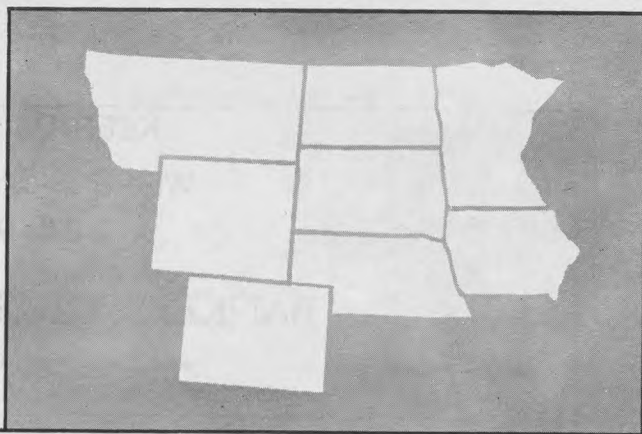


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 986

Des Moines, Iowa

August 15, 1966

Fed Sets Check Encoding Deadline

The 12 Federal Reserve Banks have taken a further step to discourage the use of checks that cannot be handled by high-speed electronic equipment.

Effective September 1, 1967, the Federal Reserve banks will classify as items requiring special handling all checks, drafts and similar items received by them on which the payor's routing symbol-transit number has not been pre-printed, or post-encoded before their receipt by a Federal Reserve office, in E-13B magnetic ink characters in the manner prescribed and in the location assigned by The American Bankers Association. After that date, all such items must be sent to the Federal Reserve offices as noncash items.

On and after September 1, 1967, all such items sent as cash items will be handled by the receiving Federal Reserve office as follows:

(A) Items of \$1,000 or more received from banks located outside the city of the receiving Federal Reserve office will be charged back and entered for collection as noncash items; and

(B) All other items will be charged back and returned.

Thus, while a bank will continue to receive credit in its account at the Federal Reserve Bank within two days for checks bearing the paying bank's identifying routing symbol-transit number in

magnetic ink characters that can be "read" by electronic devices, for other checks the presenting bank will receive credit only after collection is actually accomplished--a process that often requires well over two days.

The Reserve Bank letters also noted that, depending upon progress shown over coming months in the elimination from the collection system of checks that cannot be machine-processed, further consideration will be given--before September 1, 1967--"to determining whether it would be appropriate for the Federal Reserve Banks to take additional action, including possibly the imposition of a collection charge on such items."

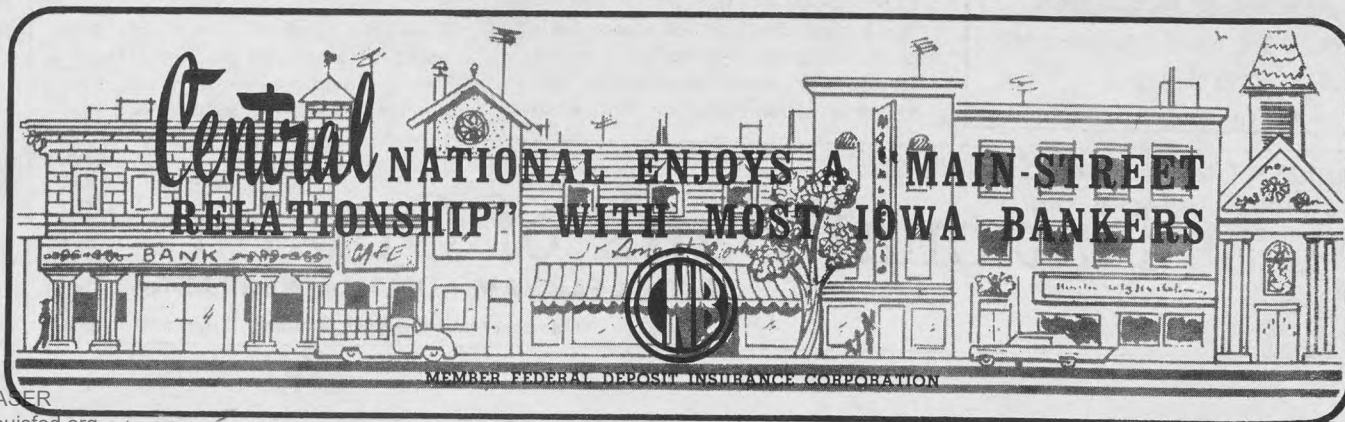
NATIONAL NEWS

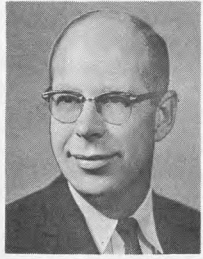
CHICAGO: Robert Walcott, assistant cashier, American National Bank & Trust Company, has been reassigned to travel in Iowa, Nebraska, Kansas, Colorado, Wyoming and Montana. He will be associated in this territory with William B. Aldrich, assistant vice president. Mr. Walcott most recently traveled in Wisconsin, Minnesota, North Dakota and South Dakota for American National and had previously called on Iowa banks for a period of time with the same bank. Doug Mills has been reassigned from Iowa territory to Illinois.

KANSAS CITY, MO.: Effective September 1, Charles G. Young, Jr., will advance from president of City National Bank & Trust Company to vice chairman of the board, retaining full executive responsibility for the trust and bond departments as well as the various administrative and service divisions. R. Crosby Kemper, Jr., will rejoin the bank on that date as president, assuming top executive responsibility for the commercial banking and lending divisions. He will continue as chairman of the board of Grand Avenue Bank, in which he purchased a substantial interest when he left City National as president in 1963. His father, R. Crosby Kemper, Sr., will continue as chairman of City National but plans to retire gradually from active participation in the daily management of the bank.

In addition, John J. Kramer was promoted to senior vice president. In January Mr. Kramer succeeded Dale Ainsworth as head of the central and correspondent banking groups. L.E. Cox was advanced to vice president and continues as head of one of the metropolitan groups of the same division.

SOUTH ST. JOSEPH, MO.: First Stock Yards Bank has scheduled its 10th Annual Market Day for Wednesday, September 7. Bankers and livestock men are invited to the meeting.





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IOWA NEWS

ALLERTON: Open house is scheduled for today (August 15) at Security State Bank so that the new owners, B. M. Millis and Roy Meadows, both of Des Moines, may meet customers of the bank with Keith W. Richard, president, and Glen Greenlee, cashier.

CHARITON: Don Anderson, assistant cashier, has been named head of the installment loan department for National Bank & Trust Company. Howard Swainey, assistant vice president, has also been appointed head of the bookkeeping department. Bill Carter has joined the staff as a bank officer trainee. These changes result from the recent resignation of J. W. Cusack, who has joined First National of Fonda as vice president.

DYERSVILLE: Edward Lauerman, Jr., cashier of Fidelity Bank and Trust Company, has been named to the board of directors to succeed the late Calista Weidner.

EAGLE GROVE: David A. Rouse was elected vice president of the Eagle Grove State Bank, and will assume his new duties here September 1. He is presently assistant vice president, Palo Alto

County State Bank, Emmetsburg, and has been with the Brenton banks since March, 1963. He was married August 6 to Ruth Nolan in Emmetsburg.

GLIDDEN: O. B. Moorhouse, 84, president of the First National Bank, died recently. He had been a Glidden resident 70 years. He is survived by two sons.

JEFFERSON: Tom Cooper, president of Jefferson State Bank, said work was to start the past week on remodeling of the building adjacent to the bank to permit expansion into the new quarters.

LE CLAIRE: FDIC gave approval August 5 for insurance coverage to LeClaire State Bank, and at the same time approved the proposal for the bank to acquire a portion of the assets and assume liability for a portion of the deposits made in Farmers Savings Bank, Princeton, Iowa. At present, LeClaire is operated as an office of the Princeton bank, and William K. Stout, cashier, is manager at LeClaire. President of the LeClaire State Bank will be H. D. Shaff, with Glen H. Suiter as executive vice president, the position he also holds at Princeton. Total capital for the new bank will be \$200,000. No opening date has been set, but it is expected to be later this year.

MASON CITY: Stanley B. Laues is now employed in the agricultural department of the First National Bank. He has moved from Galesburg, Illinois, where he served a ten-county area negotiating first-mortgage loans on farm real estate

for Metropolitan Life Insurance Company.

SIOUX CITY: Security National Bank has announced plans for construction of a six-story addition to the present building. President E. C. Thompson, Jr., said the present main banking floor also will be completely remodeled to tie-in with the new facility.

NEBRASKA NEWS

SPECIAL: Thomas J. Aron, president of the Nebraska Bankers Association and president of Crete State Bank, Crete, signed a bulletin to NBA members August 4 which said in part:

"During the past few weeks the Association has received many calls and inquiries regarding its position on branch banking." He reviewed the record, which showed that the NBA at the October, 1964, group meetings polled the membership on the subject of limited branch banking with these results -- 316 opposed to limited branch banking, 80 in favor, one ballot not marked.

Mr. Aron said the NBA executive council on August 4 reaffirmed their opposition to branch banking as indicated in this poll and stated that if a branch banking bill is introduced in the Nebraska legislature, copies of such bills would be mailed to the members together with a ballot so an expression of views can be obtained. Results of the poll would determine the association's position.

ALLIANCE: Delay in delivery of some equipment was holding up completion of the Alliance National Bank's new building last week. However, President E. M. Knight said the heliport on top of the building was used for the first time when Don Brown, owner of Don's Air Service flew to Alliance in his helicopter, landed on the building top and went for a haircut!

BEATRICE: W. W. Cook, Sr., president of Beatrice National Bank & Trust Company, was recipient of the University of Nebraska's high-

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est service honor, the Nebraska Builder Award, at summer commencement exercises in Lincoln.

HASTINGS: T. L. Rask, president of First National Bank, said the bank has inaugurated its "1st Tour and Travel Service" division, which will be headed by Larry Aden.

LINCOLN: Dale L. Young has been advanced from assistant vice president to vice president and cashier of First National Bank and Trust Company. He succeeds Alvin C. Glandt, who is retiring.

MADRID: The Security State Bank's application for FDIC coverage was approved August 5, according to F. H. Whitlake, president.

WAYNE: L. B. McClure, 79, retired recently as senior vice president of the First National Bank. He will continue as a director of the bank.

MINNESOTA NEWS

ASHBY: Vernon R. Hauge, president, First State Bank, has sold most of his stock in the bank to M. G. Rylander, cashier. Mr. Hauge will continue as president, but is retiring from active duty after 40 years of service. Both men are directors. Two new directors are Kenneth Borg, Ashby druggist, and K. O. Sattre, president of the Blue Earth State Bank.

BROWNSDALE: Dale C. Madison has been advanced from cashier to executive vice president and cashier of the State Bank of Brownsdale, according to R.C. Danielson, vice president.

CLOQUET: Ernest L. Hilkey has joined First National Bank as assistant cashier and assistant manager of the time pay depart-

ment. The past four years he has been with Merchants National Bank and Trust Company, Fargo, North Dakota.

COLUMBIA HEIGHTS: Joseph G. Dircz has been advanced to assistant vice president and manager of the mortgage loan department at Columbia Heights State Bank. Mrs. Lillian J. Anderson, assistant auditor and head teller, has been elected an assistant cashier.

HAWLEY: Elwood A. Griffith begins his new duties today as executive officer of the First National Bank. Since 1948 he has been with Northwestern National Bank, Minneapolis.

MINNEAPOLIS: John K. Ewing, 57, vice president in charge of personnel at First National Bank, died August 2 following a brief illness.

MINNEAPOLIS: Richard L. Federman retired August 1 as vice president of Northwest Bancorporation after 35 years of association with the firm.

SOUTH DAKOTA NEWS

EDGEMONT: Thomas L. Seppala, president of Southern Hills Bank, has sold controlling interest in the bank to Bruce H. Lien, Rapid City. Mr. Seppala will continue as a director. Eugene A. Erickson is resigning as assistant vice president of the Citizens Bank of Colome to join Mr. Lien the latter part of this month in management of the Southern Hills Bank.

SIOUX FALLS: Dan Dugan, 76, director of the First National Bank,

and a prominent contributor to civic enterprises here, died recently.

NORTH DAKOTA NEWS

DRAYTON: Omar Vein has purchased the interest of the late Arthur Fleckten in the Drayton State Bank and the insurance agency, and has succeeded him as president. Mr. Vein resigned recently as vice president of Valley Bank and Trust Company in Grand Forks to move to Drayton.

GACKLE: A. F. Lehr, 86, president of the First State Bank since 1909, died July 29 at his home in Lodi, California, and was buried in Gackle August 3. Survivors include his son, Calvin C. Lehr, vice president of the bank.

MINOT: Don Davison has been



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appointed an agricultural representative at First National Bank. He has been with F. H. Peavey and Company feed mills division since 1961.

ROLLA: Howard E. Brash has been named assistant vice president at The First Bank of Rolla, effective September 1. He will transfer from the Jamestown National Bank, Jamestown, where he is presently assistant cashier.

VALLEY CITY: K. B. Cummings, vice president of the American National Bank, has also been elected to the bank's board of directors.

MONTANA NEWS

BELGRADE: Belgrade State Bank has made application for permission to move its charter to Bozeman, where it would be located in a shopping center at the west side of town. The bank name would be changed to Westside State Bank, according to Carl H. Peterson, who recently purchased control of the bank from Mack T. Anderson, executive vice president. Capital would be increased to \$275,000 from its present \$25,000 capital and \$50,000 surplus. Approval is being sought from the state superintendent of banks and FDIC.

GREAT FALLS: L. C. "Pete" Terrett, senior vice president of the First National Bank, has resigned

to accept a new position as president of the North West Bank in Seattle, Washington, September 1.

SHELBY: First State Bank has named Byron H. Kluth as agricultural representative.

COLORADO NEWS

BOULDER: The Colorado School of Banking continues through August 19 on the campus of the University of Colorado. The two-week school is an annual event.

COLORADO SPRINGS: Winford Griffin, president of Central Colorado Bank, has announced the appointment of William B. Beeson as vice president. Mr. Beeson has been vice president and director of the First National Bank in Lamesa, Texas, for the past ten years.

LATE NEWS...

OMAHA: Morris F. Miller, president of The Omaha National Bank, announces that the bank will open its second outstate computer center in January, 1967. This one will be located at 1908 Broadway in downtown Scottsbluff and will be called the Western Nebraska Computer Center.

The new center will be for the use of banks only initially and to date, 19 banks are scheduled to go on computer when it opens. Larry Benscoter of the main bank EDP center will be manager.

ASHLEY, N.D.: The Central Dakota Bank, whose charter as a state bank was approved recently by the state banking board, has been approved for membership in the Federal Reserve System, according to Vernon J. Scherbenske, spokesman for the organizers.

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