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Interest Rates to Continue at High Level

Tilford C. Gaines, vice president and economist, Manufacturers Hanover Trust Company, speaking at a New York Society of Security Analysts meeting, said recently that he sees little likelihood that the pressures upon the credit markets will ease appreciably or that interest rates will come down by any significant amount in the next year.

"Interest rates," Mr. Gaines added, "currently are at or close to their highs and the trend over the next year will be toward somewhat lower rates of interest," but the extent of the interest rate decline will not be spectacular and will occur in a stop-start, saw-tooth pattern.

"Translated into precise numbers, short-term open market rates might be one point to 1½ points below current levels by next year at this time. Corporate bond yields might be ½ point to ¾ point lower — let's say 7½% on triple-A utilities with five-year call protection. Municipal bond yields are unpredictable until Congress completes work on the "tax reform" bill. Mortgage interest rates might be a shade lower, but the intensity of demand for mortgage money will prevent a major downward adjustment."

In conclusion, Mr. Gaines said,



Tilford C. Gaines

"whatever happens to interest rates over the next year or so, the United States appears to have become a capital-short country, and this circumstance dictates that interest rates in this country must remain high and competitive with interest rates abroad for an indefinite time ahead."

Kill Banking Lobby Proposal By Patman...

The much-heralded investigation of the banking lobby is dead. Reason: House Banking Committee Chairman Wright Patman refuses to take his charges of improper conduct to the House Rules Committee.

The Banking Committee voted 21 to 13 last week to direct Chairman Patman to present his allegations and substantiating evidence of improper conduct against the

banking lobby to the Rules Committee, which is considering legislation concerning the registration and regulation of all lobbies.

However, Chairman Patman said he had no intention of doing so. "It is clear that the committee doesn't want to investigate the banking lobby," he said.

Committee members who opposed Chairman Patman's plan to have the Banking Committee conduct the investigation charged that he did not offer any substantiating evidence of wrongdoing on the part of the banking lobby. "The real question in the minds of committee members was the objectivity of the chairman's proposed investigation," Rep. Margaret Heckler said. "His plan would have the committee investigating itself."

Fed Chairman Favors Repeal of FHA- VA Ceilings...

A proposal to permanently repeal the statutory 6% rate ceiling on FHA and VA loans has won important backing from the Federal Reserve Board. Fed Chairman William McC. Martin said suggestions to permanently abolish the statutory ceiling would represent "a useful step."

In Senate Banking Committee
(Continued on Page 4)

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Mr. Rosga worked with the U. S. Postal Department before joining the bank.

LAKEFIELD: The FDIC has approved application of the First State Bank of Lakefield to withdraw from FDIC membership.

MANKATO: An application was filed last month with the State Department of Commerce to amend the certificate of incorporation of the Farmers State Bank of Rapidan, Minn., changing the name of the proposed bank to the Security State Bank of Mankato and changing the location of the bank to 328 Rhine Street, Mankato. This application was substituted for the application of the Security State Bank of Mankato, which was filed in November, 1967. Applicants are: Albert C. Norland, Dr. Bernard J. Powers, John E. Todd and Chester M. Willer, all of Mankato. Proposed capitalization is \$500,000. Hearing on the application has been set for 9 a.m. on November 12 in the State Office Building, St. Paul.

ST. PAUL: Aubrey K. Johnson, first vice president of the Federal Intermediate Credit Bank of St. Paul, has been appointed deputy governor and director of the Production Credit Service of the Federal Farm Credit Administration. The Production Credit Service supervises the nation's 12 intermediate credit banks and 450 affiliated product credit associations.

ILLINOIS NEWS

CHICAGO: George J. Bodie has been elected assistant vice president at the Bank for Savings & Loan Associations.

CHICAGO: The FDIC has approved the application of the Amalgamated Trust & Savings Bank to locate a motor facility at the southwest corner of Van Buren and Dearborn Streets here.

OAK PARK: Two new officers have been added at the Oak Park Trust & Savings Bank. They are Charles H. Thorson, assistant vice president, commercial loan department, and Mrs. Patricia C. Crowe, assistant trust officer. Mr. Thorson served as an

son has joined the staff of the West Branch State Bank as assistant cashier, according to L. C. Rummells, executive vice president. Mr. Anderson comes to the bank from the Valley National Bank of Arizona, where he was an assistant manager.

NEBRASKA NEWS

ELM CREEK: Thomas H. Neill has been appointed executive vice president at the Elm Creek State Bank, filling a vacancy created by the resignation of Donald E. Kearney, who has taken a post in a Goodland, Kan., bank. Mr. Neill joined the bank in 1968, assuming the post of cashier and insurance agent.

TECUMSEH: J. V. Johnson, Sr., recently observed 50 years of association with the Johnson County Bank. He presently holds the position of chairman of the board at the bank. Mr. Johnson's two sons are also associated with the bank. J. V. Johnson, Jr., succeeded his father to presidency of the bank about two years ago, and Stephen A. Johnson serves as assistant cashier.

MINNESOTA NEWS

ALEXANDRIA: The First National Bank has announced plans for construction of a new bank building at the corner of 7th and Broadway here. Lester H. Gauger, bank president, anticipates that the new building will be ready for occupancy by December, 1970.

HINCKLEY: Daniel P. Rosga has been named teller at the Farmers & Merchants State Bank of Hinckley.



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IOWA NEWS

ALTON: John H. Krogman has joined the staff of the Alton Savings Bank. He previously operated the Krogman Insurance Agency here.

BEAMAN: The Farmers Savings Bank has increased its surplus fund to \$175,000.

HUDSON: Jerry Evans has been appointed assistant vice president at the Hudson State Bank. He has 10 years of banking experience with the Guaranty Bank and Trust Company of Cedar Rapids.

WEST BRANCH: Raymond K. Ander-

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officer of a south side Chicago bank before coming to the Oak Park bank. Mrs. Crowe has been with the bank since 1967.

WOODSTOCK: Jack D. Smith has been named executive vice president of the First National Bank, in charge of operations. Mr. Smith has 16 years of banking experience. He was most recently employed as senior vice president and director of the First Bank & Trust Company of Clay County, Brazil, Ind.

NORTH DAKOTA NEWS

FARGO: Daniel S. McKinnon has been elected assistant cashier of the Dakota National Bank & Trust Company. Previous to his present post, he worked four years for the First National Bank in Moorhead, Minn., and for three years with the examination department of the First Bank System, Minneapolis, as a supervisory examiner.

JAMESTOWN: Daniel P. Schorsch has been elected president of the First James River National Bank, succeeding Ernest W. Hauser, who has retired. Mr. Schorsch joined the bank in 1957 and had been appointed executive vice president earlier this year. Mr. Hauser had been with the bank for 47 years. He had been serving as president and chairman of the board since 1963.

MAYVILLE: Paul Marchell has been named the new cashier at the Goose River Bank. He was formerly employed at the First State Bank of Park River as assistant cashier and agricultural representative.

SOUTH DAKOTA NEWS

CLARK: The Citizens State Bank will hold an open house in its new

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Used Coin Sorter-Counter in good working condition. Decorah State Bank, Decorah, Iowa 52101.

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Used Burroughs model F-600, 27-pocket, proof machine—excellent condition. Write File BHB, in care of the Northern Western Banker, 306 Federal Reserve Bank of St. Louis

banking facilities on October 17.

GETTYSBURG: Arden L. Peterson of Minneapolis has been named assistant cashier at the First Potter County Bank. He was most recently employed at the First Minnehaha National Bank of Minneapolis.

WATERTOWN: Burdette C. Solum, vice president of the First National Bank of Watertown, has been elected to the bank's board of directors. Mr. Solum has been with the bank since 1953 and has been serving as vice president since 1965. Jerry A. Miller has been named vice president and trust officer at the bank. He came to the bank in 1961.

COLORADO NEWS

DENVER: Stockholders of National City Bank have been issued a stock dividend at the rate of one share for each two shares held. The dividend was made possible by the transfer of \$250,000 from the bank's undivided profits account to capital, leaving both capital and surplus accounts totaling \$750,000 each. Stockholders also approved a five for one stock split, raising to 75,000 the number of shares outstanding.

DENVER: Five officers of the Jefferson County Bank have filed an application with Colorado Bank Commissioner Harry Bloom for a proposed new bank, the South Jefferson County Bank, to be located at W. Jewell Avenue and South Wadsworth Boulevard here. Proposed capitalization is \$275,000, with \$200,000 capital, \$50,000 surplus and \$25,000 undivided profits. The proposed new bank would be an affiliate of the Jefferson County Bank. Signing the application were: Jess Kortz, chairman of the board of the parent bank; Fred E. Kirschke, president; Theodore H. Mueller,

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Norman B. Bernard and Robert D. Bammerlin, all senior vice presidents.

FORT COLLINS: Application of the First National Bank to locate a new facility at 212 West Laurel Street here has been approved by the Comptroller of Currency.

GREELEY: Charles J. Gaffey has been named assistant vice president at the Weld County Bank, according to Norman M. Dean, president. Mr. Gaffey, who will work in the bank's installment loan department, was previously manager of Thrift Plan Finance Company in Iowa City, Iowa.

LAKESWOOD: The Board of Governors of the Federal Reserve System has

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City National Bank & Trust Company

Kansas City, Missouri

approved application of Colorado CNB Bankshares, Inc., Denver, to acquire 80% or more of the voting shares of the Lakewood Colorado National Bank.

MONTANA NEWS

HELENA: Robert C. Kuchenbrod has been elected assistant trust officer of the First National Bank & Trust Company. He joined the bank in 1966 and has served in various departments.

WYOMING NEWS

CHEYENNE: Delbert F. Northcutt and Andrew E. Roedel III have been named to the board of directors of the First National Bank and Trust Company. Mr. Roedel is president of A. E. Roedel Drug, Inc., and treasurer of Poudre Drug, Inc., of Fort Collins, Colo. Mr. Northcutt is president of the Del Northcutt Realty Company.

CHUGWATER: John Vucurevich of Rapid City, S. D., has purchased the Chugwater Valley Bank from the Curtis Tennplin estate. Donald Steinmetz of Havre, Mont., has assumed the management duties at the bank from Frank Carlin, who will leave the bank around November 1. Larry Graham also has been added to the bank's staff. He has been attending school at Spearfish College at Rapid City. Mr. Vucurevich

is president and chairman of the Rushmore State Bank in Rapid City and has interests in several South Dakota and Montana banks.

FHA-VA Ceilings...

(Continued from Page 1)

hearings on recommendations by the Commission on Mortgage Interest

Rates, Chairman Martin said the Fed also favors the three-year trial period for a dual market system on FHA and VA loans. Under this plan, lenders could choose to make FHA and VA loans "without regard" to ceilings provided they not collect discounts, while others could choose to remain under control of the ceilings.

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