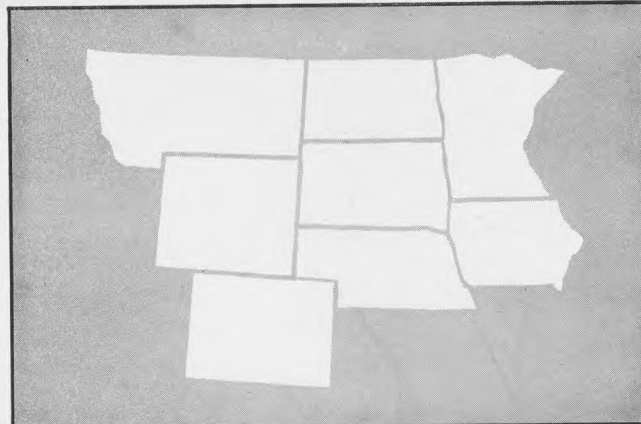


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 966

Des Moines, Iowa

April 25, 1966

State Bank Assets Continue to Grow

Assets and liabilities of all state-chartered banks - mutuals and commercials - increased 2.26% between December, 1964 and December, 1965 according to data supplied by the state bank supervisors from their December calls, and released by the National Association of Supervisors of State Banks.

The relatively small increase in total assets of the nation's 9,509 state banks in part is due to last year's conversion of Chase Manhattan Bank of New York to a federal charter. At the time, Chase Manhattan was the largest state bank in the United States with resources of nearly \$14 billion.

Accordingly, total assets of all state banks, with the exception of those located in the State of New York, increased by 8.18%.

At the end of the December, 1965 period state bank assets totaled \$215,161,223,000.

During the year, assets of the 506 state-chartered mutual savings banks increased 7.10% from \$54.2 billion to \$58.1 billion. By comparison, assets of state-chartered, commercial banks, of which there were 9,003 in operation at the end of the year, increased by only .57%. Again, this slight rise reflects the effects of the Chase Manhattan conversion. By excluding New York from the totals, all other state commercials posted an 8.34% increase.

For all operating banks, demand deposits (IPC) showed a dip of

3.09% during the year as contrasted with a 7.95% increase for time deposits (IPC). On the asset side of the ledger, state banks increased the size of their loan portfolio by 6.75%, while at the same time decreasing the amount of their investments in U.S. Government obligations by 7.37%. Significantly, however, state banks increased their holdings of state and local obligations by 6.98%.

NATIONAL NEWS

CANTON, OHIO: A preliminary agreement has been reached to merge Litton Industries and Diebold, Inc., subject to approval of boards of both firms, and of Diebold stockholders. The merger would expand Litton's operations in the business equipment field to include bank security equipment as well as electronic warning and information retrieval systems.

CHICAGO: LaSalle National Bank has named Walter Nohelty as an assistant cashier in its metropolitan division.

DETROIT: Rodney C. Linton has been named cashier of the National Bank of Detroit, in anticipation of the retirement of Ray Young. Mr. Linton has been assistant vice president and deputy cashier since July, 1964.

ST. LOUIS: Herbert W. Green has

been elected vice president in charge of the Mercantile Trust Company's trust department. He has been with the bank since 1937.

WASHINGTON, D.C.: Thano Dameris, who has been practicing law in Houston, has been named assistant to William W. Sherrill, newly-elected director of the Federal Deposit Insurance Corporation.

WASHINGTON, D.C.: John J. Gill has been appointed assistant secretary of the state bank division of the American Bankers Association, according to Charles R. McNeill, director of the Washington office. Mr. Gill continues as an attorney on the ABA staff.

WASHINGTON, D.C.: The Comptroller of the Currency has issued a call for statements of condition of all national banks at the close of business Tuesday, April 5. Similar calls have been issued by the Federal Reserve Board and the Federal Deposit Insurance Corporation, as well as by most states.

Iowa Treasurer to Withdraw \$33.7 Million from Banks

Official announcement was made Saturday by State Treasurer Paul Franzenburg that, on the basis of a report submitted to him by three economists from Drake University, Iowa State and the University of Iowa, he will withdraw \$33.7 million of state funds

(Continued on back page)

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Notice and Warning

We have been advised by our attorneys to give public notice that we will positively not be responsible for any loss of wholesome laughter, or loss of hearty enjoyment, or loss of information on new problems resulting from your failure to attend this year's Group 3 Meeting, Thursday, May 5 at Clear Lake, Iowa.

Nor will we be responsible for the reprisals inflicted on you by your wife, fellow bankers, directors or wives when they learn what they've missed by your failure to invite them to this "event of the year."

You are hereby advised and warned that all the now-famous attractions will again be featured, and that this will include

- the Chic Ladies Luncheon
- the afternoon program with sensational added feature
- the merry social hour
- the toothsome smorgasbord banquet
- the "top name" all star variety show
- the big-name band dancing
- the valuable door prizes.

YOU ARE URGED TO PROTECT YOURSELF

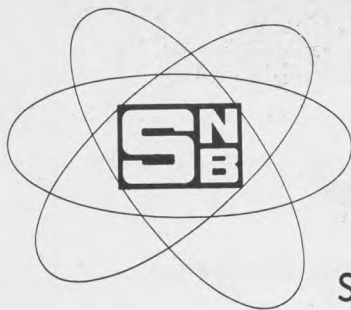
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IOWA NEWS

CEDAR FALLS: Harold L. Brook, manager of product engineering, John Deere Waterloo Tractor Works, has been elected to the board of directors of Midway Bank & Trust Company.

CEDAR RAPIDS: LeFebure Corporation, bank equipment producer, has invited 135 representatives of the industry to see its new "Demonstration Bank" building that was recently built at its plant site.

Visitors will include Fred Sullivan, president, and Franc Ricciardi, executive vice president of Walter Kidder Co., Inc., which is in the process of acquiring LeFebure, subject to approval of stockholders.

DECORAH: J. Norman Lee, vice president Decorah State Bank, died last week.

DES MOINES: The 12th annual Conference on Installment Lending will be held this week by the Iowa Bankers Association at the Hotel Kirkwood. Registration starts at 8:00 A.M., Wednesday, April 27, and the meeting runs through Thursday noon. Ed Hoffman, vice president of the First National Bank, Sioux City, will preside as chairman of the Installment Lending Committee. An informal get together will be held on Wednesday evening.

DES MOINES: State Treasurer Paul Franzenburg reports that the study made by three economists from Drake, Iowa State and the University of Iowa on investment of state funds has been completed. His re-

port on the study, which will determine future investment of state funds is imminent.

IOWA CITY: Approval has been granted by the Comptroller for a parking lot office for the First National Bank, Iowa City, to be located at 1117 William Street (Towncrest Medical Center).

NEVADA: A new Iowa corporation, RecChek, Inc., located here, has been set up to provide an electronic record-keeping system for local banks to offer their depositors.

The new company will be owned jointly by the Nevada National Bank, which developed the system, and Farm Journal, Inc. of Philadelphia. Details of the system were described on page 29 of the December issue of the *Northwestern Banker*.

Dan E. Maloney, Nevada, will serve as president of Rec-Chek, Inc. Sam McHose, chairman of the Nevada National Bank, and Kermit Anderson, president of the bank, aided in the development of the system.

RENWICK: John Walther has joined the Renwick Savings Bank. He has been with the Farmers Savings Bank, Princeton.

NEBRASKA NEWS

GRAND ISLAND: A hearing will be conducted June 15 in Lincoln on an application for a fourth bank here. The bank, to be called the Bank of Grand Island would have a total capital structure of \$400,000. It would be located at 416 South Locust Street. Richard E. Kurtz, former officer at the South Omaha

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National Bank, is one of the key applicants.

HERSHEY: An application has been received for a state bank charter here. The bank would be known as the Hershey Valley State Bank and it would be capitalized at \$100,000. Applicants are E. Dean Niedan, John W. McDermand, Charles W. Baskins, William Callahan and George W. Taylor.

NORFOLK: Earlier reports noted that the hearing on the application for a new bank charter in Norfolk by Roy Dinsdale, Palmer banker, would be held June 1, following a hearing May 25 on a similar application by Richard Kurtz of Omaha. Byron Dunn, state banking director, reports that both hearings will be held May 25.

OMAHA: More than 50,000 farmers and ranchers now have loans outstanding from the Federal Land Bank, according to President Thomas A. Maxwell, Jr. Loans total more than \$601 million for an average of \$12,000 per loan.

MINNESOTA NEWS

MINNEAPOLIS: The series of meetings on the Uniform Commercial Code continues throughout the state this week with meetings planned as follows: Mankato, Inn Towne, April 29; Rochester, Kahler Hotel, April 30, and Minneapolis, University's Mayo Auditorium, April 30.

COLORADO NEWS

DENVER: Hal Keasler has been named territorial money order sales manager in Denver for American Express Company. He is a former special agent for Fireman's Fund.

MONTANA NEWS

CONRAD: Bill Mink, formerly of Clinton, Iowa, is now serving as assistant vice president and manager of the installment loan department of the Farmers State Bank, replacing Jim McEnderfer.

BOZEMAN: The Glacier Conference of NABAC will hold its next meeting at the Baxter Hotel here on Saturday, May 7. Registration

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will start at 9:00 A.M. Election of new officers will be held.

SOUTH DAKOTA NEWS

ABERDEEN: Ron Kranig has joined the Aberdeen National Bank as assistant cashier. He has been with the examining division of the First Bank Stock Corporation, Minneapolis.

GETTYSBURG: Gilbert Jesch has joined the insurance agency of the First Potter County Bank. He formerly managed an insurance agency in Farmington, Minnesota.

REFUSE BRANCH PLAN IN WISCONSIN COUNCIL

Proponents of branch banking in Wisconsin suffered a setback last week. The legislative council, a unit of the state legislature, failed to get enough votes to approve a subcommittee's recommendation for amending a branching bill. The group scheduled another vote on the issue for May when the Wisconsin legislature resumes its 1966 session.

The amendments would restrict branching to the county of the bank's head office or up to 35 miles away for banks in counties of 50,000 population or less - and 20 miles away for counties with populations of over 50,000 where county lines intervene. In addition, a bank would be prohibited from branching within a mile of the home office of another bank in the same town, but there would be no distance restrictions pertaining to another bank's branches.

The Badger State Association of Banks, which supported the bill that cleared the Assembly last

summer, is reported to favor the amendments. (The Assembly-passed bill was turned back to committee by the Senate).

The Wisconsin Bankers Association plans now to poll its members on the branching measure.

A branching bill in Wisconsin must receive a two-thirds vote of the full membership of each house. The bill already has passed the Assembly so the amended version would require only a simple majority in that house.

Wisconsin banks have been prohibited from branching since 1947. The legislature last year gave state-chartered savings and loan Associations the right to branch.

In the May Issue of ...

The NORTHWESTERN BANKER

Agricultural lending is the theme of the May issue of the *Northwestern Banker*, scheduled for mailing this week.

You will want to read: "The Challenge of the PCA's" by David A. Shern; the results of an exclusive new survey on Farm Lending, and selected articles on Automated Farm Accounting Procedures.

In addition, pre-convention programs for 10 state, regional and national conventions are featured, including Iowa and Montana Group Meetings, Nebraska, South Dakota, North Dakota and Colorado State Conventions, the Regional NABAC Meeting in Omaha; the Independent Bankers Convention in Las Vegas; the ABA Mortgage Conference in Minneapolis, and the AIB Convention in San Diego.

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OMAHA

IOWA TREASURER...

(Continued)

earlier deposited in 103 Iowa banks.

The funds, which have drawn the legal limit of 4% in the banks, will be invested in U.S. Treasury Bills at a return of nearly 5%.

Mr. Franzenburg estimated that leaving the funds in the banks would result in a loss of \$320,000 to the Iowa Treasury in the next year.

Acknowledging that entire and immediate withdrawal could lead to disruptions in certain communities-including boosted loan-deposit bank ratios-the Treasurer, in a letter delivered to each of the state's banks Saturday, spelled out a graduated withdrawal schedule.

LATE NEWS...

DENVER, COLO.: Central Bank & Trust Company, long opposed to branch banking, is "reassessing its position," according to Max G. Brooks, president and chairman, in the light of the trend toward forming affiliate banks or bank holding companies in order to gain a competitive advantage despite branch banking laws.

DES MOINES, IOWA: The Board of Directors of Pioneer Hi-Bred Corn Company has announced an open house at the company's newly-remodeled headquarters Sunday, May 1.

MINNEAPOLIS, MINN.: Robert F. Gray, chairman and chief executive officer, Geo. A. Hormel & Company, Austin, and Robert J. Keith, president, The Pillsbury Company, have been named as new director nominees of First Bank Stock Corporation.

WINONA, MINN.: Beverly Jean Bellman, 38, assistant cashier, First National Bank, who admitted embezzling from customer accounts, was sentenced last week to 30 months imprisonment by St. Paul Federal Court.

WANT ADS

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

(1) Two Burroughs sensitronic posting machines used since January 1960 under continuous maintenance contract; (2) One Cummins automatic check endorser; (3) Two insulated check file cabinets with trays, bases, and file dividers; (4) One duplicating machine. The First National Bank, Marion, Iowa 52302.

OPPORTUNITY KNOCKS

Give your farm customers an opportunity to see more than one newsletter and let them choose the one they like best by using time tested Preference Rating Survey procedures. Box FBC, in care of the NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

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