

NORTHWESTERN Banker Newsletter

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View Phase II Controls as Short Term

David Rockefeller, chairman of The Chase Manhattan Bank, New York, has urged that the nation use the "breathing space" afforded by Phase Two to examine nagging economic problem areas and begin "moving toward whatever structural changes will be needed when controls are removed."

Addressing a recent business conference, the New York banker said that relying on controls to discipline unruly elements of the U.S. economy "is, at best, only a stop-gap measure." He said that international and domestic economic problems must be wrestled with now in order to "reconcile them with the free market system."

On the international front, Mr. Rockefeller noted the "considerable reluctance abroad to build upon the recent exchange rate agreements and move toward a full and thoughtful restructuring of the world monetary system."

"Until this is done, there can be little hope for stability in world money markets and the brooding threat of a new round of protectionist quotas and restrictions will darken what could otherwise be a bright trade and investment outlook," he said.

Mr. Rockefeller singled out the Hartke-Burke bill, currently before Congress, as an indication of the protectionist sentiment rising in the U. S.

"This bill, as presently written, would virtually assure that there is a new round of retaliatory tariffs and other trade restrictions — if not a disastrous all-out trade war," he said.

Noting that Hartke-Burke proponents have claimed the bill would reduce unemployment at home, Mr. Rockefeller suggested that, "a new and unwarranted protectionist move by the U. S. now, with all the retaliatory measures that implies, could move us one more step toward a worldwide recession that would cost us immeasurably more than anything we could hope to gain."



David Rockefeller

In addition to unemployment, Mr. Rockefeller characterized inflation and the government's deficit financing as problems "that still beset the domestic economy under Phase Two."

He said that the recent encouraging steps taken through international economic agreements "will be eroded away again if the U.S. fails to control its own inflation. We must all continue to bear down on this problem as an expression of the national will."

The results of heavy deficit spending by government, Mr. Rockefeller warned, "are liable to be prolonged controls and

additional taxes — perhaps the much discussed 'value added tax' which would be, in effect, the nation's first national sales tax."

Despite the economic problem areas which must be confronted this year, Mr. Rockefeller said Chase Manhattan economists "are reasonably sanguine" with regard to the rest of 1972.

"They generally agree that the nation's incipient business recovery is genuine and that it will not only continue but pick up steam over the coming months," he said.

The Chase Manhattan chairman added that the general economic uncertainty which led to controls "has now begun to give way to a more promising set of trends."

Among these "promising trends" under Phase Two, Mr. Rockefeller pointed to:

- Signs of a marked slowdown in the rate of inflation, confirming a general leveling off of the inflationary rate of price increases experienced in recent years.
- Lowering of interest rates, made possible by recent expansionist policies of the Federal Reserve System which made loanable funds available at lower rates.
- Increasing signs of consumer confidence, especially characterized by climbing national retail sales.
- A sharp rise in government spending.
- Encouraging momentum in the areas of industrial production, inventory rebuilding and capital investments.
- Continued strong performance in housing construction.




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IOWA NEWS

AMES: Openings are still available for registration at the Ag Credit School, to be held here June 5-16. Details may be obtained by writing either Herb Howell in care of Iowa State University or the Iowa Bankers Association in Des Moines.

ANKENY: Noel J. Liechty, 53, president of Ankeny State Bank died February 23 of a heart attack at his home. Mr. Liechty joined the bank in 1948 and was elected president in 1969. A graduate of the University of Iowa, he was a member of the executive committee of Des Moines Chapter A.I.B. He is survived by Mrs. Liechty and two sons.

BOONE: Merico Aquilani has been named v.p. & tr. off. of The Citizens Nat'l. Bk. He joined the bank in February, 1963, and has been asst. v.p. and tr. off.

BURLINGTON: Gerald D. Smith, mgr., Brown Shoe Fit, and Dr. W. B. Ditto, dermatologist, are new directors of Farmers & Merchants Bk.

DAVENPORT: Gene Groth was recently

promoted to a.v.p. at Northwest Bank and Trust.

HAMPTON: Wayne Norris has resigned as v.p. at First Nat'l. Bk., Eldora, to become v.p. of the First Nat'l. Bk. here.

MAQUOKETA: Maquoketa St. Bk. has named Norman Gerdes as a vice pres.; William Stewart as an a.v.p., and David Keil as a.c.

STORM LAKE: First Nat'l. Holding Co. has applied to the Fed for prior approval to acquire 80 percent or more of the voting shares of The Citizens First National Bank, and the Bank holding company has been approved.

NEBRASKA NEWS

NORTH PLATTE: Application has been received by the Regional Adm. of Nat'l. Bks. to change the corporate name of The First Nat'l. Bk. of North Platte to The First Nat'l. Bk. & Tr. Co. of North Platte.

OMAHA: First National Bank will hold its 7th annual Chuck Wagon Roundup

Time at Ak-Sar-Ben Field on Thursday, March 23.

Dr. J. C. Hillier, Oklahoma State University, Stillwater, Oklahoma, and Don Campbell, Director of the K-40 Evaluation Service, Okmulgee, Oklahoma, will demonstrate the K-40 Counter, which is a "space-age" machine that measures the amount of red meat in beef animals without slaughtering them.

OMAHA: Frank J. Sibert, v.p., Northwestern Nat'l. Bk., will serve on an ag credit panel sponsored by the Sioux Falls Jaycees in Sioux Falls, March 6.

WALTHILL: Harold E. Matney has been advanced from cash. to v.p. & cash. at the First Nat'l. Bk.

ILLINOIS NEWS

CHICAGO: Paul E. Gantzert has been named a tr. off. for Pullman Bk. and Tr. Co. He has been with the bank since Feb., 1970.

MILFORD: James L. Cross has been elected exec. v.p., and Gerald A. King was named a.v.p. at Citizens State Bk.

OAK BROOK: The Comm. of Bks. & Trusts in Illinois has issued a charter for the First Security Bank of Oak Brook. Total capitalization is \$1,000,000. Officers are: Vernon S. Hoesch, chmn.; Herman Tatz, pres., and Stanley D. Leventman, v.p. & cash.

PARK RIDGE: Patrick L. Murray has been named a.v.p. of the Citizens Bk. & Tr. Co. He has been with the Fed in Chicago for two years.

PEKIN: The First State Bank will observe its first anniversary on Wednesday, March 1. The first year, the bank has attained \$2.5 million in deposits through 1,000 accounts. Larry Friend, a.v.p., is in charge of the open house.

ROSELLE: Roselle St. Bk. has announced the following promotions: Charles F. Bates, from cashier to v.p.; David O. Franzen, from a.c. to cash.; G. David Lather, to mgr., motor facility, and Ronald Seiverth, to mgr., C.I.S. Div.


MINNESOTA NEWS

BATTLE LAKE: Paul D. Peterson has been named pres. of the First Nat'l. Bk., succeeding J. S. Peterson, retired after 55 years in the bank. Robert G. Young was elected v.p.

BRECKENRIDGE: Lester G. Grosz, 49, has resigned as pres. of the Security Bk., Webster, South Dak., to become pres. of the Farmers and Merchants St. Bk. here. He succeeds the late D. E. (Bud) Wall.

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COLUMBIA HEIGHTS: Karl D. Stotesbery, pres., Columbia Heights St. Bk., has announced the promotion of Lillian J. Anderson to cashier. She has been with the bank for 23 years.

DULUTH: First American Nat'l. Bk. has advanced S. Joseph Maly from a.v.p. to v.p., and Raymond L. Galazen to a.v.p.

FOUNTAIN: First St. Bk. has named Loren R. Fretland, formerly with Farmers St. Bk., Underwood, as a vice pres.

MARSHALL: First Nat'l. Bk. has advanced Douglas Bultman from a.c. to v.p., and Leonard Wohlman, former county ext. agent, has been named asst. ag. rep.

MINNEAPOLIS: First Bank System has filed a registration statement with the SEC relating to a public offering of \$70 million of 7½ year notes due September 15, 1979. First Boston and Blyth & Co. will be the underwriters. Proceeds will be invested in subordinated debt of affiliated banks over next three years.

ST. PAUL: The legality of a detached facility of Northwestern National Bank, St. Paul, is challenged in a suit filed by Marvin Rye, Minnesota banking commissioner.

The bank said a law passed by the 1971 Legislature permits a detached facility within 1,000 feet of the main bank. The bank said its new facility in Endicott Arcade comes well within the requirement.

The U.S. comptroller of the currency, who approved the application for a detached facility after hearing objections last July, also is named as a defendant in the action.

Northwestern Bank, St. Paul, was the first bank in Minnesota to apply for the detached facility under the new legislation.

NORTH DAKOTA

BISMARCK: Bank of North Dakota has transferred \$2 million from undivided profits to surplus, increasing surplus to \$6 million. Capital is \$2 million. Lending limit is now \$2 million to any borrower.

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FARGO: Darrell Knudson of Edina, Minn. has been named v.p. of the Merchants Nat'l. Bk., succeeding Earl W. Johnson, who resigned to become pres. of the Southside Nat'l. Bk., Missoula. Mr. Knudson has been v.p. in charge of commercial lending at First Southdale Nat'l. Bk. in Edina.

FARGO: James McFarland, asst. v.p. and installment loan mgr. at the First Nat'l. Bk., Mandan, has resigned to accept a job March 1 with the First Nat'l. Bk. and Trust Co. in Fargo in a similar capacity.

MANDAN: Marquerite Maddock has been advanced from a.c. to a.v.p. at the Dakota Nat'l. Bk. She will be a loan

officer in the commercial loan dept. New assistant cashiers are Mary Jane Wray and Julie Carlson.

COLORADO NEWS

DENVER: First National Bank elected four new v.p.'s. They are: John Perizzolo, comptrollers dept.; Harold O. Anderson, audit dept.; John D. Nelson, auditing, and Jerome B. Woods, correspondent dept.

PUEBLO: Ward R. Arnold has been named v.p. and cash. of the Midtown Nat'l. Bk. He has served as cash. since March, 1970.



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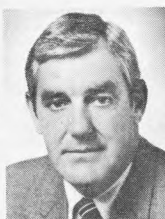
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SOUTH DAKOTA

ARTESIAN: The Letcher office of the Live Stock State Bank has been changed to a full service branch and has been approved by FDIC.

HARTFORD: Funeral services were held recently for Pearl D. Doss, managing officer of the Community Bank. He was born May 25, 1924.

RAPID CITY: First Nat'l. Bk. of the Black Hills has elected Kirk Dean as asst. tr. off. and Glen Deming has been transferred from installment lending to the real estate dept.

YANKTON: Mrs. Mary Jacobs has joined the public relations dept. of the First

Dakota Nat'l. Bk. She will plan the bank's centennial celebration this year.

WYOMING NEWS

LARAMIE: Wyoming Nat'l. Bk. has elected Celia Brown as administrative asst., and Marion J. Blind as an asst. investment officer.

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