

NORTHWESTERN Banker Newsletter

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July 8, 1974

Approve Statewide EFTS for S&Ls

The Federal Home Loan Bank Board has formally adopted regulations allowing Federal savings and loan associations to operate experimental electronic transfer systems until July 31, 1975, for the purpose of providing customers with more convenient access to their accounts.

The move by the FHLBB drew an immediate response from the American Bankers Association, which described as "inexcusable" the Board's failure to consult with other Federal regulatory agencies before taking action.

Remote service units include "on-line" manned computer terminals and "off-line" cash dispersing and receiving machines. The terminals and machines would be activated by machine-readable instruments such as plastic cards. Three basic services are authorized to be performed at remote service units: deposits, withdrawals and loan payments.

The regulation has these additional main features:

(1) Federal associations may establish what the board terms "remote service units" anywhere in the state in which the association's home office is located.

(2) A remote service unit may be shared with financial institutions insured by the Federal Deposit

Insurance Corporation or the Federal Savings and Loan Insurance Corporation, including commercial banks, mutual savings banks, and State- and federally chartered savings and loans.

(3) Federal associations using a remote service unit are to maintain safeguards to insure the privacy and confidentiality of account information.

(4) In approving remote service unit applications, the board will consider competitive implications.

Attacks Monetary and Fiscal Excesses

"Fiscal and monetary excesses of the federal government during the past decade are primarily responsible for the current high levels of inflation and high interest rates."

This statement was made by Dr. Lawrence E. Kreider, executive vice president of the Conference of State Bank Supervisors. He addressed both the Montana and Vermont Bankers Association recently.

"During this past decade," he said, the U.S. has accumulated perhaps the most adverse package of monetary and fiscal excesses in four decades....One of the root

causes has been the fact that Federal Government debt has increased \$170 billion in the past decade. Even worse than this



L. E. KREIDER

massive increase, per se, is the fact that \$44 billion of it was accumulated from mid-1965 through mid-1969, a time in which the U.S. was already at full employment....This problem...was compounded by monetary excesses...which went beyond the accommodation of fiscal deficit pressures....Federal Reserve credit, the monetary base and the money supply grew at an average annual rate approximately 50 percent faster than was consistent with price stability."

Noting the massive and long-standing nature of these excesses, Dr. Kreider suggested that it would take harsh measures over a long

[Turn to page 4, please]

Banking for a brighter future.



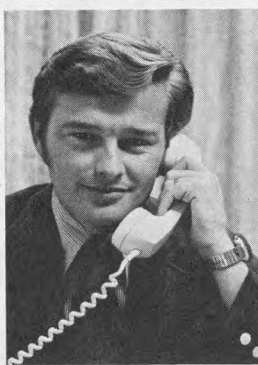
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Iowa News

CONRAD: John W. Stull has joined the First State Bank as a management trainee serving as agricultural representative.

FORT DODGE: Gerald W. Quealy, 27, has joined the Union Trust and Savings Bank in the instalment loan department.

HUMBOLDT: The First National Bank recently held an open house to acquaint the public with its enlarged drive-in banking facility.

MAQUOKETA: Florian Steffen, Lost Nation, has been appointed a loan officer and assistant vice president of Maquoketa State Bank. He will specialize in agricultural credit.

MEDIAPOLIS: Robert Breuer has joined the Mediapolis Savings Bank as assistant cashier. He previously was a bank examiner

with the Federal Deposit Insurance Corporation.

OGDEN: City State Bank recently observed its 90th birthday with an open house celebration. Leonard A. Good is president of the bank.

OTTUMWA: J. Gary Ohm has been promoted from assistant vice president to vice president of the First National Bank. J. Richard Grear, vice president and cashier, and John A. Travios, vice president and general manager of Winger Boss Co., were elected directors.

REMSEN: Dale E. Anderson of Independence has joined the First Trust & Savings Bank as assistant cashier.

SCRANTON: Kim J. Bates, a recent graduate of Iowa State University, Ames, has joined the Security Savings Bank. Promotions announced include Marjorie Shaffer to cashier, Robert Helscher to loan officer, and John G. Fey to assistant vice president. Both Ms. Shaffer and Mr. Fey previously were assistant cashiers.

WALL LAKE: R. L. Goodenow, chairman of the board of the Wall Lake Savings Bank, recently was

honored for 50 years in banking at a banquet in his honor at the Spring Lake Golf & Country Club.

WEBSTER CITY: Robert (Bob) Brigger has joined the First State Bank as cashier.

Nebraska News

LINCOLN: Gateway Bank will open a branch on the campus of the University of Nebraska at Lincoln. Gateway was the only bank to respond to an invitation from UNL to provide a facility for students and university employees.

OMAHA: Raymond I. Howell and John J. Hughes have become executive vice presidents of The Omaha National Bank. Mr. Howell is in charge of the bank's newly formed area, banking services division, and Mr. Hughes is head of commercial banking.

Minnesota News

BLUE EARTH: Jeffrey V. Johnson has joined the agricultural loan department of the First National Bank.

CLOQUET: Richard A. Fluegel has been appointed loan interviewer at the First National Bank.

PRINCETON: State Banking Commissioner Robert A. Mampel has announced a hearing at 9:30 a.m. July 29 on the application for a new state bank here. Incorporators and proposed board members are Marvin George, Princeton; David H. Yaeger, Elk River, and William S. Radzwill, Cokato. Capitalization would total \$300,000.

RED WING: First Northwestern National Bank has named Norman J. Sampson president. Mr. Samp-

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son previously was senior vice president of the Northwestern State Bank of Virginia.

ROCHESTER: Doris Nelms has been named customer service officer at the First National Bank.

ST. PAUL: Richard A. Franzmeier has been elected auditor of the Midway National Bank.

TOWER: Evelyn Helin has been named vice president and loan officer of the State Bank of Tower.

VIRGINIA: Densel M. Mason has been elected vice president of the First National Bank of Virginia. Previous banking experience includes working at the First State Bank of Highmore, S.D., First National Bank, Miller, S. D., and the First State Bank of Park River, N. D.

WILLMAR: D. W. Thompson, president of the First National Bank, has announced the addition of Helen Gabbert as assistant cashier and Linda Mickelson as auditor.

WYOMING: The First State Bank of Wyoming recently held an open house to celebrate its sixtieth birthday. The bank has just completed an expansion program which added a room for a new bookkeeping department and office space.

Illinois News

An application for a permit to organize the Heritage Bank of Heartland, Route 83 and Atkinson Road (New Town Center) in unincorporated area, has been filed. Total capitalization of the new bank would be \$1 million. Applicants include Robert E. Kennedy, Floss-

moor; Alfred J. O'Malley, Chicago; Walter H. Ehrmann, Olympia Fields; Robert L. Maes, Dolton, and Donald E. O'Toole, Jr., Clarendon Hills.

CHICAGO: A permit to organize the Homan State Bank at 3401 W. Arthington Street has been issued. Total capitalization of the new bank will be \$1 million, consisting of \$400,000 in capital, \$400,000 in surplus and \$200,000 in reserve. Organizers include Sidney L. Boyar, Vincent J. Graham and Thomas F. Monahan, Chicago; Emory Williams, Wilmette, and James E. Thompson, Lake Forest.

HOMWOOD: An application for a permit to organize the Washington Park Bank has been filed. Total capitalization would be \$1 million. Applicants include Daniel L. Hughes, Bryce C. Boothby and James B. Lund, Flossmoor; Robert L. Donahue, Markham, and Harold L. Jensen, Homewood.

LEMONT: An application for a permit to organize the Tri-County State Bank of Lemont has been filed. Total capitalization would be \$750,000. Applicants include James E. Hearn, New Lenox; Joseph Pearson and Eugene J. Pulla, Lemont; Peter D. Corti, Chicago, and George W. Pierson, Joliet.

SPRINGFIELD: A permit to organize the Sangamon State Bank

at 1760 Wabash Avenue has been issued. Total capitalization of the new bank will be \$1,500,000, consisting of \$600,000 in capital, \$600,000 in surplus and \$300,000 in reserve. The 150,000 shares have a par value of \$4 per share. Organizers include Noah M. Dixon, Robert E. Gillespie, Ralph Hurwitz, James K. Johnson and Stanley Stern, all of Springfield, and Michael J. Scully, Buffalo.

South Dakota News

CLARK: The Citizens State Bank has filed an application with the Fed to establish an office in Henry.

RAPID CITY: David Hanten has been named manager of the Baken Park office of the National Bank of South Dakota, Sioux Falls. He succeeds Jerry W. Harder who is assuming new responsibilities in the loan department at the Main office in Rapid City.

Wyoming News

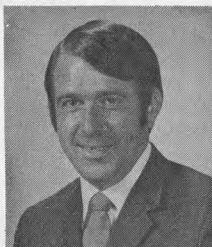
ROCK SPRINGS: The Federal Reserve Bank of Kansas City has approved the application of Wyoming Bancorporation, Cheyenne, to acquire Bank of Wyoming, N. A., a proposed new bank.

Colorado News

BOULDER: Westland Banks, Inc., of Lakewood, a bank holding company, has received preliminary

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approval from the Comptroller of the Currency for the Gunbarrel National Bank.

DENVER: Affiliated Bankshares of Colorado, Inc. (ABC) has appointed three vice presidents. They are C. Gales Sellens, Russell L. Truitt and Gordon M. Pedersen. Ronald Penn was promoted to assistant controller and Bonnie Kozloff appointed assistant secretary and counsel.

FISCAL EXCESSES...

[Continued from page one]

period of time to restore a semblance of equilibrium. He urged every state bankers association and state banking department to support the restoration of disciplined fiscal and monetary policies, noting that such support will require acceptance of the vital roles of interest rates during inflationary periods; namely, to encourage saving and act as a major determinant of the allocation of the limited resources available. "Interest rates," he noted, "if left to

respond to the market place, effectively and fairly help allocate limited supplies of money better than any other approach yet devised by administrative fiat."

The CSBS official also emphasized that the checks and balances inherent in the dual banking system also contribute mightily to the long-range search for economic stability. "I am happy to report," he said, "that notwithstanding major problems, the dual banking system...has never been healthier. State bankers associations...have become more united in fundamental ways. State banking departments...have become more capable of discharging their responsibilities and...have taken the lead in advocating new techniques in bank examination and regulation.... Compulsory affiliation with the Fed for reserve purposes is less likely now than it was even two years ago. And most significantly, responsible persons are becoming more aware that correspondent type services can be conducted more effectively, efficiently and

responsively by the private sector than by centralized government officials."

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JR. AG. LN.—(Mo) (Iowa)	\$14,000
JR. INST. LN.—(Mo) (Iowa)	\$12,000
SR. AG. LN.—(Iowa) (Mo)	\$20,000
SEC. ANALYST—(Iowa)	\$20,000
TRUST—auditor, investments, marketing & dept. head in Midwest banks	OPEN
PRES.—suburban K.C. (need 8)	OPEN

BANKERS AVAILABLE

CREDIT CARD—(Ks) exper.	\$20,000
INST. LN.—3 yrs. fin. co. in Minn.	\$12,000
COM'L LN.—(Iowa) mid 40's, Sr. officer	\$25,000
PRES.—(Iowa) will buy \$12MM bank	OPEN
OPER.—(Iowa) Sr. officer up to \$50MM bk.	\$18,000
CONTROLLER—Midwest holding co.	\$20,000
CONTROLLER—C.P.A. in midwest acctg. firm	\$23,000

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