

# NORTHWESTERN Banker Newsletter

Vol. 3 No. 78

Des Moines, Iowa

October 28, 1974

## Oppose Loan Allocation Program

By BEN HALLER, Editor

"A program recently initiated by the Congressional Joint Economic Committee to check bank loan practices could be injurious to the private flow of credit."



Rex J. Morthland  
ABA President

Rex J. Morthland, outgoing president of the American Bankers Association, made this statement during a special news conference held last week at the 100th annual ABA convention in Hawaii. Mr. Morthland continued:

"Banks are already doing a good job in restricting credit to help in the fight on inflation. A program of fixed lending controls, as pursued by the Congressional Joint Economic Committee, is not needed.

"There are too many variables in

lending today for somebody in Washington to judge who does and who does not receive credit. Those credit decisions can only be made by the banker in his community based on basic credit criteria.

"The JEC, by moving to establish a monthly monitoring system of bank loan practices, has gone well beyond a generalized recommendation for voluntary credit allocation as put forward by the banker-dominated Federal Reserve Board Advisory Council."

### Background

It was disclosed recently that the JEC staff sent a letter to 300 banks stating that in line with Fed Advisory Council suggestions of September 16 it will survey the progress banks make in reaching projected targets for channeling credit out of speculative and into productive loans.

The first survey sets September 1 as the base date for lending and asks the banks to report their lending practices in seven categories on a monthly basis from here on. It asked that initial responses be received by the congressional body by November 10 and the subsequent ones by the tenth of each succeeding month.

The outgoing ABA president said the JEC guidelines are unrealistic because they do not take

into account money market conditions or heavy credit demands as experienced by banks in the present economic environment.

"There just has to be flexibility," Mr. Morthland insisted.

The JEC guidelines requested the banks to list their percentage of loans in such categories as those intended for housing, for foreigners who would "divert loans funds from United States customers" and "for speculative purposes such as purchasing securities or commodities other than in the ordinary course of business."

The JEC letter to the banks said credit should be expanded for capital investment that would improve productivity and for nondiscretionary spending by consumers to finance such items as automobiles and household needs.

### Fed Reports

Mr. Morthland said the Fed already monitors lending activity through weekly reporting by the nation's 300 largest banks.

Another set of reports would not be useful, he said, considering that the Fed "already has established channels to survey lending."

He praised the industry for its job in making sure that credit is extended to borrowers who use the funds for productive purposes rather than speculative ones. He added that "the demands have been tremendous on banks and they have performed admirably."

## For Full Correspondent Banking Service



Jay  
Bordewick



Howard  
Nielsen

*We're as near  
as your phone*

**CALL 402 536-2000**

AREA CODE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

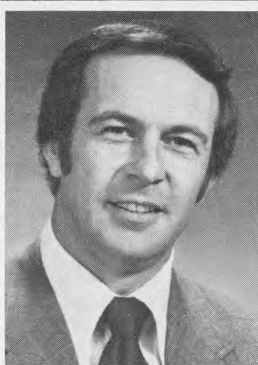
**U S NATIONAL  
BANK**

An Affiliate of Northwest Bancorporation

OMAHA



A good correspondent bank relationship is still built by good people. Yours and ours.



Terry Martin  
Vice President

Call me toll free . . .  
800-332-5991

**Merchants National Bank**  
Cedar Rapids Iowa 52401 A BANKS OF IOWA BANK

### Iowa Bankers Assn. Plans UCC Workshops

Over 1,000 bankers are expected to register for the series of Uniform Commercial Code Workshops, to be sponsored by the Iowa Bankers Association in November.

Morning meetings will be held starting at 9:00 in the following places: Nov. 4, Manchester Country Club; Nov. 5, Holiday Inn, Ottumwa; Nov. 6, Sheraton, Mason City; Nov. 7, Farmers Trust & Savings, Spencer, and Nov. 8, Holiday Inn, Red Oak.

Afternoon meetings will be held starting at 2:00 in the following places: Nov. 4, Tipton State Bank; Nov. 5, Ramada Inn, Marshalltown; Nov. 6, Ramada Inn, Fort Dodge; Nov. 7, Ida Grove Country Club, and Nov. 8, Peppertree Inn, Des Moines.

Registration fee received after October 28 is \$25. Registrations received before this date are \$20.

### Iowa News

**DES MOINES:** Jack P. Wigner has been elected controller of Central National Bank and Trust Company. He will join the bank

November 4 from his position as vice president and controller of The Fort Wayne National Bank, Fort Wayne, Ind. Walter A. Bush, former controller, has resigned to devote full time as secretary-treasurer of Central National Bancshares, Inc.

**DES MOINES:** John A. Sikkink has been promoted to vice president and cashier responsible for data processing system and services and operations departments of the Iowa-Des Moines National Bank.

**MARION:** Morris F. Neighbor, president of Farmers State Bank, has announced the following promotions: Robert H. Sippel, senior vice president, real estate and commercial loans; William A. Reilly, vice president, instalment loan department; Melvin Carter, Jr., assistant vice president, instalment loans; Kim Nelson, instalment loan officer; Gene R. Neighbor, assistant vice president and manager, Alburnett office, and Dennis O. Earhart, farm representative.

**OAKLAND:** The Oakland Savings Bank has received approval to establish an office at the present main office location of the bank at 114 N. Main when the bank's new main office is opened on South Highway 59. The new building will be completed in June of 1975.

**OELWEIN:** Louis Mulder, chairman of First National Bank, has announced the appointment of

Steve Henderson, formerly executive vice president, as president and trust officer of the bank.

**SIOUX CITY:** Ed Collins has joined the Northwestern National Bank to work in operations. He was formerly an assistant vice president of Northwestern National, Omaha.

**SPENCER:** Spencer National Bank has voted to increase its capital by \$400,000 through the issuance of debentures.

**SUMNER:** Mike Stoessel has joined The First National Bank as an assistant cashier. He formerly was with the Farmers National Bank of Webster City.

### Nebraska News

**ELWOOD:** Robert W. Tilden, president of the Home Bank of Elwood, has sold controlling interest in the bank to Carlton E. Clark of Elwood, Byron Owens of Bartley, George Krauss of Omaha, Fred Krauss of Denver and Cloyd Clark, Jr., of McCook. Mr. and Mrs. Tilden have been associated with the bank since 1928. He will continue as a shareholder and director. Mr. Owens, who has been vice president and manager of the State Bank of Bartley, will become president of the Elwood bank on November 1.

**HASTINGS:** Keith Ljunggren has been named loan officer at the First National Bank.

**LINCOLN:** The Federal Reserve Board has rejected an application by NBC Company, parent of the National Bank of Commerce Trust & Savings Assn., to acquire between 20% and 25% of the \$12 million Crete State Bank, calling the proposed acquisition a "questionable investment."

Because the bank's majority shareholder had instituted a dividend moratorium, the Fed said, the proposal "could detract from the applicant's over-all financial condition, since it appears that the applicant would be advancing

**Valley National Bank**  
A BANKS OF IOWA BANK  
Member FRS • Member FDIC  
Des Moines, Iowa 50304 515/288-9711

**JOHN RODGERS WELCH**  
Correspondent Banking Officer

**Banking for a brighter future.**

For straight talk on correspondent banking talk with Homer Jensen at CCB. We do your kind of banking.

**CAPITAL CITY BANK**

Des Moines' second largest independent bank. Main Bank East Fifth and Locust 50309 515/244-5111

# CALL ON THE "PERFORMANCE TEAM"

where common transactions are handled uncommonly well.



FIRST NATIONAL LINCOLN

13th & M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.

funds for the purchase of the bank's stock with no foreseeable prospect that such investment will generate income for the holding company and its operations."

Thomas J. Aron, president of the bank, is the majority shareholder.

The Fed also expressed concern that the holding company would be a minority shareholder and therefore the acquisition "may tend to perpetuate dissension in the management of the bank." In fact, the Fed added, Mr. Aron is opposed to the proposal.

**MILFORD:** G. A. Dunlap, president, has announced the following staff promotions at the Farmers & Merchants Bank: Pauline Eigsti to cashier, and Shirley Treu to assistant vice president and loan officer. Mrs. Eigsti previously was assistant cashier.

**OMAHA:** John R. Holtey has been elected vice president and trust officer of Northwestern National Bank. Mr. Holtey, who will join the bank November 1, is assistant vice president and trust officer of the First National Bank and Trust Co. of Fargo, N. D.

**YORK:** The Director of Banking, Henry E. Ley, has issued approval to York State Bank to establish a detached auxiliary teller office at 710 South Lincoln Avenue in the York Plaza Shopping Center.

## Minnesota News

**AITKIN:** Robert H. Hammond, 30, has been appointed assistant vice president in charge of the instalment loan department at Security State Bank.

**BURNSVILLE:** First Burnsville State Bank has filed an application

requesting permission to establish a drive-up facility.

**COOK:** Bill Ongalo has joined the Farmers & Merchants State Bank.

**ELLSWORTH:** Ellsworth State Bank has increased its capital stock from \$30,000 to \$60,000 by stock dividend.

**NORTHFIELD:** Northfield National Bank has announced the appointments of Michael E. Chapman and Betty A. Austin to assistant cashiers.

**ST. PAUL:** The First State Bank of North St. Paul has announced the recent addition of two men to its staff. They are Sam Shepard, instalment loan officer, and Edward V. Franzmeier, loan officer.

## Illinois News

The 29th annual Bank Management Conference will be held November 6-7 at the Ramada Inn in Champaign. It is sponsored by the Illinois Bankers Association in cooperation with the University of Illinois, Urbana. Some of the topics to be discussed include: Stagflation and the Scramble for Funds, Profitability and Asset Management, Can the Small Bank Afford To Hire a College Graduate?, Officer-Director Liabilities and Responsibilities, New Directions for Personnel Management, and EFTS.

## Colorado News

**ARAPAHOE:** J. Lynn Neafus has been appointed vice president for commercial and real estate loans at Arapahoe Colorado National Bank. He formerly served as manager of the credit department at Colorado National Bank and was vice

president for commercial loans at South Colorado National Bank.

## Wyoming News

**GILLETTE:** First National Bank has announced the appointment of the following three new officers: Felicie Todd, assistant cashier; John Koller, assistant cashier and loan officer, and Irma Radden, customer relations officer.

## ABA Attendance Sets New Record

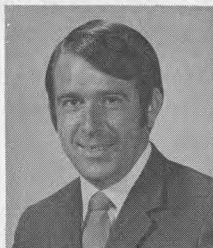
The most recent registration figures for the ABA Convention, held in Hawaii last week, show 14,075 delegates attended. This is the largest number to attend any ABA Convention. The largest previous registration was in 1971 when 12,280 registered in San Francisco.

Ben Haller, editor of the Northwestern Banker, will present an on-the-spot report of the convention in the November magazine issue.

The 1975 ABA convention will be held in New York, October 4-8.

## Call Issued for Reports On Oct. 15 Bank Conditions

Calls for reports of the October 15 conditions of banks under the jurisdiction of the Comptroller of the Currency and the Federal Reserve Board and of all banks insured by the Federal Deposit Insurance Corporation and are not members of the Federal Reserve System, were issued October 18.



We're in our new home at Seventh and Walnut.  
Stop in and visit us soon.

**IOWA-DES MOINES  
NATIONAL BANK**



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Christy  
Armstrong



Leo  
Kane

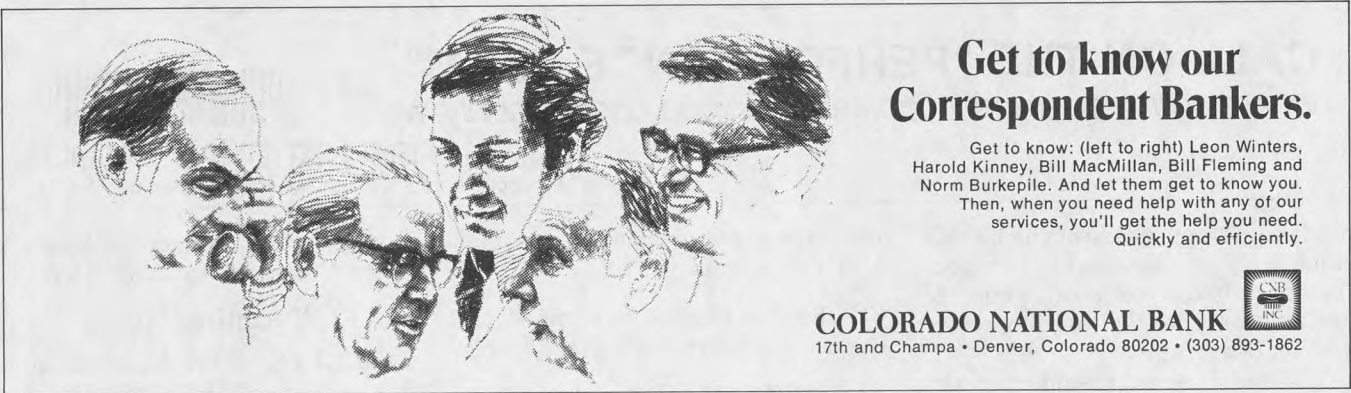


Bob  
Scott

'WE HAVE WHAT YOU WANT  
in a correspondent bank'

**American Trust  
and Savings Bank**

9TH AND MAIN, DUBUQUE, IOWA  
MEMBER FDIC - FRS



## Get to know our Correspondent Bankers.

Get to know: (left to right) Leon Winters, Harold Kinney, Bill MacMillan, Bill Fleming and Norm Burkepile. And let them get to know you. Then, when you need help with any of our services, you'll get the help you need. Quickly and efficiently.



**COLORADO NATIONAL BANK**  
17th and Champa • Denver, Colorado 80202 • (303) 893-1862

### North Dakota News

**MOORHEAD:** James Cutsforth has been appointed instalment loan officer at Moorhead State Bank in Holiday Shopping Center.

**WAHPETON:** Boyd L. Froemke has been promoted to assistant vice president at Wahpeton National Bank. Mr. Froemke, as head of the timepay department, had held the title manager of timepay and assistant cashier.

### South Dakota News

**GROTON:** Terry Baloun has joined the First National Bank as an officer trainee.

**MILBANK:** Val Neuberger recently joined the Milbank office of the First National Bank of Aberdeen as instalment loan officer. He joined the Aberdeen bank in 1970.

### Wyoming News

**GILLETTE:** Helen Hurt, assistant vice president, Stockmens Bank, recently was installed as chairman of the Wyoming Association of Bank Women.

**SHERIDAN:** The Wyoming Supreme Court recently upheld the issuance of a disputed state charter to the Wyoming Security Bank. The 2-1 decision went against Wyoming Bancorporation and held

that State Examiner Dwight D. Bonham had acted properly July 31, 1974, in granting the charter.

## WANT ADS

**Rates 35 cents per word per insertion. Minimum: 12 words**  
**NORTHWESTERN BANKER**  
306 15th St., Des Moines, Iowa

### POSITION WANTED

Savings and loan branch manager desires new position. Total of four years experience. Write Box CII, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309.

### POSITION AVAILABLE

Experienced operations person to work into cashier's position in progressive northeastern Iowa bank. Write Box KWN, c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Ia. 50309.

**BE YOUR AREA'S LEADING AG BANK.** Doane's Farming For Profit can fill a gap in your marketing program. Send this exclusive ag newsletter to the best farmers in your area. For a free 6-month sample subscription, write: D. R. Gorr, DOANE, Dept. 702, 8900 Manchester Road, St. Louis, Mo. 63144.

### SERVING PROFESSIONALLY

**Banking, Financial & Business Personnel**  
Iowa and Nationwide  
**CAPITAL PERSONNEL SERVICE**  
204 Securities Bldg. 515-283-2545  
Des Moines, Iowa 50309

### POSITION AVAILABLE

Large midwest bank has excellent opportunity for young person to enter correspondent bank division. Need general banking and/or ag background experience. Fine opportunity for advancement. Send resume and photo in confidence to Box ONO, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309.

### FOR SALE

1 Pitney-Bowes Addresser, table, file drawers, and supplies; plates and foil inserts. Like new. Bank of Elgin, Elgin, Nebraska, phone 402/843-2228.

### POSITION WANTED

Qualified banker with well-rounded lending experience seeks new opportunity with progressive bank. Salary open. Will relocate. References furnished. Write Box CFF, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309.

### FOR SALE

Six used Burroughs Teller machines Model 1010361, good condition. Contact: John Huemoeller, Rochester Bank and Trust Co., Rochester, Minn. 55901.

### POSITION WANTED

Senior commercial loan officer desires new position. Knowledgeable all phases lending—commercial, real estate, instalment. Presently with bank holding company. Resume upon request. Write Box HSW, c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

**When you need a little help call us on our toll free wats number 800-362-1615**



### Correspondent Bank Department

**"C" Central National Bank & Trust Company**  
DES MOINES (515) 243-8181 MEMBER FDIC  
LOCUST AT SIXTH / FIFTH & GRAND / 35TH & INGERSOLL / WEST DES MOINES

**We Serve Banks and Bankers from Minnesota to Texas, from Iowa to Colorado. For more information, Write or Call:**

**TOM HAGAN & ASSOCIATES**  
Box 12346, N.K.C., Mo. 64116  
(816) 474-6874

**"It Takes A Banker To Know One"**

Vol. 3 No. 78 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25 cents per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579) manuscripts, mail items to above address.