

# NORTHWESTERN Banker Newsletter

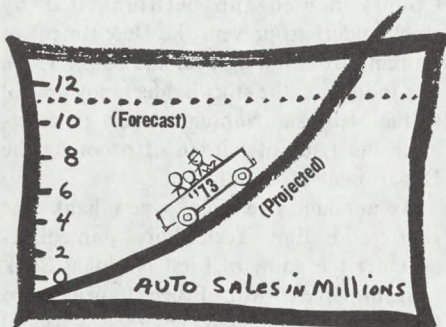
Vol. 3. No. 6

Des Moines, Iowa

June 11, 1973

## Auto Sales Are Outstripping Forecasts

Phenomenal 1973 sales of cars and trucks are exceeding the most optimistic forecasts offered at the turn of the year. For January through April 1973, car sales were at an annual rate of well over 12 million, and truck sales were at a rate of more than 3 million. Sales of cars and trucks would have been higher if capacity to produce components and assemble vehicles were



larger, says the Federal Reserve Bank of Chicago in its monthly review, *Business Conditions*.

In a broad analysis of what it calls "the number one industry" in the nation, the article discusses trends in market shares, imports, employment, plant location and expenditures on new plant and equipment, and developments in pollution controls. Other topics include the Canadian Auto Trade agreement, the vehicle population, scrappage rates, consumer expenditures on vehicles and use of instalment credit, price trends, and labor relations.

Inventories of new cars on May 1 amounted to only 48 days sales, compared to a May 1 average of 60 days supply in the

four previous years. Late-model used cars are scarce and prices are strong. Truck inventories are even lower relative to sales than car inventories. Producers report long waiting lists for trucks, especially heavy-duty types.

If vehicle sales are maintained near the rate of the first four months — and some experts believe they can be — sales could total almost 15 million, says the bank, up 11 percent from 1972's record. U.S. auto output was 2.7 million and truck output was 810,000 in the first quarter of 1973, increases of 20 percent for cars and 28 percent for trucks from a year earlier, and records for any quarter by a wide margin. Output is being maintained at about these rates in the second quarter.

These output levels have been achieved by increasing employment about 8 percent from last year, by heavy overtime, and by substantial increases in output per man-hour. Idle plants have been reactivated, and expansion and modernization programs have been accelerated. Except for strike periods, pressures to maximize vehicle output have not been so intense since the mid-1950s, according to the bank.

Although passenger car sales levels in the first four months of 1973 appear unsustainable by relevant historical comparison, the Chicago Reserve bank finds that the increase in cars in use in the past two years has not been above the long-term pattern. The accelerated uptrend in purchase of trucks for personal use and freight transport is virtually certain to continue. Despite rising costs, pollution, and



**PICTURE OF THE WEEK**—John A. Moorhead, chairman of the Northwestern National Bank, Minneapolis, and Mrs. Moorhead (right), greet Colette Flesch, mayor of the city of Luxembourg at a reception marking the opening of Northwestern's branch in the Grand Duchy May 29. The \$1.4 billion Northwestern is the tenth U. S. bank authorized to open a full service branch in Luxembourg. Also attending the reception at the Hotel Grand Cravat were Mrs. Ruth Farkas, United States Ambassador to Luxembourg and Albert Dondelinger, commissioner of bank control for the Grand Duchy.

traffic congestion, the utility, flexibility, and prestige offered by motor transport can be expected to provide a strong market for cars and trucks in the years to come.

For more information, see *Business Conditions*, May 1973.

### SOUTH DAKOTA NEWS

SALEM: Darwin Miller has joined the McCook County National Bank. He recently graduated from Dakota Wesleyan University.



Dale Luckow

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#### IOWA NEWS

The Iowa Department of Agriculture will hold a gala golden anniversary celebration on Saturday, June 23, in Des Moines. The theme is "Iowa Agriculture Serves the World." A parade will kick-off the day's events beginning at the State Capitol at 10 a.m. There will be an afternoon and evening program at Living History Farms west of Des Moines with a mid-afternoon speaking program featuring short talks by Governor Robert D. Ray and Secretary of Agriculture R. H. Lounsberry. Then an old fashioned barbecue and square dance will be held.

CLARION: The name of the Wright County State Bank has been officially changed to Brenton Bank and Trust Company. It is anticipated the bank will move

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**JOHN RODGERS  
WELCH**  
Correspondent  
Banking Officer

into its new facilities in July and an open house will be held shortly thereafter.

DES MOINES: Robert J. Sterling has been named chairman and chief executive officer of Bankers Trust Company, effective immediately, according to an announcement last week by John Ruan, chairman of the executive committee. Succeeding Mr. Sterling as president in mid-June will be Thomas L. Wright, 46, who has resigned as executive vice president of First National Bank in Jackson, Miss., to accept this position. Mr. Sterling will continue working closely on construction of the new Ruan Center and will coordinate major planning and bank management activities.

DES MOINES: Central National Bancshares, Inc., has been authorized by the board of directors to purchase an additional 20,000 shares of its own stock in the market to be used for future acquisitions, according to B. C. Grangaard, chairman and president.

GRUNDY CENTER: Arthur V. Dieken, chairman of the board, Farmers Savings Bank, officially retired on May 1, 1973, and an open house in recognition of 38 years of service was held on Sunday afternoon, June 3, in the bank's community room, according to L. C. Pike, bank president.

HARLAN: Mrs. Wilmer E. Petersen, wife of the chairman of Shelby County State Bank, died May 12. Her son, H. Rand Petersen, is president of the bank.

OSAGE: Home Trust and Savings Bank has announced the addition of Harold McWilliams to its staff as loan officer and assistant cashier. He will replace John Euard.

WILTON JUNCTION: Lee Overson has joined the Wilton Savings Bank as loan installment officer.

#### NEBRASKA NEWS

BEATRICE: Dennis J. Weigel has joined the Beatrice National Bank and Trust Company as an instalment loan officer.

ELM CREEK: As of June 5, 1973, the FDIC had paid 1,150 claims for \$2,667,595 to depositors of the defunct Elm Creek State Bank, representing 91% of the bank's deposits. The Nebraska Director of Banking, Henry Ley, took possession of the bank April 20 for audit and evaluation. The FDIC later was appointed the receiver when the bank was declared insolvent on May 7. The FDIC commenced payment of insured deposits on Saturday, May 19. Total deposits were estimated at \$2.9 million. FDIC officials estimate that perhaps two dozen depositors may have claims for deposits in excess of the \$20,000 insured limit. These depositors will have access later with FDIC to first recovery on liquidated assets before any payment is made to stockholders.

On June 5, the District Court of Buffalo County denied the petition filed by stockholders to prevent the Department of Banking from taking over the bank. There was indication the stockholders may appeal to the Nebraska Supreme Court to determine the issue of burden of proof by the Department of Banking.

As announced earlier, a new bank was chartered in Elm Creek almost immediately under the name of First National Bank of Elm Creek, with Bruce Lauritzen of Omaha as the principal. The First National went into operation three doors away from the closed Elm Creek State Bank.

JANSEN: Funeral services were held recently for John M. Nider, chairman, State Bank of Jansen. He had been with the bank since June, 1928, serving as president until January, 1965. He was chairman until his death.

KEARNEY: The charter application of the Kearney State Bank has been denied.

MERNA: The Nebraska Department of Banking has also denied the application of the Merna State Bank for a charter.

MINDEN: A state charter permitting the Exchange National Bank, Minden, to convert to the Minden Exchange Bank and

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Trust Company, 448 North Minden Avenue, has been approved.

OMAHA: Richard L. Eastman has joined the First National Bank as commercial loan officer. He was a loan officer with the Small Business Administration for the past two years.

OMAHA: The application of The Omaha National Bank for permission to establish an office has been amended from the southeast corner to the southwest corner of the intersection of 108th and L Streets.

OMAHA: Stephen Mangold has joined the First West Side Bank as vice president, commercial loan department. Previously he was assistant vice president of the North Side Bank of Omaha.

## MINNESOTA NEWS

ANOKA: Henry C. "Red" Johnson was promoted from senior vice president to president of the Anoka State Bank, succeeding the late Julian J. Schmidt. Directors also advanced J. Stephen Schmidt from first vice president to senior vice president and chairman of the board. Mr. Johnson has been with the bank since 1956. Mr. Schmidt joined the bank after working for Dayton Hudson Corporation following his graduation from Luther College.

BENSON: Two appointments have been announced at the Swift County Bank. Russell Black was advanced to cashier and Paul W. Gandrud, Jr., was named assistant cashier.

BURNSVILLE: Controlling interest in the First Burnsville State Bank have been sold to George W. Benz of St. Paul. Plans are to take the bank into American Bancorporation, Inc., of which Mr. Benz is chairman.

COON RAPIDS: Miss Patricia McGrath

has been promoted to assistant cashier at First State Bank, according to William R. Pieper, president. She will have responsibility in operations and auditing. She joined the bank last February. Previously, she had been associated with First Minneapolis Bank's West Broadway office for 12 years.

CURRIE: New officers of the Currie State Bank have been announced: J. P. Hansen, president and cashier; Charles Doom, vice president and Collette Peschges, assistant cashier.

CROOKSTON: James J. Vihstadt has joined the Polk County State Bank as assistant vice president and loan officer. Previously he was with The Federal Deposit Insurance Corporation.

GRAND RAPIDS: William G. King, president, First National Bank, has been elected chairman and chief executive officer. Elected president effective July 1 was Douglas J. Gallop, Northwestern Bancorporation vice president, bank relations. He was also elected to the board. Mr. King plans to retire on September 30.

INTERNATIONAL FALLS: Arnold M. Johnson, vice president and cashier, First National Bank of Crookston, has been elected president of the International State Bank, effective June 18.

WATERTOWN: Dave Heldt, 31, has been promoted from cashier to vice president at

## POSITION WANTED

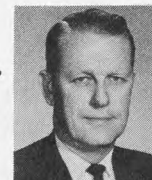
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American State Bank. He will be in charge of the installment loan area. Mrs. Mary Speckel, 33, was advanced from assistant cashier to cashier. She will assist in loan duties and collections and continue in charge of the bookkeeping and teller departments.

## COLORADO NEWS

DENVER: Cherry Creek National Bank has appointed William K. Soldan as vice president in charge of the consumer loan department, according to Weldon B. Hamilton, president.

LAKEWOOD: Denver attorney William P. Johnson has been elected chairman of Westland Banks, Inc., a multibank holding company. He succeeds Everett Williams, and will also hold the title of chairman of each of the six affiliate banks. Mr. Williams will continue to serve on the holding company board. Robert S. Appel was elected secretary.



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### ILLINOIS NEWS

**CHICAGO:** John P. Kilroy, cashier of the Merchandise National Bank of Chicago, has been elected president of the Chicago chapter of the Bank Administration Institute.

**CHICAGO:** Franklin A. Cole, president and chief executive officer, Walter E. Heller International Corporation, and Allen P. Stults, chairman, American National Corporation, have announced that a formal agreement for combining American National Bank and Trust Company of Chicago with Heller will be submitted to the respective boards at meetings on June 15. If approved the transaction will be submitted at special meetings of stockholders of the two companies in July.

**CHICAGO:** Gertruce Hartkoorn, vice president of First National Bank in Harvey, has been elected president of the Association of Chicago Bank Women.

**NAPERVILLE:** Nathan R. Wakefield has been named senior auditor of the First Ogden Corporation. He was previously employed in the audit division of the Illinois State Bank of Chicago.

**PARK FOREST SOUTH:** A charter has been issued for the organization of the First Bank of Park Forest South, 800 West Exchange Street. Total capitalization will be \$800,000 consisting of \$300,000 in capital stock, \$300,000 in surplus and \$200,000 in reserve. Officers: Daniel G. Kaplan, president and Vicki Nyman, cashier. Directors: William Engbretson,

Mr. Kaplan, Lewis Manilow, Kalman Rowen and Frank Sweeney, all of Park Forest South; Walter O. Herschbach, Joliet; Larry Lawless, Chicago, and Donald O'Toole, Jr., Evergreen Park.

**ROCKFORD:** Edward Abegg, vice chairman of the board of The Illinois National Bank and Trust Company, recently was honored for his 50th year in banking.

### NORTH DAKOTA NEWS

**ASHLEY:** Ronald H. Bartholomay has joined the McIntosh County Bank. He previously was cashier and insurance manager of the Citizens Bank of Enderlin.

**BISMARCK:** The Bismarck Art Association recently selected a new group of oils, acrylics and photography, by North Dakota artists, for display in the Bank of North Dakota, for the ensuing six weeks.

**MINOT:** Milo Borstad, area farmer and businessman, has been elected to the board of directors of the American State Bank. He will take the seat of G. N. Geiszler who retired.

**ROLLA:** The First Bank of Rolla recently opened its drive-in banking facility.

### WYOMING NEWS

**CHEYENNE:** Mike J. Coughlin has been elected vice president in charge of real estate loans at American National Bank, according to Robert J. Sorensen, bank president. He formerly was head of the mortgage loan department of Security Bank & Trust Co. in Casper.

## WANT ADS

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