

NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

August 23, 1976

New Reuss Report Criticizes Fed

Congressman Henry S. Reuss continued his attack on the Federal Reserve System last week by issuing a new 121-page report based on a House Banking Committee staff study. Mr. Reuss is chairman of the House Banking, Currency and Housing Committee.

"The lack of diversity on the boards of the 12 Federal Reserve Banks raises serious questions about the quality of economic intelligence which the district banks presumably feed into the Federal Reserve System and its monetary policy machinery," Mr. Reuss said in releasing the report.

"And the heavy links to the banking community raise doubts about the ability of the district boards to view bank and bank holding company regulatory issues with objectivity," Mr. Reuss said.

By law, a third of the 108 directors must be bankers, a third businessmen and a third members of the general public. According to the committee report, 30 of the 36 banker-members are or were officers of bank trade associations whose principal function is to lobby for the industry. Of the 36 businessmen, all but five are officers of companies identified as having over \$25 million in annual sales. And 29 of the 36 public members are

executives or directors of corporations, with at least 16 being present or former officers of financial institutions, the report charges.

The boards haven't any women or small-scale farmers and include only a few small businessmen, the report said.

The banker and businessmen board members are elected by the Federal Reserve member banks in each of the 12 districts. The Federal Reserve governors appoint the public members.

A spokesman said the Federal Reserve wouldn't comment until it has a chance to study the report.

A bill to double the number of public members has passed the House and is under consideration in the Senate.

Approve Second Facility; Void Chicago EFT Law

Illinois Governor Dan Walker has signed a bill into law that permits a bank to open a second pedestrian or drive-in facility within 3,500 yards or two miles from its home office. The facility may cash checks, handle withdrawals and take deposits but can't conduct other banking services.

Illinois law had prohibited branch banking except for a single

remote facility within 1,500 feet of the main office. The new statute takes effect October 1.

Continental Illinois National Bank & Trust Company of Chicago said it plans to construct an office at the southeast corner of Clark and Division Streets.

The unit, which is to open in the first half of next year, will be four blocks from Cosmopolitan National Bank's office at Clark and Chicago Avenue and three blocks from Oak Trust & Savings Bank, at Rush and Oak Streets.

A controversial Chicago ordinance, adopted last month, "legalized" community banking offices and electronic banking machines within the city despite the state prohibition. The state sued the city in a state court, contending that the ordinance was "unconstitutional, void, and in excess of the home rule powers of the city." The ordinance would have permitted up to six community offices per bank plus an unlimited number of electronic terminals.

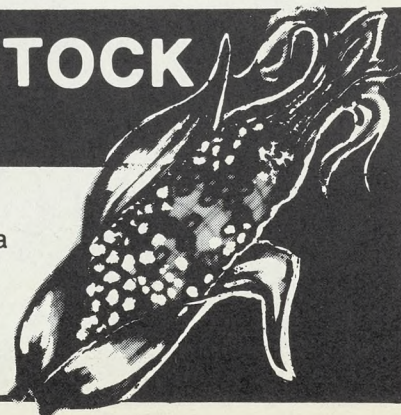
Circuit Court Judge Raymond K. Berg struck down the Chicago ordinance as unconstitutional. He said only the state legislature has the power to regulate banking. The Independent Community Bankers of Illinois joined as amicus curiae in the state's case against the city. The decision will be appealed to the Supreme Court.

FARMERS GRAIN & LIVESTOCK HEDGING CORP.

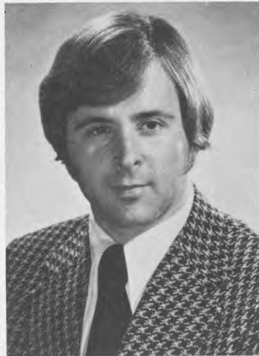


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Regulations To Require Use of Offering Circular

The Comptroller of the Currency has announced proposed regulations which would require every national bank, regardless of size, to use an offering circular when it sells any of its equity or debt securities.

Exemptions have been provided for non public offering; public offering not exceeding \$100,000 in one year; a reclassification of securities, and stock purchase plans.

Comments will be received through September 20 at the office of C. Westbrook Murphy, Deputy Comptroller for Law and Chief Counsel, Comptroller of the Currency, Washington, D.C. 20219. Phone: 202/447-1954.

Notice to Readers

In order to expedite the delivery of your copies of the Northwestern Banker monthly magazine and the Weekly Newsletter it is most important that we receive directly from subscribers any changes in address, even within the same building. For the many banks who

also have subscriptions for their bank directors, please notify us of any changes of address on the part of these directors. Because of increasing difficulties in obtaining good mail delivery, we solicit your cooperation in helping us maintain accurate, up-to-date mailing information.

For this purpose, please check the mailing label on your latest issue of Northwestern Banker magazine or the Weekly Newsletter. If there is any address change, or added addressing information (such as box number of room number) that will expedite delivery to you, please send us a note with the current mailing label and the new information so we can make the necessary correction.

Thank you for your assistance.

Circulation Department
The Northwestern Banker
306 Fifteenth Street
Des Moines, Iowa 50309

Iowa News

CLARINDA: Majority stock in the \$20 million Citizens State Bank was purchased last week by three former Clarinda residents. They are: Donald Duncan; his son, Robert Duncan, and Harry Barr. All three men are partners in Duncan Aviation, Lincoln, Nebr. No immediate changes in personnel have been announced.

SIOUX CITY: Funeral services were held last week for Gaylord W. Smith, senior vice president, financial planning, Security National Bank.

SIOUX CITY: Gilbert R. Gadzikowski has resigned as chief executive officer and chairman of the First National Bank to accept a position as general manager of Lozier Corp., Omaha. Richard C. Taylor, president, will succeed Mr. Gadzikowski as chief executive officer.

Nebraska News

OMAHA: Dick Flory, president of the First West Side Bank, has announced the appointment of Bonnie M. Geitzenauer to bank auditor. She joined the bank in 1966.

WALLACE: The Farmers State Bank has received approval to move its bank charter and location from the west side to the east side of Main Street.

Minnesota News

BLAINE: John M. Brown has been promoted to vice president and Allen D. Walburn to assistant vice president of First Northtown National Bank here.

EAST GRAND FORKS: The First National Bank has announced the election of Waldon A. Jensen as president and managing officer, effective September 1. Mr. Jensen succeeds D. A. (Al) McRae who is returning for family reasons to his previous position as vice president of the First National Bank of Lewistown, Mont. Mr. Jensen currently is vice president and senior lending officer at the First National Bank and Trust Company of Helena, Mont.

FERGUS FALLS: Mark W. Olson has been named president of the Security State Bank. T. C. Troupe has been promoted from vice president to executive vice president. Mr. Olson joined the bank in 1965. W. R. Olson, Mark Olson's father, served as president and then chairman from its opening in 1956 until his death in 1974.

MINNEAPOLIS: National City Bank has announced four appointments in the operations department: Elaine E. Hartmann, vice president and cashier; Dennis H. Van Heel, vice president, and Laura J. Rickheim and James R. Carlson, assistant cashiers.

MINNEAPOLIS: Daniel A. Leclerc has joined Lease Northwest, Inc., as vice president. The company is the leasing subsidiary of Northwestern National Bank here. Mr. Leclerc previously was vice president and chief executive officer of St. Paul Leasing Company.

OSSEO: Roger Helm has been elected assistant vice president of the Northwestern State Bank here.

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NEW ISSUE

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S & P: "AA"

\$150,000,000 STATE of OREGON

Veterans' Welfare Bonds, Series XLVII

Dated: September 1, 1976

Denomination: \$5,000

Both principal and semiannual interest (March 1 and September 1, first coupon due March 1, 1977) payable at the State's fiscal agent in New York, New York, presently Citibank, N.A.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES.

MATURITIES

	<u>5.50%</u>								
\$ 5,000,000	September 1, 1981	4.10		\$ 5,000,000	September 1, 1987	4.80			
5,000,000	March 1, 1982	4.25		5,000,000	March 1, 1988	4.90			
10,000,000	September 1, 1982	4.25		5,000,000	September 1, 1988	4.90			
5,000,000	September 1, 1983	4.35			<u>5.00%</u>				
	<u>6.00%</u>			5,000,000	March 1, 1989	5.00			
5,000,000	March 1, 1984	4.50			<u>5.10%</u>				
5,000,000	September 1, 1984	4.50		10,000,000	September 1, 1991	5.15			
5,000,000	March 1, 1985	4.60			<u>5.25%</u>				
5,000,000	September 1, 1985	4.60		10,000,000	March 1, 1992	5.25			
10,000,000	March 1, 1986	4.70		10,000,000	September 1, 1992	5.25			
5,000,000	September 1, 1986	4.70		10,000,000	March 1, 1993	5.40			
10,000,000	March 1, 1987	4.80		10,000,000	September 1, 1993	5.40			
				10,000,000	March 1, 1994	5.40			

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A prosperous Pacific Northwest State, Oregon ranks tenth in size among the states with an area of 97,073 square miles. The population has nearly doubled since 1940. Forests are a major source of industrial products and supportive trades. Metals, machine manufacturing, mining and trade make up the State's economy, along with agriculture, tourism and recreation.

The proceeds of this issue will be used to provide real property loans for the purchase of homes, farms, mobile homes and house leaseholds to qualifying veterans, and widows of veterans, as administered by the Department of Veterans' Affairs' Farm and Home Loan Program. In the opinion of counsel, these bonds are general obligations of the State of Oregon, payable primarily from the loans to veterans earning interest. Additionally, they are payable from a limited state-wide property tax and any other unrestricted state funds.

FINANCIAL STATEMENT

True cash value of taxable property, 1976	\$35,446,748,161
Total State debt, including this issue	2,134,180,000
Less: self-supporting debt	<u>1,962,495,000</u>
Net tax supported debt	<u>\$ 171,685,000</u>

Population, 1976 estimate: 2,299,000

Net debt per capita: \$74.68

We own and offer subject to prior sale and change in price and subject to our attorney's approving opinion.

Supplement to NORTHWESTERN BANKER NEWSLETTER, 8/23/76.

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Weekly Advisory Report

July 23, 1976
Volume 2 - Number 29

LIVESTOCK MARKET THIS PAST WEEK

CATTLE-Light terminal receipts and the packer short-bought inventory position helped push markets higher early week. A pur-

HOGS-Continued weakness in product along with some increase in slaughter added to downside pressure on hog prices again in

F.I. WEEK-END SUMMARY table with columns: Item, Actual, % Change From Year Ago, Year-to-Date % Change. Rows include BEEF, PORK, and B & P (meat).

All Poultry was N/A % of total F.I. 1/ Cow slaughter for week ending 7/3/76. 2/ Data is for the week ending 7/14/76.

THIS WEEK AND BEYOND

CATTLE-Fat cattle trade volume in the country will be equal to or slightly better than last week. Prices early week will be steady

HOGS-Anticipation of larger slaughter to come and lack luster retail featuring along with average retail pork prices higher than

Weekly Advisory Report

GRAIN MARKET THIS PAST WEEK

A front ended corn crop and with good weather, rallies on new crop will be short-lived. Keep in mind that old crop corn will be tighter than

FINANCIAL AND ECONOMIC TRENDS

The U.S. Labor Dept has disclosed that the Consumer Price Index rose a seasonally adjusted .5% in June, compared to a .6% gain

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FIRST NATIONAL LINCOLN

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He previously was real estate loan officer of the First National Bank in Moorhead.

RENVILLE: A charter has been granted for a new bank in Renville and construction of a building at Highway 212 at Fifth Street SE will begin this fall. James Whitely, formerly with the First National Bank of Worthington, will be the executive officer of the Renville County State Bank.

ST. PAUL: Ronald M. Bosrock has been named senior vice president and senior trust officer of the American National Bank and Trust Company. He formerly was with the Security Bank and Trust Company of Southgate, Mich.

Illinois News

LINCOLNSHIRE: The First National Bank has announced the promotion of Debra K. Poterek to assistant cashier. She joined the bank early this year after serving more than four years with the First National Bank of Northbrook.

MARINE: An application for a charter to convert from The First National Bank of Marine to the First Bank of Marine has been filed.

NORTH AURORA: The Bank of North Aurora has announced the promotion of Jerome K. Schmitt to assistant cashier. Mr. Schmitt, formerly a management trainee, joined the bank in 1974.

ROCKFORD: David W. Knapp, vice president and trust officer of the American National Bank & Trust Co., has been named president, replacing Leroy Liljedahl, who resigned. Mr. Knapp will serve as chief executive officer. Bruce Olson of Sunstrand Corp. will serve as chairman of the board.

Wyoming News

The strength of the nation's economic recovery and related developments in agriculture, business and finance will be evaluated for Wyoming bankers during a series of four economic forums in

the state beginning September 13. The programs will be presented in Casper, Sept. 13; Thermopolis, Sept. 14; Rock Springs, Sept. 15, and Cheyenne, Sept. 16. The meetings are sponsored by the Federal Reserve Bank of Kansas City in cooperation with the Wyoming Bankers Association. Kenneth C. Naramore, president of the WBA and president of Stockmen's Bank, Gillette, will speak briefly at each session.

CASPER: Western National Bank has announced the promotions of the following three staff members: Sally Walters and Jerrilyn J. Hanson to assistant cashiers, and Thomas K. Matz to instalment loan officer.

Montana News

GREAT FALLS: Wayne Leiner has been named senior vice president of administration of Northwestern Bank here. He joined the bank in 1967 and most recently was vice president of operations.

Colorado News

DENVER: James W. Hovorka has been named vice president of Metro National Bank. He previously was with Central Bank of Denver for 22 years.

South Dakota News

RAPID CITY: Hurley C. Wilson has been elected a senior vice president of the First National Bank of the Black Hills and

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National Bank of Waterloo

Michael G. Schrantz has joined the bank as senior vice president in charge of bank operations. Mr. Schrantz formerly was with the Center Bank in Omaha, Nebr. Mr. Wilson was formerly a vice president and manager of the Hot Springs branch.

Convention Calendar

October 2-6—ABA Annual Convention, Washington, DC.

October 17-20—BAI 52nd National Convention, Civic Center/Convention Auditorium, Philadelphia.

October 17-20—RMA 62nd Annual Fall Conference, Hyatt Regency, Chicago.

October 24-27—Iowa Bankers Association 90th Annual Convention, Des Moines.

October 24-27—BMA Annual Convention, The Fontainebleau, Miami.

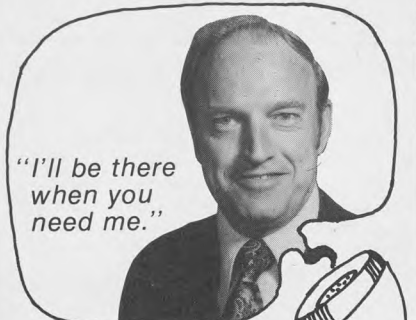
October 24-28—IBAA 10th Seminar for Junior Bank Officers, Ball State University, Muncie, Ind.

October 24-29—ABA National Commercial Lending Graduate School, University of Oklahoma, Norman.

November 7-10—ABA National Correspondent Banking Conference, Fairmont Hotel, Dallas.

November 14-17—ABA 25th National Agricultural & Rural Affairs Conference, New Orleans Marriott, New Orleans.

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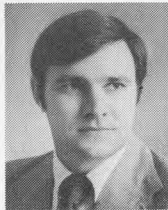
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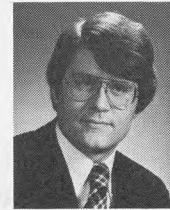
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President

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Computer Room Flooring—27' x 19' consisting of basic 24" by 24" squares. Includes riser jacks and cross irons. Surface of floor is all in very excellent shape. Price: \$2,000 FOB Mason City, Ia. Call Bob Grathwohl, cashier, or Richard Davis, data processing manager, United Home Bank & Trust Company, Mason City, Ia. Telephone: 515/421-1000.

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 - TRUST—Southern Ks. bank of \$40MM. Small dept. can be built. . . \$18,000
 - TRUST—Metro-K.C. area bank needs 2nd man in good dept. Prefer some corporate trust exper. also . . . \$20,000
- These positions and others are available for well qualified individuals. Send resume in confidence, with references and salary requirements.

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