

NORTHWESTERN Banker Newsletter

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Rockefeller Urges Fed to Ease Pressure

David Rockefeller has urged the Federal Reserve Board to release "its pressure on credit expansion," permitting rates to move down and "the housing industry to resume more normal production."

Mr. Rockefeller was addressing



DAVID ROCKEFELLER
Chairman, Chase Manhattan
Bank, New York

the Third National Correspondent Banking Conference of the ABA in Atlanta, Ga., where he was the keynote speaker. More than 500 bank officers and executive management officials directly involved in correspondent banking attended the conference. C. Paul Lindholm, senior vice president, Northwestern National Bank, Minneapolis, was chairman.

In his keynote address, Mr. Rockefeller acknowledged that "monetary restraint must continue, that we cannot return quickly to a

period of easy money" to solve our economic problems. However, Mr. Rockefeller cautioned that interest rates have reached a point where they promise to do positive harm if relief is not soon provided.

Such relief, he noted, would be beneficial to supporting institutions in the savings industry which have suffered severe disintermediation. In addition to a balanced and well-timed monetary policy, he called for programs on the fiscal side for the curbing of government expenditures at the federal, state and local levels.

(The National Correspondent Banking Conference will be reported in greater details in the October Northwestern Banker by Publisher Malcolm Freeland, who will give his first-hand report of the sessions.)

Gaines Says Present Ford Policies Fight Inflation

Pursuit of the present economic policies aimed at controlling inflation will almost surely prolong the business recession, according to Tilford C. Gaines, senior vice president and economist, Manufacturers Hanover Trust, New York.

In his monthly cassette report, "Gaines Talks Business," MHT's senior economist says it's unlikely any evidence of a "solid, strongly based upturn" in business activity will emerge before mid-1975.

But, in his assessment of the current economic situation, Mr. Gaines points out that the present restrictive policies are necessary if the Ford Administration is to reduce inflation. As a result, he foresees:

- The Federal Reserve's current tight monetary policy will not be relaxed or eased until progress is made against inflation.

- No appreciable rise in budget expenditures and a possible reduction in spending from the \$305 billion Nixon budget.

- Taxes generally will not be increased and tax reform legislation could be introduced next year.

- Higher levels of unemployment accompanying the "no growth" policy.

Mr. Gaines emphasizes that if the budget is to be brought into balance, or even a small surplus, defense spending will have to be cut. Mandated expenses, such as interest on the public debt, social security and medicare payments, cannot be changed, he says.

Although he believes taxes

(Turn to back page, please)

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Senior Vice President



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Iowa News

CAMANCHE: Geneva S. Mooney has been promoted to accounting officer of the Camanche State Bank.

CHELSEA: An application by the Chelsea Savings Bank for consent to exercise limited trust powers has been approved.

CLEAR LAKE: Cecil W. Dunn, superintendent of banking, has approved the proposed merger of the Ventura State Bank into the Community State Bank of Clear Lake, and the establishment of a bank office at Ventura. No change of personnel is anticipated at either location.

DES MOINES: James S. Follon has been named assistant vice president in charge of instalment loans at Plaza State Bank.

FORT DODGE: The Iowa Lakes chapter of the Bank Administration Institute will meet here Wednesday, September 18, for a dinner meeting at the Starlite Village. Iowa Governor Robert D. Ray will be the featured speaker for the "Directors' Night" program.

GREENE: Michael W. Dunn has been named vice president and assistant loan officer of the First State Bank.

HUMBOLDT: William D. Dodgen, assistant cashier at the First National Bank, has been elected president of the newly formed Iowa central chapter of the American Institute of Banking.

MAPLETON: Frances Schmeling has been elected cashier of the First State Bank.

MARION: The Eastern Iowa chapter of Bank Administration Institute will hold its first meeting of the 1974-75 season at the Long Branch Restaurant on Wednesday, September 18. The cocktail hour begins at 5:30 p.m. with dinner at 6:30 followed by the program. Speaker for the evening will be Professor Wallace of the University of Iowa Law School who is the co-author of the U-CCC.

ROCK RAPIDS: Terry P. Conner has joined the Lyon County State Bank. He formerly was loan and accounting officer with the Camanche State Bank. Both banks are members of Hawkeye Bancorporation.

SHERRILL: An application by the Dubuque Bank and Trust Company requesting permission to establish a branch here has been approved.

TAMA: Keith Lazar joined the Tama State Bank recently as a loan officer trainee.

Nebraska News

Probably no group meetings in the history of the Nebraska Bankers Association have been as important as those which open this week, and it is a certainty that none have had more intense preparation.

What would normally have been an 18-month project, allowing time for research, testing and draft reporting, has been completed in 90 days by a team of dedicated NBA bankers and staff officials who have literally worked thousands of hours, seven days a week.

The result will be an impressive presentation of "NETS Project Study on alternatives to Compete in Electronic Funds Transfer." That long title describes the NBA effort to place Nebraska in the vanguard of banker associations that will provide an electronic funds transfer system for member banks and their customers.

The NBA has prepared a 300-page report, a special film and other visuals, and the entire program will be presented at the group meetings with the assistance of a 31-man staff of bankers and equipment personnel with completely operative demonstration systems. A full "dress rehearsal" of the two and one-half hour program will be given tonight, September 16, in Scottsbluff for the NBA executive committee.

The schedule then calls for the presentation to be given at:

Group 6—Sept. 17, Elks Club, Scottsbluff.

Group 4—Sept. 18, Elks Club, McCook.

Group 5—Sept. 19, Ramada Inn, Grand Island.

Group 1—Sept. 24, Radisson Cornhusker Hotel, Lincoln.

Group 2—Sept. 25, Holiday Lodge, Fremont.

Group 3—Sept. 26, Villa Inn, Norfolk.

BANCROFT: Gene Poppe has joined the First National Bank.

HOLDREGE: Approval has been granted to First Security Bank to establish a detached auxiliary teller facility at the southwest corner of the intersection of Fourth Avenue and Burlington Street.

LINCOLN: Ellis C. Dann has been promoted from vice president and

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cashier to vice president in charge of facilities operations at Citibank and Trust Co., and Donald D. Taylor has been promoted from instalment loan officer to cashier and is in charge of internal bank operations.

Illinois News

LOCKPORT: The Bank of Lockport has announced the promotion of Sandra Pesavento to officer trainee in the loan department.

SILVIS: Approval has been granted to the Bank of Silvis to exercise limited trust powers.

Minnesota News

The nominating committee of the Minnesota Bankers Association has recommended the following for endorsement for the top elected offices of the MBA:

For President—John D. Chisholm, president, Marquette Bank & Trust Co., Rochester.

For Vice President—C. Paul Lindholm, senior vice president, Northwestern National Bank, Minneapolis.

For Treasurer—Elwood Throndrud, president, Northwestern State Bank, Ortonville (reelection).

The nine MBA district meetings that start today will act upon these recommendations, with election to take place at the state convention next June.

Group 1 is meeting today at Kahler Hotel, Rochester. Other meetings are: Group 2, Sept. 17, Orchid Inn, Sleepy Eye; Group 7, Sept. 18, Ramada Inn, Marshall; Groups 3-4-5, Sept. 23, Midland Hills Country Club, St. Paul; Group 6, Sept. 24, Madden's, Brainerd; Group 8, Sept. 25, Holiday Inn, Grand Rapids; Group 9, Sept. 26, Eagles Club, East Grand Forks.

POSITION WANTED

Young man with one year banking experience seeks position in midwest bank—farm background; college degree, economics major; completed bank training program; have insurance license; married. References available. Box MBI, c/o NORTHWESTERN BANKER, 305 15th St., Des Moines,

"Electronic Funds Transfer - Its Impact on Every Minnesota Bank" will lead off each program, followed by a legislative review, business meeting, social hour and dinner.

BROOTEN: State Bank of Brooten has announced the election of Glenn D. Heitzman as executive vice president and director.

EDINA: David Fleming, 46, former chairman of the board of the Americana State Bank here, has been elected president and chief executive officer. Mr. Fleming was president and chief executive officer of MoAmCo Corporation from 1972 until December of 1973 when he was named chairman of the board.

GRANITE FALLS: Bruce Bloomquist has joined the Yellow Medicine County Bank as assistant vice president and cashier.

MINNEAPOLIS: Funeral services were held recently for J. Allen Swanson, senior vice president of Marquette National Bank. Mr. Swanson's banking career began with the LaSalle National Bank of Chicago in 1924. He joined Marquette in 1947, as credit manager and served in various capacities as a commercial lending specialist until his retirement in 1973.

PRESTON: Arvin D. Jacobson has joined the Farmers and Merchants State Bank as a vice president. He formerly was with the Northwestern National Bank of Rochester.



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RED WING: The Goodhue County National Bank will celebrate its 100th anniversary with an open house to the public on September 25, 26 and 27. The bank now reports total assets of \$33 million.

Colorado News

GREENWOOD VILLAGE: The Colorado Banking Board has set October 31 as the date for a hearing on an application for a state bank charter for the Colorado Bank—Tech Center here. Incorporators are Charles A. Schley, Harold Koutze, Jr., Kenneth H. Nordling, Will F. Nicholson, Jr., and Verner Eliason. The charter application shows Colorado National Bankshares, Inc., as a principal stockholder.

Wyoming News

Wyoming bankers will be briefed on developments in the nation's serious inflation problem, as well as conditions in agriculture, business, and finance during a series of four economic forums beginning September 23. The programs will be presented in Casper, Sept. 23; Thermopolis, Sept. 24; Rock Springs, Sept. 25, and Cheyenne, Sept. 26. Sponsored by the Federal Reserve Bank of Kansas City in cooperation with the Wyoming Bankers Association, the meetings will feature presentations by three Fed economists: Thomas E. Davis and Sheldon W. Stahl, vice presidents; and C. Edward Harshbarger, research officer.



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Gaines Says
(Continued from page 1)

generally will not be increased, he says it's possible that President Ford could ask for a boost in the Federal tax on gasoline to reduce its consumption besides generating revenues.

To combat unemployment, short of massive Federal government deficits or excessively easy monetary policy, Mr. Gaines endorses the suggestion of Arthur Burns, Fed chairman, for a much expanded public employment program.

"The amount of money it would require is certainly far less than would be required to achieve a full one-point drop in the unemployment rate through tax cuts or beefing up government spending programs," Mr. Gaines maintains.

The economist decries the "prophets of doom" who paint a picture of gloom and the prospect of total financial and economic collapse.

"They are wrong, they always have been wrong in the past, they are going to be wrong this time," he says. "But in the meanwhile, they are creating the possibility that their prediction will become a self-fulfilling prophecy.

"Through the effect they are having upon the attitudes of businessmen, consumers and investors, they are creating the possibility that what should be only a rather prolonged lull in our economic growth process might become a truly serious recession and/or a financial blowup of some sort," he says.

American Bancorporation Offers to Buy Mid America

American Bancorporation, Inc., St. Paul, has announced an agreement in principle to purchase Mid America Bancorporation, Inc., also of St. Paul. The announcement was

made last week by Charles W. Walton, president and chief executive officer of ABI, and W. T. Richards, chairman of MAB. The ABI owns American National Bank & Trust of St. Paul and four other banks, with total assets of \$370 million, while MAB has eight banks with \$132.6 million in assets. Based on outstanding shares of both corporations, the sale price is estimated at \$9.5 million, approximately \$3 million above the current market value.

Mr. Richards will be nominated for election to the ABI board. David A. Shern, president of MAB, will join the staff of ABI.

South Dakota News

JEFFERSON: The Valley Bank of Union County, Elk Point, has received permission to convert its Jefferson facility to a full power branch.

SIOUX FALLS: A hearing will be held September 17 on an application from the Western State Bank for an office at 1808 South Cliff Avenue.

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TRUST DEPT. HEAD—Law degree, \$50MM Iowa bank.
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JR. POSITIONS

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