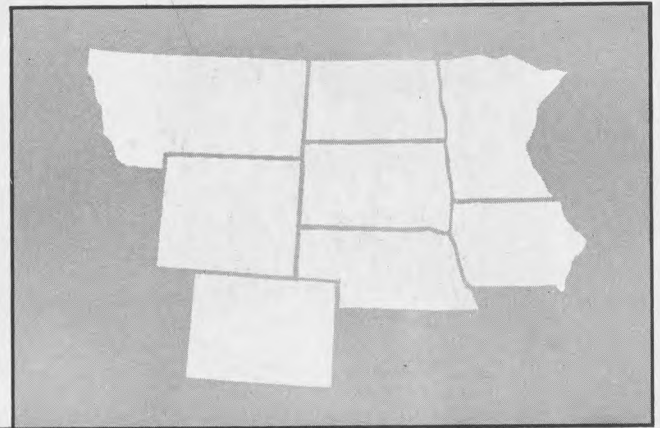


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1029

Des Moines, Iowa

April 24, 1967

## Nebraska Banks Lower CD Interest Rates

Major Nebraska banks in Lincoln and Omaha last week lowered their interest rate paid on consumer CD's. Their quick-moving action was followed closely by bankers in other major financial centers who told the *Northwestern Banker* they are watching the situation closely. As one experienced Iowa banker stated, "Don't be surprised if most other banks in this part of the country make similar announcements within four or five days."

National Bank of Commerce in Lincoln lowered its rate, effective April 17, on new 90-day CD's to 4¾% to individuals. Larger CD's, the bank stated, or those requiring pledging will be at a lower negotiated rate.

The Omaha National Bank notified its customers under date of April 20 and over the signature of Morris F. Miller, president, that "until further notice new certificates written after April 20, 1967, will bear a current annual rate of interest of 4½% with a minimum amount of \$500 for a period of three months. Prevailing economic conditions in our trade area have forced us to take this action so that we may operate the bank in a sound, financial manner." The

letter noted further that automatically renewable CD's maturing before May 20 will be renewed for a period equal to the original time and rate as they presently bear, but would then be called for payment on the first maturity date following May 20, 1967.

United States National Bank also announced a reduction to 4½% on the CD rate with minimum of \$500 for 90 days. Officials at First National Bank of Omaha were seriously considering a similar move the same day. It was believed that other banks in the Omaha metropolitan area would soon follow the downward trend in CD rates. Passbook savings were reported to continue to bear a 4% rate.

Banks in other major cities in the midwest continued at 5% as of April 20, but several of them told the *Northwestern Banker* by phone they were watching the market closely and would not be surprised if the rate drop becomes widespread. Some of these banks with a 5% CD rate have withheld advertising such rate for as long as two months. Bankers Trust of Des Moines is accepting no new CD's for 12 months, although automatically renewable 12 month CD's are

being renewed at the 5% rate. New CD's are being written for 90 days; minimum is \$500.

As of April 20 the Chicago banks were holding at 5% on the CD rate.

### LATE NEWS...

**BURLINGTON, IOWA:** The Comptroller of the Currency has granted permission to National Bank of Burlington to change its name to First National Bank.

**DENVER, COLO :** Donald D. Hoffman was elected president of the Central Bank & Trust Co. on April 18 by the board of directors. Max G. Brooks, who had been president and chairman, continues as chairman and chief executive officer. The board also advanced R. J. Nelson from senior vice president to executive vice president to succeed Mr. Hoffman. Mr. Nelson and Dean R. Kittel, administrator for the Colorado Farm Bureau, were elected to the board of directors. Mr. Hoffman has been with Central Bank since 1941. Mr. Nelson joined the bank in 1950.

**SIOUX CITY, IOWA:** Plans to merge the Live Stock National Bank and the Morningside Savings Bank were jointly announced on April 20 by  
(Continued to back page)

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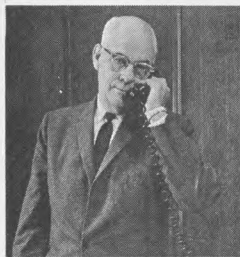
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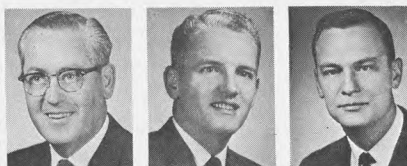
### IOWA NEWS

**BELLEVUE:** Work has started on the new building for the Bellevue State Bank. Completion is expected in late summer.

**DES MOINES:** The 13th annual Iowa Instalment Lending Conference will be held in Des Moines at Hotel Kirkwood, starting Wednesday, April 26 and extend through Thursday noon, April 27. A social hour and banquet will be held on Wednesday evening.

**DES MOINES:** B. C. Grangaard, president, Central National Bank and Trust Company, has been elected a director of Hawkeye-Security Insurance Company.

**ROCK RAPIDS:** Larry Wenzl, whose appointment was announced earlier as executive vice president at Lyon County State Bank, took up his new duties recently and was promptly elected one of two new directors of the Rock Rapids Jaycees, effective May 1. Mr. Wenzl moved to Rock Rapids from Red Oak where he had been associated with the Houghton State Bank as assistant vice president the past year. Prior to that, he had been with National Bank of Commerce in Lincoln, Nebr., since his graduation from the University of Nebraska in 1959. He has attended the Iowa Bankers Association Ag Credit School at Iowa State Uni-



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versity, Ames, and has graduated from courses in A.I.B.

**WEBSTER CITY:** Denny F. Rouse has been appointed assistant cashier in the credit department of Farmers National Bank, according to Rodney B. Amlie, chairman. Mr. Rouse has been with the farm loan division of the Equitable Life Insurance Company of Iowa, most recently serving as manager of the Spencer office. He will assume his new duties May 1.

**WILLIAMSBURG:** Ernest H. Kellem began work recently at Farmers & Savings Bank. Mr. Kellem received his Bachelor of Business Administration degree in accounting and finance from the University of Iowa in February.

### NEBRASKA NEWS

**ALLIANCE:** Both the Alliance National Bank and Guardian State Bank announced earlier this month that bookkeeping procedures are being converted to computer posting of accounts. Special messenger pickup will take items to The Omaha National Bank's data processing center in Scottsbluff, and return printed reports on an overnight delivery service.

**COLUMBUS:** After the Columbus Bank received authority to change its name to Columbus Bank and Trust Company (announced in last week's issue), directors appointed Paul Bradley, vice president, as trust officer. H. J. (Dutch) Luchtel, vice president, was named assistant trust officer.

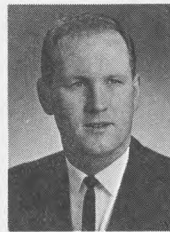
**ELGIN:** R. K. Draper, Sr., president of the Bank of Elgin, has been presented with a 50-year pin from the Nebraska Bankers Association.

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Mr. Draper started his banking career at the First National Bank of Belden, where he has retained the position of vice president of that institution.

**HASTINGS:** Leonard R. DeMoor, 29, a former resident of Hastings, has returned here to join the staff of First National Bank as a loan officer in the installment loan department. He has moved from Los Angeles where he was manager of the Consumer Finance Company from 1960 until this spring.

**JOHNSON:** John L. Blinde retired recently as assistant cashier at First National Bank. He had been with the bank since February 1, 1950, and prior to that served 31 years with the First State Bank at Johnson. He will be succeeded by Mike Casey, son of D. Clarke Casey, president of the bank.

**NELIGH:** Dean C. Henricksen has been promoted to assistant vice president of the National Bank of Neligh. Gene Bartak has been elected assistant cashier.

**OXFORD:** Security State Bank recently held open house in observance of its 75th anniversary. Remodeling of the bank building also was completed and guests were taken on tours of the new facilities. An added feature is a new meeting room in the basement with separate entrance.

**TEKAMAH:** Herman J. Wragge, president of the First National Bank, was honored by the Tekamah Chamber of Commerce recently with a special plaque in recognition of

his 57 years of dedicated service to the community. Mr. Wragge, who will complete 60 years in the banking business in 1968, has worked for 50 years in American Red Cross activities, the second longest record in the State of Nebraska. He has been an active leader in nearly every Tekamah civic and charitable enterprise.

### MONTANA NEWS

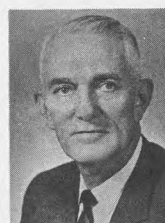
**EKALAKA:** Ellis Jones and Roland Quade, president and cashier respectively of the First National Bank at Wibaux, have purchased controlling interest in the First National Bank here from Dean H. Albert. Mr. Quade has been elected president and manager of the bank and Mr. Jones was elected vice president. The latter will continue as president and managing officer at Wibaux. Dean Albert will continue in an advisory capacity.

R. H. Sandy has resigned as vice president. The two new owners were elected to the board, succeeding Mr. Albert and Mrs. Belle Sheldon. H. B. Albert, former president, continues in a semi-retirement advisory capacity. Dean Parks continues as cashier. The two new owners have purchased the Albert Insurance Agency with Mr. Parks, and have formed a new agency with Mr. Parks as partner and manager.

### COLORADO NEWS

**DENVER:** John S. Kennedy has retired as senior vice president at First National Bank, completing 50 years in the banking business in Denver. He joined International

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Trust Company in 1921 and became senior vice president in the commercial loan department of the First National when the two banks were merged in 1958.

**DENVER:** A group of 50 Colorado bankers were guests of Boettcher & Co., Denver-based investment firm, to hear an address by David Cates, New York, who is manager of the Loeb, Rhoades & Co., investment firm. Mr. Cates took bankers to task for what he terms too widespread "stone-age accounting" in an era when stockholders are demanding and entitled to fuller disclosure in their reporting procedures to stockholders and the public.

### SOUTH DAKOTA NEWS

**LAKE PRESTON:** Open house will be held April 29 at the Community State Bank so the public can tour the new bank building.

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### LATE NEWS...

(Continued from front page)

Stanley W. Evans and Kermit A. Scheibe, presidents of their respective banks, following meetings of the boards of directors of the two banks. The merger will require ratification by the Comptroller and other authorities. The Live Stock National will continue in its present quarters. Morningside Savings would be operated as an office of the Live Stock National.

### NATIONAL NEWS

**SAN FRANCISCO:** James K. Dobey has been elected executive vice president of the Wells Fargo Bank. He joined the bank in 1946, becoming senior vice president in 1965.

**WASHINGTON, D.C.:** Speculation was widespread late last week that the Federal Reserve Board would momentarily announce a cutback in reserve requirements for member banks. Present requirements are 16½% on demand deposits and 3% on savings, with slightly higher reserves on time money.

It is believed by many that such a lowering of reserve requirements would fit in with Fed's eas-

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ier policy of recent weeks, to supply more funds to the market.

**WASHINGTON, D.C.:** The hearings on S. 5, the "truth-in-lending" bill sponsored by Senator Proxmire (D.-Wis.) were concluded last Friday after the Federal Reserve elected not to testify at this time in order to have an opportunity to review testimony of other witnesses. The Fed backs the bill, with its "approximate" requirement of dollars and interest rate disclosure provision, but is extremely reluctant to be designated as the agency for enforcing such legislation. It is the agency mentioned in the

bill for such duty. Other bodies being named for such duty, if the Fed has its way and avoids the job, are Federal Trade Commission, which presently has no jurisdiction over commercial banks, and the other bank and S&L regulatory agencies.

**WASHINGTON, D.C.:** Housing Secretary Robert C. Weaver told Congress last week that interest rates on home mortgages insured by the FHA will be lowered soon. He did not say, but the new rate is expected to be 5.75%, the same as it was prior to last October. He predicts 1.5 million housing starts for 1967.

### WANT ADS

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