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Area Banks Face Livestock Credit Demands

Livestock feeders and farm operators are continuing to receive necessary credit and in many cases below the prime rate of 8½%, according to a number of authentic studies.

One of the most recent surveys on the subject appears in the August 9 issue of *Wallace Farmer*. It shows that current interest rates on cattle loans are mostly in the 8% bracket. Comment from the survey follows:

Money will be a little tighter for Iowa cattle feeders this fall. But most folks, especially those with established credit connections and a history of profitable operation, will be able to get the money they need.

Everett Stoneberg, ISU economist, puts it this way:

"So far, there hasn't been much real squeeze on agricultural credit for operators who are fully deserving of credit. The ones with a shaky financial statement may have more problems—but that should be the case anytime.

"However, cattle are costing more this year. Some lenders may choose to offer no more money than last year, which means fewer cattle for these borrowers. Part of this may be a hedge on feed supply until the 1969 crop is more certain.

"In short, most cattle feeders will probably get the money they need. But bankers will be asking more questions than usual."

Mr. Stoneberg goes on to explain that money for cattle is a choice loan which liquidates itself rapidly. Risk to the lender is quite small when the borrower has the feed.



"Most rural bankers are oriented to agriculture enough to take good care of cattle feeding borrowers even though it may cost them a little in potential return," says Mr. Stoneberg.

"At this point, a bank can get as much or more return on other investments.

"So Iowa farmers sometimes get credit below the market—in many cases, at less than major corporations must pay."

Current prime rate to favored borrowers is about 8½% in major money markets, up sharply from last year. The increased rate is part of an effort to check inflation by reducing the amount of

money borrowed throughout the nation.

"It's hard to guess what will happen to interest rates in the months ahead," says Mr. Stoneberg. "I thought they were too high before the last increase.

"The administration does seem to be trying to keep the prime rate from going any higher. So other means of rationing capital seem to be getting more attention in the big money markets now."

Visits by editors of *Wallace Farmer* with lenders scattered over the state indicate current interest on cattle loans in the 7% to 8½% bracket, mostly at 8%.

Cattle feeders who would like loans at less than prime rate would do well to arrange for their loans now rather than to wait until the last minute.

A survey of larger banks taken nationally last month by the Federal Reserve Board showed some differences among the banks.

The board received responses from 336 banks and found that 309 were charging the prime rate, which was raised to 8½% from 7½% on June 9. Of the 309, 27 banks charged the 8½% prime rate only to national corporations. Their most credit-worthy local businesses could get loans at 7½% to 8%, a situation bankers call a 'split rate.'

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IOWA NEWS

ALTOONA: Wayne B. Rowland has been elected cashier at the Altoona State Bank. He has 25 years of banking experience, including experience as a bank examiner.

AVOCA: The FDIC has approved the application of the Citizens Savings Bank to exercise limited trust powers.

CASEY: The FDIC has approved the application of the Casey State Bank to merge with the Menlo Savings Bank, Menlo, under the charter of the Casey bank and with the title of Security State Bank and to establish an office at Menlo. The Justice Department has 30 days to file suit after FDIC approval.

COUNCIL BLUFFS: Hawkeye Bancorporation, Red Oak, has announced plans to acquire control of State Bank &

Trust Company here, subject to prior approval of the Board of Governors of the Federal Reserve System. Hawkeye President Paul D. Dunlap said he and Myron Weil, executive vice president of Hawkeye, have entered into a contract to acquire 62.6% of the State Company of Council Bluffs, a one-bank holding company owning 88.5% of State Bank & Trust. The proposed acquisition is a two-step transaction whereby Mr. Dunlap and Mr. Weil have contracted to buy controlling interest in the State Company from Life Investors of Cedar Rapids and will resell it to Hawkeye at their cost, subject to prior Federal Reserve Board approval. This is the third proposed bank acquisition announced by Hawkeye in 30 days.

CRYSTAL LAKE: Ron Hansen has joined the Manufacturers Bank & Trust Company as trust officer. He was formerly with Union Bank & Trust Company, Ottumwa.

DES MOINES: More than 50 members of the Iowa Bankers Association's agricultural and public relations committee have indicated their intention to take part in the IBA banking display at the forthcoming Iowa State Fair later this month. This will be the second year the display has been shown.

DUBUQUE: Open house will be held by the American Trust and Savings Bank in its new Kennedy Road facility on August 13.

MARSHALLTOWN: Earl J. Paul, re-

tired officer of the Fidelity Savings Bank has died at the age of 81. He was actively engaged at the bank for 49 years as head teller, cashier, and trust officer and was vice president from 1945 until retirement in 1963.

NEBRASKA NEWS

LINCOLN: Charles W. Swingle, Sr., 78, a former director of the National Bank of Commerce has died in Lincoln. He was general partner in the C. W. Swingle Company and president of Swingle Realty Ltd.

LINCOLN: Edmund H. Mallowney, Sr., has died at the age of 94. Mr. Mallowney was a past employee of the First National Bank of Lincoln and a former examiner with the State Banking Department. In 1915, he became vice president and cashier of the old City National Bank and continued as vice president at the bank following its merger with the First National Bank until his retirement in 1940.

SCOTTSBLUFF: Gary W. Hall has been named executive vice president and Jack J. Moss cashier and assistant vice president at the Western National Bank. Mr. Hall, who has been with the bank since it opened in 1965 and was serving as assistant vice president and cashier, succeeds J. T. Selzer, who has rejoined the affiliated parent bank, the Scottsbluff National, as vice president and director. Mr. Moss joined the Western National in May of this year, coming from the Western National Bank of Casper, Wyo., where he was cashier.

MINNESOTA NEWS

BIG LAKE: Dr. V. C. Johnston, president of the Citizens State Bank of Big Lake, has announced the appointment of H. O. Lee as cashier and manager of the Sherburne County Insurance Agency. Mr. Lee has been serving as assistant cashier of the Citizens State Bank of Fulda, Minn.

CEYLON: The Minnesota Department

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of Commerce has authorized an amendment increasing the amount of capital stock at the State Bank of Ceylon from \$50,000 to \$75,000 by stock dividend.

MINNEAPOLIS: Thomas K. Scallen has been named chairman of the board of the Bank of Minneapolis & Trust Company; and H. Clifford Auble has been elected president. Mr. Scallen has been president of the bank since it was established in 1965. Mr. Auble has been president of the First National Bank of Wayzata, Minn., formerly North Shore State Bank of Wayzata, since 1966, has had banking experience at the University National Bank, where he was loan supervisor and later vice president, and also has served as executive vice president of the Summit National Bank, St. Paul.

MORA: Robert L. Nikodym has been named vice president of the National Bank here. Mr. Nikodym has 23 years of banking experience, including serving as executive vice president and director of the Kanabec State Bank here.

MOUNTAIN LAKE: The Farmers State recently held an open house to mark its 50th anniversary. The bank was organized in 1919 with resources of \$70,401. Presently resources stand at \$5,349,828.

NEW ULM: Warren Marti, president of the August Schell Brewing Company, has been appointed a director of the Citizens State Bank.

NEW YORK MILLS: E. H. Buerkle, president of the Farmers and Merchants State Bank for the past 46 years, recently was honored by the Minnesota Bankers Association for completing 50 years of service to the banking industry. Mr. Buerkle entered the banking business in Gibbon in 1919.

ST. PAUL: John Mason has joined the

Northwestern National Bank of St. Paul in the personal banking department. He was formerly an assistant manager of the Minnesota Central Credit Union of St. Paul.

ST. PAUL: The FDIC has approved the application of the Phalen Park State Bank of St. Paul to change its main office location from 1119 Barclay Street to the intersection of Maryland and Prosperity Avenues within St. Paul.

ILLINOIS NEWS

BELLEVILLE: Roland W. Blaha, Illinois commissioner of banks and trust companies, has issued a permit to organize a proposed state bank at 6910 West Main Street here. The proposed Bankers Trust Company would be capitalized at \$1 million. Organizers are Earl Millard, E. B. Jones, Joseph Millard, Norman J. Gundlack and Harry E. Cruncleton, Jr., all of Belleville.

CHICAGO: The Michigan Avenue National Bank has acquired a five-story building at 72 East Randolph Street which may be used for a future drive-in facility and may be the nucleus of future acquisitions for the site of a new bank building, according to Richard Curtis, bank president.

CHICAGO: A permit to organize has been issued for the proposed All American Bank of Chicago, to be located at 3611 North Kedzie Avenue, by the state commissioner of banks

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and trust companies. Organizers are Joseph D. Keenan, Jr. and David R. Elvart, both of Park Ridge; John R. Banner and Matthias C. Bruch, both of Chicago, and Emil Greco of Elmhurst. The bank is to be capitalized at \$1.2 million.

GEORGETOWN: Jack Pribble and Dr. Stephen J. Chantos have purchased 99 shares of stock in the First National Bank from Maud D. Myers, according to the Comptroller. There are 800 shares outstanding.

HARDIN: The FDIC has approved application of the Bank of Calhoun County to change its location from County Road to Water Street within Hardin.

LANSING: William C. Haase has been appointed vice president and cashier at the First National Bank. Mrs. Helen M. Kennedy has been named assistant cashier. Mr. Haase has been the bank's vice president in charge of the commercial loan division since 1967. Mrs. Kennedy has been an executive secretary.

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to be President of an Iowa bank with over \$40 million in footings? The man we are looking for will be a strong leader in the bank and in the community. He will be excited at the challenges to his ability to plan for growth, and the opportunity to implement these plans with a loan portfolio aggressively involved in commercial loans, heavy real estate interests, and more than a third of the total in installment loans. He will obviously be a self-starter who can inspire his officers and the staff to work together for our goals. He will bring with him a solid reputation and an experience background that warrants a starting salary of at least \$25,000 and attractive executive benefits.

*If you are this man, send your resume in confidence to me,
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WASHINGTON: The Comptroller of the Currency has issued a certificate to the Danforth First National Bank of Washington to change its name to the First National Bank.

SOUTH DAKOTA NEWS

John Vucurevich, owner of the United National Banks of Brandon, Canistota, Gayville, Tabor, Valley Springs, Vermillion, Volin and Wakonda and the Lyman County Bank of Kennebec, has announced the merger of the banks into one of the larger independently owned banks in the state. No change in management of the facilities is planned. Purpose of the merger is to consolidate internal operations, increase capital structure and provide additional services.

ABERDEEN: Gary L. Wickre has joined the staff of the Northfield National Bank. He is a recent graduate of Northern State College here and has previously been employed at the National Bank of South Dakota, Wessington Springs office, and the Aberdeen National Bank.

ABERDEEN: Gary Roth has been advanced from assistant cashier to assistant vice president and manager of the installment loan department at the First National Bank of Aberdeen. Loren Steele has been elected assistant cashier. Both men are at the head office here.

HERREID: William Block, vice president of the Campbell County Bank here, has retired after 28 years of service with the bank. He began his banking career in Tolstoy, S. D., came to Herreid in 1941 and was

instrumental in starting the Campbell County Bank in 1944.

MILBANK: Kenneth Trapp, 56, manager of the Hill City branch of the First National Bank of Rapid City, has died at St. Johns Hospital in Rapid City following a heart attack.

MILLER: Richard J. Froning has been promoted to cashier at the Hand County State Bank. He joined the bank as teller about 12 years ago and was currently serving as assistant cashier.

NORTH DAKOTA NEWS

CARRINGTON: Ray Kelly has joined the staff of the First National Bank as assistant cashier. He was formerly manager of the Ben Franklin store here.

VALLEY CITY: Wesley N. Severson has been elected chairman of the board of directors of the new Farmers and Merchants Bank of Valley City. Gerald L. Zinck, formerly vice president of the American National Bank here, has been named president and Jack Holm cashier. Other bank personnel named directors are: Frank Larson, vice president; R. Lee Meuret, secretary; Dr. Paul Reslock, treasurer, and Leo Beauclair, legal counsel. Other board members include Raymond Olson, John Salvi, John Manstrom and Henry Bruns, Jr. Official opening of the new bank is being held today.

COLORADO NEWS

DENVER: The newly chartered Industrial Bank of America opened for business on August 7 at 1199 West Colfax Avenue. Albert Purcell is

president; Robert Jay, executive vice president; C. G. Theodoran, vice president, and Mrs. C. A. Andrews, assistant cashier.

WANT ADS

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