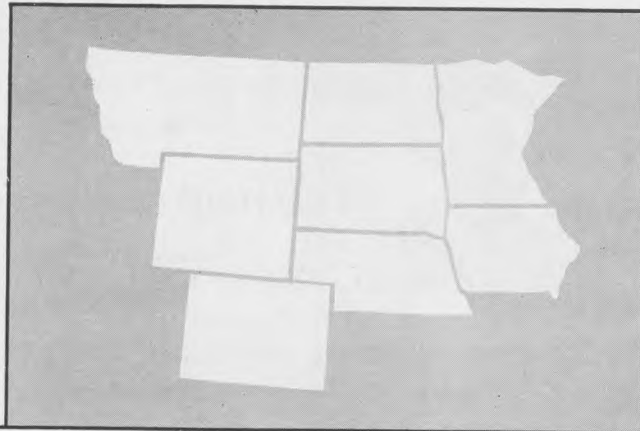


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1007

Des Moines, Iowa

December 12, 1966

Will Treasury Request 5% Certificates?

In view of mounting Viet Nam expenditures and inflationary pressures within the economy, will the Treasury recommend to the President a plan to issue new high-yielding savings certificates to purchasers of Series E Bonds?

Discussion has centered on a plan to issue a savings certificate or note which would pay a rate of about 5%. The "magic five" rate is one of the chief concerns of banks, savings and loan associations and credit unions. Recognizing this, the Treasury is carefully considering the problem. Anything less - 4.75% or even 4.9% would not have the drawing power of the magical 5% rate.

The Treasury may be considering liberalizing the plan as originally conceived. Initially, the idea was to offer the certificate only to persons who purchase E Bonds under the payroll savings purchase plan. Now, it is reported that the Treasury is considering offering it to all purchasers as long as they buy a bond a month.

Concern is expressed as to whether the new certificates would generate any new savings. The original goal was pegged at raising between \$1 billion and \$2 billion. There is a possibility that

investors would redeem present Series E Bonds to purchase the new certificates. This would result in an additional cost to the Treasury without any significant net gain in holdings.

The Treasury reported last week that the cash value of Series E and H savings bonds held by Americans reached a record \$50 billion at the end of November. Series E bonds accounted for \$42.3 billion of the total.

As discussions continue, there is considerable speculation as to the possibility of William Neal, retiring as national director of the savings bond program. If Mr. Neal does retire, many interested parties would like to see Secretary Fowler appoint a highly respected leader from either the banking or business world. The position pays \$25,000 per year.

ABA Proposals

Heading the list of possible ABA legislative proposals is the extension of Federal Reserve requirements to state banks not members of the Fed and placing the reserve requirement on a graduated basis. This proposal was not formally introduced in the 89th Congress, and in the past the

American Bankers Association has preferred a general lowering of reserve requirements and elimination of differences based on geographical locations.

Another key item of legislation of particular interest to a number of banks in the *Northwestern Banker* area will be a possible bill to outlaw the charging of exchange by any insured bank. A bill to accomplish this was introduced in the last session of Congress by Rep. Richard T. Ottinger (D., N.Y.). The ABA's position last year was endorsement of par clearance in principle and reliance on persuasion and education, rather than legislation - to end nonpar banking.

Final ABA legislative proposals will be planned after discussion by the legislative committee, the administrative committee, and finally to ABA's executive council.

Approve Charters

Four new national banks have been approved and five charter applications disapproved, according to the most recent report from the Comptroller of the Currency.

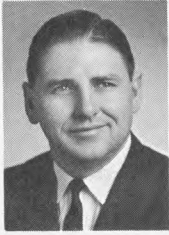
Wisconsin received approval on two new national banks: First Northwestern National Bank, Milwaukee, and First National Bank, Sturgeon Bay. An application for a national bank charter in Jackson, Wyo., was disapproved.

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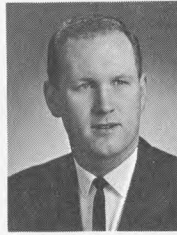
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IOWA NEWS

ADEL: The Dallas County State Bank has established a new public relations and business development department with Russell Horn, vice president, in charge. Mr. Horn has been manager of the Dexter Office. Leland Goodrich, vice president, in the Adel facility, will act as manager at Dexter until a resident manager is named.

CASCADE: The Cascade State Bank has purchased a building adjacent to the bank on the west side. Plans call for the building to be razed in the spring and a parking lot and drive-in facility to be installed.

DES MOINES: Edward J. Burchette, chairman of the board of Valley

Bank and Trust Company, has been elected president of the Greater Des Moines Committee. Purpose of the committee is to encourage and develop business interests in Des Moines.

Elected vice president of the board of directors was Calvin Aurand, president of the Iowa-Des Moines National Bank. William H. Brenton, president of the National Bank of Des Moines was elected a new director.

DES MOINES: The Iowa State Bank and the National Bank of Des Moines have become members of the Des Moines Clearinghouse Association.

EVANSDALE: Robert M. Koele has been named cashier of the First National Bank of Evansdale. He has been in Vermillion, South Dakota, as manager of the Home Trust Savings and Loan since 1964. Prior to his move to Vermillion, he was with the Security National Bank, Sioux City.

Mr. Koele fills the vacancy created when Harold Stowell sold his interests in the bank to become president of a new bank in Galesburg, Illinois.

MINGO: The Mingo Trust & Savings Bank recently declared a 100% capital stock dividend of \$30,000. Capital stock now is \$60,000 and surplus is \$45,000.

MOUNT PLEASANT: Columbus F. Hayes, 74, prominent grain dealer in southeast Iowa, died last week. He was a brother of Ernest A. Hayes, who is well-known in Southeast Iowa banking circles.

OSKALOOSA: Iowa Trust and Savings Bank has received FDIC approval for a parking lot office at the corner of South Market and Third Avenue East.

RED OAK: Paul D. Dunlap, president of the Houghton State Bank, was given the "outstanding boss" award last week by the Red Oak Junior Chamber of Commerce.

SIOUX CITY: Mark Krueger, 74, a director of the First National Bank, died recently.

NEBRASKA NEWS

ATKINSON: The First National Bank in Atkinson recently opened for business in its new building. A formal opening will be held in the near future.

BAYARD: The First National Bank observed the attainment of \$4 million in assets by presenting a portable TV to the patron whose deposit pushed the figure over the goal.

CLEARWATER: H. D. Miller, president and cashier of the Citizens State Bank, was honored recently on his 82nd birthday by bank employees.

GIBBON: The Exchange Bank has increased capital structure from \$60,000 to \$75,000. Surplus also stands at \$75,000.

Also announced was the promotion of Donald E. Harms from assistant vice president to full vice president. He came to Gibbon in 1964 from the Commercial Bank of Blue Hill.

GRAND ISLAND: The First National Bank has completed an extensive remodeling project and a



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ribbon cutting ceremony marking the event was held last week.

LINCOLN: Myron Weil, executive vice president of the National Bank of Commerce, has been elected president of the Nebraska Tax Research Council.

LINCOLN: Incoming State Treasurer Wayne R. Swanson has announced that he will withdraw some \$600,000 in state funds now lying idle in 10 inactive bank accounts and invest the funds in short-term government securities. The inactive funds have been a source of irritation to out-going Treasurer Frensd Sorenson since it was announced early last year that he had deposited about \$1 million in inactive accounts. He subsequently withdrew \$400,000 and invested it in government securities.

LOUISVILLE: The Home State Bank is undergoing a remodeling program on the interior of the bank.

NORTH PLATTE: The National Bank of Commerce in Lincoln has announced that it will lease a building to be built in the Westfield Shopping Center to house its planned computer center here. Burroughs equipment, exceeding \$500,000 in value, will be installed and in operation by late spring.

OMAHA: First Westroads Bank, Inc., has been granted FDIC approval to establish a detached drive-in and teller facility.

PAPILLION: Stock in the Clarke Bank in Papillion and Ralston Bank at Ralston that was in the estate of the late Robert F. Clarke has been sold. Purchaser of the estate's stock in Clarke Bank is a holding company headed by Roy Dinsdale. He is vice president of State Bank, Palmer, and president of the First National Banks in Osceola and Shelby. Purchaser of the estate's stock in Ralston Bank is a group headed by Marvin G. Schmid, Omaha attorney, who is chairman of Southwest Bank, Omaha, and a director of First National Bank, Bellevue. The latter town, Papillion and Ralston all adjoin Omaha on the south.

At the Clarke Bank, Karl Brown, who has been president, will remain as chairman of the board. Mr. Dinsdale will be vice president. Election of a new president will be announced later.

PLATTSMOUTH: R. H. Stillinger, president of the State Bank of



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IOWA-DES MOINES NATIONAL BANK

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Table Rock, will become managing officer of the new Cass County Bank here which opened for business recently. Mr. Stillinger will retain his interests in the Table Rock bank.

MINNESOTA NEWS

CLARA CITY: State Banking Department has authorized the Citizens Bank of Clara City to increase the amount of capital stock from \$50,000 to \$100,000 by a stock dividend.

HECTOR: Dave Spreiter, formerly executive vice president of the Security State Bank, has been named president. He succeeds his father, L. L. Spreiter, who was elected chairman. In another change, Curtis Anderson, cashier, will take on the additional duties of vice president.

Also announced was the purchase of controlling interest in the bank by David and Steven Spreiter. Steven Spreiter is a vice president of the bank.

MINNEAPOLIS: Arthur W. Erickson, 66, vice president and director of the University National Bank, died last week.

MINNEAPOLIS: B. C. Gamble, chairman of Gamble-Skogmo, has announced several responsibility changes. Robert W. Jackson, president of Aldens, Inc., Chicago subsidiary of Gamble-Skogmo, will become board chairman. He will be succeeded by Carle R. Wunderlich, president of Cussins and Fearn Co., Inc., an Ohio subsidiary. Mr. Jackson will continue as a director of Gamble-Skogmo.

Gordon R. Worley, vice president and treasurer of Aldens, will become vice president and control-

ler of Gamble-Skogmo. Paul R. Runeberg will be promoted to divisional vice president and controller for the operating division of Gamble-Skogmo.

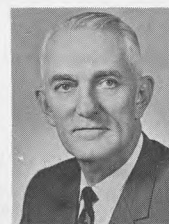
ORTONVILLE: Tom Anderson has joined the Tri-County State Bank as assistant vice president. He has been in banking for seven years in several southern Minnesota banks and is the son of S. R. Anderson, president of the Tri-County State Bank

ST. PAUL: Russell M. Gesell, 68, president and chairman of the Cherokee State Bank died last week.

ST. PAUL: Burton W. Noah, vice president of the First National Bank of St. Paul, has been named to succeed retiring senior vice president Arthur L. Peters as head of the bank's Division I. This division has loan and account responsibilities in the Twin Cities and Eastern United States.

ST. PAUL: The First National Bank of St. Paul will hold a correspondent party on January 27, 1967.

THIEF RIVER FALLS: Dr. O. D. Beich has been named to the board of directors of the Union State Bank.



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WESTBROOK: State Banking Department has authorized the Westbrook State Bank to increase capital stock from \$50,000 to \$100,000 by a stock dividend.

NORTH DAKOTA NEWS

COLUMBUS: The Thorndal family stock in the Columbus State Bank has been purchased by John T. Vucurevich of Rapid City, South Dakota. Mr. Vucurevich will serve as president of the bank and Selmer M. Dahl has been named vice president and cashier. He will be a director and managing officer of the bank.

Mr. Dahl has been assistant cashier of the Citizens Bank of Vermillion, South Dakota.

WILLISTON: Douglas Nyquist has been named vice president and head of the consumer finance department at the American State Bank. He replaces Palmer Rustan who resigned. Mr. Nyquist has been in banking or finance company work since 1947.

SOUTH DAKOTA NEWS

CLARK: David M. Haugland, owner of a Clark funeral home, has been

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named to the board of directors of The First National Bank of Clark.

BRYANT: L. A. Jacobson has been named president of the Bryant State Bank succeeding the late Edward Ward who died recently. Mr. Jacobson has been the managing officer of the bank since 1927 and was executive vice president. He joined the bank in 1912.

Neal Jacobson has been named vice president and cashier. He is the son of the new president and has been serving as cashier.

COLORADO NEWS

FAIRPLAY: John Allee, former cashier and manager of the Citizens State Bank of Calhoun, Missouri, has been named executive vice president of the Bank of Fairplay.

FORT COLLINS: Sale of the controlling interest in the Rocky Mountain Bank of Fort Collins has been announced. The buyers were Benjie Coon, managing director of the Kirk State Bank, Kirk, Colo. and C. K. Bixler of Denver, who owns the control in the Lusk State Bank, Lusk, Wyo. John C. Ellis, president, Berthoud National Bank, was named president of the Fort Collins bank by the new owners. The sale was arranged by the Bankers Service Corporation, Des Moines.

WYOMING NEWS

CHEYENNE: Dorsey T. Morris, 69-year-old retired vice president of the American National Bank, died recently.

GILLETTE: Eric J. Ohman, Gillette area rancher, has been elec-

ted to the board of directors of the First National Bank of Gillette.

NEWCASTLE: Andy Hansen has been named president of the First State Bank of Newcastle succeeding Elmer E. Mohl, who resigned to become executive vice president of the DeLay First National Bank of Norfolk, Nebraska. Mr. Hansen has been with the bank since 1926 and served most recently as senior vice president.

MONTANA NEWS

BILLINGS: Harold E. Kinsley, vice president of the First National Bank, will retire December 31. He has been in banking since 1923.

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