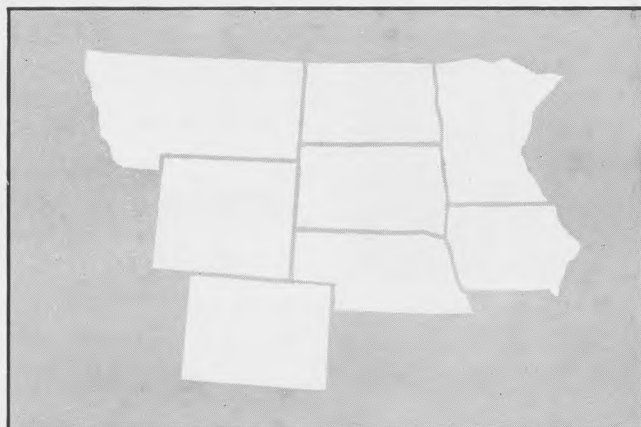


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 978

Des Moines, Iowa

July 4, 1966

Fed Requires Boost in CD Reserves

WASHINGTON, D.C.: The Federal Reserve Board announced June 27 that each member bank would have to increase from 4% to 5% the reserves it keeps on time deposits in excess of \$5 million. Savings accounts and the first \$5 million of time deposits are unaffected by the ruling.

The ruling becomes effective with reserve computation periods starting July 14 for reserve city banks and July 21 for other member banks. The Fed Board said about 950 larger banks are expected to be affected by the new requirement, which would probably raise reserves by \$420 million, of which \$350 million would be from reserve city banks and \$70 million from other member banks.

The board also noted that a survey it conducted shows that as of May 11 there were 103 banks paying more than 5%, most of this on small, negotiable CD's. Total of these CD's was \$3.5 billion, representing about 20% of the \$16 billion outstanding CD's. Nearly half the banks paying more than 5% have deposits of less than \$50 million.

On the same date, 13% of the banks reported CD rates in excess of 4½%, representing 27% of the \$16 billion total.

The Fed Board also stated that the rate of growth in bank time and savings deposits during the first

five months of 1966 was 5%, which is a drop from the 7½% increase registered by banks during the same period of 1965. Most of this represents an absolute decline in passbook savings deposits at those banks which did not change their ceiling rates after Regulation Q was revised upward last December.

The Fed's action in raising the reserve requirement from 4% to 5% on time deposits over \$5 million in each bank was denounced as too mild by Rep. Wright Patman, chairman of the House Banking and Currency Committee, who termed it "a bone tossed from the rich man's table." The House had shelved bills just last week that would have required lowered ceiling rates paid on time and savings money in commercial banks so there would be no competitive edge with Savings and Loan Association, which were up in arms over losing money from share accounts. Federal Home Loan Bank Board Chairman John E. Horne also termed the Federal Reserve Board action "minimal."

The FHLB then announced it would permit member S&L's to pay up to 5% annual interest on six-month savings certificates of at least \$1,000. The previous rate was 4¾%, except in a few key areas where the rate was higher so they could compete with commercial banks. Several southern California S&L's, including the

nation's largest in Los Angeles--Home Savings & Loan Association--are arbitrarily paying 5¼% on regular passbook accounts as of July 1. Chairman Horne said their borrowing power at district banks will be reduced.

Chemical Bank Prime Rate Increased to 5¼ Per Cent

Chemical Bank New York Trust Company, New York's fifth largest bank, has raised the prime rate on loans to business from 5½% to 5¾% and First National Bank of Chicago, second largest bank in that city, has stated that it will follow suit.

Other major New York banks have reported that they are studying the situation.

NATIONAL NEWS

CHICAGO: Continental Illinois National Bank and Trust Company, First National Bank, Harris Trust and Savings Bank and Northern Trust Company are reported to be investigating the possibility of a cooperative credit card system. Discussions, which are said to be in the preliminary stages, have suggested that the plan would be one available to all banks in Illinois and one which could be made part of a national system of similar regional bank credit card plans.

(Continued to back page)

Always the **FIRST** to serve you

We're always ready. Loans, Securities, Trusts, Transit & Collection Service, Operational Services, Credit Information. We're ready with them first!

First National Bank of Omaha





We're here to help
you get what you want

IOWA-DES MOINES NATIONAL BANK

Dale Luckow Member Federal Deposit Insurance Corporation

IOWA NEWS

Uniform Code Becomes Operative Tomorrow

The Uniform Commercial Code becomes operative in the state of Iowa tomorrow, July 5. The Code legally took effect in the state at midnight last night but, due to the July 4th holiday, will not actually go into operation until tomorrow.

COUNCIL BLUFFS: Dale Ball, president, City National Bank, has been elected president of the Iowa-Nebraska Council of the Mississippi Valley Association.

POSTVILLE: Citizens State Bank will observe its 75th anniversary by holding an open house on July 8.

IN IOWA

Bernie Miller
represents
Chicago's only
Stock Yards
bank!

**DROVERS
NATIONAL BANK
OF CHICAGO**

SHEFFIELD: The Sheffield Savings Bank has moved into a new building. F. E. Davenport & Company furnished a stainless steel vault door, safe deposit boxes and other equipment for the new structure. Robert F. Schaefer is president of the bank.

WEST DES MOINES: John Kern has resigned as vice president of the West Des Moines State Bank to join the First Stock Yards Bank, South St. Joseph, Missouri.

NEBRASKA NEWS

MARTELL: The new building for the Martell State Bank is nearing completion and, according to Fred W. Morgan, vice president, will be occupied soon. F. E. Davenport & Company furnished a stainless steel vault door, safe deposit boxes and other equipment for the new bank building.

OMAHA: The Omaha Bankers Association has donated \$500 towards Col. William Brodbeck's "Bucks for Brodbeck" project to help war orphans in Viet Nam. Member banks are the U.S. National, Center, First National, South Omaha Stockyards National, Douglas County, Omaha National, North Side, Ames Plaza, Southwest and First West Side banks.

OMAHA: The First West Side Bank has announced the promotion of P. M. Pedersen to senior vice president. W. E. Jahde was named vice president and cashier. Advanced to assistant vice president

were R. L. Hale, R. G. O'Connor and T. E. Dewey.

OMAHA: L. C. Petersen, in the investment business in Omaha for the past eight years, has joined Kirkpatrick, Pettis, Smith, Polian, Inc., as a vice president.

STANTON: Gerald Eller, vice president and cashier, First National Bank, has been elected president of the Stanton Businessmen's Club. Adolph Stuchlik, vice president, Stanton National Bank, was re-elected secretary-treasurer.

MINNESOTA NEWS

BELGRADE: Open house was held recently in the newly-completed North American State Bank building, across the street from the bank's former location. A photograph of the new building appears in the July issue of *Northwestern Banker*.

DULUTH: James W. Bianco has been advanced from assistant vice president to vice president at Northwestern Bank of Commerce.

MINNEAPOLIS: Robert M. Moore and Bruce C. Winslow have been elected vice presidents at Northwestern National Bank. Mr. Winslow succeeds Vice President Robert H. Baker who retired last Thursday. David W. Cost, James L. Buckles and George M. Whitfield have been elected assistant vice presidents; Charles L. Hagen and John R. Nugent have been named assistant cashiers; Ted A. Smith has been elected trust officer and Kenneth O. Carlson assistant trust officer.

MONTGOMERY: R. Eugene LaFrance has been named executive vice president of the Citizens State Bank. He had been vice president and cashier at the Downtown State Bank, St. Paul.

OGILVIE: A new addition is being constructed at the Ogilvie State Bank. No completion date for the project has been established.

ST. PAUL: Preliminary examinations for two men charged with holding up the First National Bank of St. Paul have been set for Thurs-

Hey, A NEED South of the Borde



George
Harris

Keep this unbrero, but here of gringos who with corrspe of any kind.

Si! These cab riding your often so look



If you have c lems, check w clearings, or overline situat ing you from larger custom gricultural o visit with us.

PUT A "FA THE SPOT! NOW! ADIOS!

PHONE 314

Be of
AND WA
Saint L

Member Fe
Insur



to answer
your questions
on leasing

Emil R. Bowlin

L EASING, INC. 550 11th St.
Des Moines, Iowa
Ph. 288-1087

YOUR STATE BANKERS ASSOCIATION
OFFICIAL SAFE, VAULT AND
TIMELOCK EXPERTS
F. E. DAVENPORT & CO.
OMAHA

migo!
HELP



der your some-
e are a couple
o will help you
ndent services

alleros will be
territory more
for them soon.



ollection prob-
with us for fast
if excess or
ions are keep-
helping your
ers, either ag-
commercial,

ST GUN" ON
Write or phone

GA 1-1850

St. Louis

SHREVE AVENUE
ST. LOUIS 86, Mo.

Federal Deposit
Insurance Corp.

Digitized for FRASER

<https://fraser.stlouisfed.org>

Federal Reserve Bank of St. Louis

day, July 7. A money bag contain-
ing more than \$2,500 was returned
to the bank shortly after the sus-
pects were captured.

ST. PAUL: Elmer M. Volkenant,
vice president of the First National
Bank of St. Paul from 1951 until
his retirement in 1964, died re-
cently.

ST. PAUL: Betty Ann Malcolm, as-
sistant cashier, Stock Yards Na-
tional Bank of South St. Paul, has
been appointed the new chairman
for the women's committee of the
Governor's Commission on Employ-
ment of Handicapped Persons.

ST. PAUL: Louis H. Shears has
been elected vice president of the
Phalen Park State Bank, according
to President Baird G. Holker, mem-
ber of the group which purchased
the institution in April from re-
ceivers for the holdings of Philip
Kitzer, Sr., and his two sons. The
Kitzer holdings collapsed when
American Allied Insurance Company,
St. Paul, was declared insolvent.

ST. PAUL: American National Bank
and Trust Company has purchased
a \$215,000 general obligation build-
ing bond issue originated by the
city of Luverne, Minnesota.

TRUMAN: Peoples State Bank this
month will celebrate its 50th an-
niversary of service to the com-
munity. B. J. Dallman, president of
the bank, was one of the eight
original incorporators of the insti-
tution.

WAYZATA: A group of business-
men headed by H. C. Auble, former
executive vice president, Summit
National Bank, St. Paul, has pur-
chased the North Shore State Bank.
Mr. Auble replaces Calvin R. Olson
as president of the 2½-year-old
bank.

SOUTH DAKOTA NEWS

ABERDEEN: S. H. Larsen, 49, has
been named to succeed Chester C.
Lind as president of the First Na-
tional Bank of Aberdeen. Mr. Lar-
sen has been vice president and
director of the bank since 1963.
Vice President C. L. (Bud) Koch
has been elected a director. Mr.
Lind has been transferred by North-
west Bancorporation to Duluth

IN SIOUX CITY. . . THE
BANK
FOR
PERSONAL
SERVICE



SECURITY NATIONAL BANK

Member Federal Deposit Insurance Corporation

where he will serve as executive
vice president of the First Ameri-
can National Bank.

In the July Issue of . . .
The NORTHWESTERN BANKER

NORTH DAKOTA NEWS

JAMESTOWN: Blaise Johnson has
been elected assistant cashier at
the First James River National
Bank.

COLORADO NEWS

COLORADO SPRINGS: John Wesley
Geary, Jr., 36, assistant trust of-
ficer, First National Bank, died
recently following a brief illness.

COLORADO SPRINGS: Colorado
Commercial Bank has acquired
47,500 square feet of land at the
intersection of Pikes Peak and
Wasatch Avenues as the site for
a new bank building.

DENVER: Allan Longstreet, Jr.,
has been promoted from cashier
to vice president at Lakeside Na-
tional Bank. Herman J. Zueck has
been advanced from assistant
cashier to cashier.

DENVER: George M. Innis has been
elected a vice president and Gene
Guzzo has been named an assist-
ant vice president at North Denver
Bank.

MONTANA NEWS

LEWISTOWN: Thomas Kohoutek,
formerly associated with the Union
National Bank, Minot, North Dakota,
has accepted a position as loan
officer with the First National
Bank of Lewistown.



The July issue of *Northwestern
Banker*, being mailed this week,
features an extensive, exclusive
survey of several midwestern
colleges and universities regard-
ing their instruction in the employ-
ment of electronic data processing
within their business curricula.
Read "What Colleges Are Teaching
About EDP" for a glimpse at what
is being done to prepare tomorrow's
bank officer for efficient employ-
ment of EDP equipment.

Be sure, also, to read "Fourth
of July in Sleepyville" for a tongue-
in-cheek appraisal of preparation
for the Uniform Commercial Code
going into effect in four of the
Northwestern Banker states this
month.

Make Plans NOW to Join...



The NORTHWESTERN BANKER
post-A.B.A. convention 10-day
HAWAIIAN TOUR

1st LINCOLN ...First in Transit Service

FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN
12th & N Street • LINCOLN, NEBRASKA • Member: F.D.I.C.





Call
Howard Nielsen
for...

**Personal Attention
to All Your
Correspondent Needs**

CALL
402
AREA CODE

341-8765



Member Federal Deposit
Insurance Corporation

CHICAGO: Savings certificates paying 6% interest are being advertised by Exchange National Bank here even though the Federal Reserve's Regulation Q imposes a 5¼% ceiling on time certificates of deposit.

The 6% rate is simple interest and is equivalent to a fraction less than 4¾% if compounded quarterly.

The rate offered by the \$200 million Exchange National exceeds the 4½% CD rate prevailing at the other major banks which line Chicago's La Salle street.

KANSAS CITY: Commerce Trust Company has advanced Donald R. Flott and James L. Miller to assistant vice presidents and Bill Haw and Mary Harper to assistant cashiers.

WASHINGTON, D.C.: Pat DuBois, president, The Independent Bankers Association of America, in response to a telegram sent him by Dr. Charles E. Walker, executive vice president, American Bankers Association, has suggested that the ABA does not understand the IBAA stand on proposed interest rate legislation.

Dr. Walker's telegram charged that the IBAA was mistaken in suggesting that banks should be limited to 4½% on consumer-type certificates of deposit.

Mr. DuBois stated that the ABA has failed to understand the IBAA

Mr. Banker . . .

NEED PERSONNEL?

We have registered with us experienced bank executives--men who are qualified to fill the position of Managing Officer, Commercial and Installment Loan Officers, Operations Manager, Agricultural Representative, Cashier, Assistant Cashier and/or someone to head your Insurance Department. Write and tell us of your needs.

Bankers Service

Corporation

1301 Register and Tribune Building

Telephone 515-244-3113

DES MOINES, IOWA 50309

"Serving Banks and Bankers Since 1948"

WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.
NORTHWESTERN BANKER
306 15th St., Des Moines, Iowa

LOAN OFFICER WANTED

Central Iowa bank in good farming community needs second man. Prefer age 30-45 with good general bank experience. Excellent potential for advancement to right man. Salary open. Send resume and recent photo to Box DLW, in care of the NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

DESIRE CHALLENGE OF

NEW BANKING CONNECTION

Present employer backs me up with a complete staff of specialists who know banking from advertising to trust. They have a proven record of providing outstanding service to correspondents in the midwest. They thrive on challenge. All I ask is 30 minutes of your time to tell you about this fine group. That's all. Call Max Roy at 338-5908 in Iowa City. Or phone my boss at La Salle National Bank, 135 South La Salle St., Chicago, Ill. 60690. STate 2-5200 (area code 312). Member FDIC. Complete Trust Services.

AVAILABLE

First release air mail copies of The FARM PICTURE for next month - - \$10.00 per year. Farm Picture, P.O. Box F, Urbana, Illinois 61801.

position and is not aware of "the implications of an interest rate war." He said that his organization feels that an interest rate war would be detrimental for the banking industry and that interest rate limitations should also be placed on thrift institutions.

WASHINGTON, D.C.: As was predicted in the June 27 issue of *Northwestern Banker*, the effort to gain Congressional action favorable to S&L's in their battle for additional funds ground to a halt. The House Banking and Currency Committee, in a surprise move, voted to postpone action for a period of 30 days and dumped the "threatened rate war" problem in the lap of the Fed. The Fed subsequently took action last Monday. For details of that move, and reactions from Rep. Wright Patman, House Banking and Currency Committee chairman, see the story at the top of page one.

LATE NEWS...

OMAHA: Chiles & Company, Omaha, members of the Midwest Stock Exchange, have opened a new office at 119 East Main Street in Vermillion, South Dakota, under the direction of James E. Michels.

Proud of our heritage of service to
Iowa banks, we're building at 6th & Locust
for an even greater tomorrow.



Central NATIONAL BANK AND TRUST COMPANY

Member Federal Deposit Insurance Corporation

Kirk Gross Co
BANK PLANNING
Waterloo, Iowa

No. 978 *Northwestern Banker* is published five times monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscription 50¢ per copy, \$4 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, change of address, Form 3579, manuscripts, mail items to above address.