

# NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

April 18, 1977

## Fed Proposes Equal Return on IRA/Keogh

The Federal Reserve Board has proposed to allow its 5,759 member banks to pay the same deposit interest rate as thrift institutions for long-term retirement accounts, effective July 6.

The action is a major departure from the 11-year-old rate differential concept which currently allows thrifts to pay  $\frac{1}{4}$  % more for savings than commercial banks.

Chairman Robert E. Barnett of the FDIC has offered a similar proposal. It is thought that a new type of time deposit might be developed for retirement savers.

Currently, banks may pay 7.50%, while thrifts may pay 7.75%. The new instrument would allow both banks and thrifts to pay 7.75%. The Fed said that if banks were allowed to pay the higher rate it would mean an additional \$50,000 for Keogh plans and an additional \$10,000 for IRAs, based on a maximum deposit over a 30-year period.

The Fed action is certain to cause trouble in the financial community and in Congress. Senator Thomas J. McIntyre, D., N.H., who is chairman of the Senate Banking subcommittee on financial institutions, termed the Fed move "unilateral special interest initiative on behalf of commercial banks."

The Fed proposal came after Congress gave final approval to a compromise bill which extends deposit rate ceilings for all financial institutions for another nine months to December 15.

Banks now have only 34% of the IRA market.

## John Chisholm Is Comptroller Candidate

John Chisholm, a former commissioner of banking in Minnesota and the immediate past president of the Minnesota Bankers Association, is a leading contender for nomination to the position of Comptroller of the Currency, according to reports from Washington, D.C.

Mr. Chisholm, 62, is president of the Olmsted County National Bank, Rochester. He reportedly has the backing of Vice President Walter Mondale and of Senator Hubert Humphrey. The appointment should be made within the very near future.

## BAI To Hold Northern Regional Convention

Bank Administration Institute (BAI) will hold its 28th Northern Regional Convention at the Hilton Inn and Hyatt House in Des

Moines, Ia., May 15-17. Paul Nadler, professor of business administration, Rutgers University, New Brunswick, N.J., will give the keynote address. A featured speaker will be Maj. General George Olmsted, chairman, International Bank, Washington, D.C.

The majority of the meeting will consist of concurrent sessions. Topics include: "Financial Reporting," "Women in Banking," "Trust Options for Community Banks," "Internal vs. External Auditor," "New Concepts in Proof Deposits," "Merchant Participation in EFT," "Controls and Audits for POS/EFT," and many more.

## Nebraska News

The 1977 Nebraska Bank Directory will be mailed within the next two weeks. A reminder: Your label is your invoice.

OMAHA: Douglas County Bank & Trust Co. has announced the promotion of Patrick M. Coyle, assistant trust officer, to trust officer. He joined the bank in 1976 after obtaining his law degree from Creighton University.

TEKAMAH: Richard M. Nelsen has joined the First National Bank as a vice president and director. He previously was vice president of the

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### Correspondent Bank Department

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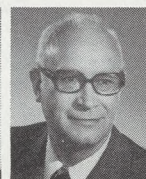
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State Bank has received consent to  
exercise limited trust powers.

**SIBLEY:** David Wier, Sibley  
mayor, has been named vice presi-  
dent of the First National Bank. He  
formerly was vice president of  
Sibley State Bank.

**WASHINGTON:** Frieda McFar-  
land was promoted to assistant vice  
president of the Ainsworth Office of  
the National Bank of Washington.

### Minnesota News

**ALEXANDRIA:** William H. Frost  
has been elected vice president in  
the retail banking division of the  
First National Bank. He most  
recently was instalment banking  
officer for First Bank System.

**INTERNATIONAL FALLS:** Ron-  
ald F. Howes recently joined the  
International State Bank as vice  
president. He previously served as  
vice president of the Western Bank  
of Billings, Mont.

**MANKATO:** Calvin A. Johnson  
recently was elected assistant vice  
president of the First National  
Bank.

Burt County State Bank in  
Tekamah for 15 years.

### Iowa News

The 1977 Iowa Bank Directory  
will be mailed within the next two  
weeks. A reminder: Your label is  
your invoice.

\* \* \* \*

At press time, the Iowa House  
still had HF 518 on its calendar,  
scheduled for debate. HF 518 is the  
bill that would substantially re-  
write the Iowa Franchise Bill, re-  
sulting in dramatically increased  
taxes of about \$6 million for Iowa  
banks and financial institutions  
over the present level of \$6.8  
million collected. A number of  
Democratic legislators were known  
to have backed away from the pro-  
posed bill and it appeared that the  
majority party's support for the bill  
was fading.

**COLUMBUS JUNCTION:** Marvin  
Prior was elected assistant cashier  
of the Columbus Junction State  
Bank.

**DUBUQUE:** Bernard (Bernie) Mil-  
ler has joined the correspondent  
banking department of American  
Trust & Savings Bank. Mr. Miller  
is well known throughout Iowa,  
having traveled the entire state for  
the last 15 years and also managed  
the operations of the correspondent  
department for a Chicago bank for  
eight years.

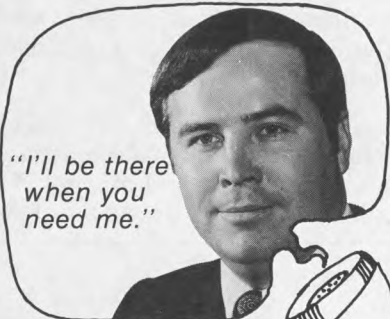
**DURANT:** Oliver Hansen, presi-  
dent of Liberty Trust and Savings  
Bank, has announced that an open  
house will be held Sunday, April 24.  
An extensive remodeling program  
has been completed and guests will  
be given tours of the expanded  
bank quarters.

**EARLY:** Early Savings Bank has  
announced the following appoint-  
ments: Donald W. Kelley, execu-  
tive vice president; Dennis R.  
Steele, cashier and security officer;  
Ruth Ann Scott, assistant cashier,  
and Bill Johnson, loan trainee.

**LESTER:** Lester State Bank has  
received consent to exercise limited  
trust powers.

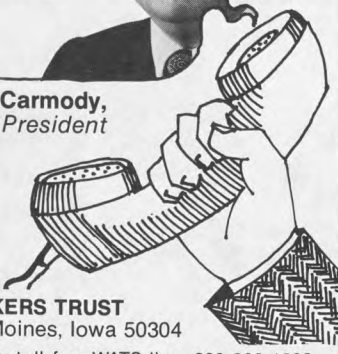
**ORANGE CITY:** Sioux County

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## NEW ISSUE

MOODY'S: "A"

**\$240,000**

## SWIFT COUNTY, MINNESOTA

General Obligation Drainage Bonds of 1977

Dated: May 1, 1977

Denomination: \$5,000

Both principal and semiannual interest (February 1 and August 1, first coupon due February 1, 1978) payable at the Marquette National Bank, Minneapolis, Minnesota.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES.

### MATURITIES

	<u>5.25%</u>				<u>4.70%</u>	
\$10,000	February 1, 1979	3.50		\$15,000	February 1, 1988	4.70
15,000	February 1, 1980	3.75			<u>4.80%</u>	
	<u>5.00%</u>			15,000	February 1, 1989	4.80
15,000	February 1, 1981	4.00			<u>4.90%</u>	
	<u>4.50%</u>			20,000	February 1, 1990*	4.90
15,000	February 1, 1982	4.10			<u>5.00%</u>	
15,000	February 1, 1983	4.20		20,000	February 1, 1991*	5.00
15,000	February 1, 1984	4.30			<u>5.10%</u>	
15,000	February 1, 1985	4.40		20,000	February 1, 1992*	5.10
15,000	February 1, 1986	4.50			<u>5.20%</u>	
	<u>4.60%</u>			20,000	February 1, 1993*	5.20
15,000	February 1, 1987	4.60				

LEGALITY TO BE APPROVED BY LEFEVERE, LEFLER, PEARSON, O'BRIEN & DRAWZ, ATTORNEYS, MINNEAPOLIS, MINNESOTA.

Swift County is located in western Minnesota approximately 130 miles west of the Twin Cities Metropolitan Area. The county seat is Benson. There are seven banks and two savings and loan associations in Swift County with total deposits in excess of \$81,000,000. Some of the larger commercial and industrial employers in the County are: Fingerhut Corporation; TCI, Inc.; Lorenz Mfg. Company; BH Electronic, Inc.; Simmond's Produce; Appleton Coop Creamery; and Otter Tail Power Company (Appleton). Many of the businesses in Swift County are agriculturally oriented, serving a largely agricultural economic base. According to the 1974 Minnesota State Farm Census (latest available figure), farmland accounts for 397,146 acres or 82% of the total acreage of Swift County. Nearly 66% of the 1976 assessed valuation of the County is agricultural. Corn and wheat are the major crops grown in the County; oats, soybeans, barley and sugar beets are also significant crops. Swift County farmers, in 1974, earned \$83,650,000 as cash income, of which 67% came from the sale of crops. Transportation is provided by U.S. highways No. 12 and 59, State highways No. 9, 29 and 119, the Burlington Northern, Inc. and the Milwaukee Railroads and the Greyhound Bus Line.

These bonds are issued pursuant to M.S.A. Chapters 475 and 106. The proceeds of this issue will be used to finance the construction of two drainage ditches and the repair of one drainage ditch. The debt service will be paid from assessment liens filed against the benefited property. In the opinion of counsel, these bonds are also legal and binding general obligations of Swift County, Minnesota, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on the bonds without limit as to rate or amount should the assessments prove insufficient.

### FINANCIAL STATEMENT

Market value, 1976-77	\$176,882,925
Assessed valuation, 1976-77	42,916,139
Direct debt, including this issue	743,000
Net direct debt, excluding self-supporting	-0-
Total direct, overlapping and underlying debt	6,150,413
Population, 1970 Census: 13,177	
	Direct debt per capita: \$ 56.39
	Net direct debt per capita: -0-
	Total debt per capita: 466.75
Area: 483,840 acres	Direct debt per acre: 1.54
	Net direct debt per acre: -0-
	Total debt per acre: 12.71

Tax collections have approximated 99.6% of taxes levied for the past three years.

We own and offer subject to prior sale and change in price and subject to our attorney's approving opinion.

The information contained in this circular is not guaranteed, but is derived from sources we deem reliable and is that on which our purchase of these bonds was based. Offered subject to prior sale and change in price.



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**MINNEOTA:** First State Bank has announced the promotions of Robert L. Nelson from cashier to assistant vice president and Richard J. Moorse from assistant cashier to cashier.

**WATSON:** Leland H. Winge has purchased controlling interest in the Watson State Bank from Mel Wik. Mr. Winge is the bank's new president and Mr. Wik remains as vice president and chairman. Mr. Winge had been vice president of the Northwestern Bank of Montevideo.

### Illinois News

**CHEBANSE:** A charter has been issued to the Bank of Chebanse, First North Street and Chestnut Street. The state bank's total capitalization of \$600,000 will consist of \$240,000 in both capital and surplus and \$120,000 in reserve. Officers are: Clarence J. Houde, acting chief executive; Ambrose Perreault, vice president, and Kenneth Foreman, assistant cashier.

**GRANITE CITY:** A charter has been issued to American Heritage Bank as a result of its conversion from the American National Bank.

**SPRINGFIELD:** The Association for Modern Banking in Illinois has announced the first of its Senior

Management Series' conferences entitled "What Should Your Bank's Response Be to EFTS?" The conference is slated for April 24-26 at the Holiday Inn East here. Included will be speakers such as former Comptroller of the Currency James E. Smith, presently executive vice president of First Chicago Corporation; State Senator Prescott E. Bloom, chairman of the EFT commission for Illinois, and Claude Raworth, chief, Electronic Banking Systems, Strategic Studies Department, Offices of the Comptroller, Washington. The agenda begins at 9 a.m., April 24.

### Colorado News

The Colorado Senate has passed a bill to allow banks to set up systems of electronic teller machines throughout the state. The bill now goes to the House for further action.

The Senate eliminated an amendment which would have forced banks to accept savings and loan associations and industrial banks into any system initiated by a bank. The bill contains a provision that any bank in the state may join an electronic funds transfer system set up by another bank, but the initiating bank has the option of accepting or rejecting other types of financial institutions. The State Banking Board will set down the rules for establishing the systems.

### North Dakota News

**CAVALIER:** Citizens State Bank of Pembina County recently opened for business here. Citizens State Bank of Neche received approval on

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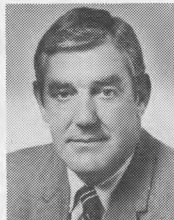
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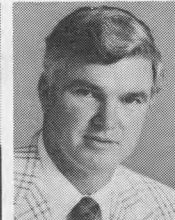
Three of our men on your side at



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March 14 to move its corporate headquarters here and maintain stations at Pembina and Neche.

## South Dakota News

**PIERRE:** Dan Davis has been named assistant vice president and manager of the instalment loan department at the First National Bank. Les Zigler, assistant vice president, has joined the commercial loan department.

**STURGIS:** The Sturgis Office of the First National Bank of the Black Hills, Rapid City, has announced the election of Jean Bush to operations officer and Rick Brady to instalment loan officer.

## Montana News

The Montana Bankers Association has announced that Ronald Reagan will address its annual convention Friday evening, June 24, at Big Sky. Mr. Reagan was governor of California from 1967-74 and 1976 candidate for the Republican nomination for President of the United States. His address will follow the traditional President's Banquet Friday evening, this year in honor of Phil A. Yates, president of the MBA and president, Citizens Bank of Montana, Havre.

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Consumer loan manager for \$22MM bank in south-east Iowa. Write: Personnel Officer, Security State Ban, Keokuk, IA 52632 or phone 319/524-4355.

### POSITION AVAILABLE

Number two person in agricultural loan department. Some experience required. Salary negotiable. Written application should be sent to First National Bank, Dubuque, IA 52001, Attn: Personnel Department.

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### FOR SALE

Controlling interest in southern Minnesota bank with assets in excess of \$25MM and capital in excess of \$2.5MM. Insurance agency with substantial commissions must be included in sale. All inquiries received prior to May 15, 1977, will receive a reply. Write Box SLH, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, IA 50309.

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### POSITION AVAILABLE

Number two person in instalment loan department. Three to four years experience is desired. Salary negotiable. Written application should be sent to First National Bank, Dubuque, IA 52001, Attn: Personnel Department.

### POSITION WANTED

May, 1977, graduate of I.S.U. in ag business wishes a bank trainee position. Contact: Dean Conrad, 1279 Hawthorne, Ames, IA 50010—515/292-6115.

### DO YOU NEED ME??

Banker experienced in all phases of banking desires position as managing officer of rural area bank. Will consider second man if opportunity to advance in near future exists. Resume upon request. All replies confidential. Write Box OJS, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, IA 50309.

### FOR SALE

Model 300 Cummins electric perforator. In use for approximately one year and in nearly new condition. Community Savings Bank, Edgewood, IA 52042. Phone: 319/928-6428.

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### WANT TO BUY

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### POSITION AVAILABLE

Loan officer with insurance experience for third position in \$15MM bank in northwest Iowa. Should have minimum of two years experience. Send resume, references and salary requirements to Box DDD, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, IA 50309.

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**INST. LOAN**—Jr. position Requires 3-5 yrs. experience in bank over \$200MM . . . . . Wyoming  
**2ND OFFICER**—\$10MM suburban bank. Must good loan & mktg. experience. . . . . Kansas  
**FACILITY MANAGER**—Rural facility in small town. Oper. essential, loans preferred. . . . . Missouri  
**LEASING**—3-5 years bank experience preferred. Must know heavy equipment . . . . . Iowa  
**INST. LOAN**—Jr. position in \$75MM bank. Prefer S.E. Iowa experience . . . . . \$13,000  
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