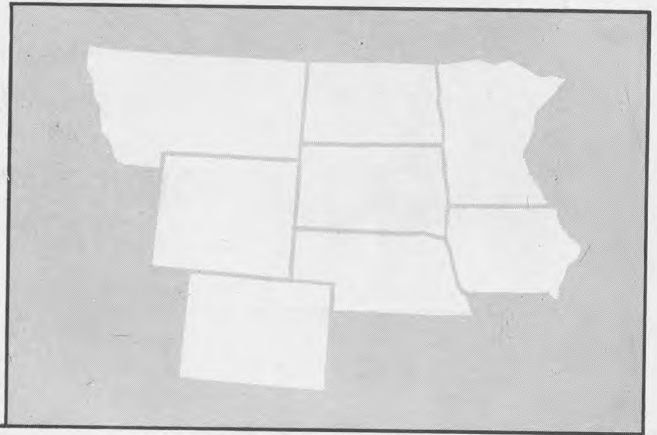


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1068

Des Moines, Iowa

December 4, 1967

Explain New St. Louis Credit Card

Bankers throughout the St. Louis area were invited to a series of meetings last month to receive an explanation of the new consumer credit card plan offered by Credit Systems Incorporated. This not-for-profit organization is sponsored by The First National Bank, Mercantile Trust Co., N.A., and Boatmen's National Bank, all of St. Louis. It is anticipated that solicitation of merchants will begin about May 1, 1968.

James E. Brown, senior vice president of Mercantile Trust has been elected the principal president of Credit Systems, Inc., and plans to devote most of his time to the credit card operation during the next 12 months. Other directors of the corporation are Edwin S. Jones, executive vice president, First National, and Ethan A. H. Shepley, Jr., senior vice president, Boatmen's. Richard P. Tennant has been elected executive vice president and general manager.

Credit Systems was organized to operate a compatible credit card system in the St. Louis area. This trade area has a population of more than 4.5 million people and over 80,000 retail and service establishments, with about 800 banks in the area to be served.

Mr. Brown emphasized there would be no indiscriminate mass

mailing of credit cards. The initial mailing will be based primarily on checking account customers and selected customers who have a record of careful handling of personal funds. Cards also will be issued by banks on approved applications.

There are two classifications of bank membership in Credit Systems. First is the Principal (Active) member who issues cards and signs up associate members and merchants. Second is the Associate Member (Merchant Bank) who does not issue cards but does sign up merchants.

A completely on-line account system will permit merchants to contact his participating bank and get an authorization or rejection for the purchase within seconds. Each bank will have direct access to the computer and the bank will receive an audio response and a visual check of the customer's current charge record. He relays the information by phone to the merchant, giving an authorization number. Card holders also may obtain a "cash advance" up to \$100 at any member bank.

All participating banks will have daily automated inter-bank accounting among all banks in the system. It is believed to be the first completely automated interchange in the nation.

Initial cost to an Active member bank is \$100 per million of assets, plus \$1.00 per card holder. Associate members pay \$35 per million of assets. Transaction charges initially are estimated to range from 70¢ to 80¢ from 1968 through 1970. The charges are expected to decrease to 65-70¢ between 1971 through 1974, and drop to less than 50¢ after 1974.

Banks considering Active membership are asked to join the plan no later than January 15, 1968. Associate members are asked to join no later than March 1, 1968.

All cards issued by Credit Systems will have the same name (as yet not selected), but each also will bear the name of the member bank. Merchants participating will have a decal to place on their door or window identifying their establishment so card holders will know where they can use the card.

BULLETINS...

CHADRON, NEBR.: The First National Bank recently held open house to celebrate its 80th anniversary. Herb Brune, bank president stated that over 800 persons attended.

EVANSDALE, IA.: The First National Bank of Evansdale has filed (Continued to back page)

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IOWA NEWS

ADEL: Kenneth Heisler, president of the Dallas County Bankers Association, recently announced the names of the Dallas County 4-H'ers who will be touring Chicago as part of a 4-H awards trip sponsored by the Dallas County Bankers Association.

ADEL: Four Dallas County Bankers have been honored for their contributions to the 4-H Foundation. They are: Leon Tupy of the First National Bank, Perry; H. B. Jacobson of the Dallas County State Bank, Adel; Jim Cody of the Dallas County Savings Bank, Minburn; and Bill Campidilli of the Perry State Bank, Perry.

ALDEN: Workmen have started removing the second story of the Alden State Bank building. A 20 x 26 feet addition, which will include a drive-in banking window, is planned to the east of the present building. The project is to be completed next spring. M. S., Inc., of Hampton is the contractor.

DEFIANCE: Construction has started on a new building for the Defiance State Bank, Shelby County's youngest bank. The new bank building will be located directly across the street from the present facility. It has been contracted by Henningsen Steel Products of Atlantic and should be completed within six months. Estimated cost of the building is \$50,000.

GARNER: The Hancock County National Bank will hold an open house in its new banking facilities on December 7.

HARLAN: The Harlan National Bank has submitted the low bid for \$28,000 worth of storm sewer bonds. The Harlan bank's bid of 3.9618% with a net interest cost of \$5,190 on the seven-year bonds was slightly lower than the three other bids submitted.

POPLAR GROVE: Open house was held recently in the new bank building of the Poplar Grove State Bank. The new red brick building features a drive-in window, 24-hour depository, off street parking and basement facilities for community meetings.

RED OAK: Lewis L. Lowe, vice president of the Houghton State Bank, has been named the new president of the Red Oak Chamber of Commerce.

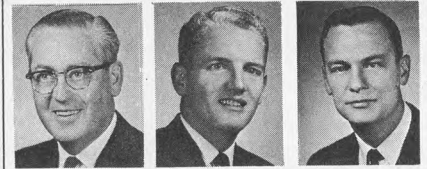
RENWICK: Services for Edward Opedahl, 77, president of the Renwick Savings Bank and former Iowa legislator, were held recently at Lake Lutheran Church near Goldfield. He died at Lutheran Hospital in Fort Dodge.

RIVERSIDE: Don F. Kirchner, president and cashier of Peoples Trust and Savings Bank, has been named as one of five men to the Iowa Legislative Banking Laws Committee. He will represent the Independent Bankers of America.

NEBRASKA NEWS

GRAND ISLAND: LeMoyne Monson has been named supervisor of data processing at the First National Bank.

OMAHA: Application for consent



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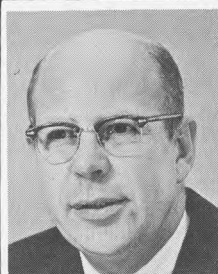
to change the location of the main office of the Indian Hills Bank, Inc., from 7764 Dodge Street to 304 South 42nd Street has been approved by Federal Deposit Insurance Corporation.

OMAHA: Arrangements have been completed by the Nebraska Bankers Association for the Washington, D.C., trip scheduled for February 2-8, 1968. Reservations for all available space on the reserved Pullman cars have been made to the NBA office by Nebraska bankers. The group will leave Lincoln and Omaha Friday evening, February 2 and arrive back home by train Thursday, February 8. The bankers' group will meet with Federal bank supervisory officials and Nebraska Senators and Congressmen.

MINNESOTA NEWS

CHOKIO: Paul Dorweiler of the Chokio State Bank has announced that the bank will increase its rate of interest from 4½% to 5½% on new time certificates.

JORDAN: Three robbery suspects



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have been captured following a recent \$18,646 holdup of the Northwestern State Bank. A man and a woman are still being sought in connection with the robbery.

MINNEAPOLIS: Police and FBI agents continue to look for a man about 60 who robbed the First Produce State Bank of about \$1,600. According to bank president R. L. St. Clair, this was the third robbery in the past 11 years for the 24-year-old bank.

ROCHESTER: The board of directors of the First National Bank has elected Roland D. Sullivan as vice president for automation, research and planning. He is currently executive vice president of First Computer Corporation, a wholly owned affiliate of First Bank Stock Corporation. He will continue in that capacity, in addition to duties with the Rochester bank.

ST. PAUL: B. C. Gamble, chairman of the board of Gamble-Skogmo, Inc., has announced the purchase of the Downtown State Bank of St. Paul by Gamble-Skogmo.

W. Andrew Boss has been named the new bank president. He was formerly vice president of the National City Bank of Minneapolis and is the son of Wally Boss, well-known vice president in charge of banks and bankers division at the First National Bank of St. Paul.

Patrick W. Colbert, Jr., who has been acting president of the St. Paul bank for the past two months, will return to his former position as vice president in charge of correspondent banking at the National City Bank of Minneapolis.

SOUTH DAKOTA NEWS

SIOUX FALLS: C. A. Lovre, president of the Northwestern National

Bank has announced the appointment of Gary Olson as assistant vice president and assistant manager of the Madison office of the bank. Mr. Olson is a graduate of South Dakota State University and joined the Northwestern National in 1963.

NORTH DAKOTA NEWS

BISMARCK: Three promotions at the First National Bank have been announced by Robert P. Hendrickson, bank president.

Gordon J. Engen, who has been cashier since 1955, was named assistant vice president and cashier. Robert J. Mooney, who has been assistant cashier, was named assistant vice president in the commercial banking department. Arthur E. Finck, a former management trainee, was named an assistant cashier.

DICKINSON: The sixth annual Agricultural Credit Conference of the North Dakota Bankers Association will be held at the Congress Inn in Dickinson on December 8, 1967, commencing with a welcoming social hour and smorgasbord the evening of December 7.

The program will feature, in the morning: Ray Douglas, superintendent of the Dickinson Experiment Station, who will talk about beef cattle in our economy today; Dr. Earl Callister of World Seeds, Inc., who will talk about seeds and seed experimentation and its impact on the economy; Raymond Schnell, Jr., of Dickinson, president of the North Dakota Stockmen's Association, who will talk about "Brands and Bankers."

The noon luncheon speaker will be Dean Rodney Briggs, University of Minnesota. During that luncheon, the ladies will have a luncheon at the First National Bank of Dickinson in the Crown Room.

In the afternoon the bankers

will hear from H. L. Thorndal, state examiner, "A Supervisor Looks at Farm Loans"; Harold Oddegard, Stutsman County agent, will speak on, "A County Agent Looks at Banking"; Loren Duemeland, immediate past president of the American Hereford Association of Bismarck, "Bull, Bankers and Business."

The conference will be topped off by a social hour Friday evening and a banquet featuring a skit by students of Dickinson State Teachers College.

COLORADO NEWS

DENVER: Charles Yale, former Denver druggist and board chairman of the Southwest State Bank, has announced he will devote his full time to duties at the bank. He has been board chairman since 1961 and will be in charge of securities and investments.

E. F. Kilmer, bank president for several years, has announced he is resigning from the bank.

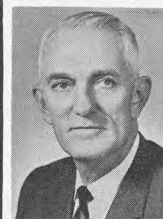
DENVER: Sammy B. Reiser, an employee of the Colorado National Bank since 1963, has been elected an assistant auditing officer at that bank, according to Melvin J. Roberts, bank president.

ENGLEWOOD: The Continental National Bank recently established a trust department. Named trust officer in charge was Paul J. Hanon, who has served in a similar position with the First National Bank in Ft. Collins.

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BULLETINS...

(Continued from page one)

an application with the Comptroller of the Currency for permission to change the location of its head office from 3511 Lafayette Road, Evansdale, to 1813 La Porte Road, Waterloo.

NATIONAL NEWS

PHOENIX, ARIZ.: Walter R. Bimson, chairman of the board of the Valley National Bank of Arizona, has announced that Earl L. Bimson, executive vice president since 1963, has been elected bank president and chief administrative officer. James E. Patrick, who became president in 1962, has been advanced to vice chairman of the board, sharing the responsibilities with Vice Chairman Carl A. Bimson.

Three senior vice presidents

have been promoted to executive vice presidents. They are J. Wilson Barrett, Eugene S. Lee and W. Roger Hafford.

For complete details, see the December *Northwestern Banker*.

WASHINGTON, D.C.: The House Banking Committee recently approved a "Truth-in-Lending" bill that is 'tougher' in several respects than the one passed by the senate. Both bills provide, however, that for open-end or revolving credit accounts the interest may be expressed in monthly terms.

WASHINGTON, D.C.: Secretary of Defense Robert McNamara, defense chief since 1961, has resigned from President Johnson's cabinet to take the \$40,000-a-year, tax-free post of president of the World Bank.

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No. 1068 *Northwestern Banker* is published five times monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 50¢ per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Forms 3579), manuscripts, mail items to above address.