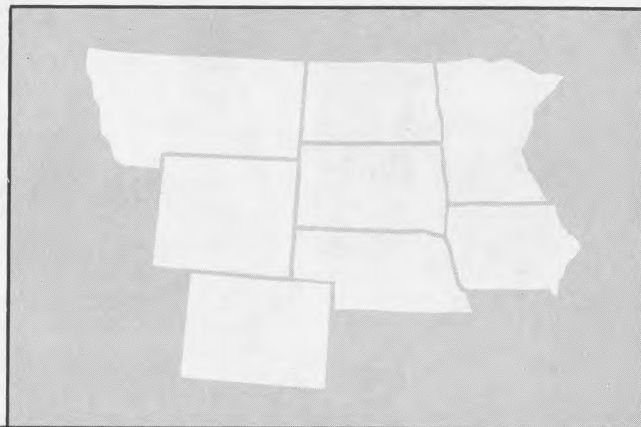


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



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Des Moines, Iowa

November 20, 1967

## Farm Loan Demand Continues High

NEW YORK--Farm loans by agricultural banks rose 12 per cent during the 12-month period ending June 30, 1967, according to a study just completed by the Agricultural Committee of The American Bankers Association.

This contrasts with a farm loan volume increase of only seven per cent reported in the same survey one year ago.

Over 800 agricultural banks participated in the 1967 study, said Theodore D. Brown, chairman of the Agricultural Committee and president, The Security State Bank, Sterling, Colo.

Most of the increase, according to Mr. Brown, was in non-real estate loans, which were up 15 per cent. The real estate loan volume was up only four per cent.

All regions experienced an upward trend in farm loan volume, but the biggest rise came in the Corn Belt—Illinois, Indiana, Iowa, Missouri and Ohio—where the volume was up 23 per cent.

Here are the highlights of the survey report:

Total deposits of agricultural banks increased 10 per cent during the past year and 59 per cent over the last five years.

Loan-to-deposit ratios of agricultural banks have shown a steady increase since 1962. During this

period, banks having a ratio of 60 per cent or above increased from 25 per cent to 46 per cent.

Delinquencies on farm loans have remained at a low level (one per cent or below) for the five-year period.

Interest rates have been moving upward since 1962 with the sharpest changes occurring during the past two years.

The individual legal lending limit of agricultural banks continues to move upward, with 35 per cent of the banks in 1967 having a lending limit of \$150,000 or above. This compares to 25 per cent of the banks having this limit in 1962.

The proportion of agricultural banks receiving acceptable farm loan applications which exceeded their legal lending limit has ranged from a low of 24 per cent to a high of 34 per cent during the past five years. During the first six months of 1967, 28 per cent of the banks received such applications.

Nearly one-half of the banks cite the cost-price squeeze as the single most important credit problem facing farmers. A similar number of bankers expressed this same view five years ago.

Slightly over one-half of the agricultural banks have a farm specialist on their staff. About

one-half of these men spend full time on agricultural activities.

Seven out of 10 agricultural banks use a financial statement form which is especially designed for agricultural lending and requires a relatively high proportion of their farmer-customers to submit such a statement annually. Considerably less use is made of operating statements and budgets.

The number of agricultural banks offering an agriculturally oriented computer customer service has increased substantially during the past 12 months. Nine per cent of the banks in 1967, compared to three per cent a year earlier, offer such a service. Another eight per cent, compared to five per cent a year ago, plan to start such a service soon. Nearly seven out of 10 banks now offering a service provide an automated farm accounting program.

### NATIONAL NEWS

CHICAGO: First National Bank's Conference for Correspondent Banks is being held today and tomorrow (Nov. 20-21). Report will be in December *Northwestern Banker*.

CHICAGO: Northern Trust Company has received preliminary permit from the Federal Reserve Board to

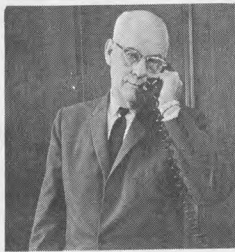
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**IOWA NEWS**

**BETTENDORF:** Ralph Heninger has been elected president of the Bettendorf Bank and Trust Company, succeeding Douglas Grinde, who resigned to become president of the Burlington Bank and Trust Company. Mr. Heninger is a principal owner in the Bettendorf bank and will be active in its management.

**BURLINGTON:** Funeral services were held last week for T. H. (Hud) Swiler, 58, vice president of the Burlington Bank and Trust. Mr. Swiler died of a heart attack triggered by carbon monoxide poisoning. A defective heating stove in the Swiler cabin on the Mississippi River was responsible. Mr. Swiler's son, Thomas, was with his father at the time and was hospitalized briefly.

**COLUMBUS JUNCTION:** Peoples National Bank is raising interest rates on CD's from 4½% to 5% on six-month and 12-month certificates.

**DES MOINES:** The Iowa-Des Moines National Bank will present its ninth annual Iowa Business Trends luncheon and meeting for businessmen of Des Moines and central Iowa on December 4 at the Hotel Fort Des Moines. A panel of well-known business leaders will present their views on the 1968 business outlook for their respective industries.

**DES MOINES:** The management of

the South Des Moines National Bank has abandoned its application for permission to establish a facility at S.E. 14th Street and Watrous Avenue, according to Paul Ross, regional administrator of the Tenth National Bank Region.

**DES MOINES:** The 20th annual IBA Tax School will be held at the Kirkwood Hotel today and tomorrow. This school is open as a public service to all Iowa taxpayers and will include explanation of changes in tax laws and regulations during the year, as well as a complete review of the procedures in completing forms.

**GLADBROOK:** E. Lynn Reinhard, cashier of State Bank, and his wife have been confined in Iowa Methodist Hospital in Des Moines in serious condition since a September 10 automobile accident.

**HUMBOLDT:** Jack L. Campbell, vice president of Humboldt Trust and Savings Bank, is recovering from a one-car accident which happened as his car left the road at a "T" intersection six miles north of Fort Dodge. He is in Mercy Hospital, Fort Dodge.

**RICEVILLE:** Controlling stock in the First National Bank has been sold to Mert J. Klaus and Wm. A. Herbrechtsmeyer, Sr., of Charles City. Mr. Klaus is president of the First Security Bank and Trust Co. and Mr. Herbrechtsmeyer is vice president of First Security in Charles City. Mr. Klaus is chairman



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of First State Bank, Nora Springs, and Mr. Herbrechtsmeyer is president there. Rex J. Willis will continue to be active as president in Riceville.

**WEBSTER CITY:** Purchase by the First State Bank of 11 lots west of its present building for expansion and parking has been announced by Lorenz A. Horn, bank president and cashier. Construction of a new building on the site, replacing the 55-year-old present building, is contemplated in the near future.

**NEBRASKA NEWS**

**HERSHEY:** Application for a new bank, the Hershey State Bank, has been filed with the Nebraska State Department of Banking. Hearing is set for January 25 in Lincoln.

**HOMER:** John R. Bergquist, most recently cashier of the Farmers State Bank of Carroll, Nebr., has become vice president, cashier and a director of the American State Bank of Homer. He also was formerly with the U. S. National Bank of Omaha.

**OGALLALA:** The Keith County Bank has been granted full trust powers and has changed its name to Keith County Bank and Trust Company.

**OMAHA:** The NBA committee on installment credit will sponsor a conference in Omaha at the Diplomat Hotel, January 23-24. The program will cover all phases of installment lending, with emphasis toward the smaller bank. Jerry E. Roe, executive vice president and cashier, Bank of Bennington, is chairman of the committee.

**MINNESOTA NEWS**

**ADAMS:** Vance Torgerson, who has been with the Farmers State Bank of Adams for over 23 years, has



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been elected president to succeed his late father, N. V. Torgerson, who died suddenly September 13. Gordon H. Klaudt, who joined the bank in 1963, has been advanced from cashier to vice president. Robert D. Hanson, after four years at the Root River State Bank of Chatfield, Minn., has returned to Adams as bank cashier.

**CHANDLER:** William Kooiman, vice president of the State Bank of Chandler, and his wife, Jen, were killed recently in a head-on automobile collision near St. Peter, Minn. Mr. Kooiman had been active in the banking business for over 50 years and was cashier of the State Bank until his retirement a few years ago.

**FULDA:** James A. Clark, formerly manager of Production Credit Association, Gaylord, Minn., has accepted the position of vice president of the Citizens' State Bank.

**MINNEAPOLIS:** Paul S. Brorby, vice president of the corporate trust division of Northwestern National Bank of Minneapolis, has retired after 44 years in banking.

**MORA:** Frank J. Grahn, president of Peoples National Bank, has announced the appointment of Delbert Paul to vice president of the bank. He was formerly vice president of the Sully County Bank of Onida, S.Dak.

**RED WING:** Harris Waller has been named assistant vice president in charge of commercial loans at the Goodhue County National Bank. He was formerly with the federal Small Business Administration for six years.

**REDWOOD FALLS:** Ralph Holstine will join State Bank of Redwood Falls November 27 as agricultural representative. He has been a farm mortgage loan representative for Travelers Insurance Company for the last eight years.

**WATERVILLE:** R. E. Weber, pres-

ident of Citizens State Bank of Waterville, has announced that Dean L. Thrun has been named assistant cashier. He joined the bank in 1964.

## SOUTH DAKOTA NEWS

**HURON:** The South Dakota Bankers Association Bank Personnel Seminar will be held on November 28 at the Hickory House Motor Inn. Important facets of banking will be discussed by well-known speakers and a bank robbery clinic will be featured.

**MADISON:** Dennis Dalziel has announced his resignation as assistant vice president and assistant manager of the Northwestern National Bank to assume duties as executive vice president and manager of the Farmers and Merchants State Bank, Valley City, N. Dak.

**WAKONDA:** A. L. Mickelson, vice president, has announced the appointment of Darwin D. Larson as assistant vice president of the Wakonda facility of the United National Bank of Vermillion.

## NORTH DAKOTA NEWS

**DICKINSON:** The sixth annual Agricultural Credit Conference will be held at the new Congress Inn on December 8, preceded by a social hour and smorgasbord there the evening before, December 7.

**FARGO:** A. M. Severson has been elected senior vice president and director of the First National Bank

and Trust Company, according to Robert D. Harkison, bank president. He will join the bank January 2.

**TOLNA:** R. E. Engen, 74, president of the Farmers and Merchants State Bank, died recently at Mercy Hospital in Devils Lake, N. Dak.

## COLORADO NEWS

**DENVER:** E. F. Kilmer, president of the Southwest State Bank, has announced he has sold his interest in the bank and is resigning as of November 30. He will resign his position as director of the bank in January.

**HAYDEN:** The new Yampa Valley State Bank opened for business Saturday. Jerome B. Woods, who until recently was vice president of the Cherry Creek National Bank of Denver, heads the bank as president.

**VAIL:** The new Bank of Vail will open in its new building on November 30. Roger L. Reisher, president of the First Westland National Bank in Westland Shopping Center, is president of the bank. J. Robert Young is executive vice president and cashier.

## WYOMING NEWS

**NEWCASTLE:** Dick Terwilliger, formerly of Oklahoma City, Okla., has been elected executive vice president and cashier of the National Bank of Newcastle, according to bank president Joe Watt. He succeeds Floyd F. Harmon, who has accepted the position of executive vice president at another Wyoming bank.

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**NATIONAL NEWS**

(Continued from page one)

organize an Edge Act subsidiary corporation for international banking. It will be called The Northern Trust International Banking Corporation, with headquarters in New York City and opening by mid-1968.

ST. PAUL, MINN.: Attorneys for American National Bank have filed a motion with the court to dismiss a lawsuit against the bank in which a data processing service corporation contends the bank has no authority to offer EDP service to customers other than banks. The judge has the motion under advisement and will rule on whether the plaintiff actually has any standing in court to file such a suit.

A similar motion has been filed in the other lawsuit of a similar nature filed by a service corporation in Providence, R. I., against Industrial National Bank of Rhode Island. However, in this case, a new twist was entered when the plaintiff attorney claimed that the 1962 Bank Service Corporation Act specifically prohibits banks from selling computer service to outside businesses. The Act, according to bank defense

attorneys, applies only to pooled equipment subsidiaries of several banks acting jointly, and does not prejudice the right of individual banks to market EDP service to customers. Mathew Hale, chief counsel for ABA, was staff director of the Senate Banking and Currency Committee at the time the legislation was drawn up. He told the court that Congress was informed that banks were marketing such EDP service and that the new legislation had no effect on this service, only on the pooled ventures.

District Court Judge Edward W. Day, gave attorneys for both sides until today, Nov. 20, to file memoranda on how the 1962 Act relates to the present Rhode Island case.

WASHINGTON, D.C.: Hearings on credit life insurance were scheduled to be resumed last Friday before the Senate Antitrust and Monopoly Subcommittee. This second phase of the subcommittee's investigation provides for hearings today (Nov. 20), and Monday and Tuesday of next week (Nov. 27-28). Testimony is anticipated on these dates from commercial banks and other lenders, insurance companies, and other creditors. This is sup-

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posed to give these industry people an opportunity for rebuttal of charges brought before the committee in the first phase by state government officials, attorneys and a corporate borrower.

WASHINGTON, D.C.: Rep. Abraham J. Multer (D., N.Y.), the No. 2 ranking Democrat on the House Banking Committee and chairman of Bank Supervision and Insurance subcommittee has been elected to the New York State Supreme Court. His term begins in January. Rep. Wm. A. Barrett (D., Pa.) moves up to his place.

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