

# WEEKLY NEWS BULLETIN

from **NORTHWESTERN  
Banker**

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December 20, 1965

## Iowa Department Opposes New Boost in Time Money Interest Rates

"I am definitely opposed to an increase in the present 4 per cent permissible rate that can be paid under Iowa law on savings deposits and CD's," John Chrystal, Iowa superintendent of banks, has reported to the *Northwestern Banker*. He stated further, "I feel very strongly that such an upward move is joining the race to inflation and and I have no intention of asking for a higher rate."

The Iowa law setting such rates (528.11) specifically states that maximum interest to be paid on savings and time money is 4 per cent, and further on in the same section says that funds on which higher rates are paid must be considered borrowed funds and carried accordingly.

Some banks in Iowa and other sections of the country have been using alternate plans to pay a higher rate for money. Instead of issuing CD's, they issue the bank's promissory notes or bonds to customers at rates up to 4.6 per cent. These funds reportedly are not subject

to Fed regulation or regular reserve requirements, nor FDIC premium payment. The Iowa superintendent has requested a ruling from the FDIC as to whether such notes or bonds are protected by FDIC.

Laws are not as specific in other states in the upper mid-west as they are in Iowa concerning permissible interest rates. They either have no law governing savings interest rates, thus leaving such jurisdiction up to rates set by the Fed and FDIC, or their laws are written to give the state superintendent discretion to meet rates set by the Federal Reserve Board and FDIC, if desired.

The Nebraska law was changed to conform to the Fed and FDIC new permissive ceiling rate of  $5\frac{1}{2}$  per cent on December 7, by directive from Henry Ley, director of banking. The Omaha National Bank and United States National Bank of Omaha on December 13 announced that effective December 15 they would pay 4 per

cent on regular savings,  $4\frac{1}{4}$  per cent on 90-day CD's, and  $4\frac{1}{2}$  per cent on one-year CD's. Previously, both banks were paying 3 per cent on savings accounts. Within two days, First National Bank and Trust Company and National Bank of Commerce, both of Lincoln, announced they would pay  $4\frac{1}{2}$  per cent on one-year CD's. The two banks already were paying 4 per cent on savings since last January, the rate presently continued for passbook savings and 90-day CD's.

### NATIONAL NEWS

NEW YORK: Chemical Bank New York Trust directors have elected a new senior management team effective January 1, it was announced by Harold Helm, Chairman, who reaches mandatory retirement age on December 31. William S. Renchard, president, will succeed Mr. Helm as chairman and chief executive officer. Hulbert S. Aldrich continues as vice chairman and next in line of authority. Howard W. McCall, now vice chairman, will become president. John L. Gibbons will continue as chairman of the trust committee and will assume additional administrative responsibilities.

(Continued on back page)

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AND THE NEW YEAR BE BLESSED  
WITH HAPPINESS AND  
GOOD HEALTH



# ANB

## IOWA NEWS

**CEDAR RAPIDS:** The Cedar Rapids area chapter of AIB has scheduled a seminar series concerning the Uniform Commercial Code. The series, set to begin February 1, will be conducted by three professors from the University of Iowa College of Law.

**DES MOINES:** Miss Dora Springer, secretary in the office of the Iowa Bankers Association, was struck by an automobile at 48th and University last week and was hospitalized with a broken leg. She is in Room 506, Methodist Hospital in Des Moines.

**DES MOINES:** Sherry Fisher, vice president of Central National Bank & Trust Company, has been designated as keynote speaker for a series of seven meetings to be held in Iowa in January to promote tourism. The meetings will be co-sponsored by the Iowa Development Commission and the Iowa Travel Development Council. All Iowa bankers are invited to attend. Details of the program will appear in the January issue of the *NORTHWESTERN BANKER*.

**DES MOINES:** A new office of the First Federal State Bank



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opened last Tuesday at 8590 Hickman Road in Clive. Open house for the new office has been scheduled until the first of the year.

**FORT DODGE:** William C. McCarten has been named a member of the board of directors of The State Bank, filling the vacancy left by the death of John C. Brown.

**OTTUMWA:** Roscow Stewart, 70, president of the Ottumwa Mercantile Company and president of the Graham Department Stores Company, died recently. He was a member of the board of directors of the First National Bank.

**ROCK FALLS:** The American State Bank, which closed November 1, has been given to the City of Rock Falls with the stipulation that it not be used as a bank building for at least 10 years.

## NEBRASKA NEWS

**HOLDREGE:** Mrs. Ann Holt, receptionist and executive secretary at the First National Bank for 20 years, will retire effective December 31.

**LINCOLN:** Increase of First National Bank & Trust Company of Lincoln's capital and surplus accounts to a total of more than \$10 million would be accomplished through a stock dividend approved by the bank's directors Tuesday. Stockholders will meet Jan. 18.

**OMAHA:** The West Omaha National Bank moved into its

new quarters in the Lippold Building, 90th and Dodge Streets, December 13. William Kizer, executive vice president of Central States Health and Life Insurance Company, Omaha, has been elected a director of the bank. Gerald Schnathorst has been named an assistant vice president in charge of the personal loan department.

**OMAHA:** Thomas C. Quinlan has been named executive vice president at Omaha National Bank, heading a list of several promotions. Howard M. Johnson, E. Stanton Miller, II and Marvin R. Werve were named senior vice presidents.

Robert E. Larsen and Michael B. Yanney were named vice presidents and John H. Mitten was elected assistant cashier.

**WAUSA:** Residents of Wausa will honor N.T. (Nobby) Tie-mann, president of Wausa's Commercial State Bank and gubernatorial candidate, at a recognition night January 13.

## MINNESOTA NEWS

**COLOGNE:** State Bank held open house yesterday (Sunday) in its new building.

**DULUTH:** William A. Mars and Roy I. Nilsen have been elected directors of First American National Bank. Mrs. Mars is vice president in charge of sales for W. P. & R. S. Mars Company, Duluth. Mr. Nilsen is vice president and general manager of Northwest Paper Company, Cloquet.



Bob Bueneke

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**GOLDEN VALLEY:** Golden Valley State Bank has increased its capital stock by two and one half times to \$250,000 by stock dividend.

**HARMONY:** Leonard Skaalen, executive vice president, Onsgard State Bank, Spring Grove, and Gus Carlson, Jr., executive vice president of First National Bank, Kiester, have bought control of the Harmony State Bank. Mr. Skaalen will become president at Harmony. As previously announced, Donald Jennings of Waukon will replace Mr. Skaalen at Spring Grove.

**HOYT LAKES:** The resignation of Thomas Stockert from his position at American National Bank, Valley City, N.D., has been announced. He becomes cashier of the First National Bank, Hoyt Lakes. Both banks are affiliated with Northwest Bancorporation.

**MINNEAPOLIS:** J. Patrick Ferry has been elected an assistant cashier at the Fourth Northwestern National Bank.

**MINNEAPOLIS:** Melvin B. Holmgren, vice president of the Federal Reserve Bank of Minneapolis, has elected to retire at the end of the current year and William C. Bronner, assistant vice president, has been named to succeed Mr. Holmgren as vice president. Frederick

J. Cramer has been promoted to vice president from assistant vice president and John A. MacDonald has been promoted to cashier.

**PIERZ:** Farmers and Merchants State Bank has increased its capital stock from \$50,000 to \$75,000 by stock dividend.

**YOUNG AMERICA:** State Bank of Young America has doubled its capital stock to \$120,000 by sale of new stock.

#### MONTANA NEWS

**LIVINGSTON:** Plans for a new walk-up and drive-up windows and inside parking at First National Park Bank have been announced. Completion date for the remodeling project is March 1, 1966.

**WHITE SULPHUR SPRINGS:** Joe E. Stalcup, vice president and cashier at First national Bank, died recently at the age of 61.

#### NORTH DAKOTA NEWS

**BERTHOLD:** American State Bank, Minot, has opened a new branch station in Berthold.

**COLUMBUS:** Herbert L. Thorn-dal, president of the Columbus State Bank, died in a Crosby hospital recently at 66 years of age.

#### WYOMING NEWS

**CHEYENNE:** Richard W. Woodward has been elected assistant cashier and Jack E. Cathcart has been elected assistant auditor at the American National Bank.

#### COLORADO NEWS

**DENVER:** Roger D. Knight, Jr., chairman of the Denver U. S. National Bank, last week was awarded one of two Loretto Citations presented by Loretto Heights College.

**DENVER:** Stockholders of the 17th Street National Bank met behind closed doors last week to discuss several proposals. Steve McNichols, president and chairman, would not discuss details of the meeting, pending approval of steps taken by Comptroller of the Currency James J. Saxon. Notice sent to stockholders called for reorganizing the capital structure, a change in the \$1 par value of the stock and a possible change of location to the Villa Italia Shopping Center. Previous applications for a charter for a new bank at the shopping center have been rejected by state and national authorities.

**GOLDEN:** Ross E. Price, an employee of the First National Bank since 1955, will retire January 1, ending a banking career dating back to 1920.

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### NATIONAL NEWS

(Continued)

KANSAS CITY: Ronald G. Garthwaite, formerly with City National Bank and Trust Company, Rockford, Illinois, has joined City National Bank and Trust Company, Kansas City, as director of advertising.

CHICAGO: Walter A. Gatzert has been advanced from vice president to senior vice president at American National Bank and Trust Company. In addition, eight were advanced to vice president. The eight were Stefan S. Anderson, Leonard I. Green, George E. Jacobsmeyer, Jack P. Katz, F.R. Carver Nixon, Allen J. Marinson, Milan G. Hiben and Richard I. Roberts. The promotions headed a list of 23 advancements announced by Robert E. Straus, chairman of the board.

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NEW YORK: H. Lansing Clute, Loren A. Erickson, E. Sherman Adams and Robert W. Feagles have been elected senior vice presidents of First National City Bank.

CHICAGO: John E. Drick, senior vice president, has been elected executive vice president at the First National Bank. Richard L. Thomas, vice president, was elected vice president and general manager of the bank's London Branch, Charles Scholfield, assistant vice president, was elected vice president and Leslie V. Bjork, assistant vice president, was elected vice president, heading a list of 28 additional promotions.

Homer J. Livingston, chairman, has reported that the directors have authorized the transfer of \$5 million from undivided profits to the surplus account.

CHICAGO: Robert K. Quinn and Richard E. Smith have been elevated from assistant cashier to assistant vice president at LaSalle National Bank.

Clarke Coggeshall and John Porta have been named vice presidents of the Bank.

ST. LOUIS: Leigh A. Doxsee, vice president of Chamber of Commerce in St. Louis, will join Mercantile Trust Company January 1 as vice president in market research.

KANSAS CITY: George E. Powell, Jr., president of Yellow Transit Freight Lines, Inc., has been elected a director of First National Bank. An additional

stock dividend of 10,000 shares will be paid by the bank when shareholders approve an increase in the capital February 15, according to Taylor S. Abernathy, chairman.

NEW YORK: Clement D. Gile, Mortimer J. Gleeson, Corwin S. Scott and Spencer N. Rose have been elected vice presidents of Morgan Guaranty Trust Company.

MINNEAPOLIS: C. Bernard Jacobs will advance from executive vice president to president of the National City Bank on December 31, succeeding S. L. Jerpbak, 69, who will become vice chairman of the board and chairman of the executive committee. Other promotions include naming Patrick W. Colbert, Jr., and Donald M. Jerpbak as assistant vice presidents.

MINNEAPOLIS: J. Cameron Thomson, 75, who retired in 1959 as chairman of Northwest Bancorporation, was reported late last week in satisfactory condition at St. Mary's Hospital, Rochester, following surgery for a brain tumor.

## WANT ADS

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