

WEEKLY NEWS BULLETIN

from **NORTHWESTERN
Banker**

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Randall Rules Against Advertising FDIC Coverage on Certain Deposits

The FDIC ruled last week that Iowa banks may not advertise that FDIC coverage is available for any funds on which interest in excess of 4 per cent is paid. The ruling was in the form of a telegram from K. A. Randall, FDIC chairman, to John Chrystal, Iowa superintendent of banking, who had requested clarification earlier. Mr. Randall said that in view of the Iowa statutory provision limiting such interest to 4 per cent, and provisions of the Federal Reserve Act which limit interest paid on deposits in member banks to that permitted by state law, no Iowa bank should give any assurance to customers of the availability of FDIC insurance "until further announcement is made by the FDIC board of directors."

As reported here a week ago, First National of Council Bluffs recently obtained a ruling from Comptroller of the Currency James J. Saxon that Iowa national banks may pay in excess of 4 per cent on time money, a ruling contrary to one he had issued earlier that they must abide by the state law.

Wording of the law itself, however, has made the issue particularly confusing.

How the conflict between FDIC and the Comptroller's ruling will be resolved was not determined at press time. Dale Ball, president of First National in Council Bluffs, told the *Northwestern Banker* that he will, of course, abide by the FDIC ruling. Customers are being issued 4 per cent CD's with a letter of intent attached stating that if permission to pay more than 4 per cent is granted prior to expiration of the CD, that First National will pay the higher rate on the entire span of that CD. The bank will continue issuing its First Savings Bond bearing 4½ per cent interest, but without FDIC coverage.

Across the Missouri River in Omaha, downtown banks and several others are paying higher than 4 per cent under Federal Reserve and state bank director authority. Last week First National of Omaha also began offering a 5-year First National Savings Bond at 4½ per cent. This bond is FDIC insured.

Meanwhile, banks in northern Iowa were expressing concern because banks in southern Minnesota are advertising on north Iowa TV and radiostations with their higher than 4 per cent rates. Scattered reports of money leaving the state had come in last week. Mr. Chrystal said, "No matter what my opinion is, Iowa banks must be allowed to keep the money which they now have on deposit if they are to meet their obligations." Loss of recently-gained deposits would severely hamper some of the state's banks, he said.

One rumor floating around the state was laid to rest last week when Iowa State Treasurer Paul Franzenburg told the *Northwestern Banker* unequivocally that *all* money invested by his department in bank CD's has been placed only in Iowa banks and this now totals \$33,599,000. The unfounded rumor was that Iowa CD money was going out of the state for higher return. The \$33.6 million is purposely invested in CD's of 106 Iowa banks who requested the funds so that the state's money will be used to support the economy of the state through normal financing and commercial outlets.



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IOWA NEWS

CRAWFORDSVILLE: Controlling interest in Peoples Savings Bank has been sold to William R. Bernau, Cedar Rapids attorney. Sale was negotiated by Reginald Figge Associates.

DAVENPORT: First National Bank directors have promoted Jay M. Bennett to vice president. He is manager of installment loans.

DES MOINES: James C. Enyart and John M. Kurtz have been elected directors of the National Bank of Des Moines.

DES MOINES: Kenneth E. Glass, West Des Moines, has been promoted to regional director of the U. S. Treasury's Savings Bond Division.

IOWA CITY: Hawkeye State Bank opened last Monday in its new brick and concrete building.

MT. PLEASANT: Open house is scheduled this afternoon from 4 to 6 p.m. at the newly-remodeled Mount Pleasant Bank and Trust Company.

SPENCER: Chet Huntley, NBC news commentator, was in Spencer last Saturday to help celebrate the second anniversary

of the Spencer National Bank.

NEBRASKA NEWS

BIG SPRINGS: An educational trust fund for the orphaned sons of Mrs. Lois Ann Holthan totals more than \$78,000. Mrs. Holthan, a bookkeeper in the Farmers State Bank, was one of three persons murdered when the bank was held up last June 4. Her husband had died less than a year earlier.

OMAHA: Joseph Kennedy has been named assistant manager of the Dean Witter and Company office.

OMAHA: Clifford Hardin, University of Nebraska Chancellor, has been reappointed chairman of the Omaha branch of Federal Reserve Bank of Kansas City. John T. Harris of McCook was reappointed to a third two-year term on the Omaha board. Homer A. Scott of Omaha was reappointed chairman of the Kansas City Fed board.

WAUSA: N. T. Tiemann, president of Commercial State Bank, has officially filed as a Republican candidate for election as Governor of Nebraska next fall.

MINNESOTA NEWS

BIG LAKE: Ed H. Anderson, 70, former cashier, Citizens State Bank, died at his home in Monticello recently. He had been in ill health since his retirement last year.

COKATO: First National Bank has taken an option on a local building for the purpose of future expansion, but has announced no definite plans.

MARSHALL: Dale W. Anderson

was named assistant vice president, Donald I. Piehl, auditor, and Stanley E. Roll, assistant cashier, at the First National Bank recently.

MINNEAPOLIS: Judson Bemis, Minneapolis, has been designated chairman and Federal Reserve agent of the Federal Reserve Bank of Minneapolis for 1966. Edwin G. Koch, president, Montana College of Mineral Science and Technology, Butte, has been reappointed a director of the Helena branch of the Minneapolis Reserve Bank for a two-year term which began January 1.

MINNEAPOLIS: Stewart L. Stoesbery has been elected an assistant cashier in the correspondent bank department at Marquette National Bank.

MINNEAPOLIS: Ernest J. Taylor has been elected assistant cashier at National City Bank.

MINNEAPOLIS: Leroy H. Berg, vice president, Northwestern Bank, and manager of the bank's Lake Street office, has retired, ending a 47-year banking career.

MINNEAPOLIS: Charles E. Corchran, vice president and cashier, and Walter A. Howe, assistant vice president, have retired at First National Bank.

MINNEAPOLIS: Vice President Thomas V. Markle has been named treasurer of First Bank Stock Corporation, succeeding the retired Leonard O. Fredell.

RICHFIELD: The new Summit State Bank of Richfield-Bloomington is expected to open for business in early April or May.

SPRINGFIELD: N. V. Swanbeck, president, Farmers and Merchants State Bank, was honored last month for his 45 years of banking in Springfield.

VASA: White Rock State Bank last month celebrated its 50th anniversary in business.

WATERTOWN: William F. Mass, vice president, Peoples State Bank, has retired following a banking career of 42 years.

ZUMBROTA: M. C. Rockne, 65, president of the Farmers Security State Bank for the past

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13 years, died last month following a heart attack.

SOUTH DAKOTA NEWS

ABERDEEN: Duane Anderson has been elected vice president and trust officer of the First National Bank, effective Friday, January 15, succeeding Orley Rath, who resigned to enter private law practice. Dennis Bale, Norgrin Sanderson and Ron Rivett have been elected assistant cashiers at the bank.

LAKE NORDEN: L. A. Lohr, veteran Lake Norden banker, has retired as cashier of the First State Bank, effective January 1.

PHILIP: Gregor A. Weber has been advanced from cashier to vice president and cashier and Robert A. Payton has been named assistant vice president at First National Bank.

RAPID CITY: John T. Vucurevich has sold majority interest in United Corporation, which owns approximately 84 per cent of the Rushmore State Bank, to Billy O. Phillips and Maurice L. Test, both of Des Moines, Iowa. Mr. Phillips will be chairman of the board. Present bank personnel will continue in their same positions to operate the bank. Mr. Phillips is a building contractor in the Des Moines area. Mr. Test is an attorney. Both men also have interests in Fort Lauderdale, Florida. Mr. Vucurevich's other banks in South Dakota, Montana and Wisconsin were not affected.

SIOUX FALLS: A. E. Friday has been elected vice president and Donald A. Isaacson and Richard Pruitt have been elected assistant cashiers at National Bank of South Dakota.

NORTH DAKOTA NEWS

BERTHOLD: A hearing will be held January 14 at 1 p.m. in the office of State Examiner Eugene Rich on application of First Western State Bank, Minot, for a paying and receiving station at Berthold. American State Bank of Minot recently opened such a facility in Berthold.

BISMARCK: The North Dakota Banking Board has authorized all banks to pay up to 4½ per cent compounded quarterly on time deposits. The previous limit was 4 per cent.

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CARSON: Lloyd Kempf, president of the Grant County State Bank, resigned his position last month. A successor is to be named at the bank's annual meeting this month.

GRAND FORKS: Pershing Boe has been elected president of First National Bank. He was vice president and trust officer of First National Bank and Trust Fargo. He succeeds Fred R. Orth, who continues as chairman of the board. Mr. Boe takes office in February.

VALLEY CITY: Arthur I. Nelson, assistant cashier, First National Bank, Marshall, has been named cashier of the American National Bank, Valley City, effective January 1.

MONTANA NEWS

BILLINGS: First Bank Stock Corporation, Minneapolis, has transferred \$1.3 million to a subsidiary bank in Billings, Montana, to cover bad loans discovered after a vice president of Midland National Bank, Billings, died in an automobile fire. John A. Sillers, 39, the vice president of the Montana bank, died December 20 when his automobile exploded and burned while parked on the rim rocks overlooking Billings. Bank officials initiated an investigation of the bank's financial condition following the vice president's death.

BILLINGS: Directors of First National and Billings State banks voted merger of the two banks last month. Approval of stockholders and Comptroller of the Currency still must be obtained. The resulting bank would have about \$42 million in assets and would be part of the Northwest Bancorporation, with which Billings State is now affiliated.

BUTTE: Robert M. Pancich has been elected assistant cashier and assistant operations officer at Metals Bank & Trust Company. Mr. Pancich had been cashier at First Westside National in Great Falls.

CUT BANK: R. R. Bartschi has been named to succeed H. M. Emerson, Jr., who recently resigned as vice president and cashier of the First National Bank. Art Wiedeman, Jr., assistant cashier, First National Bank, Glendive, has also joined the staff of the First National in Cut Bank.

GREAT FALLS: John S. Hartwell has returned to First Westside National from First Bank Stock Corporation in Minneapolis as cashier. He succeeds Robert M. Pancich, who moved to the Metals Bank and Trust Co., Butte, as assistant cashier.

WYOMING NEWS

CHEYENNE: Norris E. Hartwell, 77, state examiner since 1941, retired January 1, and was succeeded in that post by Dwight Bonham, who has been deputy state examiner.

LARAMIE: At University National Bank, Mrs. Edward Mayfield has been named auditor, and Mrs. Charles F. Yeoman, Jr., and Bill C. Prowell II, have been elected assistant cashiers.

COLORADO NEWS

COLORADO SPRINGS: Plans for what could be the 18th commercial bank in the area have been disclosed. A letter of intent has been filed with Harry Bloom, state bank commissioner, proposing a Bank of Woodmore near the interchange of Inter-

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DENVER: The First Colorado Bankshares, Inc., four banks—Security National, First National of Englewood, University Hills and Lakeside National—are offering 4.85 per cent on 2-year CD's, 4.75 per cent on 1-year CD's and 4.5 per cent on 6-month CD's.

DENVER: Louis W. Gnam has been elected assistant vice president of J. K. Mullen Investment Company and has been placed in charge of sales activities.

DENVER: John T. Reagan has been elected assistant vice president at Denver U. S. National Bank. J. Harvey Anderson, Jr. has been named assistant comptroller, Jack P. Ellis, assistant trust officer, and Alvin W. Haggerty, assistant cashier.

DENVER: Cris Dobbins, president, Ideal Cement Company, has been appointed to the board of the Denver branch of the Kansas City Federal Reserve Bank.

LAKEWOOD: Charles R. Pyle has been named assistant cashier at Rocky Mountain Bank.

LAKEWOOD: John S. Hellman has been elected as assistant cashier at First Westland National Bank of Lakewood.

NATIONAL NEWS

CHICAGO: Arthur T. Leonard last week retired from Continental Illinois National Bank and Trust Company as chair-

man of the executive committee of the bank's board of directors.

KANSAS CITY: Newt W. Jones and Dulcie (Mrs. Frank L.) Fitzgerald, vice presidents, First National Bank of Kansas City, have retired effective December 31.

LOS ANGELES: Joseph U. Streeter has been promoted to vice president of Security First National Bank's national and metropolitan banking department, head office.

LOS ANGELES: Clifford Tweter became president on January 1 of Western Bancorporation, succeeding M. E. McMillen, who retired. Fred S. Huber was elected executive vice president. Mr. Tweter will continue as president of United California Bank, with his principal duties being with Western Bancorporation.

NEW YORK: Wilbur C. Baldwin and William W. Flanagan have been named vice presidents of First National City Bank.

PHOENIX: Patrick F. Keig and L. G. Kennedy have been elected vice presidents at Valley National Bank. Forrest G. Pearson, Jr., has been named trust officer, Nathan C. Collins, assistant cashier, and Charles H. Koozer, purchasing officer.

ST. LOUIS: James P. Hickok, chairman, First National Bank in St. Louis, has been named

Man of the Year by the St. Louis Globe-Democrat.

SAN FRANCISCO: Francis X. Scafuro has been elected senior vice president of Bank of America (International), New York subsidiary of California's Bank of America. Robert T. Shinkle has been named senior vice president and chief administrative officer for the trust department of the Bank of America. Edgar H. Canfield has been named vice president.

WASHINGTON, D.C.: Effective December 31, the Federal Home Loan Bank Board adopted a resolution permitting Federal savings and loan associations, which distribute earnings from the first of each month on savings received up to the 10th of the month, to distribute earnings from the date of receipt on savings received after the 10th of the month.

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