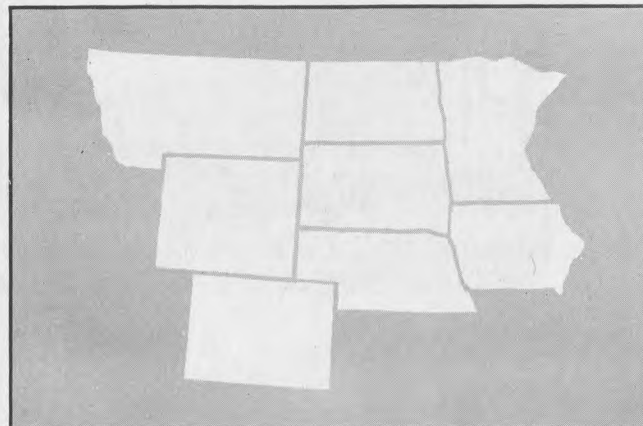


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1023

Des Moines, Iowa

March 20, 1967

Oregon Ruling Questions Charge Cards

A ruling by Oregon's Attorney General Robert Y. Thornton that "interest rates charged on bank credit card accounts" are too high and violate an Oregon usury law may have far reaching effects throughout the *Northwestern Banker* area.

Mr. Thornton has held that the 18% (and higher) simple annual interest on BankAmericards, issued by the United States National Bank of Oregon and the First National Bank of Oregon, exceeds the state's 15.5% legal limit on bank loans.

The banks have responded that they had been advised by the Comptroller of the Currency that they could charge what a competitor charges. In this case, the banks consider small loan firms to be competitors, and small loan firms can charge up to 36% interest in Oregon. (Some sources feel that the small loan firms instigated the ruling because they were suffering from the lower fees charged on bank credit card accounts.)

Normal rate charged under the Midwest Charge Card plan emanating from a number of Chicago banks (Continental, First and Harris) is similar to BankAmericard in that it is 1½% per month on the

unpaid balance, which totals 18% per year. Under current laws this rate is above the maximum legal rate of interest in some states. For example, Iowa has a maximum of 1% per month on the unpaid balance or 12% per year.

Some authorities contend that with the credit card system a fee is charged - and not interest. From this fee, the bank must pay the costs of handling the accounts; the costs of billing the customer; mailing charges, and credit losses. They further contend that it is difficult to tell how much true interest a bank will make - but that it will be only a small fraction of the 18% the Oregon attorney general claims.

Develop Youth Market

"The first children born in the postwar 'baby boom' will reach 21 this year, and the same teenager who only yesterday screamed with the Beatles, will be a mother and housewife very soon."

Peter F. Drucker, management professor at New York University's Graduate School of Business, made these points at the recent ABA Marketing Meeting in New York, as he emphasized the importance

of the younger generation to the banking business.

A similar alarm was sounded at the 64th ABA National Savings Conference in Atlanta, as Professor John W. Chisholm of Louisiana State University said that an understanding of young people's attitude toward thrift is a key to effective savings promotion in the future.

New Foundation Ads

The new national advertising campaign for the Foundation for Commercial Banks, which started in leading magazines this month,

in leading magazines this month, sells the concept that only commercial banks offer full banking services to accommodate busy people in today's fast-paced daily living, Richard B. Beal, Foundation executive director, announced.

"Featuring candid black and white situation photographs, each of the new ads focuses on the major advantage Full Service Banks have over competitive institutions -- the convenience of having all financial services under one roof," Mr. Beal said.

The photographs illustrate "stop-action" scenes of men and women caught in busy moments
(Continued to back page)



*We're here to help
you get what you want*

**IOWA-DES MOINES
National Bank**

SIXTH AND WALNUT • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION • CH 3 1191

"Yes, we're here to help you get what you want" Bernie Kersey Computer Specialist, Don Kimmel Assistant Vice President, Jerry Nelson Senior Vice President, Bob Buenneke Assistant Vice President, Dale Luckow Assistant Vice President, George Harnagel Assistant Vice President

BIG things are happening at **CENTRAL NATIONAL...**
BIG things that mean even better service
to Iowa banks.



CENTRAL NATIONAL BANK AND TRUST COMPANY

Member Federal Deposit Insurance Corporation

IOWA NEWS

CEDAR RAPIDS: Funeral services were held last week for Frank C. Welch, chairman, Peoples Bank & Trust Company. Mr. Welch died from a heart attack while vacationing in Florida. Survivors include Mrs. Welch and his son, Ted J. Welch, president of the bank. Mr. Welch was a 50 year banker and a past president of the Iowa Bankers Association.

EMMETSBURG: A new building is planned for the Palo Alto State Bank. Plans are being prepared by Charles Herbert and Assoc., Des Moines. Work will start this summer.

IOWA CITY: Mrs. Joyce Chapman was recently named auditor of the First National Bank. Before her recent marriage she was employed with Plaza State Bank, Des Moines. She is the former Miss Joyce Boone.

LIVERMORE: Funeral services were held recently for J. F. Hamm, 68, founder of the Livermore State Bank. Mr. Hamm sold his interests two years ago and had been living for the past several months in Mesa, Arizona. Mrs. Hamm will continue to reside in the permanent home in Livermore.

LONE TREE: Donald M. Kout has resigned as an assistant examiner for the Iowa Banking Department to join the Farmers & Merchants Savings Bank here.

WATKINS: Gerrold E. Kuester has been advanced from assistant cashier to cashier at the Watkins Savings Bank, replacing A. J. Sch-

muecker, who has resigned. The bank has also promoted Mrs. Martha Brecht to assistant cashier. Mr. Schmuecker served the bank from January, 1929, to March, 1967. He will devote his full time to insurance and real estate.

NEBRASKA NEWS

BLAIR: Monte Mead has joined the Blair Bank. He has been a national bank examiner and has also been associated with the Bank of Valley.

GENEVA: The Fillmore County Bank began operation at its new location at 1022 G Street recently. The new bank has a drive-in and other modern equipment which will be shown at an open house, to be announced later.

LINCOLN: Directors of National Bank of Commerce announced Wednesday morning, March 15, that Glenn Yaussi has been advanced from president to chairman of the board and chief executive officer. His successor as president is Paul J. Amen, who is resigning as vice president of Wachovia Bank & Trust Company in Charlotte, N.C., to return to Lincoln where he was a star University of Nebraska football player under Coach Dana X. Bible in the mid-1930's. It was also announced that Myron Weil has resigned as executive vice president of National Bank of Commerce. He will join Paul Dunlap, president of Houghton State Bank, Red Oak, Iowa, in the management of Mr. Dunlap's interests in four Iowa banks that have assets of about \$60 million. These are the First National, Clinton; Pella National; Lyon County State, Rock Rapids, and Houghton State.

There were no other officer changes made at National Bank of Commerce.

LINCOLN: Jack D. Campbell, CLU, was elected as a director of Lincoln Bank South, replacing former Lt. Gov. Philip C. Sorenson, who resigned to move to Indiana last month. Mr. Campbell is a general agent for Massachusetts Mutual Life.

LINCOLN: Funeral services were held recently for Mrs. George W. Holmes, 88, widow of George W. Holmes, former president and chairman of the First National Bank.

LINCOLN: All Makes Office Equipment Company of Omaha recently opened a new store on the corner of 10th & O.

MALMO: New officers named by the Security Home Bank are: Richard Barry, president; Don Cejka, cashier, and Mildred Pacal, assistant cashier. Mr. Barry is inactive in the operation of the bank.

MINDEN: D. R. Nichol has retired as a vice president of the First National Bank after a 44 year career in the banking business.

OMAHA: George Spence, ag representative for American National Bank, Chicago, who resides in Omaha, suffered a heart attack recently. He is now recuperating at his home at 4210 South 90th Street, Omaha.

OMAHA: Funeral services were held last week for Kenneth G. Harvey, 66, president, Douglas County Bank of Omaha. He died while vacationing on the Island of Maui in the Hawaiian chain.

OMAHA: C. Paul Means, son of Cecil W. Means, senior vice president, South Omaha Stock Yards Bank, is moving from Washington, D. C. to Vietnam where he will be a branch chief of the management information of Agency for International Development.



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MINNESOTA NEWS

ALBERT LEA: Hilmer L. Opp is the new cashier of Freeborn County National Bank. He has been an assistant cashier with the Aberdeen National Bank, Aberdeen, S. Dak.

COKATO: The 75th anniversary of the founding of the State Bank of Cokato was celebrated with an open house recently.

FLOODWOOD: An extensive remodeling program is planned by the First State Bank here. The new structure will be a "Colonial-type."

LeCENTER: Funeral services were held recently for Walter H. Ebert, chairman, First State Bank. Mr. Ebert was a 50-year banker.

MINNEAPOLIS: Edward W. Aspli, vice president, marketing, Northwestern National Bank, has been elected a vice president of Bemis, Inc. His duties will be in the area of corporate administration.

PARK RAPIDS: Donald O. Wierima has joined the staff of the Citizens National Bank. He was formerly with 5th Northwestern National Bank, Minneapolis.

RICHFIELD: Henry C. Reget, president, State Bank of Hamburg, has been named a director of Richfield Bank and Trust.

ROCHESTER: Charles Tritz was recently named an assistant cashier at the Rochester State Bank. He began his banking career in Clear Lake, S. Dak. in 1959.

SAINT PAUL: Authors of two bills to prohibit nonpar banking in Minnesota reached a compromise. The bill now recommended for passage would abolish nonpar banking by November 1, 1968. About 400 nonpar banks in Minnesota would be affected.

WINDOM: First National Bank has hired Charles Bergquist, former manager of the Windom Coop Assn.

WINONA: G. M. Grabow, 55, president, Merchants National Bank, died late last month while vacationing in Sebring, Florida. He had been convalescing from major heart surgery performed last November.



is the new sign for the top service you always get from your Capital City Correspondent

National Bank of Commerce

MEMBER, F.D.I.C.

in Lincoln, Nebraska 68501

He was associated for 21 years with First Bank Stock Corporation before serving in other Upper Midwest banks.

SOUTH DAKOTA NEWS

TRIPP: Maurice P. Klatt, cashier, Dakota State Bank, has been advanced to vice president, and Harrison O. Brosz has moved from assistant cashier to cashier.

NORTH DAKOTA NEWS

BISMARCK: Governor William L. Guy had until yesterday (March 19) to veto, sign or let become law without his signature the bill passed by the state legislature that would increase the maximum legal interest rate in the state from 7% to 8%. Banks and other financial interests had sought a 9% ceiling. Governor Guy has been highly critical of banks and financial institutions on various occasions. Among bills passed to date is one that increases the tax on net income of banks and S&L's from 4% to 5%. The Governor had sought a higher tax rate on them. The tax on other businesses was not raised. Fees for state bank examinations have been increased by 30% to help raise salary levels and add new examiners. To date, the Governor has

vetoed 15 bills, including one that would have placed the state on Central Standard Time for the year. The veto, in effect, places the state on CST, with DST during the months that other states are on DST under the federal ruling.

CASSELTON: R. T. Carley, president, Casselton State Bank, has announced the promotion of Joseph C. Deutsch from cashier to vice president and cashier, and the advancement of John J. Spikermeier to vice president and manager, insurance department.

FARGO: A. K. Simpson, president, Merchants National Bank and Trust Company, has announced the appointments of Lynn M. Hoghaug to assistant trust officer, and Edmond O. Gunderson to assistant secretary, trust department.

New FNMA Issue

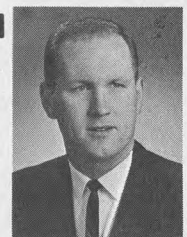
The Federal National Mortgage Association plans to sell \$900 million of participation certificates on March 22.

Of the offering, \$150 million would be sold directly to government investment accounts.

The proposed public issue would be dated April 5, 1967, and would consist of \$400 million matur-



JOHN DIEFENDORF and GENE HAGEN
Represent



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Service in Sioux City



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Always the First to Serve You!

First National Bank of Omaha

16 TH & FARNAM - OMAHA, NEBRASKA

Member Federal Deposit Insurance Corporation



1st LINCOLN ...First in Transit Service

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



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complete line of
financial equipment from
one reliable source.



CEDAR RAPIDS, IOWA 52406

ing April 7, 1969; \$200 million maturing January 19, 1972, and \$150 million maturing April 6, 1987.

The sale would bring to \$2 billion the amount of PC's offered by the FNMA this year. The last issue, sold in January, totaled \$1.1 billion, to yield 5.20%. The maturities were five, 10 and 15 years.

In the January sale, \$600 million went to the public, and \$500 million to government investment accounts.

Foundation Ads...

(Continued from front page)

of their lives, while the headlines stress that today's busy people just don't have time to shop around for financial services or advice.

The advertisements also feature a comparison chart showing the many more services available

at Full Service Banks than at competing institutions. A slogan line preceding the chart reads "You get more for your money at a Full Service Bank."

"The last element in the ads is the Foundation's seven-star Full Service Bank emblem," Mr. Beal said.

The first ad in the series tells the reader, "35 minutes ago, Tom Roberts was told he'd have to fly to London in less than three hours! Will he have time to cash a check, take his passport out of the safe deposit box, buy some travelers checks and get a letter of introduction? You can bank on it. At a Full Service Bank."

The ad is scheduled March 17 in Life, April 4 in Look, March 13 in Newsweek, April 8 in the Saturday Evening Post, and March 10 in Time magazine.

The Foundation for Commercial Banks conducts a \$1.8 million national advertising and promotion campaign to educate the public about the advantages of Full Service banking. Currently more than 6,000 banks, representing 74% of deposits in the United States, are Foundation members.

Comptroller's Record

Has William B. Camp, new Comptroller of the Currency, decided to take a less-liberal course in approving applications for new charters and branches than did James L. Saxon, his predecessor?

Since Mr. Camp took over the duties of Comptroller on November 16, he has disapproved 45 branch applications out of 115, or

YOUR STATE BANKERS ASSOCIATION
OFFICIAL SAFE, VAULT AND
TIMELOCK EXPERTS

F. E. DAVENPORT & CO.
OMAHA

39.1%. Mr. Saxon, by contrast, from July 1 through November 15 last year turned down only 47 of 292, or 16%.

During February, 1967, 11 dispositions were made on applications for new charters, and only one application was approved.

A total of 47 applications for branches were screened during February, and 28 were approved. In *Northwestern Banker* territory, one new bank application, in New Hope, Minn., was disapproved.

WANT ADS

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

BANK WANTED

Iowa-Illinois or Wisconsin Experienced banker wants to buy \$2 to \$6 million bank. Prefer 51% ownership. Continued employment contract option to seller. Write NORTHWESTERN BANKER, File TGB, 306 Fifteenth Street, Des Moines, Iowa 50309.

POSITION AVAILABLE

Cashier for \$5,000,000 bank in north central Iowa. Please send resume and expected salary requirements. Write Box SNL, in care of the NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

FOR SALE

Loan application forms for the modern agricultural banker. Samples on request. Farm Business Council, Inc., P.O. Box F, Urbana, Illinois 61801.

POSITION WANTED

Specialist in overlines and cattle loans desires work. Offers years of banking experience. Intense desire to please. Backed up by staff of specialists in all phases of banking. For immediate action call Max Roy in Iowa City 338-5224 or at La Salle National Bank, 135 So. La Salle St., Chicago, Ill. 60690. STate 2-5200 (Area Code 312).

The myriad tools of modern banking
... and men who know how to use them.
Good reasons why over half the banks in Iowa are
MNB correspondents

Peter Bailey
Assistant Cashier

Merchants National
CEDAR RAPIDS IOWA F.D.I.C.
THE FULL SERVICE BANK FOR THE BANKS OF IOWA



No. 1023 Northwestern Banker is published five times monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 50¢ per copy, \$4 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Forms 3579), manuscripts, mail items to above address.