

WEEKLY NEWS BULLETIN

from **NORTHWESTERN
Banker**

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Saxon Approves Iowa Rate Increases As Minnesota Considers Court Action

Confusion was added to the already unsettled regulatory scene last week when First National Bank of Council Bluffs, Iowa, obtained a ruling from Comptroller of the Currency James J. Saxon that says Iowa national banks may pay in excess of 4 per cent interest on time money. Previously, the Comptroller had notified Iowa national banks they must abide by Iowa state law (which presently limits savings and time money interest to 4 per cent maximum), as governing all banks.

The Comptroller's reversal was stated to be based on a phrase in the Iowa law that says if banks in Iowa pay more than 4 per cent interest, that such funds must be considered "notes payable" and not time money. The Comptroller said that if Iowa law permits payment in excess of 4 per cent on *any* basis, that national banks may then pay up to the 5½ per cent limit on CD's as authorized by the Federal Reserve December 6. He further ruled national banks need not

carry this money as "notes payable" but as certificates of deposit.

First National of Council Bluffs accordingly is issuing one-year CD's at 4½ per cent interest compounded quarterly to an annual return of 4.58 per cent. 90-day CD's are 4¼ per cent compounded quarterly.

In other interest rate activity, Clarence Lodahl, acting commissioner of banks in Minnesota, has announced that a public hearing will be held January 24 to establish whether or not higher interest is to be permitted to all state banks and trust companies on certificates of deposit which will compare to that permitted national banks under Federal regulations. Minnesota state law requires that the Commissioner give at least 30 days notice of such a public hearing.

Meanwhile, court action is threatened by the Independent Bankers of Minnesota to determine if the state has jurisdiction over banking in Minnesota, instead of the Federal authorities.

The Minnesota Banking department has a regulation which prohibits state banks from paying more than 4% interest on certificates of less than \$100,000. National banks, which are limited by Federal law (U.S. Code Title 12, Sec. 371) to the maximum rate that state banks can pay, are paying as much as 4¾% on low-denomination CD's. They base their action on the fact that the Farmers and Mechanics Savings Bank (Minnesota's only mutual savings bank) has no state-imposed ceiling on the interest it can pay. National banks reason that, since the state-chartered savings bank is not restricted by state regulation, national banks can conform to the new Fed regulations.

NATIONAL NEWS

KANSAS CITY: John J. May, vice chairman-administration, and secretary of the board of directors of the First National Bank, died Christmas Day of a heart ailment. Mr. May had been associated with the bank for 56 years, starting as a vacation period office boy while still in school. He was elected executive vice president in 1958 and administrative vice chairman in January, 1965.

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IOWA NEWS

AMES: The College Savings Bank takes a new name today and will be known as University Bank and Trust Company.

CARROLL: Soren S. Kudsk, 73, assistant cashier, Commercial Savings Bank, died earlier this month as a result of a heart ailment.

CEDAR RAPIDS: Peoples Bank and Trust has announced the following promotions: John M. Sagers, to vice president and senior trust officer; Charles Cebuhar, to vice president and trust officer; Earl J. Caywood, to vice president, and James S. Livingston, to vice president and comptroller. New assistant vice presidents are Robert Andrews, Leota Brehm, Don G. Ellis, John H. Hinrichs and James A. Corell, Melvin J. McCalley has been named assistant cashier, and Harlan McCaw named assistant cashier

and auditor.

COUNCIL BLUFFS: Tom Murrey, formerly with the Internal Revenue Service, has joined the Council Bluffs Savings Bank as auditor.

ESSEX: John Liljedahl, vice president and cashier, First National Bank, is new president of the Southwest Iowa Bankers.

ESTHERVILLE: C. Elwood Miller, vice president of Iowa Trust and Savings Bank, has retired after 45 years in the banking business, the last 22 of them with Iowa Trust and Savings. He will continue as a director.

MUSCATINE: The name of the Muscatine Bank and Trust will be changed to First National Bank, Muscatine.

OSCEOLA: Russell Spearman, former cashier of Farmers State Bank, Plainfield, will be the new executive vice president of the Clarke County State Bank. He succeeds W. G. Beatty, who will resign to become a vice president of the Atlantic State Bank, February 1. Ross Gould, a former bank employee, will return as cashier.

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SPILLVILLE: Henry G. Haug, 73, president of the Citizens Savings Bank, died early this month. He had been president of the bank for 23 years.

WEST BEND: Construction has started on a new building for the Iowa State Bank.

WESTSIDE: Henry Linduski has retired as vice president and cashier of the Westside State Savings Bank, and he and his wife will move to Lehigh Acres, Florida.

NEBRASKA NEWS

ARCADIA: Surplus has been raised to \$75,000 by the Arcadia State Bank through a transfer of \$25,000 from undivided profits. Capital is \$50,000.

BROKEN BOW: T.T. Varney, Jr., president of the Broken Bow State Bank, died at age 61, last week of heart attack.

ELKHORN: The Bank of Elkhorn has recently held open house in its new facilities. The bank is also observing its 50th anniversary.

HASTINGS: Dr. Robert C. Smith, a practicing physician in Hastings, is a new director of City National Bank.

HOLBROOK: Extensive remodeling is underway on the interior of the Security State Bank.

MINNESOTA NEWS

DODGE CENTER: Lowell Grasdalen of Blooming Prairie has been hired as ag rep by Northwestern State Bank.

MANKATO: Darwin "Vic" Morness has been named director of advertising and public relations for the National Bank of Commerce.

MARSHALL: First National has



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named Dale Anderson as assistant vice president; Donald Piehl as auditor, and Stanley E. Roll as assistant cashier.

MILAN: State Bank of Milan is observing its 50th year.

MINNEAPOLIS: Marquette National Bank has promoted Stewart Stotesbery as assistant cashier in the correspondent bank department.

MINNEAPOLIS: Thomas V. Markle, vice president of the First Bank Stock Corporation, has been named vice president and treasurer. He takes over the treasurer's duties from Leonard O. Fredell, who retired as treasurer at year-end.

MINNEAPOLIS: Bernhard "Ben" Loewen has been named assistant cashier of the First Hennepin State Bank. He joined the bank in 1959.

RICHFIELD: Summit State Bank, which earlier this year won State Supreme Court Approval to locate at the Hub Shopping Center in Richfield, has become a member of the Federal Reserve System. It has not announced an opening yet and may change its location closer to Bloomington. It is an affiliate of Summit National.

ST. PAUL: As predicted in the *Weekly News Bulletin* last week, a special hearing has been set on interest rates by Clarence Lodahl, acting commissioner of banks in Minnesota. State regulations now prevent state chartered banks from increasing rates on time money in accordance with the new Fed regulations. Hearing will be January 24.

ST. PAUL: First Trust Company has advanced three to vice presidents. They are: Harold Soderman, who was also named secretary; Alvin Hilgedick, and John T. Phillips.

ST. PAUL: Paul O. Pearson, president, Empire State Bank, Cottonwood, and a life-long banker, has been named 1966 treasurer of the Independent Bankers of Minnesota.

NORTH DAKOTA NEWS

BISMARCK: Leroy R. Mielke has joined the First National Bank as assistant vice president and agricultural representative. He has been in the credit department of the First Bank Stock Corporation.

SOUTH DAKOTA NEWS

ARMOUR: First State Bank has secured state approval to establish a bank at Delmont. The First State will acquire the assets of the Delmont Bank and assume its liabilities.

PIERRE: 41st session of South Dakota legislature will convene in Pierre today. Bankers will sponsor customary legislative dinners on January 17 for representatives and January 18 for constitutional officers and senators on January 18.

MONTANA NEWS

BILLINGS: John A. Sillers, vice president of the Midland National Bank, died on December 20.

CONRAD: Farmers State Bank

has promoted S. E. Henderson to executive vice president, according to E. M. Berthelson, president.

COLORADO NEWS

DENVER: Boettcher & Co., Denver investment firm, has named three new partners. They are: James P. Fellows, Frederick B. Tossberg, and George C. Bermingham.

DENVER: Four new officers have been named by Denver U. S. National Bank. They are: J. Harvey Anderson, Jr., assistant comptroller; Alvin W. Haggerty, assistant cashier; John T. Reagan, assistant vice president, and Jack P. Ellis, assistant trust officer.

DENVER: James J. Durkin, senior vice president, Colorado National, will head a new department-banking and corporate relations. Harold Angelo was named vice president-cashier.

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NATIONAL NEWS

CANTON, OHIO: Dwain A. Crawford, corporation secretary for Diebold, Inc., has been elected to the board, succeeding the late John R. Barry of New York.

CHICAGO: Merchandise National Bank has promoted C. J. Lehecka from controller to vice president and controller, and M. C. Evenhouse from cashier to vice president and cashier.

CHICAGO: National Boulevard Bank has elected Robert L. Will as an assistant cashier and William R. Hurley, Jr. as assistant trust officer.

CHICAGO: Five vice presidents of the First National retired December 31. They are: John J. Kaberna, credit department; Martin O. McKevitt, real estate department; Rollin B. Mansfield, trust department; Victor C. von Meding, correspondent division, and Harold H. Hawes, trust department.

LOS ANGELES: Robert L. Thaler has been elected vice president of Security First National Bank's head office planning and development department.

NEW YORK: American Express Company has acquired all of the stock of Uni-Serv Corporation. Uni-Card services are available through 10,000 business outlets in Greater New York on a revolving credit basis.

LOS ANGELES: Clifford Tweter has been elected president of Western Bancorporation, succeeding M. E. McMillen, retired. Fred S. Huber has been named executive vice president.

LOS ANGELES: Shareholders of United California Bank have voted approval of a merger with Security National Bank of Monterey County, Pacific Grove. Security had deposits of \$16.7 million. United has also announced the election of Norman Barker, Jr., to senior vice president and assistant to the president.

NEW YORK: Franklin National has elected Patrick J. Clifford as executive vice president. Jerome D. Twomey has been named president of the metropolitan division.

NEW YORK: Senator John Sparkman (D. Ala.) will address 18th National Credit Conference at Americana Hotel, New York, January 31-February 1.

NEW YORK: First National City Bank has named Stephen C. Eyre, Homer C. Lathrop and P. Henry Mueller as senior vice presidents. All are in national division serving correspondent banks.

ST. LOUIS: John H. Armbruster, president of Community Federal Savings and Loan and a director of St. Johns Community Bank, is a new director of Bank Building and Equipment Corporation.

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ST. LOUIS: William S. Lowe, president of A. P. Green Refractories in Mexico, Missouri, is a new director of the First National Bank. The bank has named Charles S. Betz vice president.

SAN FRANCISCO: A. R. Zipf and Clarence Baumhefner have been named executive vice presidents of the Bank of America.

WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.
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