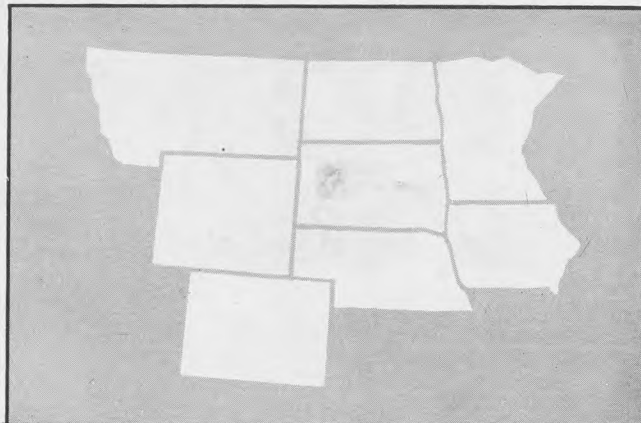


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1084

Des Moines, Iowa

March 4, 1968

## Predict Heavy Credit Demand Ahead

The Treasury, without the surtax, will be obliged to sell at least \$12 billion more securities than last year, according to the national investment firm of Salomon Brothers & Hutzler. As a result, the firm said the total of credit demands will rise to a new high of \$73.8 billion.

In its annual survey of the supply and demand for credit, the firm concluded that without large Government economies or the requested surtax, credit demands will reach such a large total that our authorities will be faced with a series of disruptive problems such as increased pressure on the housing market, inflation and continued pressure on the dollar.

The Salomon Brothers & Hutzler survey, prepared by Sidney Homer and Henry Kaufman, partners, assisted by James McKeon, suggested that even if monetary policy in 1968 is almost as expansive as in 1967, without the surtax there will still be a shortage of institutional funds to finance both the Government and a booming economy. As a result, the study concluded

states and municipalities will not be able to attract as much new financing as they need, and the mortgage market will again suffer. Only corporations will be in an easier position than last year.

The estimated net demands for credit in 1968 are: real estate mortgages at \$20.0 billion, up from \$19.5 billion in 1967; corporate bonds, \$11.0 billion, down from \$16.2 billion; state and municipal securities, \$8.1-billion, down from \$9.4 billion; foreign bonds \$0.7 billion, down from \$1.2 billion; bank loans, \$16 billion, up from \$12.7 billion; and publicly held Treasury and agency debt with no surtax, \$18.0 billion, up from \$6.3 billion.

The sources of the estimated net supply of institutional credit in 1968 are: mutual savings banks \$3.7 billion, down from \$4.9 billion in 1967; savings and loan associations, \$7.5 billion, down from \$9.4 billion; life insurance companies \$6.8-billion, the same as last year; fire and casualty insurance companies \$1.2 billion, up from

\$1.0 billion; private non-insured pension funds \$1.4 billion, the same as last year; state and local retirement funds, \$4.2 billion, up from \$3.8 billion; mutual funds, \$0.5 billion, up from a minus \$0.6 billion; all commercial bank funds, \$32.5 billion, down from \$35.2 billion; corporations minus \$0.7 billion, down from minus \$0.4 billion; state and local governments \$1.5 billion, down from \$2.0-billion; foreign investors \$2.5-billion, up from \$2.1 billion.

All institutional sources add up to \$61.1 billion, down \$5½-billion from 1967, while total demands without a surtax are estimated at \$73.8 billion, up \$8½ billion for 1967. Therefore, according to the summary, institutional supply of new funds will fall \$12.7 billion shy of meeting all demands in spite of a near record total of commercial bank credit.

In contrast to this imbalance, the survey concludes "a surtax of only \$8 billion in an \$800 billion economy could by itself bring the capital markets into fair balance, improve the housing outlook, and strengthen the international dollar position."

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## **IOWA-DES MOINES NATIONAL BANK**

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### **IOWA NEWS**

**CEDAR RAPIDS:** Merchants Natl. Bank has announced the introduction of Checking Plus and the Check Guarantee Card. The Check Guarantee Card identifies the holder as an MNB customer enabling him to cash checks up to \$100. The Checking Plus service enables customers to establish a credit reserve behind their checking account. In effect, he will be taking a low cost loan for the sum exceeding their balance. MNB is the first eastern Iowa bank to offer such services.

**ELDORA:** Roger Jensen, pres., First Natl. Bank, is the new pres. of the Hardin Co. Bankers Assn. Serving with Mr. Jensen are: V.P., John Johnson, Union-Whitten State Sav. Bank, Union, and Secy-Treas.,

Dale Martinson, Sec. State Bank, Radcliffe.

**HAWARDEN:** E. V. Slife, pres., Farmers State Bank, is observing his 50th anniversary of continuous service today (Monday, March 4). A recognition dinner will be held in April.

**RED OAK:** First Natl. Bank, St. Louis, entered the successful bid at the sale of \$1.19 million in school bonds for the purpose of equipping a new high school.

**SIoux CITY:** Carlton C. Van Dyke, pres., Toy Natl. Bank, is recovering at St. Joseph Hospital from a heart attack. His physician reports that he is making good progress.

**VINTON:** Charles B. Barron has retired as cash. of the State Bank of Vinton after serving the bank 29 years. He has devoted some 60 years to the banking profession, and will retain his position on the board.

Recent promotions at the bank include: Charles W. (Bill) Barron, from a.c. to exec. v.p.; Vernon L. Geiger, from a.c. to v.p., and Leland F. Beneke, from a.c. to cash.

### **NEBRASKA NEWS**

**TRENTON:** John Exstrom has resigned as a.v.p. of the State Bank to become cash. of the Holyoke Bank & Trust Co., Holyoke, Colo.

**WYMORE:** John Allee, formerly mgr. of the Bank of Fairplay and the Buena Vista Bank & Trust Co.

in Colo., has been elected exec. v.p. of the Wymore Natl. Bank.

**YUTAN:** Hubert H. Peters has sold controlling interest in the Bank of Yutan to Norman O. Peters, a cousin, and James W. Anderson, a son-in-law. Hubert Peters, who has been bank pres. since 1930, will remain as pres. and dir. in a semi-retired role. Norman Peters will remain as cash., and Mr. Anderson will be advanced from a.c. to exec. v.p.

### **MINNESOTA NEWS**

**CLARKFIELD:** Donald R. Nelson has been elected pres. of the Farmers and Merchants Bank, to fill the vacancy created by the death of Lyndon Lofdahl.

**DODGE CENTER:** James A. Loehr has been elected pres. of the Northwestern State Bank, effective April 1, 1968. He is presently v.p. of the Northwestern Natl. Bank of Litchfield, where he has been employed since 1957.

**GRAND RAPIDS:** W. V. Sommer has been named to the newly created position of senior v.p. of the First Natl. Bank. P. C. Houde has been elected v.p.; J. E. True and O. P. Young a.v.p.'s; and D. C. Thomas a.c.

**HANCOCK:** Elmer Skare has resigned as cash. of the Hancock State Bank, to accept a similar position with the Security Natl. Bank of Viborg, S. D.

**HAYFIELD:** David Samuelson has been elected a.c. of the Citizens State Bank. He has been with the bank since 1961.

**LAKEFIELD:** Bids for construction of the new Farmers State Bank building opened February 27. The new building will include a convenient drive-up facility, public meeting room and parking area. A

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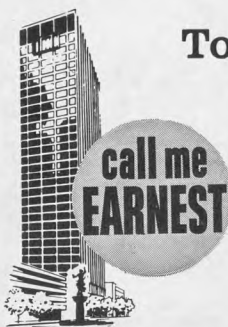
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Dear "Bob":

For the past 36 years, Martha and I have entrusted to you the safekeeping of our hard-earned treasures. Never once have you let us down.

Now that you're nearing retirement age, it is logical that you might sell out and enjoy your remaining years in some less strenuous fashion. Can't say as we blame you, -- but, we all hate to see you quit completely.

As a customer, life-long friend, and minority stockholder, I personally wish you the best of everything in your golden years. My only hope is that you can sell your stock in our bank to a party who meets the following qualifications:

1. A man who is knowledgeable in the field of banking.
2. A man with a proven record of success.
3. A man who will move to our town and take an active interest in its affairs as you have always done.
4. A man who understands the needs and wants of the people in our area.
5. And, last but not least, a man who might recognize the need for your continued service in the bank if you so desire.

It's doubtful that you would know many purchasers (with the cash), who could meet all these qualifications, and therefore I make this recommendation:

"A friend of mine, Richard C. Newlin, who negotiates the purchase and sale of banks, handled a situation for a mutual acquaintance of ours just last fall. With little effort on his part sale was made to an individual who has already joined several civic organizations and has become an intricate part of the community. Incidentally, he told me that he got top dollar for his stock, continues on as chairman of the board, and yet plans to spend all summer in Canada, fishing -- all this was accomplished at no expense to him. Seems as though the purchaser paid all the fees incurred."

Why not drop Mr. Newlin a line or better yet, give him a call at 515/277-6211. He acts quickly, quietly, and effectively. Probably more important, he was a banker himself and therefore understands your problems. What do you have to lose? You can reach him by writing --

Richard C. Newlin  
Bank Investors  
c/o Iowa Realty  
3521 Beaver Avenue  
Des Moines, Iowa

Cordially yours,

*Jim Johnson*  
Jim Johnson

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Richard C. Newlin  
Bank Investor  
c/o Iowa Realty  
3521 Beaver Avenue  
Des Moines, Iowa

Cordially yours,

*Jim Johnson*  
Jim Johnson

November 1 completion date is anticipated.

MINNEAPOLIS: The following nine new officers have been elected by Dain, Kalman & Quail, Inc.: Edwin C. Braman, Wayne Chestnut, Fred R. Friswold, Royal C. Johnson, LeRoy C. Kopp and Dale R. Oleseth, all v.p.'s; Robert J. Mullen and Thomas W. Rutter, a.v.p.'s; and John L. Walton, secy.

MINNEAPOLIS: Workshops sponsored by the Minnesota Bankers Assn. start today, March 4 at Tracy. Four additional meetings will be held this week as follows: March 5, Benson; March 6, Detroit Lakes; March 7, Thief River Falls, and March 8, Brainerd.

STILLWATER: Charles M. Hooley and Ernest M. Peaslee have been elected directors of the Cosmopolitan State Bank.

ST. PAUL: A request for reconsideration of purchase approval of the First Natl. Bank of Ely by Northwest Bancorporation has been filed with the Federal Reserve Board.

WINONA: Jay W. Martin, Cochran, Wisc., has been elected a dir. of the Merchants Natl. Bank.

### NORTH DAKOTA NEWS

DRAKE: E. H. Haykel, cash., First Natl. Bank, has been named a dir., replacing H. M. Rossebo, retired.

CASSELTON: H. George Poulson, prominent area farmer, will join the staff of the Casselton State Bank and assist R. T. Carley, pres., in making farm loans.

ENDERLIN: Dale Streyle has been named v.p. & asst. mgr. of the Peoples & Enderlin State Bank. He was an a.c.

WILTON: E. D. McGinnis was elected exec. v.p. of the First State Bank. Roy A. Magnuson was advanced to asst. v.p., and C. W. McGinnis was named cash.


### WYOMING NEWS

CHEYENNE: Robert A. Johnson, formerly v.p. & cash., has been

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elected senior v.p. & cash. of the American Natl. Bank. Ruth Eldridge has been named a.v.p. & asst. tr. off.

ROCK SPRINGS: Robert D. Murphy, 81, former v.p. & board member of the Rock Springs Natl. Bank until his retirement in 1955, has died in the Sweetwater County Memorial Hospital, where he had been a patient for three months.

TORRINGTON: Royce F. Tebbet, 81, founder of the Citizens Natl. Bank, has died in Goshen County Memorial Hospital.

### NATIONAL NEWS

CHICAGO: The ABA trust and automation departments will sponsor a Trust Automation Workshop

at the Palmer House March 7-8. Chairman of the workshop will be William G. Milburn, v.p. of the Mellon Natl. Bank & Trust Co., Pittsburgh, Pa. Over 300 senior operations and trust officers are expected to attend.


BOSTON: The ABA 65th National Savings Conference will begin today at the Sheraton Boston Hotel.

KANSAS CITY: Commerce Trust Company has announced a new series of one-day Correspondent Bank Management Seminars to be held March 26, April 3, 9, 11 and 23. The format for this series will again be of the small workshop type. Speakers will discuss loans and investments.

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### SOUTH DAKOTA NEWS

**GAYVILLE:** N. H. Kortuem, exec. v.p. of the Gayville branch of the United Natl. Bank of Vermillion was stricken with a heart attack, Feb. 18. He is now at Sacred Heart Hospital in Yankton. (He is pres. for the 1968 Graduate School of Banking in Madison, Wisc.

**McLAUGHLIN:** Clarence W. Sauer has been advanced from cash. to v.p. and Raymond Huber advanced from a.c. to cash. at the First State Bank.

### MONTANA NEWS

**BILLINGS:** Two new directors have been named by Midland Natl. Bank. They are: Clyde McCarty, pres., Flint Engineering & Con-

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Peter Bailey  
Assistant Cashier

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Cedar Rapids, Iowa



struction Co., and Max Thornton, v.p., Vale Creek Ranch Corp. Ralph Stenehjelm has been named ag rep.

**GLENDIVE:** The Glacier Conf. of Assn. of Bank Audit & Control will meet on Saturday, March 16 at the Jordan Hotel here, starting at 9 A.M.

**GREAT FALLS:** John H. Sheffels, pres., Central Machinery Co., and John D. Connors, local mgr. of Beatrice Foods, have been named directors of the First Natl.

**GREAT FALLS:** First Westside Natl. Bank reports the following promotions: Duane Voeller from cash. to asst. v.p. & cash.; Larry Bestwina and John Brink from a.c.'s to a.v.p.'s; Vernon E. (Bud) Olson from installment loan off. to a.c., and Mrs. Nathlee Zadick from asst. oper. off. to a.c.

**HARLEM:** Ted Vanover has been named a.v.p. of the Security State Bank. He has been with the Whitehall State Bank.

**HELENA:** Glen N. Gray has been advanced to a.v.p. of First Natl. Bank & Trust Co.

**PLAINS:** E. L. Johnson has been advanced to chmn. and C. G. Johnson has been named pres. R. B. Johnson was named v.p. & cash.

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