

NORTHWESTERN Banker Newsletter

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ABA Views Presidential Commission Report

Allen P. Stults, president of the American Bankers Association, said recently that banking will support any change in the nation's financial structure that promises to benefit the public.

But, Mr. Stults warned against embracing changes in haste and without adequate consideration of their potential consequences.

Mr. Stults spoke to some 150 bankers from throughout the nation who met in Chicago to review the report of the Presidential Commission on Financial Structure and Regulation. The report, which was submitted to President Nixon December 22, recommended vast changes in the financial structure.

The ABA has taken no position on the report, and Mr. Stults said none should be taken without extensive study.

Details on the proposed changes were outlined in the January 10 *NORTHWESTERN BANKER NEWSLETTER*. In some areas it would grant broader powers to S&L's, mutual savings banks and credit unions, such as checking accounts and credit cards, but stipulates that these thrift institutions would have to play the same "ground rules" of regulation and taxation as commercial banks. For those thrift institutions wishing to engage in business lending and deposit activity, the Commission offers only the alternative of converting to commercial bank charters.

"The history of banking in America is replete with change," said Mr. Stults. "Banks have boldly innovated and readily adapted in order to best serve the

financial needs of the American economy. Bankers are not afraid of change. They stand ready to support any change in our nation's financial structure that clearly promises to benefit the public."



A.P. Stults

But, he added that "in our complex economy, it is no easy task to identify the change that is needed, to predict all the ramifications of a proposed change, to foresee whether its benefits will be outweighed by adverse effects in another time or another place or another segment of the economy."

He said that bankers, as public servants, have the responsibility of giving the presidential commission's report deep consideration. "We recognize that, to meet this responsibility, we must first resist whatever temptation may arise to respond hastily to any part of the report. For, the report represents long and hard work by a diligent and dedicated group, and it deserves something better than impulsiveness. It deserves, and is receiving, careful and penetrating study by the banking industry."

Mr. Stults, who is board chairman and chief executive officer of the American National Bank and Trust Company,

Chicago, said the meeting was part of the industry study.

Chairman of the one-day session was John J. Balles, senior vice president of the Mellon National Bank and Trust Company in Pittsburgh, who was chairman of the ABA Special Committee that made recommendations to the presidential commission.

The meeting featured discussions of the commission report by Mr. Balles and members of his committee and by two members of the commission: K. A. Randall, president of United Virginia Bankshares, Inc., and State Senator Ralph S. Regula of Ohio.

Attendance was limited primarily to members of the ABA Governing Council, Government Relations Council, Economic Advisory Committee, and Research and Planning Committee, and representatives of state bankers associations.

Concern Over Proposed "Fair Credit Billing Act"

FRB Governor George W. Mitchell, who heads the Federal Reserve's work to improve the payments mechanism, has written the sponsor of the proposed "Fair Credit Billing Act" of his concern that the bill "might adversely affect the development of an improved payments system."

Gov. Mitchell told Sen. William Proxmire (D., Wis.) he feared that two provisions of the legislation might thwart what he considers essential to the im-

(Continued on back page)



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IOWA NEWS

ARNOLDS PARK: E. W. "Al" Maser, chairman, First National Bank, Sibley, said the bank has incorporated its Iowa Great Lakes office in Arnolds Park, which it has maintained for nine years and opened it for business as the Lakes National Bank. Mr. Maser is president; Marvin Simonson is vice president, and Larry Becker is cashier. A new facility, now under construction, will be completed in May.

APLINGTON: Roger L. Loerch was elected president of the State Savings Bank, advancing from executive vice president.

BATTLE CREEK: John W. Tomke and David R. Cray were elected directors of the First State Bank. Mr. Tomke is a vice president of the bank, and Mr. Cray is a Sioux City attorney.

CLARINDA: John R. Hunter has been elected executive vice president of the Page County State Bank.

CORNING: James W. Hoffman was elected executive vice president of The Okey-Vernon National Bank at the annual meeting.

DANVILLE: Willett Finke has been elected a director of the Danville State Bank, replacing the late Harold C. Gugeler.

DES MOINES: The Legislative Committee of the Iowa Bankers Association will meet at Hotel Kirkwood, Tuesday, January 25, at 10:00 A.M. to look again at the omnibus bill developed by the legislature's study committee on bank holding companies.

DES MOINES: The Public Relations Committee of the Iowa Bankers Association will meet Wednesday, January 26, in the Association offices to discuss the status of the statewide TV advertising program. As of January 7, a total of \$83,515 in cash and pledges had been received.

ELDRIDGE: Central Trust and Savings Bank has advanced David E. Stephens to senior vice president, and Donald H. Hamann was promoted from cashier to vice president. Kenneth L. Oetzmann was advanced from assistant cashier to cashier.

JESUP: Albert C. Duroe has been advanced to executive vice president and cashier of the Farmers State Bank. He has also been elected to the board.

MANCHESTER: Lester W. Justice has been advanced to executive vice president of the First State Bank. The bank also advanced Mary R. Duggan to cashier, and Betty Lois Koelker to assistant cashier, according to W. K. Wiewel, president. R. W. Teske continues as vice president.

MOUNT AYR: Royce Davis, president of the Security State Bank, has announced that Jack M. Elliott, prominent area farmer who has served as a director, has been named an assistant vice president and will be a full-time employee of the bank.

NEWTON: Robert Sudbrook, who joined the bank in July, 1969, has been advanced to assistant cashier in the commercial loan department.

OTTUMWA: First National Bank has promoted J. Richard Grear to vice president and cashier; Charles D. Stinard, Jr., to vice president and trust officers; Richard Marks, to assistant cashier in the installment loan department, and Rozetta Burgason, to assistant cashier and manager of the Market Street office.

SAC CITY: Larry L. Reding, ag rep of the Sac City State Bank, was promoted to assistant cashier and ag rep.

MINNESOTA NEWS

BARNESVILLE: Kenneth E. Just of

Moorhead has been named vice president of the First National Bank. He has been associate Wilkin County Ag Extension Agent.

BLOOMINGTON: The Northwestern National Bank Southwest moved from its old location last week to new spacious banking facilities.

Northwestern National Bank Southwest (Northwestern Southwest) was chartered as Northwestern National Bank of Bloomington-Richfield in March, 1953. The corporate name was changed on January 1, 1972.

Northwestern Southwest's 24 Hour Service Center is located on the southeast corner of the bank. It is open 24 hours a day, 365 days a year to enable customers to deposit to their checking and savings accounts or withdraw from their checking or savings accounts with our Instant Cash service.

CASTLE ROCK: Miss Rose Jurries has been named vice president and cashier of the First State Bank, advancing from cashier.

CROOKSTON: William A. Johnson, owner of a local drug store, was elected a director of the Crookston National Bank, according to Donald L. Lawler, president. A graduate of North Dakota State University, Mr. Johnson was a decorated Naval pilot during the Pacific war.

EDINA: Loyal C. Simensen has been named vice chairman of the board of the Southwest Fidelity State Bank; Cecil A. Pogatchnik, president and director, and William A. Stern, Jr., assistant cashier, according to Herbert Cornell, chairman.

Previous to his election as president, Mr. Pogatchnik was president of the Northwestern State Bank, Hallock.

JACKSON: Three officers have been promoted and a new officer elected by the First National Bank. Ronald V. Johnson was advanced to executive vice president, and Mrs. Joan Staten and Ronald Harder were named assistant vice presidents. Mr. Johnson joined the bank



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in 1960 as ag rep and was named vice president in 1963.

KLOSSNER: Alfred L. Wendinger has retired as a vice president and director of the Klossner State Bank after 26 years of service. Robert H. Dittrich was elected vice president and director to succeed Mr. Wendinger. He is the owner of a New Ulm trucking firm. Elaine A. Beranek was elected an assistant cashier.

MELROSE: Henry M. Moser, president, Melrose State Bank, has retired after 30 years service.

OWATONNA: Ken Bloomenrader has been named assistant cashier of the Security Bank and Trust Company. Directors Earl Marion and Otto Schroeder have retired.

RAYMOND: H. C. Feig has been advanced to chairman, and R. M. Feig has advanced from executive vice president to president of the Farmers State Bank.

ROCHESTER: Theodore Johansen, former president of the Sanitary Company, has retired as a director of the Northwestern National Bank. Promotions included: Ben Wiebke and Harlan Hebig to assistant vice presidents, and Eugene Kreinbring to assistant cashier.

NEBRASKA NEWS

BLAIR: Stanley J. Bednar has been advanced from executive vice president to chairman of the board, and Robert J. Duden has been promoted from vice president to executive vice president at the Washington County Bank. Surplus has been increased to \$750,000.

BUSHNELL: James M. Prince, former vice president, Packers National Bank, Omaha, has been named chief executive officer of the Kimball County Bank, Bushnell.

LINCOLN: The Nebraska Bankers Association will hold its annual installment

Credit Seminar at the Villager Motel, 5200 "O" Street, Lincoln, on February 8, 9, and 10, according to W. E. (Bill) Young, committee chairman, and president, The Cozad State Bank. An early bird will be held on Tuesday from 6:00 to 8:00 P.M.

LINCOLN: Two new directors have been elected by the National Bank of Commerce. They are: Robert Magee, president of Magee's, a retail clothing company, and Jack Campbell, general agent for Massachusetts Mutual Life.

OMAHA: Choice steers hit a 20-year high January 17 on the Omaha central market at \$37.35 and were holding steady at that price throughout the following day. Weights were 1150 to 1200 pounds, and the supply was scarce. Other cattle were similarly high.

NORTH LOUP: North Loup Valley Bank elected Emil Hrebec to the board, replacing the late Roy Cox, who died in December at age 85. The bank has increased capital to \$75,000, and raised surplus to \$100,000.

PICKRELL: Dennis E. Osmera has been named president of the Pickrell State Bank, succeeding W. W. Cook, Sr., who has been named chairman. Mr. Osmera has been executive vice president since coming to the bank in June, 1970.

SPRINGFIELD: Mary Ellen Nielsen was elected assistant cashier of the Springfield State Bank at the annual meeting.

ILLINOIS NEWS

ANAWAN: Melvin L. Heckman has been elected president of the State Bank of Anawan. He has served as a vice president since he joined the bank in February, 1971.

CHICAGO: Central National Bank has received approval from the Fed to acquire the Union Realty Mortgage Company, Inc. of Chicago.

CHICAGO: Nortrust Corporation of Chicago, has received Fed approval to acquire shares of the Security Trust Company, Miami.

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Used Addressograph #1900, Graphotype #6381 and a Coin Safe, approximately 28 in. x 26 in. x 36 in. or larger. Contact Keith County Bank & Trust Co., Ogallala, Nebraska, 69153. Telephone (308) 284-4063.

MANTENO: Charles Riker, cashier, Manteno State Bank, has been elected to the board of directors.

MONTANA NEWS

HELENA: J. R. Sims, Jr., M.D., was elected chairman of the board of First Security Bank at the annual meeting.

E. Dean Retz was promoted to vice president and cashier. He joined the bank last August.

MILES CITY: Wilmer A. Mitchell, Jr., president of W. A. Mitchell Company, has been elected a director of First National Bank. The company is an insurance and property management firm.

SOUTH DAKOTA NEWS

CHAMBERLAIN: Promotions announced by the Tri-County State Bank were as follows: Dwain Blackwell, from assistant cashier to vice president at Chamberlain; Joe Sargent, from assistant cashier to vice president at Chamberlain; Bill Pulse, from assistant cashier to assistant vice president at Kimball, and Terry Deal, from ag rep to assistant cashier.

McLAUGHLIN: The First State Bank is holding open house this month for the public following completion of a redecorating program throughout the bank. R. G. Knodel reports this includes new carpeting, new teller counters and stations, draperies and wall carpeting.

WATERTOWN: John E. Tjernagel has been employed at the American State Bank. He recently completed a four year tour in the Air Force.



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Financial Structure...

(Continued from Page 1)

provement of the payments system — a "public policy" which makes certain "that we preserve the conditions that will allow necessary trial and error to take place."

Gov. Mitchell expressed concern that one section of the bill would interfere with the development and modification of the present descriptive billing system. Another provision — requiring credit card operators post payments to customers' accounts on the date of receipt of each payment — seems to him laudable but premature.

NORTH DAKOTA NEWS

DICKINSON: Joseph Kostelecky has announced his retirement as a vice president of the Liberty National Bank.

JAMESTOWN: Jamestown National Bank has named two new assistant vice presidents. Stanley E. Foss has been advanced from assistant cashier and ag rep to assistant vice president and ag rep, and Arlo T. Maag has also been advanced from assistant cashier.

Patrick L. Beglau was promoted from loan officer to assistant cashier.

JAMESTOWN: The North Dakota Bankers Association will hold its annual Bank Management Conference on February 3-4 at the Memorial Building here. Registration will start at 4:00 on Thursday, February 3, and a social hour and dinner will start at 6:30 P.M. Business sessions will start at 9:00 A.M., Friday, February 4, and the conference will conclude with a dinner that evening.

NECHE: James H. Duncan and Leslie R. Taylor, vice presidents, have purchased the interests of the Herbert Paulson

family in the Citizens State Bank. Mr. Paulson has served as president.

COLORADO NEWS

BOULDER: Affiliated Bankshares of Colorado Inc. said it's holding preliminary discussions with First Colorado Bankshares Inc., Denver, regarding possible merger of the companies. Affiliated Bankshares stressed the tentative nature of the discussions and said agreement hasn't been reached on any terms.

According to Affiliated Bankshares, First Colorado owns four Colorado banks, with combined deposits of \$155 million. The Boulder concern said it owns 13 banks in Colorado.

WISCONSIN NEWS

BENTON: The Benton State Bank reached its 76th year in banking recently. Remodeling was recently completed, and a new drive-in window ordered.

R. A. Coulthard retired after 54 years with the bank, and William Eiler retired and moved to California. Albert Bryant is a new director, and Malcolm O. French has been advanced to cashier.

MILWAUKEE: The majority interest in Continental Bank & Trust Co. of Milwaukee has been sold to a group headed by David A. Straz Jr., a 30-year-old Kenosha, Wis., banker.

Terms of the sale by Universal Telephone Inc., an independent telephone company in Milwaukee, weren't announced. At the end of 1970 Continental had assets of \$27 million.

Prime Rate to New Low

Two major New York banks announced last week they were lowering their floating basic interest rates 1/4 per cent to 4-3/4 per cent, cutting the rates to an 11-year low.

First National City Bank, the nation's second largest commercial bank, triggered the move and was followed by Irving Trust Co., 13th largest.

Both banks have floating basic rates subject to weekly review and similar to fixed prime rates used by most other commercial banks.

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