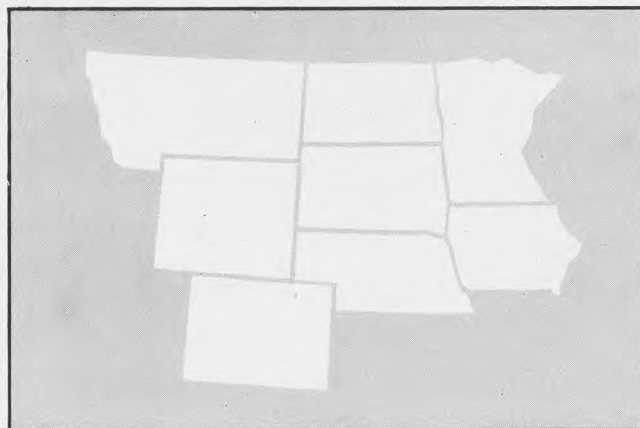


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 994

Des Moines, Iowa

October 3, 1966

ABA Opposes Increased FDIC Figure

The president of The American Bankers Association has expressed the ABA's strong opposition to increased Federal deposit and share account insurance which the House Banking and Currency Committee added to an Administration bill providing the Federal banking agencies with more effective supervisory tools.

Archie K. Davis, who is also chairman of the board, Wachovia Bank and Trust Company, Winston-Salem, North Carolina, termed the Committee amendment "inconsistent with the Administration's fundamental arguments for the 'cease-and-desist' powers." As passed by the Senate on August 22, the measure would provide the agencies with intermediate corrective devices, such as cease-and-desist and officer-removal orders, by which they could achieve regulatory objectives without resorting to the drastic action of closing an institution.

The Senate bill, which has the full support of the ABA, does not contain the insurance increase provision.

The text of Mr. Davis' statement follows:

"The American Bankers Association is unalterably opposed to the \$5,000 increase in Federal deposit and share insurance approved by the House Banking and

Currency Committee as an addition to the Administration's "Cease-and-Desist" bill.

"The insurance increase was added to the bill without the benefit of adequate study or hearings and is, in fact, inconsistent with the Administration's fundamental arguments for the "cease-and-desist" powers.

If the full House approves the committee bill, it then must go to a House-Senate Conference Committee, which would try to work out a compromise acceptable to both House and Senate.

Maximum Rate Lowered

The board of directors of the Federal Deposit Insurance Corporation has reduced to 5% the maximum interest rate that insured commercial banks which are not members of the Federal Reserve System may pay on time deposits of less than \$100,000. The action was taken under the broadened authority granted the Federal supervisory agencies, under the law signed by the President, to establish maximum rates for various types of deposits.

The amendment complements the action being taken by the Board of Governors of the Federal Reserve System to reduce the

maximum rates payable by member banks on certain types of time deposits.

Under the amended regulations, the permissible maximum rate on time deposits in denominations of less than \$100,000 was reduced to 5% from the 5½% ceiling set last December. The maximum rate payable on time deposits in denominations of \$100,000 or more remains at 5½% and at 4% for savings deposits. Multiple maturity deposits continue to be subject to ceilings of 4% and 5%, depending on maturity.

The action under the Corporation's new authority to differentiate deposits by size as well as other reasonable criteria is intended to check further escalation in interest rates on time money.

The reduction in maximum rates on time deposits of less than \$100,000 in denomination does not affect interest paid on certificates of deposit and other time deposits outstanding on the effective date, but these contracts may not be renewed at rates in excess of the new ceiling.

New Bond Issue

Beginning in 1967, the Treasury Department plans to sell a new type of savings certificate at a comparatively high rate of interest, Treasury Secretary Henry H. Fow-

(Continued on back page)

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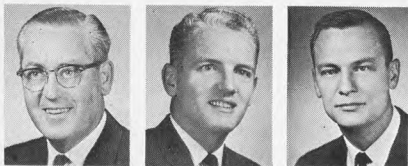
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IOWA NEWS

CEDAR RAPIDS: Open house will be held for neighboring bankers by the Peoples Bank and Trust Co. in its new and expanded quarters on Thursday, October 6. Open house for the public will follow over the weekend.

CEDAR RAPIDS: Merchants National Bank has promoted Thomas S. Martin (bond department) and Eric Hender (correspondent department) to assistant cashiers.

CORALVILLE: Jack Patrick has joined the Coralville Bank and Trust Company as assistant vice president. He has been a state bank examiner working out of Grinnell.



CHRISTY ARMSTRONG LEO KANE LEO SCHLUETER

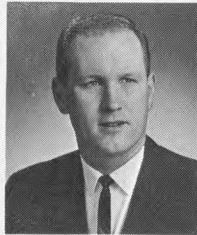
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DES MOINES: Tentative opening for the new Central National Bank and Trust Company building will be in January, 1967.

DES MOINES: Iowa-Des Moines National Bank has purchased the quarter block at the southwest corner of Fifth and Walnut, formerly occupied by Sears, Roebuck and Company. No plans have been announced for the property.

DES MOINES: Federal Reserve officials held a seminar here for 65 Iowa bankers last week (Thursday) on the subject of cost analysis.

NEBRASKA NEWS

LINCOLN: The State Banking Department has approved a change in location for the Bank of Valentine to move to 402 North Main and for the Farmers and Merchants Bank of Edison to move to an adjacent location.

OMAHA: Security National Bank has promoted Anthony Breci and Lyle Haugen to assistant vice presidents, and Richard Thompson was named assistant cashier.

OMAHA: Two agricultural seminars will be sponsored by the Nebraska Bankers Association this fall, according to H. Keith Newton, executive vice president of the Albion National Bank and chairman of the NBA Ag Committee. The meetings will be Wednesday, November 2, Hotel Pawnee in North Platte, and Thursday, November 3, Hotel Lincoln in Lincoln.

OMAHA: Federal Land Bank reports that loans outstanding in Iowa, Nebraska, South Dakota and Wyoming totaled \$640 million, which is \$80 million over last year.

MINNESOTA NEWS

ALBERT LEA: Stanley Jensen has been advanced from assistant cashier to cashier of the Security State Bank.

ALEXANDRIA: Two new directors have been named by the Alexandria State Bank. They are: A.A. Paciotti, local director of adult education, and Herman Felt, cashier of the bank. They replace the late Edgar Engstrom and Jim Noonan, resigned.

ANOKA: First National Bank has named Roy L. Larsen as a loan officer. For the past 11 years, he has been vice president and cashier of the State Bank of Rose Creek.

BLUE EARTH: Dean Willford has been named assistant cashier by the First National Bank. He has been with the First National Bank, Willmar.

DULUTH: Robert Hatten and Timothy Burgess have been named assistant cashiers by the First American National Bank.

ORTONVILLE: A. L. Neuman, president, Tri-County State Bank, has sold his interests to S. R. Anderson of Milan. Mr. Anderson will become president. Ben Zimmerman will continue as executive vice president.

SAINT PAUL: George L. Cobb has resigned as vice president in charge of corporate development division of the American National

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Bank and Trust Company, to become vice president of Holliston Mills of Norwood, Massachusetts. William T. Price, vice president, succeeds Mr. Cobb in charge of the bank's marketing function.

RICHFIELD-BLOOMINGTON: Open house was held this past weekend by the new Summit State Bank, located at 65th Street and Nicollet in the Minneapolis area.

SAUK CENTRE: Dedication ceremonies were held recently by the Independent Bankers Association in its new headquarters building here.

WINONA: Gerald G. Kiekbusch has been advanced to assistant vice president in charge of the installment loan department, replacing Dave Fleming, who has resigned to join a Minneapolis firm. Kenneth L. Harstad was named assistant cashier and will assist Mr. Kiekbusch.

WYOMING NEWS

CHEYENNE: American National Bank has promoted William R. Hall and Frank G. Allen to assistant cashiers. Mr. Hall is in the installment loan department. Mr. Allen is in business development.

COLORADO NEWS

DENVER: Keith R. Ostling has been named systems and programming officer for Colorado National Bank. He started with the bank in 1957.

NORTH DAKOTA NEWS

DICKINSON: Funeral services were held September 24 for James A. O'Brien, 71, president of the Liberty National Bank. Memorials are in the form of a donation to the Cancer Research Fund or to Home On the Range for Boys. He entered banking in 1913.

SOUTH DAKOTA NEWS

HURON: The Uniform Commercial Code as it applies to installment lending was the main theme of the recent Installment Lending Conference held by members of the South Dakota Bankers Association here.

PLANKINTON: Roger D. Schipke, assistant cashier at the Farmers and Merchants Bank of Aberdeen, has resigned to accept a position as manager of the insurance department at Farmers and Merchants State Bank in Plankinton. The move became effective last Saturday. The banks are not affiliated.

SIoux FALLS: The 1966 series of bankers group meetings concluded here on Friday. A complete report will be made in the October issue of the *Northwestern Banker* by Larry Nothwehr on our staff.

WATERTOWN: First Citizens National Bank has changed its name to First National Bank.

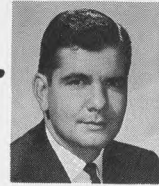
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has approved an office in Roslyn for the Security Bank. The Farmers and Merchants Bank, Roslyn, will continue to be under the supervision of George Gilbertson but will be operated as a branch of Webster.

LATE NEWS...

OMAHA: Carl K. Bufka, trust officer, United States National Bank of Omaha, has been awarded the professional designation of Chartered Financial Analyst by the Institute of Chartered Financial Analysts.

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New Bond Issue
 (Continued from front page)

ler has announced. The certificate will not be redeemable for a specified period, possibly 18 months to two years. Secretary Fowler said details have not been worked out yet but that one possibility is to tie the certificates to the payroll savings plan. For example, for every purchase of a \$25 series E bond, a payroll saver might be given the right to buy one certificate. The Secretary refused to speculate on the interest rate, but said it would be attractive under the going rate for other savings.

LATE NEWS...

RAPID CITY: Negotiations leading to a possible merger of American National Bank and Trust Company with First Bank Stock Corporation of Minneapolis have been undertaken by the two parties. Discussions to date are purely exploratory, a spokesman for the bank said last week, and no final determination has been made by either party.

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