

WEEKLY NEWS BULLETIN



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December 27, 1965

Predict Interest Rate Battle In Greater Twin Cities Area

"There could be an interest rate battle between banks and savings and loan associations in the Twin Cities like the one that occurred in the 1920s."

This was the prediction made by Harold W. Greenwood, Jr., president of the Savings and Loan League of Minnesota, and president of Minneapolis Federal Savings and Loan Association, as higher interest rates spread among banks in the Minneapolis-St. Paul area.

Action, thus far, has been among banks holding national charters, since present maximums for Minnesota state banks are set at 4 per cent on time deposits up to \$100,000 and 4½ per cent on those of \$100,000 or more. Clarence Lodahl, acting commissioner of banking had said that he does not intend to take any action pending the appointment of a new banking commissioner. Former Commissioner John Chisholm resigned December 1.

Despite Deputy Lodahl's statement, some sources feel that he may call a special hearing (which takes 30 days notice)

and perhaps seek an interest rate for state banks that would equal the new rates authorized for national banks. Appointment of a new commissioner may be held up because the qualified candidates prefer not to get involved in the rate hikes.

National City Bank of Minneapolis was reported to be offering the highest interest rate in the area in giving a full 4¾ per cent interest on 90-day savings certificates in units of \$100. Compounded every 90 days from date of deposit, they will give an annual yield of 4.90 per cent.

Among the other major banks, First National, Northwestern National and Midland National in Minneapolis, and Northwestern National in St. Paul hiked rates on passbook savings from 3 to 4 per cent. Interest on 90-day certificates were raised from 4 to 4½ per cent. First National dropped the minimum price of savings certificates from \$100 to \$19.99. The new interest rate is guaranteed for five years.

At press time, the Marquette National in Minneapolis, and the First National and American Na-

tional in St. Paul had not raised interest rates. Farmers and Mechanics in Minneapolis was considering going to 4 per cent on passbook savings.

Outside of the Twin Cities, it is reported that banks in Mankato have increased their rates to 4 per cent on passbook and 4½ per cent on CDs.

Savings and loan associations in the Twin Cities are expected to increase their rates on savings accounts and certificates by the first of the year. Under a variable dividend plan, S & Ls are authorized to pay an extra dividend on regular savings of \$1,000 or more that have been held for one year. This extra dividend and regular dividend may not exceed 4½ per cent at present. A certificate plan authorizes S & Ls to accept special accounts in multiples of \$1,000 for one year or more and pay 4¾ per cent. Each S & L may set its own minimums, as long as it is \$1,000 or more.

As the rate hikes continued, the Federal Reserve sent telegrams to all member banks stating that the board's recent increase to 5½ per cent maximum rate on time money was instituted "with the confident expectation that every member

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IOWA NEWS

ATLANTIC: Bill Beatty has resigned as executive vice president of Clarke County State Bank, Osceola, effective February 1, to accept a position as vice president of Atlantic State Bank.

COLFAX: First National Bank has purchased the Farmers Supply Store for possible future expansion. No immediate plans have been announced.

DES MOINES: Robert K. Pople, vice president, and Mel Marsh, assistant cashier, Bankers Trust Company, were presented 25-year watches at the bank's Christmas party.

DES MOINES: Crawford C. Hubbell has resigned as a vice president of the Bankers Trust Company, effective December 31, 1965. He continues as a director. Mr. Hubbell will devote a major share of his time to the Check-All Valve Manufacturing Company, Des Moines, and to other business interests in Des Moines.

DES MOINES: Des Moines Chapter of A.I.B. has scheduled four new classes all of which will begin the first week in January. The four classes, all scheduled for 14 weeks, and the meeting place and time for the initial session of each, are as follows: Principles of Bank Operations-Directors Room, Central National Bank, Tuesday, January 4, 4 p.m. to 7 p.m.; Fundamentals of Bank Data Processing-Lunch Room, Central National Bank, Tuesday, January 4, 4 p.m. to 7 p.m.; Commercial Law (Uniform Commercial Code)-Lunch Room, Central National Bank, Thursday, January 6, 4 p.m. to 7 p.m.; Analyzing Financial Statements-Directors Room, Cen-

tral National Bank, Thursday, January 6, 4 p.m. to 7 p.m. Further information may be obtained by contacting Lloyd Querry, assistant cashier, Central National Bank, Des Moines, A.I.B. education chairman.

DES MOINES: William H. Kovacevich, treasurer of the General Mortgage Corporation of Iowa, has been elected president of the Des Moines Mortgage Bankers Association. Other officers are Paul Ashby, vice president, Central National Bank, vice president, and Willard Sutcliffe, State Federal Savings and Loan, secretary-treasurer.

PERRY: First National Bank has promoted Mrs. Agnes Malcolm and Marvin L. Mahr, Jr., to assistant cashiers.

REMSEN: John T. Carter, recent graduate of Iowa State University, Ames, has joined the staff of the First Trust and Savings Bank.

NEBRASKA NEWS

GENEVA: An application for a new state-chartered bank has been granted to John R. Bixby. The bank will be known as the Fillmore County Bank and Mr. Bixby will be president.

LINCOLN: Richard Kearns, 22, has been elected cashier of Lincoln Bank South. He has been operations manager.

LINCOLN: Directors of the First National Bank & Trust Company have promoted Richard Frizell to assistant vice president in the trust and investment department. New assistant cashiers are: Gordon Kuhn, commercial loans; Gerald Holscher, mortgage loans, and Dwain C. Carlson, trust and investments. The Lincoln

Tour and Travel Division of the bank also has moved into its new quarters in the First National Bank building.

OMAHA: Among new 10th Fed appointments made last week was John W. Hay, Jr., president, Rock Springs National Bank, Rock Springs, Wyoming, to Omaha branch board, replacing R.E. Barton, president, Wyoming National Bank of Casper.

OMAHA: Grand opening for West Omaha National Bank's new building at 90th and Dodge will be January 14-15, according to J. Peter Jeffrey, executive vice president.

OMAHA: South Omaha Stock Yards National Bank has raised rates to 4¼ per cent on savings certificates of deposit. Rate for one year will be 4½ per cent. Omaha National Bank and United States National Bank had previously raised their rates to 4¼ and 4½. First National Bank is remaining at 4 per cent.

OMAHA: Richard Walker, the president of Byron Reed Company, Inc., Omaha, has been elected to the board of directors of The United States National Bank.

OMAHA: Archer Daniels Midland Company has announced plans to build a large soybean processing plant in the Omaha area. The company now has a grain merchandising office in Omaha and nine alfalfa dehydrating plants in Nebraska.

MINNESOTA NEWS

BLUE EARTH: The Blue Earth State Bank is observing its 60-year anniversary as a state-chartered bank.

HOPKINS: Northwestern National Bank has promoted Richard Klingen from assistant vice president to vice president and named Charles Kersten and W. Morton assistant cashiers.

MARSHALL: Arlen Krugerud and Douglas Anderson have been

named assistant cashiers of the Western State Bank, Marshall.

MINNEAPOLIS: William B. Bell has been advanced to assistant vice president of the Second Northwestern National Bank.

MINNEAPOLIS: The Fed has promoted William C. Bronner from assistant vice president to vice president in charge of fiscal agency functions. He replaces Melvin Holmgren who retires at year-end. Frederick Cramer has also been advanced to vice president. John McDonald, assistant vice president, was named cashier. Ronald Graham was named general counsel.

RUSH CITY: State Bank of Rush City will build a new building in 1966.

SOUTH ST. PAUL: Charles W. Messenger has been advanced by the Stock Yards National Bank from cashier and controller to vice president and cashier.

WILLMAR: Paul Vollan, Jr., former managing officer of the Guarantee State Bank, St. Paul, has resigned to join the Citizens National Bank as executive vice president.

COLORADO NEWS

AURORA: Peoples Bank has started an expansion and remodeling program which will include a one-story addition to the bank building.

DENVER: Robert P. Zahller, vice president, First National Bank, has been named a director of First National, Southglenn, an affiliate of the First.

DENVER: William M. White, Pueblo, a widely known Colorado banker and business executive, has been elected as a director of the First National Bank. He is

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chairman and president of the Minnequa Bank of Pueblo, the First National Banks of Alamosa, Durango, Salida, and the Bank of Aspen.

DENVER: American National Bank has named R. C. Kennedy as vice president and cashier, and John W. Wickham as controller.

DENVER: Don M. Whiteman has been advanced from executive vice president to president of the First National Bank of North Glenn.

DENVER: The Colorado Bank Board has concluded its hearing on the application of the Erie Bank to move to the Villa Italia Shopping Center under the name of the Villa Bank of Jefferson County. Decision has not been announced.

DENVER: Fred Neef, Denver attorney, is a new director of the Colorado State Bank.

DENVER: Funeral services were held last Monday for Harold Kountze, 80, honorary chairman of the Colorado National Bank.

DENVER: First National Bank directors have voted to transfer \$2 million from undivided profits to surplus, raising the latter to \$19 million.

SOUTH DAKOTA NEWS

DELMONT: Hearings have been

held by the South Dakota banking department to allow the First State Bank, Armour, to establish a branch in Delmont.

ELK POINT: O. D. Hansen, president of The Bank of Union County, has sold his majority stock in the bank to Erling Haugo and associates of Sioux Falls. Mr. Haugo is president of the Valley National Bank.

MILLER: First National Bank has advanced Howard Peterka from vice president to executive vice president; Dwayne Halse to vice president, and Robert Hager to assistant cashier and auditor.

ROSLYN: The Farmers and Merchants State Bank recently held its 10th annual open house celebration. Among other door prizes, 10 silver dollars were given away to youngsters who visited the bank.

NORTH DAKOTA NEWS

HILLSBORO: Harry Eisenbeis has been advanced to president of the Northwestern State Bank. He also serves as cashier.

MONTANA NEWS

GREAT FALLS: John S. Hartwell has been elected cashier of the First Westside National Bank. Effective January 1, Robert M. Pancich will begin his duties as assistant cashier of the Metals Bank and Trust Company, Butte.

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(Continued)

bank would exercise prudence in availing itself of the enhanced flexibility in competing for funds."

It is anticipated by some authorities that the Board of Governors of the Federal Reserve will impose formal new restrictions on time deposits and certificates, particularly affecting smaller-denomination CDs.

LATE NEWS

WALTHILL, NEBR.: James B. Rossiter will advance to the presidency of First National Bank January 1, succeeding P.H. Langenberg, who is retiring. Mr. Rossiter purchased control of the bank in January, 1965. Mr. Langenberg has been with the bank more than 52 years. Harold E. Matney, of Walthill, joined the bank staff several weeks ago.

NATIONAL NEWS

CHICAGO: Several promotions and assignment changes have been announced, effective January 1, at the Federal Reserve Bank of Chicago. Laurence H. Jones, vice president and cashier, will be responsible for special assignments from the president and first vice president. He will relinquish the title of cashier but will continue to be senior officer in charge of several functions. Carl E. Bier-

has been named cashier.

CHICAGO: Most of the remodeling work has been completed on Northern Trust Company's "old building" on LaSalle Street, and the savings department has been opened on the ground floor level.

CHICAGO: Don H. McLucas and Norman McClave, Jr., have been named senior vice presidents at Northern Trust Company. Named vice presidents were George B. Milnor, Robert P. Billingsley, Robert C. Nihan, Robert G. Dederick and Robert M. Wilson.

DALLAS: Karl Hoblitzelle has been named chairman of the board, emeritus, of the Republic National Bank of Dallas. James W. Ashton has been named chairman of the board and chief executive officer, and James W. Keay has been elected president and a director.

KANSAS CITY: Ronald G. Garthwaite has been appointed director of public relations at City National Bank and Trust Company. For the past five years he was assistant cashier and director of advertising and public relations for City National Bank and Trust of Rockford, Illinois.

LOS ANGELES: Richard J. Flamson, III, vice president of Security First National Bank, has been named head of the national division, which includes correspondent banking relationships throughout the nation.

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Jr., senior vice president in the bond department of Prudential Life Insurance Co., has been elected executive vice president and will oversee the entire investment area.

NEW YORK: Harry F. Schroeder has been named vice president and senior controller of Bankers Trust Company. Ashley Weare has been named controller.

NEW YORK: William T. Hayes and Samuel Lord, Jr. have been named vice presidents in the corporate trust department of First National City Bank. Leonard Joy and John F. Lennon were named vice presidents. Both are in the trust division.

NEW YORK: J. Howard Laeri has been elected vice chairman of the board of First National City Bank. Succeeding him as executive vice president in charge of the national division is Edward L. Palmer. William I. Spencer has been named the executive vice president of a new specialized industry division.

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