and Trust Co. of Fargo, N.D.

## MINNESOTA NEWS

**ST PAUL:** George W. Benz and John F. Nash, officers of American Bancorporation, and David Shern, president of Midamerica Bancorporation have announced that the merger negotiations between the two companies have been terminated. The announcement of the proposed merger was initially made on October 22, 1971.

# NEW PERSONALIZED PUBLICATION FOR YOUR BANK CUSTOMERS

**NORTHWESTERN BANKER** will soon be offering the second edition of its new, four-page quarterly publication designed to help individuals and families in your trade area to better manage their personal finances.

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**NORTHWESTERN**  
*Banker*

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## RECOMMENDATIONS...

(Continued from Page 1)

Edward H. Malone, General Electric Corp., New York; Rex Morthland, Peoples Bank and Trust Co., Selma, Ala.; William H. Morton, American Express Co., New York; Ellmore C. Patterson, Morgan Guaranty Trust Co., New York; K. A. Randall, United Virginia Bankshares, Richmond; Sen. Ralph Regula, Navarre, Ohio; Dr. R. J. Saulnier, Barnard College, Columbia University, New York; and Robert H. Stewart III, First National Bank of Dallas.

## MINNESOTA NEWS

**EDINA:** G. E. (Tommy) Thompson has been elected cashier of the Americana State Bank, according to Peter A. Karos, president. He returned recently from Naples, Florida, where he managed a mobile home court. Previously, he served for two years as manager of the sales division of Mobile Americana Corporation. Before joining MoAmCo he was cashier of the Columbia Heights State Bank.

**MINNEAPOLIS:** Complying with a request from the office of Minnesota Gov.

Wendell Anderson, the Federal Reserve Board has agreed to postpone until late February a hearing scheduled for Wednesday here on the application by the \$3.7 billion-deposit Northwest Bancorporation, Minneapolis, to acquire a bank at Stillwater, Minn.

Northwest originally made application to the Fed to acquire the Stillwater bank last Aug. 3 through an exchange offer of seven shares of holding company common for each share of bank stock. Three days later, the Independent Bankers of Minnesota filed a petition for a public hearing on behalf of six member banks in the Stillwater area.

On Oct. 1, according to a newsletter, a spokesman for Gov. Anderson said the Minnesota chief executive was made aware of the Northwest proposal by independent bankers in the state and became involved in the application in early November.

**ST. LOUIS PARK:** Wendell Grevillius has been elected assistant cashier in the loan department of the Citizens State Bank. He joined the bank in June, 1969, after having served the First National Bank, Sioux Falls.

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