

Opening Shots Fired in Bank Legislation

Before the new Congress had formally convened last week, the first shots had already been fired to signal a continuation of Senate and House emphasis on banking legislation.

The latest was a report in the Washington Post at year-end stating that Sen. Proxmire (D., Wis.), chairman of the Senate Banking Committee, favors legislation aimed at consolidating federal banking regulatory bodies into one authority, instead of the present Federal Reserve, Comptroller and FDIC examination bodies. Mr. Proxmire's comments came after The Post front-paged an unreleased, unfinished study by the General Accounting Office of the effectiveness of the federal regulatory bodies. Although recommendations were not made by the GAO, the tenor of the article opened up the one regulatory body discussion again, and Sen. Proxmire, after a several day delay, was then quoted as favoring such legislation. The legislation resurrects bills offered in the past two sessions.

Shortly before that episode, the Advisory Commission on Intergovernmental Relations recommended to Congress that the FDIC extend its coverage to 100% for public deposits in banks, s&ls, mutual savings banks and credit unions.

The thrifts would fall under the FSLIC. Coverage for all deposits was increased by FDIC and FSLIC from \$20,000 to \$40,000 in October, 1974.

An original study projecting only the impact of this increase to 100% for public deposits was completed and forwarded October 26 to the House and Senate banking committees. Congress then requested the ACIR, which is a standing group with separate staff operating under the combined authority of the Congress and the President, to study policy alternatives. The ACIR made its recommendation for 100% coverage at its December 16 meeting.

Its recommendation said in part, "Such federally insured deposits must not be subject to any state pledging requirements, and the total amount of public deposits in a single financial institution would be limited to a reasonable percentage of total deposits and/or total capital ... there is cause for concern about the current status of federal insurance for public deposits and the pledging requirements for uninsured deposits in many states." The report says federal action is needed to achieve uniformity among the states.

It further states such full deposit insurance would lead to improved

financial services and higher returns on public deposits, would have little impact on markets for Treasury and agency securities, little impact on housing funds, and remove the diverse state pledging requirements which are a barrier to efficient allocation of financial resources. It doesn't say how this would be accomplished.

Apparently to head off previously stated objections to such full coverage by the American Bankers Association, the report adds that the concern that full depositor insurance will remove depositor constraints on bank management policies and activities "is a legitimate concern, but may be overstated ... Constraints by regulatory authorities may be much more effective than depositor constraints on bank management."

In speeches on this topic in recent months, as reported in the Northwestern Banker, FDIC Chairman Robert E. Barnett has stated that 100% insurance has actually been the case in most instances where banks have closed, since with the FDIC negotiating a takeover by other banks the depositors are all protected. Only in those cases where a bank is closed and the payout procedure ensues, are depositors in excess of FDIC limits open to loss. Even in such cases, Chairman Barnett has pointed out, such depositors do not necessarily lose any or all of their funds.

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Iowa News

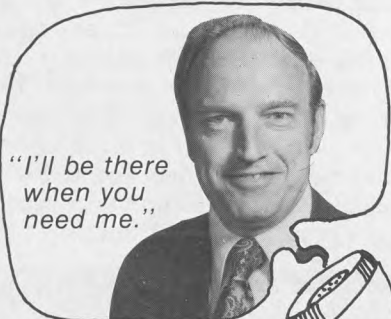
ADEL: Dallas County State Bank has announced the following staff changes: Mary Jo Easter, assistant cashier; Dillon Merial, trust officer in addition to being vice president; and Rich Hay, assistant vice president and manager of the Van Meter office.

CHELSEA: Gary Fattig has joined the Chelsea Savings Bank as loan officer.

FAYETTE: John C. Beeh recently joined the State Bank of Fayette as assistant vice president.

FORT DODGE: Funeral services were held last week for Dale Hoffmann, 50, examiner in charge of the Fort Dodge subregional

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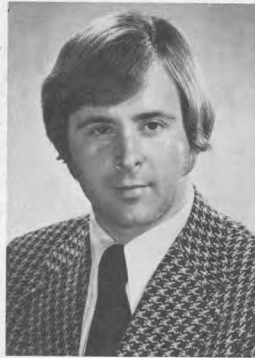
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office of the FDIC. He had been with the FDIC for many years.

IDA GROVE: Officers of the First State Bank of Battle Creek have filed an application with the Iowa Department of Banking asking that the Battle Creek bank's charter be moved here. Under terms of the application, the Battle Creek building would continue as a branch of the Ida Grove bank, if accepted.

IOWA CITY: A court decision is expected by mid-January on whether Iowa State Bank & Trust Co. may open an office in adjoining Coralville. The decision by Iowa superintendent of banking Tom Huston permitting the office was challenged by Frank Eicher, president of uniBank & Trust in Coralville, and the court hearing took place December 22 in the Johnston County Courthouse in Iowa City. A temporary injunction has restrained Iowa State Bank & Trust from continuing with construction of the Coralville office building.

OTTUMWA: The Federal Reserve Board has approved the application of Northwest Bancorporation, Minneapolis, to acquire the \$36.5 million deposit First National Bank here. This gives Banco six banks in Iowa with deposits of \$603.1 million, about 5% of the total

deposits in Iowa, an increase of .3% of its previous share.

SIOUX CITY: Stephen J. Hatz has joined the Security National Bank as personal loan officer. He formerly was with the First Trust & Savings Bank of Remsen.

STOCKPORT: Application has been made to merge Iowa State Bank with State Central Savings Bank of Keokuk and retain an office here. The Iowa banking department has made its study and will schedule a hearing soon.

WAUKEE: Doug Pogge has been named assistant cashier and manager of the Waukee office of Brenton State Bank, Dallas Center.

WINFIELD: Michael Garris recently was promoted from assistant cashier to cashier of The Peoples State Bank.

Nebraska News

FORT CALHOUN: Donald R. Bilderback has been named president of the Fort Calhoun State Bank succeeding Frank O. Starr III, who resigned to become chairman and chief executive officer of the State Bank of Atwood, Kan. Mr. Bilderback joined the bank in 1975 as vice president.

GRAND ISLAND: Robert G. Eversoll has joined the Commercial

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NEW ISSUE

MOODY'S: "A"

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TRI-CENTER COMMUNITY SCHOOL DISTRICT, IOWA

General Obligation School Building Bonds

Dated: January 1, 1977

Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due June 1, 1977) payable at the office of the School Treasurer, Neola, Iowa.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES, IOWA FRANCHISE TAX AND ALL PROPERTY TAXATION IN THE STATE OF IOWA.

MATURITIES

	<u>4.75%</u>			<u>4.75%</u>	
\$ 10,000	June 1, 1978	3.00		\$100,000	June 1, 1990*
15,000	June 1, 1979	3.25			<u>4.90%</u>
15,000	June 1, 1980	3.50		105,000	June 1, 1991*
35,000	June 1, 1981	3.70			<u>5.00%</u>
65,000	June 1, 1982	3.85		115,000	June 1, 1992*
65,000	June 1, 1983	4.00			<u>5.10%</u>
70,000	June 1, 1984	4.10		120,000	June 1, 1993*
70,000	June 1, 1985	4.20			<u>5.20%</u>
80,000	June 1, 1986	4.30		125,000	June 1, 1994*
85,000	June 1, 1987*	4.40			<u>5.30%</u>
	<u>4.50%</u>			135,000	June 1, 1995*
85,000	June 1, 1988*	4.50			<u>5.40%</u>
	<u>4.60%</u>			100,000	June 1, 1996*
95,000	June 1, 1989*	4.60			

*Optional in inverse order beginning June 1, 1986 at 100%.

LEGALITY TO BE APPROVED BY CHAPMAN AND CUTLER, ATTORNEYS, CHICAGO, ILLINOIS.

Tri-Center Community School District is located in sections of Pottawattamie, Harrison and Shelby counties and covers an area of 225 square miles. The high school is situated on Interstate highway No. 680 and State highway 191. Interstate highway No. 80, which runs through Council Bluffs and Omaha, is within one mile of the school. Also, within fifteen miles of the District is Interstate highway No. 29. The District includes the cities of Neola, Minden, Persia and Beebeetown. The cities within the District serve the basic commercial and business needs of the community. Although the District does not have any large industrial or manufacturing employers, many people commute to the Council Bluffs-Omaha area for work. The District's \$72,000,000 assessed valuation base is almost entirely agricultural. Farm land regularly sells for between \$1,300 and \$1,400 per acre, with some parcels selling as high as \$1,700 per acre. This makes the average farm in the District worth \$400,000 in land value alone.

The bonds were authorized at a special election by a vote of 664 "yes" to 429 "no." They are being issued under the provisions of Chapter 296, Code of Iowa, 1975, as amended, for the purpose of building and furnishing a new elementary school. In the opinion of counsel, these bonds are legal and binding general obligations of Tri-Center Community School District, Iowa, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

Actual and assessed value of taxable property, 1975	\$72,155,290
Direct debt, including this issue	1,650,000
Total direct, overlapping and underlying debt	1,784,429
Population, 1977 estimate: 6,500	
	Direct debt per capita: \$253.85
	Total debt per capita: 274.53
	Direct debt per acre: 11.46
	Total debt per acre: 12.39

Tax collections have approximated 100.8% of taxes levied for the last four years.

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KEARNEY: The Nebraska Bankers Association 1977 Instalment Credit Conference will be held Wednesday-Thursday, Jan. 26-27, at the Ramada Inn here. Following an evening get-acquainted reception on Wednesday, the formal part of the conference will begin Thursday morning with a presentation on how bank competitors, particularly credit unions, have been making great strides in the instalment lending area. This will be followed by the announcement of results from the NBA committee on instalment credit survey. Changing rules and regulations also will be discussed. The afternoon format will include four concurrent sessions.

OMAHA: The Omaha National Bank is offering holders of its outstanding \$15 million of 7% capital notes due September 1, 1979, the right to exchange their notes for an equal principal amount of a new issue of capital notes due September 1, 1986. E. F. Hutton & Co., and Kirkpatrick, Pettis, Smith, Polian, Inc., Omaha, are dealer managers.

Illinois News

HANOVER PARK: A charter has been issued to the Community Bank and Trust, 1300 Greenbrook Drive. The state bank's total capitalization of \$1,250,000 will consist of \$500,000 in both capital and surplus and \$250,000 in reserve. Officers are Delvin W. Johnston, chairman, and G. William Christensen, president.

The bank has obtained FDIC insurance.

VILLA PARK: A charter has been issued to the Bank of Villa Park, 305 W. St. Charles Road. The state bank's total capitalization of \$1,250,000 will consist of \$500,000 in both capital and surplus and \$250,000 in reserve. Officers are Lester J. Bergmann, president; Edward J. Shaw, executive vice president, and Thomas James, vice president and cashier. The bank has obtained FDIC insurance.

Minnesota News

The following banks have increased their capital stock by sale of new stock: Peoples State Bank of Frazee from \$50,000 to \$76,000; Klossner State Bank from \$90,000 to \$180,000; Milona State Bank from \$25,000 to \$37,500; Farmers and Merchants State Bank of Pierz from \$135,000 to \$235,000, and Plymouth State Bank from \$200,000 to \$260,000.

BLOOMINGTON: Dale Hayden has joined Northwestern Bank Southwest as assistant vice president, human resources director. He formerly was with Northwest Computer Services, Inc.

DULUTH: Northwestern Bank of Commerce has announced the appointments of Mary Ann Flaherty as cashier and Martin MacLean as auditor.

LE CENTER: Emmet Krenik has joined the First State Bank as assistant cashier. He formerly was with the Northwestern National Bank of Mankato.

MAPLEWOOD: Maplewood State Bank has announced the election of Robert J. Regan as vice chairman, G. Jack Hillstrom as president and managing officer and Carol A. Kennedy as assistant cashier.

ST. CLOUD: American National Bank has promoted two men to assistant vice presidents: Al Marcyes, agricultural and instalment loans, and John Herges, commercial loans.

ST. PAUL: Clarence Frame, president of the First National Bank, has been named its chief executive officer also. The move was made at the request of Chairman Philip Nason who will retire May 31.

WASECA: Glenn M. Thompson recently was elected president of the First State Bank, succeeding Roy Christiansen, who retired. He formerly was vice president at the First National Bank of Mankato.

CPA's discuss:

Agribusiness tax planning

(8 page booklet)

Because of the interest shown in this article appearing in the Northwestern Banker in October and November, we are making it available for purchase in reprint form. This clearly written article dramatically points out the advantages of careful tax planning. Your farm customers will benefit from it.

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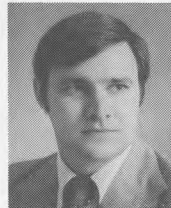
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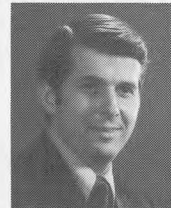


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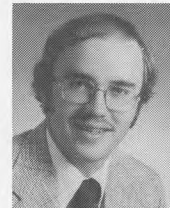
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Wyoming News

The Wyoming Bankers Association and the University of Wyoming are cosponsoring the Fifth Western Agricultural Lenders Institute to be held on the University campus in Laramie January 26-28. Registration begins at 8 a.m., Wednesday, Jan. 26. Agricultural loan officers are asked to bring a successful rancher or farmer with them to enable dialogue between loan officer and customers.

JEFFREY CITY: Keith Bourn, formerly executive vice president of Central Bank & Trust in Lander, has been elected president of the newly chartered Jeffrey City State

Bank, which is expected to be open for business on February 1.

POWELL: The Federal Reserve Board has approved an application by the First Co., here to become a bank holding company through acquisition of the First National Bank of Powell.

North Dakota News

GRAND FORKS: First National Bank has announced the elections of Scott Swenson to assistant cashier and John Stevenson to mortgage loan officer.

PARK RIVER: The First State Bank has increased its capital stock from \$300,000 to \$450,000 by stock dividend.

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- TRUST**—Jr. officer experienced in pension & profit sharing, corporate trust, etc.\$18,000
- MANAGEMENT TRAINEES**—Some college necessary. Are you able to live in Kansas City for 4 weeks while training. We screen carefully. Write for additional information.

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