

# NORTHWESTERN Banker Newsletter

Vol. 4 No. 5

Des Moines, Iowa

June 2, 1975

## Modify Reuss Credit Priority Bill

A bill (H.R. 6676) that would have established lending priority areas for banks and required reports on their channeling of credit has been changed to strictly a reporting bill and approved by the House Banking Committee.

Although it carries the same number as the measure introduced by House Banking Committee Chairman Henry Reuss (D., Wis.), the bill is actually a substitute introduced May 12 by Rep. Robert Stephens (D., Ga.).

Purpose of H.R. 6676 as introduced by Reuss was to "maximize the availability of credit for national priority uses." As approved 28 to 5 by the House Banking Committee, the purpose is to "maximize the availability of information on commercial bank credit."

The original Reuss bill would have established eight "national priority" lending areas and directed banks to give "special attention to requests for credit of the kinds enumerated..." It was strenuously opposed by federal and banking industry officials who claimed it could "facilitate later efforts to impose mandatory credit controls."

As approved by the committee, H.R. 6676 establishes a program of "reporting on uses of commercial

bank credit" and directs the Federal Reserve Board to gather data from a "sample of federally insured commercial banks" on their extensions of credit.

The amended bill defines nine areas of "commercial bank credit"



but does not declare them to be "national priority" areas. The categories of delineated commercial bank credit are:

- (1) Productive capital investment, including essential structures and equipment;
- (2) the normal working capital needs of industry and commerce;
- (3) the financing requirements of small business and agricultural establishments;
- (4) construction and purchase of housing accommodations, with particular regard to the needs of low-and middle-income families;
- (5) the accommodation of consumer credit needs basic to a rising standard of living for American families;

(6) the needs of United States foreign transactions;

(7) other uses essential to the orderly functioning of markets for goods, services and financial assets;

(8) support of the financing needs of Federal, State and local governments; and

(9) all other extensions of credit.

## New Grip on Federal Purse

At mid-month, Congress made legislative history of prime fiscal importance: House and Senate lawmakers—implementing provisions of the Budget and Impoundment Control Act of 1974—jointly agreed on targets for spending, revenues, and the deficit for the fiscal year beginning July 1. The action formalized a radically new approach to the budget process, and it marked one of the most significant modifications of the over-all federal budget system in more than half a century.

Estimating that revenues will total \$298.2 billion, the lawmakers specified that expenditures should not exceed \$367 billion. That combination of income and outgo—were it to be realized—would produce a deficit \$8.8 billion larger than the \$60 billion President Ford

**FEDERAL PURSE. . . .**

[Turn to page 2, please]

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## FEDERAL PURSE. . . . [Continued from page 1]

said at the end of March he would accept. The bigger deficit is mainly attributable to a feeling in Congress that more spending than the President has proposed is needed as an economic stimulus.

Within a week after Labor Day, Congress is supposed to have passed all spending bills. By mid-September Congress will add up all the money bills that have been approved and compare the result with the targets voted earlier in the year—that is, in the concurrent resolution. If the total of the various programs exceeds the spending targets adopted in the spring, the Appropriations Committees might be asked to report legislation rescinding spending authority in appropriations bills already enacted. Or the House Ways and Means Committee and the Senate Finance Committee might be asked to report new tax legislation. In short, by late September, Congress will have



Bernie Kersey

## IOWA-DES MOINES NATIONAL BANK



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taken an overall look at income and outgo, decided on priorities, and have passed a second resolution either reaffirming or revising the target figures adopted in May.

### Iowa News

**AMES:** The 30th annual Agricultural Credit School begins today, June 2, at Iowa State University. It extends through June 13, according to Everett G. Stoneberg, extension economist.

**CLEAR LAKE:** New officers elected by Group 3 are: chairman, Don Heineking, president, Security State Bank, Hubbard, and secretary, Glenn O. Emmons, executive vice president, Northwood State Bank.

**DES MOINES:** Bankers Trust Company has applied for Fed approval to establish an office at Army Post Plaza, to be located at Army Post Road and S. E. 14th Street.

**DES MOINES:** Jack Campbell, president of the Iowa Bankers Association, is recovering from surgery in Room E101 at Iowa Methodist Hospital here. He also is president of the Humboldt Trust & Savings Bank.

**DES MOINES:** William B. Greaves has been elected a vice president of Central National Bancshares, Inc. He is vice president in the correspondent bank department of Central National Bank and Trust Company and will continue to serve in that capacity.

**DUBUQUE:** First National Bank

Stop in and visit us soon.

is holding its second annual Sales Seminar June 3 at 7:30 p.m. at the Julien Motor Inn, according to William G. Kruse, bank president. Dr. Herbert True will be the speaker.

**HUXLEY:** In the listing for the South Story Bank & Trust on page 121 of the 1975 Iowa Bank Directory, users are requested to note in their books that Huxley is an office of the South Story Bank & Trust of Slater. The bank's Slater listing appears on page 215.

**OTTUMWA:** Group 11 will hold its annual sports day at the Ottumwa Country Club on Monday, June 9. Contact Bob Laughrige at Union Bank & Trust, Ottumwa, for details.

**PRESTON:** John Brigham of Savanna, Ill., has joined the Farmers Savings Bank as cashier.

### Nebraska News

**BEAVER CROSSING:** Home State Bank recently moved across the street to its new facility. The bank's barbecue and grand opening was attended by about 1,000 people, according to Terrence L. Geiger, vice president.

**BLAIR:** Howard C. Hanson, Jr., executive vice president of Blair Bank, recently was named president. He joined the bank in 1954.

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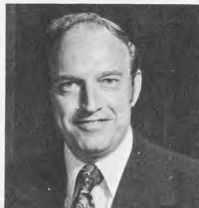
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**DANNEBROG:** Ed Vackiner has been appointed executive vice president of the State Bank of Dannebrog. He also is executive vice president and a director of Elba State Bank.

**LINCOLN:** William H. Riley, director of banking, has issued an order authorizing the conduct of a trust business for the Gateway Bank here.

**LINCOLN:** The Nebraska Bankers Association will hold a conference on the Social Security Direct Deposit Program and Individual Retirement Accounts on Thursday, June 19, at the Radisson Cornhusker Hotel here. Registration begins at 9 a.m.

**OMAHA:** Robert D. Satrapa has been named to a new position as regional marketing coordinator for the three Omaha banks affiliated with Northwest Bancorporation of Minneapolis. The banks are the United States National, Center and Northwestern National. Mr. Satrapa formerly was vice president and manager of marketing services of U. S. National.

**OMAHA:** Robert R. Kruger has been elected chairman and president of the Ames Plaza Bank and has resigned as chairman of Mid City Bank. Mr. Kruger heads a group of local businessmen who

bought controlling interest in the bank last month.

**WALTHILL:** First National Bank has announced the promotions of Harold E. Matney from vice president and cashier to executive vice president and Roger W. Sailors from assistant cashier to cashier.

**WYMORE:** The Wymore National Bank has changed its name to The Wymore State Bank. The bank also has begun construction on an addition to its facility.

### Minnesota News

**JORDAN:** Ronald L. Schmeits has been named president and director of the Northwestern State Bank. He formerly was vice president of the Northwestern National Bank in Litchfield.

**LAKEVILLE:** Judy Kohn has been promoted from head bookkeeper to assistant cashier of The First National Bank. She joined the bank in 1971.

**OGEMA:** Neil Toso has been named executive vice president of the Ogema State Bank. He previously was with the Detroit State Bank in Detroit Lakes.

**ST. PAUL:** Thomas H. Feld has been appointed a data processing officer-marketing, at the Midway National Bank.

### North Dakota News

**DICKINSON:** The First National Bank & Trust Company has raised its capital stock from \$600,000 to \$1 million by stock dividend.

### South Dakota News

**ALEXANDRIA:** Security State Bank has filed an application for an office at Montrose.

### Colorado News

**DENVER:** Thomas N. Haynes has been named credit officer and D. Scott Morse operations officer at United Bank of Denver.

### Illinois News

**FAIRVIEW HEIGHTS:** Fairview Heights Community Bank's application for Federal deposit insurance has been approved. Capital accounts of the bank total 1,250,000.

**FORSYTH:** An application for a permit to organize The Hickory Point Bank has been filed. The bank's total capitalization of \$600,000 would consist of \$225,000 in both capital and surplus and \$150,000 in reserve.

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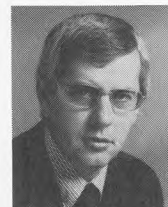


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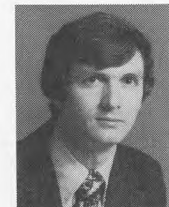
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**MORTON GROVE:** First State Bank's application for Federal deposit insurance has been approved. The bank's capital accounts total \$1,500,000.

**PEORIA:** "Competition '75" will introduce the banking public to their present and future competitors at the Illinois Bankers Association's 23rd annual Marketing and Public Relations Conference June 11-12 at the Peoria Hilton.

**ROBINSON:** Crawford County State Bank has received permission to establish a motor facility at 602 West Walnut Street.

**SHOREWOOD:** An application for a permit to organize Heritage Bank of Shorewood has been filed.

**STERLING:** Steven J. Dew has joined the First National Bank as advertising manager. He formerly was engaged in banking at Princeton.

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Vol. 4 No. 5 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.