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Financial News Occupies Headlines

The importance of financial news in the nation during the past week is dramatized in this sampling of headlines:

"Huge Burden on Market for Credit Seen in 1968"—N. Y. Times.

"Fed Gives Warning on Credit"—N. Y. Times.

"Fed's 'Fine Tuning' Is Criticized by Economist"—Minneapolis Star.

"Tightening Credit—Pressure to Hike Taxes, Cut Spending"—Helena Independent Record.

"U. S. Sees Bright Year for Business"—Minneapolis Tribune.

"Housing Sag 'Due Again'"—Omaha World-Herald.

Capping the stories behind these headlines that told about the Federal Reserve move to increase bank reserves by one-half per cent last week was the personal call by President Johnson over national television for Americans to curb European travel in 1968 and for American firms to reduce spending abroad and step up foreign selling. This move, designed to hopefully force a \$3 billion improvement in the balance of payments persistent deficit, brought cries of anguish from travel bureaus and an immediate drop in major airlines' stock prices.

Along with this development came the deep concern by the nation's largest banks that they will be facing a runoff of large CD's. These are in units of \$100,000 or more and banks are permitted presently to pay 5.5% on such CD's and 5% on lesser amounts. Pressure from higher return investments in foreign markets and threatened higher yields on other securities is stirring bank leaders to consider asking for an increase from the present 5.5% ceiling.

John H. Allan, reporting in the New York Times, stated: "The demand for money in 1968 is going to continue impossibly large. It will be bigger than it was in 1967, when interest rates reached their highest levels since the Civil War, and it will be greater than it was in 1966, the year of the Labor Day money crunch. This is the conclusion from talks with Wall Street financial analysts who are now beginning to focus on the shape of the money and capital markets for the year ahead."

Various analysts and bankers say that if banks lose an appreciable amount of the \$23 billion in large CD's that this will reduce funds banks have avail-

able for loans, would reduce commercial banks' ability to participate in necessary government debt refunding moves, and would hamper an already low mortgage market.

The main pressure on large CD's appeared last week to be on the "giant" banking leaders who must compete aggressively in world markets. These banks can, to some extent, compete on a more favorable basis than 5.5% in countries where they have branches by paying more there for CD's, since domestic U. S. restrictions are not applicable.

One midwestern banker, noting that he thought banks in this area could maneuver at this time within the 5.5% ceiling, said one alternative may be that banks might turn to issuing notes. This would permit banks to operate outside the CD market on a negotiated rate, as many larger banks are now doing on a limited scale.

In the meantime, bankers in reserve cities are preparing to put up reserves of 17% on demand deposits starting January 11, and those in smaller cities will follow suit at the 12.5% level for reserves on January 18.

All eyes and ears will be
(Continued to back page)

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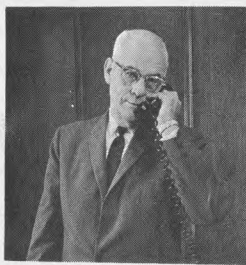
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IOWA NEWS

CLINTON: The board of directors of the First National Bank has announced the retirement of Edgar H. Jorgensen, vice president, effective December 31. He has 43 years of banking service and has served as head of the bank's installment loan department since its inception in 1937.

Milton Konzett, who recently joined the bank staff, will assume the duties as head of the installment loan division.

CLINTON: Ward H. Riedesel has been elected a vice president of the Clinton National Bank and will also serve as trust officer. He joined the bank in May, 1965.

DES MOINES: Paul R. Murphy, president of the South Des Moines National Bank has announced two bank promotions. Carma Overmyer has been advanced from assistant cashier to assistant vice president. Gene Loverink has been elected an assistant cashier.

DES MOINES: The comptroller of currency has approved application of the East Des Moines National Bank to establish a drive-in facility at 3416 Southeast 14th Street.

EAGLE GROVE: Plans are being made for remodeling the Security Savings Bank. The new building will incorporate both the present bank building and the one next door, which now houses Scudder's Department Store. Upper stories of the two buildings will be removed and the interiors of both will be completely remodeled. Construction is expected to start in early spring.

City and lifetime banker, died December 13. Mr. Rye was honored in 1957 by the Minnesota Bankers Association in recognition of his 50 years in banking and retired as president of First National Bank of Emmons in 1957.

HAWKEYE: Loren E. Billmeyer, president of the Citizens Savings Bank, has resigned effective January 1. He has served as an officer of the bank for 31 years.

Volney Palmer, bank cashier for 15 years, has purchased controlling interest in the bank and will succeed Mr. Billmeyer as president.

Gordon Meyer will succeed Mr. Palmer as cashier, and Howard Younger of Iowa Falls has been added to the staff as manager of the insurance department and bank teller.

MARION: The following promotions have been announced at the Farmers State Bank of Marion: Elwin K. Sievers, Wayne Zeigler and Robert H. Sippel have been advanced to vice president; James Mollenhauer has been promoted to assistant vice president; Richard C. Hare has been promoted to assistant cashier; and Dora Bohlken to assistant auditor.

MOVILLE: Howard Logan, president of the First Trust and Savings Bank has announced that effective January 1 interest rates on time savings certificates of \$2,500 or more will be 5%.

ORANGE CITY: Herman V. Rowenhorst, 72, chairman of the board of the Northwestern State Bank since 1965, died suddenly on December 18, following a heart attack suffered during his hospitalization for pneumonia in the Orange City Municipal Hospital. Mr. Rowenhorst was president of the Northwestern State Bank from 1945 until 1965.

PERRY: According to George Armstrong, executive vice president, Perry State Bank, the board of directors announced a 50% increase in stock dividends. A total of \$200,000 was transferred from undivided profits. Capital stock and surplus were each increased from \$200,000 to \$300,000. Undivided profits stands at \$358,542.

RENWICK: Willis F. Rich, chairman of the board of Renwick Savings Bank, has announced the appointment of Marshall V. Clancy of Hardy, Iowa, to the board of directors to fill the vacancy left by the death of Edward Oppedahl.

John Walther has been appointed bank president; Ernest F. Macha, vice president; Velma M. Rademaker, cashier; and Lola Hippen, assistant cashier.

ROCK RAPIDS: John J. Porter, president of Lyon County Agricultural Credit Corporation, Rock Rapids, and formerly in banking there, has purchased the majority interest in the First National Bank, Brewster, Minn., and has been elected bank president and director.

SIOUX CITY: Charles H. Walcott, vice president of the First National Bank, was married recently to Mildred C. Wyffels, Sioux City. The small ceremony was performed in the Blessed Sacrament Catholic Church, Sioux City.

TAMA: Richard DeYoung, vice



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president of Tama State Bank, has been elected president of the Tama Chamber of Commerce.

NEBRASKA NEWS

FARNAM: Controlling stock in the Farnam Bank has been purchased by Karl J. Randecker from Mrs. Margarette Rowland, president, and Mrs. Jeanette Parker and Mrs. Louise Lindvall, directors. Mr. Randecker, a native of Lexington, was in a California bank for six years before moving to Denver, Colo., where he has been in the banking business four years. Ralph Parker, executive vice president at the Farnam Bank, has resigned. Mr. Randecker became president January 1 and Gerald W. Thompson continues as cashier.

LINCOLN: Articles of incorporation were filed with the Secretary of State here for Kearney First National Co. of Lincoln, which would own the First National Bank of Kearney. Authorized capital is \$1.5 million. The incorporators, all members of the board of National Bank of Commerce, are: James Stuart, Gene H. Tallman, Phil Sidles, Avery E. Forke, Robert A. Dobson and John E. Olsson.

Harold Oldfather, chairman of First National Bank, is chairman for the new company. Glenn Yaussi, chairman of National Bank of Commerce and president of Lincoln Bank South, is president of the new firm.

Last month Mr. Yaussi announced to stockholders of NBC and Lincoln Bank South they would be offered rights to purchase ownership in Fremont First National Co. and Fremont First State Co., owners of First National and First State banks in Fremont. All the banks will be affiliated if stockholders purchase majority shares in the three companies.

NORFOLK: National Bank of Nor-

folk, an affiliate of Northwest Bancorporation, Minneapolis, has received permission from the Comptroller of the Currency to change its name to Northwestern National Bank of Norfolk.

WYMORE: L. Boyd Rist, president of Wymore National Bank, announced last week that controlling stock has been sold to a group from Beatrice headed by W. W. Cook, Sr., president of Beatrice National Bank & Trust Co. Mr. Cook said Mr. Rist will continue at Wymore for an indefinite period. All other employees will remain with the bank and that the bank will continue in Wymore.

MINNESOTA NEWS

ALBERTLEA: The Minnesota Commerce Commission has approved the application for a new state bank, Skyline State Bank, in Albert Lea. The bank will be run by Vincent F. Hart, now vice president of the Security State Bank, Wells, Minn. Incorporators named in the application are W. H. Olson, Homer L. Blake and Gordon R. Quinlivan.

BURNSVILLE: Hearing on the second application for a bank along Highway 13 in Burnsville will be opened February 20. Application for the proposed new State Bank of Burnsville has been filed by John F. Singewald, Stanley L. Schaefer, Richard T. Todd and Elroy Forland, all of Burnsville. January 16 has been set for the hearing for the first application in that community. That application has been on file since October.

HAYFIELD: Mrs. Carl H. Finseth has announced that the capital stock of the Citizens State Bank, owned by the estate of Carl H. Finseth, has been sold to Paul H. Arendts, Earl B. Himle and James

R. Jorstad. Mr. Arendts is vice president and cashier of the bank, and Mr. Jorstad is a bank vice president. Mr. Himle is engaged in the insurance business in Hayfield.

MARSHALL: G. O. Roggeman, Dale W. Anderson and Douglas F. Bultman have received promotions at the First National Bank. Mr. Roggeman has been promoted to vice president and Mr. Anderson has been made the officer in charge of agricultural credit programs. Mr. Bultman has been promoted to assistant cashier.

MINNEAPOLIS: Three staff members have been elected vice presidents at Northwestern National Bank, among 11 promotions announced by John A. Moorhead, president of the bank. Named vice presidents in the commercial department were E. Peter Gillette, Jr., Harold G. Peterson and G. Richard Slade.

MINNEAPOLIS: First National Bank has announced the promotions of nine officers to vice presidents. They are: James W. Ladner, John E. McCauley, Roger A. Severson, Raymond H. Johnson, Richard O. Weyrauch, Paul D. Schliesman, Jerome S. Yugend, Philip W. Schrader and Louis D. Laramee.

MINNEAPOLIS: William R. Chapman, president of Midland National Bank, has announced the promotion of Richard I. Rose from vice president to senior vice president and Richard A. Erickson from assistant cashier to assistant vice president.

SHELLY: E. J. Lund, president of State Bank of Shelly, has announced the appointment of Robert H. Johnson as cashier. He was formerly assistant cashier with Western State Bank, Marshall, Minn.



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Financial News

(Continued from page one)

attuned to the President's forthcoming budget message to Congress to determine whether fiscal control will be enforced in the coming year to match pace with monetary controls. Most government and business analysts have called for a tax increase, which would yield about \$5-\$7 billion, and a cut in federal spending of at least \$5 billion. This would reduce the anticipated federal deficit from about \$27 billion to \$15-\$17 billion.

NATIONAL NEWS

CHICAGO: Five officers of The First National Bank of Chicago retired December 31, 1967, under the provisions of the bank's pension plan.

Horace O. Wetmore, senior vice president since 1963, joined the bank on March 17, 1930, and was assigned to division "A" of the commercial banking department in 1946. He was named head of that division in 1949. Mr. Wetmore's father, Frank O. Wetmore, was associated with The First National Bank of Chicago from 1886 until his death in 1930. He was president of the bank from 1916 until 1924, chairman of the board

from 1925 until 1928 and co-chairman in 1929 and 1930.

Paul E. Farrier, vice president and an executive officer of the trust department entered the bank on May 1, 1934.

Graydon C. Nauman, assistant vice president, trust department, joined First National on April 15, 1929.

Samuel Sachnoff, assistant vice president, municipal bond department, entered the bank on November 13, 1916.

Lewis H. Schreiber, assistant cashier, in the operations department, entered the bank on June 9, 1924.

NEW YORK: Chester Baylis, Jr., senior vice president, has been appointed head of the banking departments of Bankers Trust Company. Succeeding Mr. Baylis, Richard M. Bliss has been elected first vice president in charge of the international banking department. The announcement was made by William H. Moore, chairman of the board.

Mr. Baylis will be responsible for the bank's national, metropolitan, international and banking operations departments, which for the first time will be administered as a functional group.

Mr. Bliss was previously vice

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president in charge of the investment and corporate lending division of the international banking department.

NEW YORK: Morgan Guaranty Trust Company has formed a wholly owned subsidiary, 15 Broad Street Resources Corporation, with initial capital of \$9 million, to operate as a federally licensed small business investment company, it has been announced by Thomas S. Gates, chairman of Morgan Guaranty.

SAN FRANCISCO: In top level promotions in Bank of America's advertising and public relations departments, James F. Langton and Charles R. Stuart, Jr., have been promoted to vice president. Mr. Langton will continue to direct the public relations activities of the world's largest bank, while Mr. Stuart will continue to head the advertising department.

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