

NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

May 21, 1973

OSHA Inspectors Jeopardize Small Firms

Whenever an inspector from the Labor Department under the Occupational Safety and Health Act walks into a smaller firm, it now appears that on a national average one out of four can expect to be assessed fines and costs averaging \$7,627 each.

This is apparently the odds in the game of OSHA roulette as determined by the experience of the independent business community for the first four months of this year as gathered from the continuous surveys of the National Federation of Independent Business.

Both of these figures are averages on a national basis and vary not only according to geographical regions, but also by vocations.

So far the survey of the National Federation of Independent Business shows the heaviest dollar assessments in the farm regions of the west north central states with the average costs per inspected business hitting close to \$16,000, or almost double the average assessment in the heavily industrialized states that comprise the east north central, and almost five times as heavy as the assessments levied in the Mid-Atlantic States.

While the Federation survey does not probe into this area, so far it appears that the Labor Department inspectors deal with a heavier hand in those areas where unions flourish the least, and are inclined to be more lenient in areas of a high degree of unionization.

From a standpoint of vocations, one out of four retailers can expect, on the present

basis, to be assessed by the men from OSHA. Among independent wholesalers, 38 per cent are being assessed so far this year, and 58 per cent of the manufacturers.



Among independent contractor-construction firms, 42 per cent are having the bite put on them, and 25 per cent of the service firms inspected are being levied against. In the transportation industry 34 per cent of the firms inspected are being hit with a levy, and perhaps surprisingly enough, 19 per cent of the independent finance firms inspected are also being levied upon.

In April the Federation returns indicate that for some unknown reason the men from OSHA apparently decided to concentrate on retail establishments. Prior to this month, the number of independent retailers hit with levies was 4 per cent, but in April, 15 per cent of those assessed were subjected to costs.

So far this year it is costing the average retailer assessed \$1,730 while wholesalers are finding the OSHA bill is averaging \$3,930. Among independent manufacturers visited by OSHA and assessed, the average bill has amounted to \$11,266 and for con-

struction firms the average cost has been \$4,856.

Service firms have been hit even more severely than wholesalers with the average cost to firms in that category assessed totaling up to \$3,938. Among independent transportation firms assessed, the average has been \$2,302.

While there are bills before the Congress to alleviate the economic chaos that independent business people report is being wreaked by the men from OSHA, the paralysis created in Washington by the Watergate matter has apparently stopped any progress on this legislation.

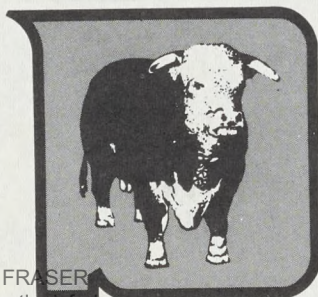
In the meantime, independent business firms are quite vocal on the matter. An auto dealer in Missouri says, "OSHA is probably the most ridiculous and misunderstood law ever passed. If we were to follow everything right to the letter we couldn't afford to stay open. Then there would be more people out of work and nowhere for people to get service for their cars as all my competition would have to close also." A Michigan farm implement dealer comments, "In spite of ample testimony contrary to OSHA requirements by manufacturers, dealers and contractors, regulations were imposed requiring Roll Over Protection (ROP's) that completely rules out our principle product. We have had many years of satisfactory service furnishing fibreglas canopies for crawler tractors and other heavy machinery, but are now outlawed. We have had many lives reported saved by our tops and have heard of none lost, but because of arbitrary action, are desperately trying to find ways to stay alive."

(Turn to back page, please)

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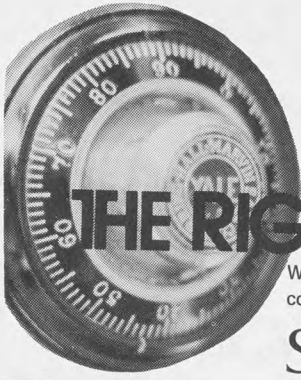
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IOWA NEWS

BELMOND: The Iowa State Banking Board has approved a merger of the First Natl. Bk., Klemme with the State Savings Bank of Goodell. The merged bank will move its headquarters to Belmond, and officers will be maintained in Klemme and Goodell. Belmond has been a one bank community. The First State Bank has deposits of \$13 million. The newly-formed bank will be known as the North Iowa Savings Bank.

BOONE: Bob Hanes has joined the staff of The Citizens National Bank as installment loan manager. Mr. Hanes previously was manager of the Kinney Finance Company in Boone.

DES MOINES: The second week of the Iowa Group Meetings start here on Monday, May 21 with the Gr. 6 meeting. Gr. 2 will meet in Fort Dodge on Tuesday, May 22. Gr. 3 will meet in Clear Lake on Wednesday, May 23, and Gr. 4 will meet in Dubuque on Thursday, May 24.

DES MOINES: The credit life bill has been approved by the House and Senate and awaits final signatures by the Speaker of the House and the Lt. Governor before going to Governor Ray. The bill calls for a rate of \$.75 or less on credit life unless a company secures permission to charge a higher rate due to a heavy loss ratio. A & H

rates are to be set by the Insurance Commissioner.

ELDRIDGE: The Central Trust & Savings Bank will open an office in Mt. Joy following approval from the Iowa State Banking Board.

KIRON: The Iowa State Banking Board has rejected an application by the Kiron State Bank to move to Ida Grove. An application by the First State Bank, Battle Creek, to move to Ida Grove is still pending.

RAKE: Mr. and Mrs. Gordon Swenson, former Lake Mills residents, have purchased controlling interest in the State Savings Bank, and have taken over the management of the bank.

Previously Mr. Swenson has been serving as assistant cashier and farm representative for the Neosho office of the Commercial State Bank of Iron Ridge. Mr. Swenson will assume the position of executive vice president of the Rake bank and Mrs. Swenson will become vice president and secretary.

VENTURA: The Banking Board rejected an application by the Ventura State Bank to move to Garner and retain an office in Ventura.

NEBRASKA NEWS

ELM CREEK: A new bank will open soon and occupy the same building formerly

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used by the Elm Creek State Bank. The bank was declared insolvent recently by State Banking Director Henry Ley.

Bruce Lauritzen of Omaha, representing Omaha stockholders in the new bank, said that a charter has been granted for the First National Bank of Elm Creek. Other stockholders include: John Lauritzen, Darrell Green, Joseph Latoza and Raymond Pape, Jr., all of Omaha.

LINCOLN: Governor J. J. Exon stated last week he would veto LB312 which passed the legislature 25-20, with four not voting. The banking bill permits two facilities, one within three miles of the bank, the other within the corporate limits. The Governor wants it to provide one facility within three miles and one within one mile of the bank. The legislation was debating whether to recall the bill and amend it. Its other option is to try to override the veto, which appears unlikely.

OMAHA: Phil Giltner, president, First National Bank, is recuperating in St. Elizabeth's Hospital in Lincoln with a broken leg and cracked pelvis suffered in a car accident just east of the capital city May 9. He was going to Lincoln for a 2:00 p.m. business appointment when his car left the highway and struck a bridge. He is expected to return to an Omaha hospital this week, then to his home at 658 No. 63rd Street.

OMAHA: John W. Hurley has been elected president and a director of the First Westroads Bank. Mr. Hurley, formerly senior vice president of the Packers National Bank, succeeds Robert L. Gerlach, who resigned last month to become president of Development Services (AJ), Inc., a resort development firm based in Omaha.

MINNESOTA NEWS

The following banks have increased their capital stock by sale of new stock: State Bank of McGregor, from \$50,000 to \$75,000, and the Airport State Bank of Duluth, from \$50,000 to \$100,000.

BENSON: Funeral services were held recently for John Dahl, 55, cashier at the Swift County Bank.

MINNETONKA: The Glen Lake State Bank has changed its name to First Minnetonka City State Bank.



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WEDNESDAY, JUNE 6 — FRIDAY, JUNE 8, 1973

TAN-TAR-A RESORT
ON LAKE OF THE OZARKS
OSAGE BEACH, MISSOURI

PROGRAM

WEDNESDAY, JUNE 6

- 1:30 P.M. —Welcome — John Chrystal, President, Iowa Bankers Association; President, Iowa Savings Bank, Coon Rapids
Panel Discussion — "Reclassifying Classified Loans"
James R. Morrison, Sr. Vice President, Federal Reserve Bank of Chicago
William C. Hess, Asst. to the Superintendent, Iowa Banking Department
Stanley Pugh, Immediate Past-Regional Director, Federal Deposit Insurance Corporation
Coffee Break
"Managing Bank Security Problems for Profit"
Jerry Kenna, President, Execudec, Inc., Wausau, Wisconsin
Wage & Hour/Equal Pay
Walter Gick, Area Director, Wage & Hour Division, Kansas City
- 6:00 P.M. —Reception
- 7:00 P.M. —Dinner
Evening Speaker
Ray Monsalvatge — Dayton, Ohio, "Uncork Your Hidden Talents"

THURSDAY, JUNE 7

- 9:30 A.M. —"Management by Objectives"
Professor Peter Schoderbek, College of Busi-

ness Administration, University of Iowa

Coffee Break

Continue with Prof. Schoderbek

12 Noon —Luncheon

Luncheon Speaker

George B. Ward, Director, ABA Personnel Division, Washington, D.C.

"Banking is the Target"

Free time for the entire afternoon Thursday

6:30 P.M. —Seafood Reception & Buffet

FRIDAY, JUNE 8

- 8:30 A.M. —"Management's Rights"
Anthony McKeown, Melnick, McKeown, and Mickes, Inc., Chicago
Coffee Break
"Bank Portfolio Management with or without Phase I, II, III or ??"
Perry Wydman, President, The Third National Bank & Trust Co., Dayton, Ohio
"The Community Banker"
Herman Lerdal, President, Mitchell National Bank, Mitchell, South Dakota
- 12 Noon —Luncheon
Luncheon Speaker
Donald Pearson, California Superintendent of Banking, Sacramento
Adjournment

REGISTRATION

Neil Milner, Executive Vice President
Iowa Bankers Association
600 Liberty Building
Des Moines, Iowa 50309

Dear Neil:

Please enroll me in the Blue Ribbon Executive Management Conference at TAN-TAR-A Resort on the Lake of the Ozarks, Osage Beach, Missouri, June 6-8. I enclose my check for \$75 insuring admission to all of the planned programs, luncheons, and banquets. Lodging and transportation is extra.

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NEW HOPE: The New Hope State Bank's application for Federal deposit insurance has been approved. The bank has total capital accounts of \$750,000.

ST. LOUIS PARK: F. Gerald (Jerry) Nilles was elected president and chief executive officer of First Western State Bank.

ILLINOIS NEWS

CHICAGO: The Illinois Bankers Association will hold its annual convention at the Palmer House, May 23-25. First business session will start at 9:00 A.M. on Thursday, May 24. The annual banquet will be Friday night, May 25.

GLENVIEW: Open house is now being held by Glenview State Bank in its new building. The new 75,000 square foot building is at 800 Waukegan Road in Glenview.

NAPERVILLE: A permit to organize has been issued for the Suburban State Bank of Naperville, 25W338 Ogden Ave. Total capitalization of \$1,500,000 consists of capital stock, \$600,000; surplus, \$600,000, and reserves, \$300,000. Organizers include Floyd Abramson and Robert O. Walcott of Chicago; Walter R. Frank, Elmhurst; Jerome B. Glenn, Highland Park; Hugh S. Kelley, Palatine, and Fred Newman, Riverside. Mr. Newman heads a number of banks in the Chicago area.

FORD CITY: Jerome M. Gardberg has joined Ford City Bank as head of the recently formed trust dept.

NORTH DAKOTA NEWS

TOWNER: Open house will be held in mid-June by the Pioneer State Bank, according to Hayden Thompson, president. The bank recently moved to a new building.

SOUTH DAKOTA NEWS

BELLE FOURCHE: First Natl. Bk. of the Black Hills has purchased the Hampton Hotel here for possible future expansion. The building will be razed soon. It was built in 1910.

FLANDREAU: Dick Emter of Mason City, Ia. has joined the Farmers State



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Bank's installment loan dept. He was with a small loan firm previously.

SALEM: George Ottum has been named president and director of the Commercial Bank. Joining the bank 16 years ago, he advanced and was named chief executive officer in January, following the death of Donald Peterson.

MONTANA NEWS

GREAT FALLS: Kenneth I. Heen will join the staff of Bancorporation of Montana as vice president and chief lending officer on June 1. He has been vice president and cashier and director of the Bank of Montana in Helena, a member bank.

COLORADO NEWS

The state bank commissioner has scheduled five hearings on bank charter applications.

A proposal to establish the Lakewood First National Bank will be considered June 13 at 8:45 a.m. Applicants are: Richard A. Van Winkle and W. Harold Dobson, Salt Lake City, and Claude C. Siebert, Colorado Springs.

A second application to establish the Mountain Industrial Bank at 816 8th Avenue, Greeley, will be heard June 13 at 1:30 p.m. Applicants are: George W. Staples, Pueblo; A. Frank Vick, Jr., Denver, and John L. Hamil, Colorado Springs.

A proposal to move the present Erie Bank to a location near Boulder will be considered August 27 at 9:30 a.m. The

bank proposes to change its name to Gunbarrel Bank and locate on a site within a one-half mile radius of Spine Road and Lookout Road in Boulder County.

The hearing for the Speer Valley State Bank, to be located within a half-mile of 28th Avenue and North Speer Boulevard, will be on Tuesday, August 28, at 9 a.m. Incorporators of the proposed bank are: Irving Wolinsky, Richard D. Amen, and Jack M. Eiteljorg, all of Englewood; and John B. McCallan and Alfred L. Covillo, both of Golden.

The hearing for the East Industrial Bank, to be located near E. Second Avenue and Clayton Street, will be on Wednesday, July 11, at 9 a.m. Applicants for the bank are: Melvin J. Roberts, Vern Eliason, and Will F. Nicholson, Jr., all of Denver.

All of the hearings will be in the State Services Building, Denver.

COLORADO SPRINGS: Mountain Banks Ltd., bank holding company, has announced that Frederick M. Farrer, chairman, has granted an option for the purchase of his total holdings of Mountain Banks Ltd. shares.

The option covers 528,639 shares of common stock, 44% of the total outstanding. Exercise price of the option is \$25.50 per share, or a total of \$13,480,294.50. The agreement provides for payment in cash over a five-year period if the option is picked up prior to expiration on August 1.

Holders of the option are John A. Marks, New York; A. D. Weyland, Houston, and Robert Prothers, St. Louis.

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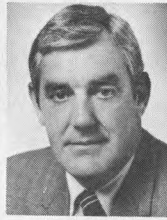
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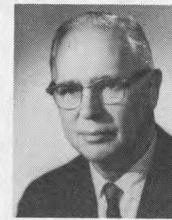


COULSON CANNON AND MUIR

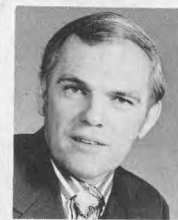
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on your side at



Fred Coulson



Tom Cannon



Dick Muir

COMMERCE BANK of Kansas City

OSHA JEOPARDIZES FIRMS...

(Continued from page 1)

A South Dakota wholesaler reports, "OSHA, if enforced to the letter in my business and upon my landlord's building, would practically put me out of business. The warehouse is located on railroad property and if it had to be rewired and so forth it would not be worth the money under any circumstances. On the other hand, in order to replace the square footage of warehouse space it would cost fifty-to-sixty-thousand dollars for a new building alone."

Also from South Dakota an implement dealer says, "There are a lot of small business operations in the rural areas being run by elderly people that will not consider taking on a small business loan in order to comply with the increasing government intervention, particularly OSHA. Consequently, these businesses will be closed out and will not be replaced, causing another hardship on the already overburdened small rural community."

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LA SALLE VICE PRESIDENTS TO ATTEND IOWA GROUPS

Max Roy and Cy Kirk, vice presidents of LaSalle National Bank, Chicago, will be on hand for the Iowa Group Meetings. Bankers of Group 6 (Des Moines); Group 2 (Fort Dodge); Group 3 (Clear Lake), and Group 4 (Dubuque) will find Max and Cy ready and willing to discuss your banking problems.

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