

NORTHWESTERN Banker Newsletter

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View Proposal In Administration Bill

Competition among financial institutions — under the same ground rules — that will benefit the public, is the major concern of America's bankers, Eugene H. Adams, president of the American Bankers Association, told a news conference in Washington recently.

Mr. Adams reported on a six-city tour of the United States in which he met with some 400 leading bankers and gathered their views on current issues affecting the banking industry.

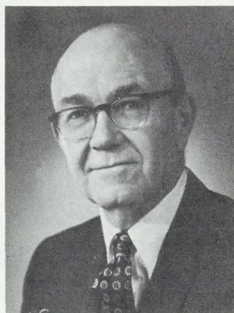
A Nixon Administration task force is presently drafting a bill, according to Adams, implementing many of the recommendations made by the President's Commission on Financial Structure and Regulation, better known as the Hunt Commission.

Mr. Adams said he expects the Administration bill, which he thinks will be introduced early in the next session of Congress, to include the following provisions:

- Entry of savings and loans and mutual savings banks into the area of checking account, credit card and instalment lending services.
- A uniform tax formula for all lending institutions.
- Elimination of any interest rate differentials paid on savings accounts between financial institutions.

Mr. Adams emphasized that bankers favor increased competition if it is based

on equal treatment: "If the public can get better services by all of us competing on the same playing field, under the same ground rules, we're all in favor of



E. H. ADAMS

that. And I am very pleased with the alertness and awareness of bankers to the need to be competitive and provide services that the public wants and needs."

The American Bankers Association has taken no official position so far on the Hunt Commission report. Mr. Adams indicated, however, that if the Administration bill was in the general form he described, he believed the Association would support it.

Commenting upon the current state of the economy, Mr. Adams said that "inflation has not been licked but it has been tempered." He added that "this is no time to eliminate authorization of controls," noting he was in agreement with President Nixon and Federal Re-

serve Board Chairman, Arthur Burns, on the question of extending the economic controls program.

Concerning interest rates, Mr. Adams said that the banking industry "has reacted very well" to the plea for restraint by the Committee on Interests and Dividends, and hopes it will continue to do so. But he noted that pressure is building up in the money market under the prime rate "because short term interest rates are edging up very slowly but very inexorably."

Mr. Adams expressed hope that the Committee on Interest and Dividends "will be reasonable on this matter" and not automatically clamp on controls when the prime rate reaches 6 per cent.

Business Leaders Express Views on the Economy

Business leaders overwhelmingly say Phase II wage and price controls have been at least moderately effective but most of them think the controls should be less restrictive or even abandoned, according to a survey reported today by The First National Bank of Chicago.

The 15-question survey was taken Dec. 14 among 850 business leaders from more than 20 states who attended the bank's 19th annual Business Outlook Conference here. The number of responses per question averaged 387.

Ninety two percent say wage controls have proved effective or moderately

(Turn to back page, please)




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Prime Moves To 6%

Major banks throughout America raised their minimum loan charge last week from 5 3/4 to 6 per cent.

The increase in the so-called prime rate caused new speculation over the possibility that President Nixon might put into effect his unused authority to impose controls on interest rates.

The 6 per cent level has been sensitive because that is the point at which the prime rate stood when Nixon first imposed wage and price controls in August, 1971.

IOWA NEWS

AMES: The executive council of the Iowa Independent Bankers meet here Jan. 3.

ANKENY: Application has been made by Ankeny State Bank to establish an office at 3rd and Cherry in Ankeny.

ATLANTIC: Homer Rice, a.c., retires from Atlantic State Bank today after 30 years with the bank.

CHELSEA: Open house was held recently by the Chelsea Savings Bank in its new building.

DAVENPORT: Northwest Bk. & Tr. has received approval to open an office at Kimberly Road and Fair Ave., pending the closing of its present office in the area.

DES MOINES: Iowa State Bank has received approval to open a facility at 3818-3830 Frederick M. Hubbell Ave.

OAKLAND: Citizens State Bank has

moved to its new building. A public open house was held Dec. 23, and an open house for area bankers is to be held this month.

PISGAH: David J. Linnabary, 26, has been named asst. v.p. and director of the Pisgah Sav. Bk. He is a graduate of Colorado St. Univ. He has been farming in Nebraska up to now.

VENTURA: Application has been made to move the Ventura State Bank to Garner.

MINNESOTA NEWS

AITKIN: M. M. "Red" Welshons, exec. v.p. of the First National Bank of Aitkin, has purchased majority control of the bank. Tentative plans are being made to expand the facilities of the bank.

ALBERT LEA: Curtis Oseby, formerly employed by First Bank System examination dept., has joined the Freeborn National Bank as asst. v.p.

CANBY: President H. W. Reiter has announced that the National Citizens Bank has advanced Richard O. Reiter from a.c. to asst. v.p., and LeRoy A. Frank from loan officer to asst. v.p.

CROOKSTON: Robert D. Cameron, who manages the installment loan dept. for First National Bank, has been advanced to vice pres. He joined the bank in 1967.

PINE RIVER: The major stockholders of the First National Bank, Hawley, have purchased control of the Pine River State Bank from Mr. and Mrs. Vincent E. Palmer. Elwood A. Griffith of Hawley

Northeast Iowa Banks

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will become president. The insurance agency has been sold to the same group.

SHAKOPEE: A recent issue of the NEWSLETTER reported a new bank charter here. This report was incorrect. The item was taken from a news column of 50 years ago!

ROSEVILLE: Harold Keturakat has been elected president of Suburban National Bank. The bank is an affiliate of Mid America Bancorporation. Mr. Keturakat, who has been a vice pres. of the bank, succeeds David A. Shern, who was elected chairman.

WACONIA: Lowell Wakefield, who is currently serving as pres. of the Northwest State Bank, Appleton, will become exec. v.p. of the First Nat'l. Bk., Waconia, on or about February 1.

WORTHINGTON: Elvin Thue has retired as v.p. and ag rep of the First Nat'l. Bk. Gene Ormberg has been named a.v.p., and William F. King has been named a.c.

NEBRASKA NEWS

LINCOLN: City National Bank of Lincoln has changed its title to City National Bank & Trust Co. of Lincoln.

OMAHA: In a poll of the membership just completed by the Nebraska Bankers Association, bankers were asked to vote on whether the NBA should sponsor a bill in the legislature that would amend existing banking law (Sec. 8-157) to permit banks to have more than one remote facility. The proposed bill would authorize one additional detached auxiliary teller office for drive-up or walk-in banking, within the corporate limits. This would be in addition to the present law authorizing one facility within 2600 feet. The new bill would not have a footage restriction on one of the facilities. The vote drew 384 responses from among the approximately 430 members, with 207 voting "No," 173 "Yes," and 4 ballots unmarked.

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ILLINOIS NEWS

BALDWIN: An application to organize the Kaskaskia State Bank has been filed by James Knott, Evansville; Frank Nutty, Vienna; Edwin Pautler, Jr., Chester; Richard Pautler, Chester; Ralph Stotz, Red Bud, and James Swallows, DuQuoin. Proposed capitalization will be \$500,000.

CHICAGO: Drovers National Bank has advanced Donald M. Norris to exec. v.p.; Robert F. Corey, to sr. v.p.; Joseph H. Smyth, to v.p.; Thomas E. Bush, to v.p., and Emmett B. Finan, Jr., to a.v.p.

CHICAGO: Continental Bank has advanced Philip H. Cordes to exec. v.p. and controller, and Robert H. Bukowski to sr. v.p.

CHICAGO: Exchange National Bank has promoted four officers. They are: Myron Berman to v.p., communications; John Mulcrone to a.v.p., corporate plans and staff dept.; Michael Gibson and Ross Siegel, to a.c.s.

CHICAGO: Among promotions made by Central National Bank were the following new v.p.'s — L. A. Haney, Fred Meyers, Don Smith, C. W. Roberts, Howard Blechmann, Wayne Smart, Jr., and Donald McClave.

CHICAGO: Upper Avenue National Bank has named James S. Sadilek as vice president in charge of the bank's new equipment leasing and financing dept.

CHICAGO: American Nat'l. Bank & Tr. Co. has named James T. Chaliki as v.p.

CHICAGO: LaSalle National Bank has named John R. Hughes as v.p. in correspondent dept.

CHICAGO: William H. Franklin, chairman, Caterpillar Tractor Co., Peoria, is the new chairman of the Federal Reserve Bank of Chicago.

FOREST PARK: Forest Park Natl. Bk. has announced plans for a \$650,000



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HILLSIDE: Judy Christensen has been named v.p. of the Bank of Hillside.

LISLE: Paul Johnson has been named sr. v.p. in charge of all loans for the Bank of Lisle. Robert Lind has been named v.p. and cashier. Others named were: Richard Fitzgerald, to v.p. in charge of public relations; Dee Gildernick to asst. v.p.; Joseph Tannura, to a.v.p. in charge of installment loans; Richard Stafford, to asst. v.p. in charge of commercial loans; Irene Martin, to a.c., and Robert Jessel, to a.c.

MOLINE: Samuel L. Harris, exec. v.p., has advanced to president of Moline National, succeeding William R. Wandrey, who will be chairman of the bank. Carl Kautz, Jr. has moved from v.p. to exec. v.p.

OAK BROOK: J. Robert Effinger, formerly v.p. of United States Trust Company, New York, has been elected president of Oak Brook Bank.

COLORADO NEWS

DENVER: Center State Bank has announced four promotions. They are: G. R. "Dick" Graham, from v.p. to senior v.p.; Karen K. Williams, from cashier to v.p. and cashier; James D. Brown, from a.c. to v.p., and Beatrice V. Martin, from a.c. to a.v.p.

MONTANA NEWS

BILLINGS: Funeral services were held recently for Robert M. Leslie, 61, former president of the First National Bank

here. Mr. Leslie retired in January, 1972, due to health. Before going to Billings, he was president of the First National Bank, Mandan, North Dakota.

NORTH DAKOTA NEWS

BISMARCK: The North Dakota Industrial Commission has directed the Bank of North Dakota to transfer \$2,000,000 from its undivided profits account to surplus. This increases the surplus account to \$8,000,000. Capital is \$2,000,000.

SOUTH DAKOTA NEWS

ABERDEEN: Jack M. Thompson has been elected president of Aberdeen National Bank, succeeding Lloyd A. Johnson, who died November 25. He has been a liaison officer for the First Bank System.

PARKER: Parker State Bank and the Northwestern National Bank of Sioux Falls, have announced that agreement in principle has been reached for merger of the two banks, subject to approval by regulatory authorities. The Parker bank has deposits of over \$5 million and was organized in 1925.

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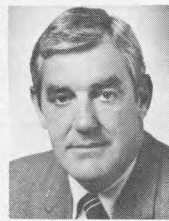
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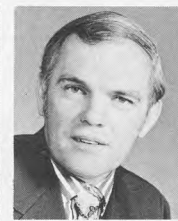
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COMMERCE BANK of Kansas City

SELBY: Ed Watkins, a recent graduate of South Dakota State University, has joined the First National Bank as ag rep.

VERMILLION: Kenneth S. Bezdicek began his duties as ag rep of the National Bank of South Dakota here recently. He has been an ag instructor and has also worked for the First National Bank, Fairmont, Minn.

VIEW PROPOSALS..... (Continued from Page 1)

effective and 58 percent want them relaxed or abandoned. On price controls, 87 percent believe they have been effective or moderately effective and 67 percent want them made less restrictive or abandoned.

Sixty percent say they expect a higher federal deficit in 1973, but only 17 percent say federal taxes should be increased.

More than eight out of ten expect general business conditions to improve in the year ahead, about the same as in last year's survey, but those who expect higher profits for their companies rose to 64 percent from 54 percent last year and 43 percent in 1970.

Nearly half said their capital outlays will rise in 1973 while 13 percent see a decline and 39 percent expect little change. Of these expenditures, respondents said nine percent would go for pollution control equipment, 57 percent for plant expansion and 34 percent for cost reduction.

Regarding the rate of inflation, 86 percent say it will remain about the same or increase next year, compared to 57 percent in the 1971 tabulation. Generally, the businessmen expect lower unemployment, higher unit sales, and about the same increases in productivity and labor and other costs as in 1972.

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