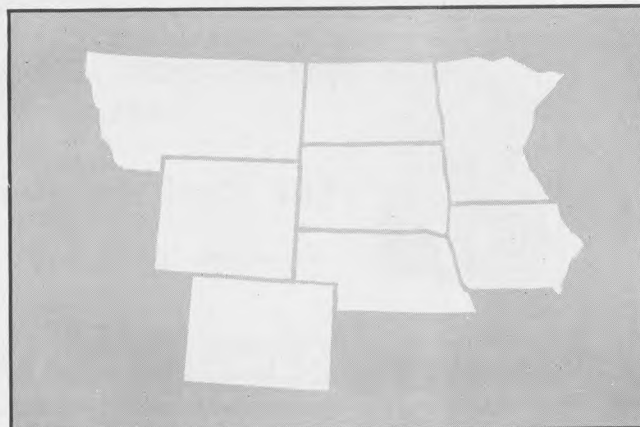


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1036

Des Moines, Iowa

June 5, 1967

## Going Back to Tight Money Squeeze?

Will the great tight money squeeze of 1966 recur again this year?

This question is being asked by bankers, businessmen and economists in view of the steady climb of interest rates for the last two months. The climb has taken rates most of the way back up the ladder of late summer and early fall last year.

Top-grade corporate bond yields once again are back near the 6% level, and tax-exempt bonds are above 4%.

For investors, this rise in interest rates once again provides an opportunity for high income that has occurred only rarely in financial history.

Tax-exempt yields on bonds sold by states, cities and other local governments have bounced back sharply, too, and they now rest two-thirds of the way between their 1966 high and their 1967 low.

As measured by the Bond Buyer's yield index, the most popular gauge of the tax-exempt bond market, 20-year tax-free bonds yield 3.96%, on average, the highest level since early December.

Short-term interest rates, unlike long-term yields, have not displayed much tendency to rise. In marked contrast to the great

money squeeze last year, Treasury bill rates this spring have dropped while bond rates have risen.

In late May, for example, three-month Treasury bills were auctioned at an average discount rate of 3.49%, more than two full percentage points below their record high of 5.59% set last September.

New municipal bond issues offered during the first four months of the year totaled \$5.1 billion, the highest ever and a billion dollars more than the same period of 1966, according to the Continental Illinois National Bank and Trust Company bond market letter.

A tax rise would reduce the Federal Government's need to borrow and might temper the economy if it began to generate too much steam. In both cases, the tax increase would lessen upward pressure on interest rates.

Despite the current trend in interest rates, most money managers doubt that the second half of 1967 will produce the sort of economy that made tight money inevitable last year.

### WYOMING NEWS

The annual convention of the Wyoming Bankers Association is scheduled this week at Jackson Lake Lodge. The meeting will

commence with a golf tournament Thursday and will end Saturday.

### COLORADO NEWS

DENVER: The 1967 Gold Nugget Convention of the American Safe Deposit Association will be held June 14-17 at the Brown Palace Hotel in Denver.

EDGEWATER: The Colorado Bank Board last week rejected an application for the proposed Exchange State Bank of Edgewater. An application for a national bank charter had been rejected earlier by national banking authorities.

FORT MORGAN: Controlling interest in the First National Bank has been purchased by A. H. Trautwein, president of the Cheyenne National Bank and of the East Cheyenne National Bank, Wyoming, and of the Greeley National Bank and the South Platte National Bank in LaSalle, Colorado.

### In the June Issue of The NORTHWESTERN BANKER...

The June *Northwestern Banker*, now in the mail, features on-the-spot reports with pictures from the Nebraska, North Dakota and South Dakota Bankers Associations annual conventions.

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**IOWA NEWS**

**BETTENDORF:** E. P. Lantau, 69, director and former executive officer of the Bettendorf Bank and Trust Company, died May 24 of a heart attack.

**CHEROKEE:** An 1,800 square foot addition is planned by the Cherokee State Bank. An additional drive-up window and a night depository will be added. Grundman-Hicks of Cherokee has been awarded the contract.

**DES MOINES:** The executive coun-

cil of the Iowa Bankers Association will meet here on Wednesday, June 7.

**DES MOINES:** Carl E. Kent, data processing consultant in Des Moines, has joined the Illinois National Bank in Rockford, Illinois. Mr. Kent was formerly a vice president in charge of data processing at Bankers Trust Company.

**DES MOINES:** Joe E. Manz, vice president in the commercial loan department of Bankers Trust Company, has resigned. Future plans have not been announced.

**DUBUQUE:** John P. Schreiber has been named an assistant vice president in charge of data processing and Don Ward, assistant auditor, has been advanced to assistant vice president and advisor to the data processing department at the American Trust and Savings Bank. Mr. Schreiber was formerly with Interstate Finance.

**FORT MADISON:** R. L. Schneider, 57, president, Lee County Savings Bank, died May 25 of a heart attack while playing golf.

**FORT MADISON:** A. Anthes Smith has resigned as executive vice president of the W. A. Sheaffer Pen Company to join the Fort Madison Savings Bank as president. His father, Clarence Smith, advances to chairman of the board.

**GARNER:** Hancock County National Bank plans a new building. Design and plans were prepared by Kirk

Gross Co., Waterloo. Mulford Construction Co. of Hampton has the contract. Completion is planned before the first of the year.

**GRISWOLD:** R. V. Prokop, president, Griswold State Bank, has been presented a 50-year membership certificate in the Masonic Lodge.

**MASON CITY:** James A. Wolf, 40, former cashier of the American State Bank here and president-elect of the First State Bank, Britt, died of a heart attack Tuesday, May 23. Services were held in Mason City, May 26. His wife and four daughters survive.

**SHEFFIELD:** Jerry Higgason, assistant cashier of the Hardin County Savings Bank, Eldora, has resigned to join the Sheffield Savings Bank as cashier.

**WATERLOO:** FDIC has approved a parking lot facility for the Peoples Bank and Trust Company at 2325 Kimball Avenue, Waterloo.

**NEBRASKA NEWS**

**BELLEVUE:** Louis R. Sones, vice president of the Omaha National Bank, has recently been appointed to the Bellevue School Board.

**HASTINGS:** E. James Haggart has been named agricultural representative of City National Bank. He was formerly with the Farmers National Company in Kearney.

**OMAHA:** Bill Griggs of Wakefield has joined the First National Bank as a systems specialist to work in the computer service for correspondent banks.

**OMAHA:** Fred Kuethe, First Nebraska Securities Corporation, has been elected president of the Omaha-Lincoln Society of Financial Analysts. Other officers: vice president, Walter Henrion, Woodman Accident & Life Co. of Lincoln; secretary, Thomas Uren, Dean Witter and Co., Omaha; treasurer, R. D. Frizell, First National Bank and Trust Company, Lincoln.

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PAWNEE CITY: The Department of Banking recently approved an application by the Citizens State Bank to change its name to Pawnee County Bank.

VALLEY: Richard Edwards has taken the position of executive vice president and cashier of the Bank of Valley. He was formerly with the bank at Springview.

### MINNESOTA NEWS

EDINA: First Southdale National Bank will hold open house June 7-9 to introduce expanded banking facilities.

MANKATO: Dr. James F. Nickerson, president of Mankato State College, and John L. Dunlop, vice president of Dunlop Meat Products, Inc., were recently elected to the board of directors of National Citizens Bank.

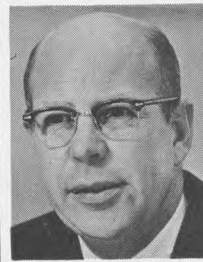
MINNEAPOLIS: Over 5,000 people attended the 50th anniversary open house held recently by Fidelity Bank & Trust Co.

MINNEAPOLIS: Mortimer Caplin, lawyer, educator and former commissioner of Internal Revenue and Joseph Trachtman, lawyer and president of the American College of Probate Counsel, will be featured speakers at the Northwestern National Bank's Annual Lectures for Lawyers, June 8 at the Radisson Hotel.

MINNEAPOLIS: Eastman Dillon, Union Securities & Co., New York investment banking and brokerage firm, has opened a Minneapolis office to serve Minnesota, North and South Dakota, northern Iowa and upper Wisconsin. George E. Wood is the office manager.

NEW ULM: Ronald Reinhart has joined the State Bank of New Ulm as cashier. Previously he was cashier of the First National Bank of St. James.

REDWOOD FALLS: Contracts have been let to Royal Builders for the construction of the new State Bank of Redwood Falls, according to Gene Sipe, president. Completion is slated for November 1.



Homer Jensen

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## BANKERS TRUST COMPANY

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ROCHESTER: Frederick T. Hubbard, Jr., vice president of Northwest Bancorporation and vice president of Northwest International Bank, has been named president and director of Northwestern National Bank of Rochester, effective July 1. He succeeds Robert S. Branham, who becomes senior vice president of Northwest Bancorporation in Minneapolis.

ST. PAUL: Construction began last week on the new 15-story quarters of the Northwestern National Bank of St. Paul. The building will contain 250,000 square feet and will cost \$5.6 million.

ST. PAUL: J. Thomas Sample, Jr., 37, assistant vice president of the American National Bank & Trust Co., died in his home May 18. Mr. Sample was manager of the bank's international department.

ST. PAUL: Colleen C. Sheehy has been promoted from head bookkeeper to assistant cashier at the Capital City State Bank.

VESTA: Anton Kramer, 88, has retired as acting president of the Vesta State Bank. Mr. Kramer helped organize the bank in 1946, and has been in the banking business since 1909.

WESTBROOK: Open house was held in the new banking quarters of the Westbrook State Bank last week.

WINONA: R. Peter Roehl has been

appointed assistant vice president of Merchants National Bank, according to Gordon Espy, president. Mr. Roehl has been a branch manager for National City Bank of Cleveland, Ohio for seven years.

### NORTH DAKOTA NEWS

BISMARCK: A. Ned Mayer has been named president of Dakota National Bank, effective August 1. He succeeds A. A. Mayer, who advances to chairman and chief executive officer. A. Ned Mayer has been with Northwest Bancorporation for the past six years. The two Mayers are not related.

CENTER: Henry Cordes has been appointed manager of the Center station of the Security State Bank of New Salem. He succeeds Mrs. Helen Fandrich, who managed the station for 25 years.

JAMESTOWN: George Craven, Jamestown merchant, has been elected to the board of directors of the Stutsman County State Bank to replace V. F. Hegeholz of Fargo.

MINOT: Gary Nutz of the American State Bank was recently elected president of the Minot chapter of A.I.B. to succeed Orlin Pankratz. Robert Carr, First National Bank, was elected vice president; Charles Weiser, American State Bank, was elected treasurer, and Mrs. Everett Shirely, First National Bank, was elected secretary.

MINOT: Larry E. Fiedler has been

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named assistant cashier of the First Western Bank, according to Gary McDaniel, president. Mr. Fiedler has been with the bank since 1966.

### MONTANA NEWS

HELENA: George L. Beall, Jr., was recently elected vice president and executive trust officer of the First National Bank and Trust Co., effective June 1.

### SOUTH DAKOTA NEWS

ABERDEEN: J. D. Dulany, assistant vice president of the Aberdeen National Bank, has resigned to become vice president of the State Bank of St. Anthony Village, Minnesota. Mr. Dulany has been with the bank since 1955.

ALEXANDRIA: The Security State Bank was granted permission recently to establish a branch office at Spencer and to increase its common capital account to \$100,000.

### BULLETINS...

MINBURN, IOWA: Funeral services were held last week for B. A. Raynor, 57, cashier, Dallas County Savings Bank, who died of a heart attack.

### Correction

DUBUQUE: Thomas Killion will join the First National Bank as trust officer here on June 19. He has been with Central National Bank and Trust Co., Des Moines. It was reported incorrectly that he was joining the Dubuque Bank and Trust.

## WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.  
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The Farm Picture and The Ranch-Farm Picture, modern newsletters that talk money and credit to farmers and ranchers from a banker's point of view. Samples for inspection. Farm Business Council, Inc., P.O. Box F, Urbana, Ill. 61801.

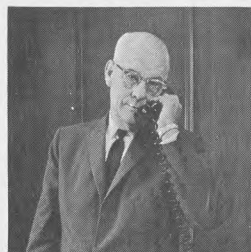
### FOR SALE

Model 300 electric Cummings Perforator without bank number, heavy duty, 2½ years old, \$325. Willis Greenley, Box 29, Sigourney, Iowa 52591. Phone 515-622-3383.

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