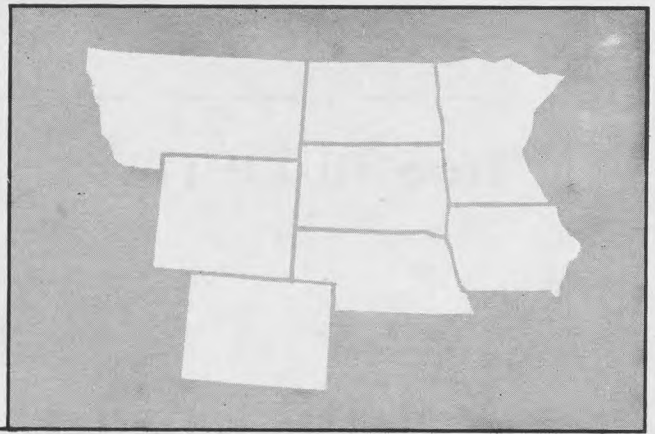


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 987

Des Moines, Iowa

August 22, 1966

Frank Warner Announces Retirement

Frank Warner, dean of the secretaries of the 50-state bankers associations, has submitted his resignation as secretary of the Iowa Bankers Association, effective August 31, 1966, following 50 years of service.

Mr. Warner will continue on an active basis with the Association through the annual convention, to be held in Des Moines, October 16-19, 1966. It is anticipated that a successor will be named by the Council of Administration at that time.

A native of Waterloo, Frank Warner graduated from the State University of Iowa in 1912. After teaching school for a year, he became associated with the Farmers Loan and Trust Company and with the Leavitt and Johnson National Bank, Waterloo. Starting at the bottom, he became general manager and assistant to the president of the Leavitt and Johnson National Bank.

Listing his accomplishments in the field of banking legislation would take nearly as many years as he has served as secretary. The Iowa Bankers Convention, planned under his supervision, year after year, is the largest state bankers convention in the nation. Registration in October, 1965, was 5,241. More detailed information will be published about Mr. Warner in the

October, 1966, Convention Issue of the *Northwestern Banker*.

George Buser, former executive vice president of the Plaza State Bank, Des Moines, was hired as assistant secretary of the IBA in September, 1965, and he is currently serving in this capacity.

Prime Rate To 6%

Basic lending charges were raised by most major banking centers in the *Northwestern Banker* area following an increase in the prime rate to 6% from 5¾% by First National City Bank, New York, and other eastern banks early last week.

The increase had been widely anticipated because of continued upward pressure on interest rates. Individual borrowers in states having a relatively low usuary rate will undoubtedly find it increasingly difficult to borrow money. (Iowa has a 7% usuary rate which applies to individuals).

No immediate reaction was noted from the Johnson Administration, but it was certain that the action wasn't welcome. Senator Albert Gore (D.-Tenn.) said that the Administration must do something about the interest rates or face a strong reaction at the polls.

Senator Gore asserted that

interest rates now have risen to their highest point in 45 years. Home mortgage rates have climbed to 7.5% in some sections of the nation, he said.

Meanwhile, six Republican senators have proposed legislation to raise from 4¼% to 5% the ceiling on Series E bonds. Other government investments are paying up to 6%. The first 6% yield on a Federal agency obligation was marketed last week by the Federal Home Loan Banks. The \$590 million one-year bonds were priced at 99.875 with a 5-7/8% coupon.

One New York banker described the situation by saying, "We are so tight we can hardly wiggle, yet the entire banking system is entering a period of seasonal expansion in loan demands." Ratio of loans to deposits for all commercial banks in the U. S. on June 30 rose to 65.2%, up from 55% prior to about a year ago.

Healthy economic conditions brought about by better-than-average farm and livestock prices have placed many country banks in the *Northwestern Banker* area on a more favorable basis than their city cousins in other sections of the nation.

Up Reserve Requirements

The Federal Reserve Board, for the second time in less than two months has acted to restrain bank

(Continued to back page)

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IOWA NEWS

CEDAR RAPIDS: Peoples Bank & Trust Company is completing its extensive building project. Tentative open house date will be October 6 for bankers and October 9-10 for the public.

CHARITON: Maurice E. Nickel has been advanced from cashier to vice president and cashier at National Bank and Trust Company.

COUNCIL BLUFFS: First National Bank has received official approval from the Comptroller of the Currency to establish a detached teller facility at 13th and Locust Streets in Carter Lake.

DES MOINES: Glenn D. Hummel, farm representative for Iowa State Bank, has been elected assistant cashier.

DES MOINES: Robert K. Popple has resigned as a vice president of Bankers Trust Company to join the Illinois National Bank and Trust Company, Rockford, Illinois, effective September 1, according to an announcement from Eugene Abegg, president of Illinois National. Mr. Popple had been with Bankers Trust for 26 years.

DES MOINES: Des Moines Chapter AIB announces fall semester classes. "Money and Banking" and "Accounting I" will commence at 4 p.m. Tuesday, September 6. "Principles of Bank Operations" and "Trust Department Services" will begin at 4 p.m. Thursday, September 8. All classes will be held at Central National Bank and Trust Company. Contact Larry Welch, Iowa-Des Moines National Bank, for further details.

EAGLE GROVE: Wendell Bailey will succeed James O. Willmore on August 29 as cashier of the Eagle Grove State Bank. On that date, Mr. Willmore leaves to become vice president of the Security State Bank at Hubbard. Mr. Willmore has been with the bank since 1963 and was advanced to assistant vice president last February.

STORM LAKE: H. Wyman Woodke has resigned as vice president and trust officer of Citizens First National Bank to join Storz Brewing Company, Omaha, as comptroller and assistant treasurer.

TIPTON: Linda Marie Moore, 19,

daughter of Mr. and Mrs. James E. Moore, died Sunday, August 14 at a Longmont, Colorado, hospital where she was taken two days after being bitten by an insect while on a mountain hike. She was working at a resort in Estes Park for the summer and was to enroll in Drake University, Des Moines, as a sophomore next month. Mr. Moore is vice president and trust officer of the Tipton State Bank.

VOLGA: Approval was granted last week by the Federal Reserve Board to Central State Bank of Elkader to purchase the Volga State Bank and convert it to an office. The Volga bank has approximately \$650,000 in deposits. It will become Central State Bank's third office.

NEBRASKA NEWS

ALBION: W. D. (Bill) Davis has returned to banking as agricultural representative for the First National Bank here. He was associated with the former First National Bank in Primrose for 18 years, nine of them as president. For the past 14 years he has operated a feed lot in Primrose and the past two years has also been on the Department of Agriculture's ASCS staff in Albion.

ALLEN: The Security State Bank recently completed their extensive remodeling project, which included refurbishing the offices and installing new windows.

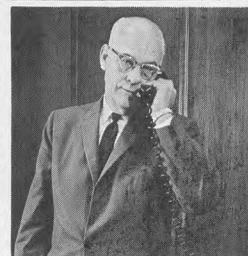
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ALLIANCE: Frank L. Balderson has joined the Guardian State Bank as trust officer. He was formerly in a bank in Grand Junction, Colo.

CLEARWATER: Citizens State Bank has started an extensive remodeling project.

FAIRBURY: The Fairbury State Bank announced the anniversary of the bank's establishment, 30 years ago. In the past five years, deposits have increased almost 50%. Irl Else is president. Harry Zweifel, vice president and W. H. Else, secretary.

OMAHA: James C. Lyle has been promoted from assistant cashier to assistant vice president at The United States National Bank.



Jerry Nelson

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OMAHA: The Comptroller of the Currency has given formal approval to The First National Bank of Omaha to relocate its head office from 16th and Farnam Streets to 16th and Dodge Streets. The latter location is the site of the old U. S. Postoffice building, where First National's new headquarters will be built, as previously announced.

OMAHA: A "Correspondent Bank Centennial Conclave" will be held on Thursday, September 22 by The Omaha National Bank at the Sheraton-Fontenelle Hotel. The event will be a part of the bank's observance of its 100th anniversary.

O'NEILL: Construction on the new building for the First National Bank is expected to be completed by mid-September.

SIDNEY: Don E. Shuck, vice president and cashier of the Sidney National Bank, has resigned to join the Holyoke Bank and Trust Company, Holyoke, Colorado, as president.

VALLEY: H. E. Green, president of the Bank of Valley, has announced the appointment of Ed Vackiner of Scribner as executive vice president. Mr. Vackiner was a Scribner bank officer for the past seven years.

MINNESOTA NEWS

CANNON FALLS: Gunnar Balstad has joined the First National Bank as agricultural representative, according to Paul H. Bringgold, president. He is a University of Minnesota ag grad, and has had extensive experience in management of country elevators, spending the past five years in a local elevator.

MINNEAPOLIS: Donald Lydon has been named manager of the mortgage loan department of Marquette National Bank. He has been assistant vice president of Draper and Kramer, Inc., real estate management firm. He succeeds Paul Patterson, retired.

MINNEAPOLIS: Three of the principal speakers have been announced for the Fifth Annual Convention of the Independent Bankers of Minnesota September 28-29.

ST. PAUL: Minnesota Commissioner of Banks Joseph F. Ringland, Jr., has released his report on figures obtained from the June 30, 1966 statements of condition for the 527 state banks in Minnesota. The total assets are listed at \$2,272,181,877 for the state banks, a gain of just under \$7 million since the December 31 call. The total deposits at June 30 were \$2,064,030,376, down \$2.6 million from December 31.

SOUTH DAKOTA NEWS

WATERTOWN: First Citizens National Bank of Watertown has received permission from the Comptroller of the Currency to delete "Citizens" from its name, so that the official name now is First National Bank of Watertown.

COLORADO NEWS

DENVER: Central Bank and Trust Company will again be host to correspondent bank officers and their wives at its annual Football Party at an Air Force Academy game. The group will watch Air Force play Navy October 1 at Falcon Stadium. The game has generated so much interest from the Rocky Mountain area that all available hotel space has been taken by fans traveling from several states around. Consequently, Central Bank is unable to have its usual formal football party following the game, but the bankers will attend the game as usual in a group as guests of Central Bank and Trust.

NORTH DAKOTA NEWS

CARRINGTON: First National Bank has received permission from the Comptroller of the Currency to establish a branch office in McHenry, located also in Foster County near Carrington.



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MONTANA NEWS

BUTTE: Directors of the First National Bank here and the Daly National Bank at Anaconda have approved a merger of the two institutions under the First National name. Approval is being sought from federal authorities. I. H. Bolitho would be chairman, and Lowry Kunkel, president of Daly National, would be president and chief executive officer. Resources would be approximately \$31,400,000.

WYOMING NEWS

CHEYENNE: Michael E. Price, president of American National Bank, has been elected a director of the Southwest National Bank of El Paso, Texas. This bank recently was purchased by Fred Korth, former Secretary of the Navy and former president of Continental National Bank, Ft. Worth, where Mr. Price was senior vice president before resigning to become president of American National last year.

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issuance of certificates of deposit by raising the reserve requirements behind them.

In its latest action, the board set the reserve requirement at 6%, the maximum permitted by law. In late June, the requirement was raised to 5% from the 4% that had prevailed since late 1962. The new move, like June's, affects time deposits, other than regular saving-account deposits, in excess of \$5 million at each member bank.

NATIONAL NEWS

CANTON, OHIO: Harry B. Parr, former manager of financial analysis and budgets for Chrysler Corporation, has been named controller of Diebold, Inc.

CHICAGO: American National Bank and Trust Company has named Richard P. Deranian as assistant comptroller, and Donald C. Temme as assistant cashier in the international banking department.

CHICAGO: A. John Armbruster, Jr. has been elected trust officer of the Harris Trust and Savings Bank,

Chicago. He joined the bank in 1956.

WASHINGTON, D.C.: James J. Saxon, Comptroller of the Currency, has announced the appointment of William B. Foster, Jr., as Special Assistant to the Comptroller of the Currency for Public Affairs. Mr. Foster succeeds to the position that was vacated by the death of W. Robert Grubb earlier this year.

Committee Approves S.3158

The Senate Banking and Currency Committee rejected an attempt to narrow the scope of legislation intended to impose tougher government controls over financial institutions.

The committee voted 10-4 in favor of a bill which would give Federal regulators the right to crack down on financially unsound practices, and to remove officers whose conduct jeopardizes an institution.

The bill now goes to the Senate floor for a vote.

The bill allows Federal regulators to issue cease-and-desist orders against policies which may harm a bank. The agencies also could suspend or remove officials.

Committee chairman A. Willis Robertson (D.-Va.) had recommended that the committee drop the removal and suspension provision of the bill because of its controversiality. The committee turned down Sen. Robertson's request.

The bill, in its present form, is backed by the American Bankers Association and the U. S. Savings and Loan League.

It is opposed by Comptroller of the Currency James J. Saxon. The regulatory bill also is opposed by the National Association of Supervisors of State Banks.

LATE NEWS

BISMARCK: George M. Thompson,

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acting manager of the Bank of North Dakota for more than four years, is now confirmed as manager. Action was taken by the State Industrial Commission.

MISSOULA, MONTANA: Sale of the Peoples State Bank of Missoula was announced last week. Richard Rubie of Havre and Charles Rubie of Great Falls purchased the bank. Walter G. Morris will continue as president. The bank opened for business in April, 1964.

OMAHA: Herbert H. Meile, senior vice president and trust officer, Douglas County Bank of Omaha, died last Wednesday, August 17 after a long illness. He was 63, was born in Omaha, and graduated from Creighton law school in 1926.

PUEBLO: William M. White, 54, well-known Colorado banker, was killed in an auto collision near Pueblo last week. Mr. White was president of banks in Pueblo, Alamosa, Durango, Salida and Aspen. He was a director of the First National Bank of Denver.

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