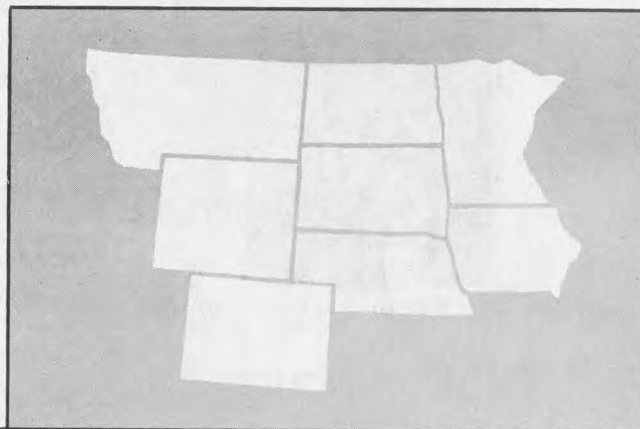


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1067

Des Moines, Iowa

November 27, 1967

Major Banks Adopt New Prime Loan Rate

A 6% basic lending rate on business loans became widespread in the nation's banking system last week. Practically all major banks in New York, Chicago, San Francisco and other financial centers followed the lead of Chicago's Continental Illinois National Bank and Trust Company in boosting the "prime" rate from 5½%.

Continental Illinois, Chicago's largest bank, posted its increase last Monday morning in the wake of the Federal Reserve System's increase in the discount rate to 4½% from 4%.

The Reserve System had acted to protect the international value of the dollar following Britain's devaluation of the pound to \$2.40 from \$2.80. Britain simultaneously raised its bank rate to 8% from 6½%.

At 6%, the prime rate has returned to a level that prevailed from August 1966 to late last January, when it was cut by some banks to 5½% and by most others to 5¾%; this split rate remained in effect until last March, when an industrywide 5½% went into effect.

William H. Moore, chairman of New York's Bankers Trust, had questioned the timing of the increase, suggesting that banks should withhold any change until the dust settled. It was clear that

Bankers Trust finally decided to boost its rates because most of its competitors had already increased theirs.

California's Bank of America, the nation's largest, which had similarly indicated earlier in the week that it wanted to hold the prime-rate line, at least temporarily, also announced a 6% prime rate last Tuesday.

In the Twin Cities, Midland National Bank, Minneapolis, was first to announce the change in rate to 6%. Other major banks followed.

ABA To Hawaii in 1969

New York: The American Bankers Association has announced dates for the 1968 and 1969 annual conventions. The 1968 convention will be in Chicago, September 29–October 2. The 1969 Convention will be held in Honolulu, September 29–October 2.

Harris Plans Facility

CHICAGO: Harris Trust and Savings Bank has announced plans to construct an operations center and personal banking facility about two blocks west of its La Salle street headquarters.

It is the second major Loop

bank to disclose plans for installing teller windows at a location separate from the main banking premises.

American National Bank and Trust Company said last March it plans to put a drive-in and walk-up facility in a 41-story office building just outside the Loop. The bank received zoning clearance from the city and expects to let the contract as soon as some other minor details are cleared up. No completion date has been announced.

Illinois prohibits branch banking, but a revised banking code which went into effect last January permits a bank to establish one drive-in facility within 1,500 feet of its principal office.

Delay Federal Charters For "Thrift Institutions"

A bill proposing a new federally chartered thrift institution has no chance of passing this year, and could very well be a dead issue insofar as the 90th Congress is concerned.

The legislation originally was the outgrowth of an agreement between the mutual savings bank and savings and loan industries. It

Federal Charters...

(Continued to back page)

The myriad tools of modern banking
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IOWA NEWS

AMES: Plans are now underway for the formal dedication of the new University Bank and Trust Company office facility which opened for business November 22. Bank President Dean Knudson has appointed David Vaselaar to manage the new facility, which includes the first T.V. installation in Ames.

CRAWFORDSVILLE: The Peoples Savings Bank has completed remodeling of its bank premises and will hold an open house December 16. A reception for visiting bankers, ladies and guests will be held by William R. Bernau, bank president, at his home.

DEFIANCE: The State Bank has filed application with the Federal Deposit Insurance Corporation to change its present location to another main street site.

DES MOINES: Members of the executive council and committee chairman of the Iowa Bankers Association will convene at Wakonda Club on Tuesday, November 28 in an organizational meeting to make long-range plans for the Association.

DESMOINES: The Iowa-Des Moines National Bank has filed an application with the comptroller of currency to establish a facility in the vicinity of East 25th and Euclid Streets.

Dee L. Frost has been promoted

from vice president to senior vice president in charge of the trust division of Iowa-Des Moines National. C. W. Aurand, bank president also announced the promotions of James Kempkes and James D. Robinette from trust officers to vice presidents. Lester T. Proctor, Richard W. Carey and Lewis C. Cobb were promoted from trust officers to senior trust officers. Lois Olsan was named assistant trust officer. Alan Braga and John D. Hunt of the bank's bond department were promoted from assistant cashiers to assistant vice presidents.

HUBBARD: D. W. Heineking, president of the Security State Bank of Hubbard has announced that the bank is in the process of remodeling an addition which will nearly double the size of the present bank building. General construction work will be done by Gilbert Builders of Iowa Falls. The building is to be completed by the spring of 1968.

KEOKUK: Edward K. Johnstone, II, president of the Keokuk Savings Bank and Trust Company, has announced that the bank has made application to the Federal Deposit Insurance Corporation and the Iowa State Banking Department for permission to establish a drive-up, walk-in banking facility to be located at the corner of 16th and Main Streets.

RICEVILLE: The Riceville State Bank recently observed its 75th anniversary with an open house, according to Lee Dietsch, bank pres-



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ident. An extensive remodeling program also recently has been completed.

NEBRASKA NEWS

LINCOLN: Paul R. Scott, computer services manager of the National Bank of Commerce, has been promoted to vice president. He joined the bank in 1953 and was promoted to assistant vice president and assistant manager of computer services in 1966.

LINCOLN: Glenn Yaussi, chairman of the board of National Bank of Commerce in Lincoln, has announced a plan for the stockholders of NBC to be offered rights to purchase ownership in the Fremont First National Company and the Fremont First State Company. These companies own control of the First National Bank, Fremont, Nebr., and the First State Bank, Fremont, Nebr., respectively. A registration statement has been filed with the Securities and Ex-



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change Commission, and approval is being sought from banking authorities.

If a majority of NBC stockholders purchase a majority of the shares of these companies, it will mean that the two Fremont banks will join NBC and Lincoln Bank South as affiliated banks. The present officers, staffs, and Boards of Directors will continue to manage the Fremont banks. W. N. Mitten is president of the First State Bank and J. D. Schiermeyer is president of the First National Bank.

The directors and officers of the Fremont First National Company and the Fremont First State Company are to be identical. They are as follows: Gene H. Tallman, chairman of the board; William N. Mitten, vice chairman of the board; Glenn Yaussi, president and treasurer; Paul J. Amen, executive vice president and secretary; J. D. Schiermeyer, executive vice president; Phil L. Sidles, Arthur C. Sidner, James Stuart, Avery E. Forke and Harry P. Seward.

First Nebraska Securities, Inc. and Ellis-Holyoke & Company of Lincoln are the underwriters.

OMAHA: An Elizabeth, N. J., man has been arrested at the First National Bank as he attempted to cash bonds thought to have been taken in a \$125,000 burglary October 18 in Bayonne, N. J. He was charged with forging an endorsement on U. S. bonds. Other charges may be filed later.

MINNESOTA NEWS

COKATO: The First National Bank of Cokato recently moved into its new quarters at 365 Broadway. Open house in the new building is planned for the near future.

MINNEAPOLIS: W. Bryan Jensen, Roseville, and David S. Birkeland, Bloomington, have been named assistant cashiers at the First Southdale National Bank, Southdale Center.

The bank's capital funds also were increased \$100,000 by a transfer from undivided profits.

MINNEAPOLIS: The Farmers and Mechanics Savings Bank is sponsoring the first general film ever made depicting the University of Minnesota past and present, according to Hermon J. Arnott, bank president and a 1924 graduate of the university. The 15-minute, color-sound film was produced for the University of Minnesota Alumni Association by the university's audio-visual department.

WARREN: Over 2,500 people recently attended the opening days at the new State Bank of Warren to inspect the new bank building and banking facilities. During the first evening of the opening, visiting bankers and their wives were guests of H. A. Bustrack, bank president, and officers of the bank. After a tour of the new building, they were served a turkey dinner at the Warren Legion Hall.

MONTANA NEWS

GREAT FALLS: Glacier Chapter of NABAC will hold its quarterly meeting at the Holiday Inn, Great Falls on December 9. Registration begins at 8:45 A.M. Charles Walker, deputy auditor, United States National Bank, Portland, will be a featured speaker.

COLORADO NEWS

DENVER: Proposed formation of

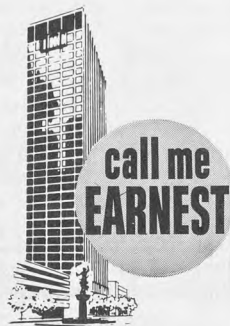
the First National Bancorporation, Inc., has been announced by Eugene H. Adams, president of the First National Bank of Denver. The new bank holding company would acquire, through an exchange of stock, ownership of the First National Bank of Denver and its three affiliates—the First National Banks of Bear Valley, North Glenn and South Glenn.

DENVER: The city council recently moved to carry out its decision to require national, state and industrial banks to pay the city's 2% sales tax. The city attorney's office has been directed to draft measures repealing sections of the city sales tax ordinance that might be interpreted by financial institutions to back their position that they are entitled to exemption.

DENVER: Directors of the First National Bank of Denver, as well as those of one of its affiliated banks, the First National of Bear Valley, have declared dividends on the banks' stock. The First National of Denver will make a 70¢ per share quarterly dividend. The five cent per share annual dividend declared by the First National of Bear Valley is the bank's first such payment.

The First National of Bear Valley also approved the transfer of \$5,000 from undivided profits to surplus.

FORT COLLINS: Plans have been announced for construction of a 12-story, \$1.25 million office building adjoining the First National Bank. The bank will be connected to the new tower building by a covered annex, providing expansion room for the bank. The new building will be a condominium project and is designed for professional



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NORTH GLENN: The First National Bank of North Glenn will pay its first annual dividend in the amount of five cents a share, according to Don M. Whiteman, bank president. The bank's board of directors also voted to transfer \$5,000 from undivided profits to surplus.

WYOMING NEWS

The state examiner's office has announced that assets in Wyoming's 69 banks increased some \$29 million since the quarterly report of September 20, 1966. Total assets as of October 4, 1967, amounted to over \$651 million, an increase of 4.7% since the September report. The ratio of capital accounts to total deposits was 10%, which was unchanged from 1966.

Wyoming has 29 state banks and 40 national banks.

GILLETTE: Wyoming bankers recently met in the hospitality room of the Stockmens Bank for the fall meeting of the Wyoming Chapter of the National Association of Bank Auditors and Comptrollers. A panel discussion on accrual accounting and new reporting requirements for banks was presented. Andrew Semsey, auditor of Stockmens Bank, Gillette, was moderator.

LANDER: Floyd E. Harmon has returned to the First National Bank as executive vice president. He was with the bank for three years, until May of 1964 when he resigned to manage the National Bank of Newcastle.

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LARAMIE: The First National Bank has mailed out \$43,000 in checks to nearly 400 local residents, all member of the bank's 1967 Christmas Club which has just been concluded. According to Max E. Fisher, bank president, this year's club participation represented a 10% increase over last year.

NATIONAL NEWS

ST. JOSEPH: J. M. Ford, II, president of The First National Bank of St. Joseph, Missouri announces the appointment of John V. Giddens, assistant vice president, as administrative head of the bank's Data Processing Department.

Mr. Giddens will continue to work closely with the correspondent bankers in the field of data processing as well as business firms within the St. Joseph area. He has been closely identified with EDP since November of 1965 when the IBM equipment was installed in The First National Bank.

Mr. Giddens has attended the IBM Management Computer Concept School as well as other short courses to prepare him for this new assignment.

Mr. Giddens is well known throughout the four-state territory served by The First National Bank, and he has many years of experi-

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Federal Charters...

(Continued from page one)

proposes a new thrift institution with expanded investment powers—a concept supported by the Federal Home Loan Bank Board.

The commercial bank lobby is opposed to the bill, which would project a tough, new competitor into the banking business.

WANT ADS

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