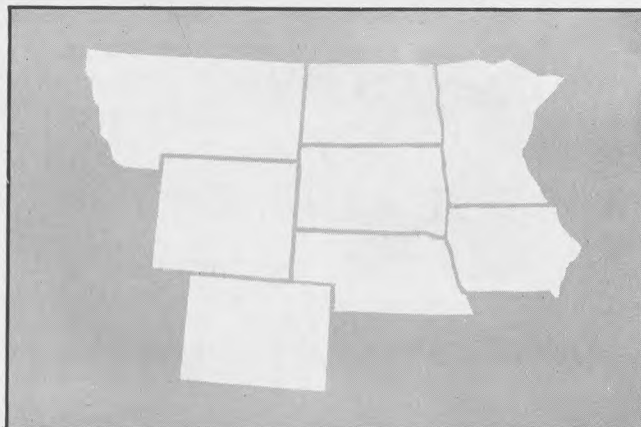


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1028

Des Moines, Iowa

April 17, 1967

## Fed Move Eases Money Markets

The reduction in discount rate from 4½% to 4% by the Federal Reserve Board is described as "following" the market, in which prime loan rates at banks had already been lowered to 5½%. Consequently, the discount rate drop is not expected to cause any further reduction in prime rates. It could very possibly be the forerunner of lower mortgage rates, informed Washington and New York observers feel, and possibly in some other selected, vital areas of the economy.

One effect of the discount rate reduction could very possibly be a widening of reduced rates paid on savings accounts. No major move in this area has been noted, although the rates on large CD's has been lowered to some degree. First National City Bank last week dropped the rate from 5% to 4½% on time deposits of \$100,000 or less. One large S&L in New York State lowered its dividend rate from 5% to 4½% last week, and also cut its prime lending rate on mortgage loans from 6% to 5¾% at the same time.

The Federal Home Loan Bank Board announced April 12 that Chairman John E. Horne has authorized FHL Banks to reduce interest rates to 5½% on new and

outstanding loans to member institutions, effective April 1.

WASHINGTON: Witnesses for and against the "Truth-in-Lending" bill (S.5) will appear before the Senate Financial Institutions Subcommittee starting today and continuing through Thursday of this week. Last week, one of the principal witnesses testifying before the committee on Thursday, April 13, was the originator of the legislation, former U. S. Senator Paul Douglas of Illinois, who was defeated last fall for reelection. His successor as "ramrod" of the bill is Senator William Proxmire (D.-Wis.), who is subcommittee chairman, and the bill now is referred to as the Proxmire Bill.

The bill has been modified from a stipulated per year interest charge statement requirement to an "approximate" statement of interest, so that borrowers must be informed in writing about cash price, down payment and trade-in credits, unpaid balance owed, incidental charges and insurance costs, as well as the time and amount of total repayments and terms applicable to advanced or late payments.

Among witnesses expected to appear this week are Stanley R.

Barber, president, Independent Bankers Association of America, who is also president, Wellman Savings Bank, Wellman, Iowa. Mr. Barber is scheduled for Wednesday, April 19. Appearing on the same date is William Kirchner for the American Bankers Association. He is president of Richfield Bank & Trust, Richfield, Minn., and is a Minnesota State Senator.

### NATIONAL NEWS

LOS ANGELES: Directors of the Security First National Bank on April 11 declared the usual quarterly dividend of 32¢ per share, payable May 5, 1967, to shareholders of record April 18, and also voted a 15% stock dividend. Approval of the Comptroller and shareholders is needed for the stock dividend. A special meeting of shareholders has been called for June 6. If approved, it would be paid June 9. The increase in stock will increase shares outstanding to 13,110,000 from the present 11,400,000. The change would transfer \$17,100,000 from undivided profits to capital, and \$27,900,000 to surplus. This would make capital of \$131,100,000, surplus of \$143,900,000, and U. P. of \$81,549,000. The quarterly divi-

(Continued on back page)

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— MNB correspondents

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President

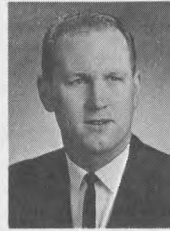
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### IOWA NEWS

**CLEAR LAKE:** Clear Lake Bank & Trust Company is making plans for an extensive remodeling which will include expansion into an adjoining building.

**COLLINS:** George L. Kimberley, 44, died at his home recently. He had been a vice president of the Exchange State Bank for 15 years as an inactive officer.

**DES MOINES:** It appears that House File 45, relating to regulation of credit life insurance business in Iowa, is dead for this session of the legislature. Senate File 436, relating to capital notes and debenture issues, passed the Senate without a dissenting vote, and proponents were hopeful of passage by the House.

**CRYSTAL LAKE:** New officers of Farmers Bank & Trust Company, which was purchased recently by John K. Hanson and Elliott E. Cooper, as announced earlier, are: Mr. Hanson, chairman; Mr. Cooper, president; Joe A. DeBoest, vice president, and Curtiss Jump, cashier. These four, along with Peter Juhl, Cliff Stewart and M. P. Scanlon, form the board of directors.

**LYTTON:** The Lytton Savings Bank will have open house for the gen-

eral public on April 21 from 1:00 p.m. to 5:00 p.m., and for bankers on Saturday, April 22, from 1:00 p.m. to 5:00 p.m. The event will be to view the newly remodeled quarters and to celebrate the bank's 52 years of continuous service. Theo. J. Tokheim is president and cashier.

**MISSOURI VALLEY:** Howard Wilding, 55, assistant cashier, Peoples State Bank, Missouri Valley, was killed last Tuesday night in a two-car accident one half mile south of Missouri Valley on Interstate 29. Mrs. Wilding was hospitalized at Missouri Valley.

**MUSCATINE:** George Shepley, president of First National Bank, has announced purchase by the bank of the adjacent building, which will be razed about May 1 upon evacuation by tenants, to provide room for 11 parking places on the 61 by 60 foot lot.

**NEW HAMPTON:** Open house for area bankers will be held by the First National Bank in New Hampton in its new building on Thursday, April 20.

**ROCK RAPIDS:** Larry Wenzl, formerly with National Bank of Commerce in Lincoln, Nebr., has been named executive vice president of Lyon County State Bank here. He

is a 1959 graduate of the University of Nebraska.

### NEBRASKA NEWS

**MERRIMAN:** Andrew J. Oleske, assistant cashier of The Anchor Bank, died recently of a heart attack. He was 49 years old and had been employed by The Anchor Bank for the past 13 years.

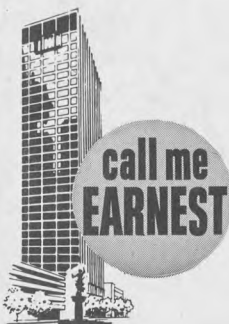
**TRENTON:** The State Bank of Trenton celebrated its 50th anniversary April 6. The bank was opened for business in 1917 by A. Thuman and he has been the president and the executive officer during the entire period of its existence. His son, D. Roger Thuman, is vice president of the bank.

### MINNESOTA NEWS

**DULUTH:** Claude A. Lutzka, assistant vice president of First American National Bank, has been named personnel director for the bank and manager of the Duluth Clearing House Association. He succeeds Henry W. Gooch in both positions. Mr. Gooch, a vice president of the bank, has retired.

**MONTICELLO:** The Wright County State Bank has increased capital to \$100,000 by sale of stock and increased surplus to \$100,000 by transfer from undivided profits. Total of capital accounts and unallocated reserves, according to G. B. Phillips, vice president, is \$386,000, with total resources now of \$4,900,000.

**OWATONNA:** William Whiting, president of the Journal-Chronicle Company, has been appointed a director of the First National Bank, according to Ward Dwight, chairman of the board of the bank. Mr. Whiting fills the vacancy resulting from the recent death of Joseph Haberman, long-time board member.



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**ST. PAUL:** The fate of the branch bank bill sought by Farmers and Mechanics Savings Bank of Minneapolis was uncertain last week, since the bill was referred to a subcommittee for study. Some quarters thought this signaled the end of the bill for this session. However, other veteran viewers looked on it as a means of keeping the bill alive and having it come out again for floor consideration.

**ST. PAUL:** Merlin A. Ahlberg, retired vice president and cashier of the American National Bank and Trust Company, died March 24, in Midway Hospital. He was 66 years old. He retired in January, 1966, after 49 years with the American National. He was first elected an officer in 1941.

**WATERVILLE:** Edgar Eggert, vice president of the Citizens State Bank, was honored recently for his 30 years of service with the bank. Board Chairman H.G. Dressel and President Richard Weber, presented him with a matched set of golf clubs on behalf of the staff and the board. His son and daughter-in-law presented him with a granddaughter on the same date.

### SOUTH DAKOTA NEWS

**HURON:** L.A. Johnson, vice president and manager of the Huron branch of the National Bank of South Dakota, Sioux Falls, has announced the retirement of G.R. Leighton and Frank L. Hafner, both of Huron, from the branch advisory board. Appointed to replace them are Dr. B.T. Lenz, Huron, and Paul Ramsell, rural Huron.

**MILLER:** Ed Kluthe has been named manager of the First National

Bank Insurance Agency, following two years of service in the department as assistant manager. L.E. Weaver, president of the bank, also announced the appointment of Robert Ufen as assistant manager under Mr. Kluthe. Mr. Ufen had been with the Hand County ASC office for the past 12 years.

**PIERRE:** The South Dakota Banking Commission has announced the following actions from its office:

The Security State Bank at Alexandria has filed application to operate a branch at Spencer.

The Bank of Lemmon will increase its capital from \$125,000 to \$150,000.

**WESSINGTON:** The Bank of Wessington is being given a major remodeling inside the bank building. This includes new lighting fixtures, suspended ceiling, new flooring and wall paneling. The bank was given a remodeled exterior last summer.

### NORTH DAKOTA NEWS

**DICKINSON:** A hearing was held recently before the state banking board on the application of the American State Bank to open a paying and receiving station in King's Super Valu store. Work on the enclosure to house the bank

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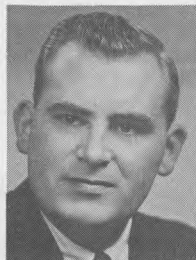
GEDAR RAPIDS, IOWA 52408

office is waiting for state banking board approval.

**FARGO:** John F. Dunford has been elected assistant vice president and manager of computer operations at the First National Bank and Trust Company, according to William F. Graves, chairman of the board. He joined the bank in 1964 as a computer programmer. First National is providing computer services to an increasing number of banks within a 200 mile radius of Fargo, Mr. Graves said.

**MINOT:** James G. Norton, cashier of the First Western State Bank, has also been elected assistant vice president, according to Gary R. McDaniel, president. Mr. Norton was also elected a director at a recent meeting.

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dend is expected to continue at the present rate.

NEW YORK: William T. Lybrand has resigned as a vice president in the national division of the Irving Trust Company to join National Commerce Bank & Trust Company, Albany, N.Y., as vice president in charge of marketing and business development, effective today.

TULSA: The retirement of J. W. McCarter, senior vice president and head of the real estate loan department at First National Bank & Trust Company, has been announced by F. G. McClintock, chairman of the board and chief executive officer. He also announced the promotion of Merle J. Budd, vice president, to succeed Mr. McCarter as head of the department. Mr. McCarter was with the bank 42 years. Mr. Budd joined the bank in 1949.

### **BULLETINS...**

HARDY, NEBR.: Controlling stock of the Hardy State Bank has been purchased by Minor Baird, president, Farmers State Bank, Superior, and three other officers of the Superior bank. The purchase was made from Mr. and Mrs. Harry Heiliger, who are cashier and assistant cashier respectively of the Hardy State Bank. Vinton Clark, an employee the past seven years at the First National Bank, Stromsburg, will move to Hardy about May 1 to take over duties as cash-

ier. Mr. Baird will also become president of the bank at Hardy. Associated with him in the purchase are Mitchell H. Moret, vice president and cashier; Lloyd Boersma, vice president, and A. W. Doehring, assistant vice president, all with the Farmers State, Superior.

### **WANT ADS**

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**MANAGING OFFICER**, Minn. bank with \$2,000,000 in deposits, earnings could be \$12,000, insurance exp. required...

**AG. REP.**, Wisconsin bank with over \$7,000,000 in deposits... salary \$9,000 plus... graduate of Agric. College desired....

**COMM. LOAN OFFICER**.... Nebraska city bank, older man will be given consideration.... salary \$10,000 plus....

**MANAGING OFFICER**, Nebr. \$8,000,000 bank... good exp. required... age 35 to 50... salary in \$15,000 range....

**FARM LOAN OFFICER**, Iowa bank with \$22,000,000 deposits... salary \$12,000 plus....

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