

NORTHWESTERN Banker Newsletter

Vol. 8 No. 10

Des Moines, Iowa

July 2, 1979

ABA Promotes Interest Equality

THE time has come for Congress to begin changing the rules governing America's financial system to make it better serve individual depositors and small savers, a spokesman for organized banking said in testimony before the House of Representatives' Financial Institutions Subcommittee recently.

John H. Perkins, president of the American Bankers Association and the Continental Illinois National Bank and Trust Co., Chicago, said such change should take place in a carefully managed transition that establishes competitive balance between financial institutions and ensures the Federal Reserve's control of monetary policy.

Mr. Perkins said Congress has an opportunity to correct the failure of current law to allow savers of modest means a fair return on their savings and to allow all financial institutions to serve their customers adequately.

Bankers support legislative action to help the owners of more than 96 million bank savings accounts who currently lose more than \$1 billion each year due to law requiring interest rate discrimination against them, Mr. Perkins said.

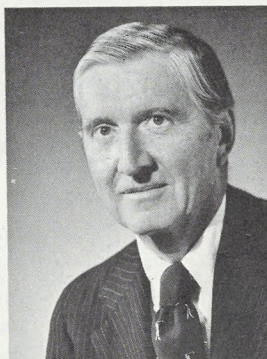
Court Case

A recent U.S. Appeals Court decision gives these issues particu-

lar urgency, the ABA spokesman pointed out, since in the absence of Congressional action by January 1, 1980:

- Bank customers will no longer be able to use automatic transfer accounts which now hold over \$6 billion.

- About 1.3 million credit union customers will no longer be able to



J. H. PERKINS

use their interest-bearing, check-like share draft accounts.

- And an unknown number of s&l depositors will be deprived of the use of remote service units.

(The Appeals Court ruled all three services illegal.)

An additional inequity, Mr. Perkins said, stems from the inflexibility of current federal deposit interest rate ceilings, which today prevent most of the owners of more than 237 million time and savings accounts at all types of

financial institutions from earning a fair market rate of interest.

Mr. Perkins was accompanied in his testimony before the Subcommittee by Robert W. Renner, president of the Citizens State Bank, Hartford City, Ind., and chairman of ABA's community bankers division.

Suggestions

Messrs. Perkins and Renner suggested the following legislative program to remove interest rate discrimination, help small savers and improve the Federal Reserve's ability to manage monetary policy effectively:

- All depository institutions should be given authority to offer interest-bearing transaction (checking) accounts for individuals. All institutions which choose to offer such accounts would be subject to the same reserve ratio on transaction deposits and to the same interest rate ceilings on all types of accounts.

- All interest rate ceilings on time and savings deposits and all usury ceilings should be increased gradually over a period of time. Interest rate discrimination should be ended as the rate ceilings are raised. Thrift institutions should be given the power to offer variable rate mortgages, as banks now can.

INTEREST EQUALITY . . .

[Turn to back page, please

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Iowa News

AKRON: An open house in the bank lobby will be held July 7 to observe the 75th anniversary of the First National Bank here.

BETTENDORF: Linda K. Neuman has joined the Bettendorf Bank & Trust Company as vice president and trust officer. She is in charge of the newly-expanded trust division facilities now located in the bank's Duck Creek office.

DUBUQUE: Thomas J. Stecher has been promoted to vice president and personnel director at the First

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capabilities give you a lot of help for your money.



Bob Bueneke

IOWA- Des Moines

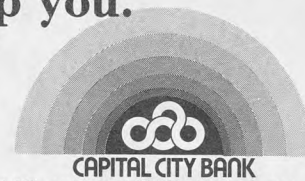
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National Bank here. Dale P. Repass was named vice president and trust officer, and Sara Candy was named personal banking officer.

MARION: Farmers State Bank has received consent from the FDIC to open a facility at 1250 9th Avenue here.

MASON CITY: Betty F. Kovar has been named assistant vice president at the American State Bank here. Daniel P. Dunlap was promoted to assistant cashier and loan officer.

MISSOURI VALLEY: Peoples State Bank held an open house in its new facility June 25. A buffet followed at the Logan Missouri Valley Country Club.

WINFIELD: Peoples Holding Corp. here has received consent from the Federal Reserve Bank of Chicago to become a bank holding company by acquiring the Peoples State Bank.

Nebraska News

The Nebraska Bankers Association has named a Lincoln attorney to be its new executive vice president. NBA president James McBride of Aurora has announced the election of Roger M. Beverage as executive vice president effective August 1.

Mr. Beverage, 34, is presently a partner in the law firm of Baylor,

Evnen, Baylor, Curtiss and Gruit. He succeeds Robert Harris, who resigned his NBA position to join First National Bank in Lincoln as senior executive vice president.

BLAIR: DeAnna Nielsen has been appointed cashier of the Blair Bank, succeeding Monte Mead who resigned in May. She was named assistant cashier in 1968 and assistant vice president in January of this year.

HEMINGFORD: Construction is scheduled to begin this month on a new building downtown for the Bank of Hemingford. The building will feature a drive-up, night depository, expanded safe deposit facilities and a community room for public functions.

KEARNEY: David Henricksen has been elected comptroller of the First National Bank & Trust Co. here. He joined the bank in 1972.

SOUTH SIOUX CITY: The Dakota County State Bank has filed an application with the department of banking and finance for permission to locate a detached facility at 1000 West Highway 20. A July 23 hearing date has been set on the application.

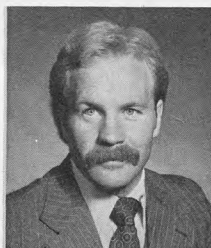
Minnesota News

MINNEAPOLIS: Donald R. Mengedoth has been elected vice president-operations of First Bank

DOUGLAS SCHMIDT

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Correspondent
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NEW ISSUE

MOODY'S: A 1

\$1,400,000
WORTHINGTON, MINNESOTA
General Obligation Permanent Improvement Revolving Fund Bonds
Series 1979

Dated: July 1, 1979

Denomination: \$5,000

Both principal and semiannual interest (January 1 and July 1, first coupon due January 1, 1980) payable at a bank to be designated.

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

MATURITIES

	<u>5.25%</u>			<u>5.50%</u>	
\$ 90,000	January 1, 1982	5.25	\$ 90,000	January 1, 1990	5.50
90,000	January 1, 1983	5.25		<u>5.55%</u>	
	<u>5.30%</u>		90,000	January 1, 1991	5.55
90,000	January 1, 1984	5.30		<u>5.60%</u>	
90,000	January 1, 1985	5.30	100,000	January 1, 1992*	5.60
	<u>5.35%</u>			<u>5.65%</u>	
90,000	January 1, 1986	5.35	100,000	January 1, 1993*	5.65
	<u>5.40%</u>			<u>5.70%</u>	
90,000	January 1, 1987	5.40	100,000	January 1, 1994*	5.70
90,000	January 1, 1988	5.40		<u>5.75%</u>	
	<u>5.45%</u>		100,000	January 1, 1995*	5.75
90,000	January 1, 1989	5.45		<u>5.80%</u>	
			100,000	January 1, 1996*	5.80

* Optional in inverse order beginning January 1, 1991 at 100%.

LEGALITY TO BE APPROVED BY DORSEY, WINDHORST, HANNAFORD, WHITNEY & HALLADAY, ATTORNEYS, MINNEAPOLIS, MINNESOTA

Worthington, the county seat of Nobles County, is located approximately 175 miles southwest of Minneapolis-St. Paul and 50 miles east of Sioux Falls, South Dakota. The City is served by two state and federal highways plus a complement of county highways. Interstate highway No. 90 is completed from Worthington west through South Dakota and the section east to Chicago was completed in 1976. Freight service is provided by five interstate truck lines plus local truckers and the Rock Island, Chicago and Northwestern Railroads. North Central Airlines provides commercial airline service and the City airport, with 5,000 feet hard surfaced runway, has private aircraft, charter services and a new terminal. The City of Worthington has a diversified industrial base ranging from food processing to mobile home construction. Larger employers in the City and surrounding area include: Campbell Soup Company (chicken products, 800 employees); Sather Cookie Company (cookie distributors, 530 employees); Armour and Company (processed pork, 300-500 employees), and Worthington Regional Hospital (hospital, 196 employees). Complete financial services are provided by two banks and a savings and loan association with deposits in excess of \$100,000,000.

These bonds are being issued under the provisions of Section 5.04 of the City Charter and of Minnesota Statutes to finance the cost of sanitary sewer extensions, water mains and street improvements. These bonds are payable primarily from assessments levied against benefited property. In the opinion of counsel, these bonds are also legal and binding general obligations of Worthington, Minnesota, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on these bonds without limit as to rate or amount should the assessments prove insufficient.

FINANCIAL STATEMENT

Market value, 1978	\$134,668,391
Assessed value, 1978	28,360,950
Gross direct debt, including this issue	9,255,000
Net direct debt, excluding self-supporting	7,895,620
Total net direct, overlapping and underlying debt	8,101,003
Population, 1979 estimate: 11,500	
	Direct debt per capita: \$804.78
	Net direct debt per capita: 686.58
	Total debt per capita: 704.44

Tax collections have approximated 100.4% of taxes levied for the past four years.

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

The information contained herein 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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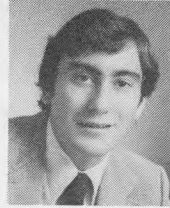
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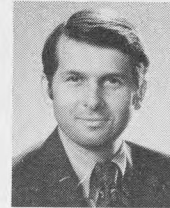


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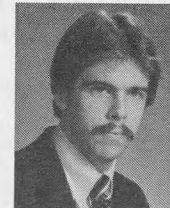
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Tony Paugoulatos
Asst. Vice President
234-2647



John Henderson
Vice President
234-2463



Rusty Reese
Sales Representative
234-2674

System, Inc. He was formerly senior vice president, cashier and head of the consumer banking division of First Bank-Midland Milwaukee Division, Milwaukee, Wis.

MINNEAPOLIS: Peter A. Heegaard, senior vice president, has been named deputy manager of Northwestern National Bank of Minneapolis' trust department. John W. Greenman has been elected senior vice president, facilities management.

MINNETONKA: The grand opening of the new building of Ridgedale State Bank was held June 25. The new facility is located at 1730 Plymouth Road here.

WHITE BEAR LAKE: Richard O. Long has been named chairman of the First State Bank of White Bear Lake. He had served as president and managing officer of the bank since 1962. Steven D. Gregerson has been elevated from vice president and second officer to president and managing officer. Both changes were effective July 1.

Illinois News

The Illinois House passed a bill changing the state's Credit Union Act by a vote of 150 to 10. It authorizes credit unions to issue share drafts. The bill is now back in

the Senate for concurrence on three amendments added by the House. (The Senate had previously passed the bill.)

Both the Illinois Bankers Association and the Independent Community Banks of Illinois opposed the legislation.

CHICAGO: Warren E. Powers has joined the Community Bank of Edgewater here as vice president and trust officer. He was formerly vice president of the First National Bank of Evanston.

PEORIA: Larry L. Kingston has been appointed vice president and cashier of the Madison Park Bank here. He was most recently associated with the State Bank of Cuba.

Wyoming News

HANNA: John H. Martin has been elected president and chief executive officer of First Wyoming Bank-Hanna. He was formerly associated with the First Wyoming Bank Corporation in Rawlins for the past five years.

JEFFREY CITY: Alan Pickering has been promoted from executive vice president to president of the Jeffrey City State Bank. John Vidakovich, who had held the title of president since the departure of Keith Bourn, will continue as

chairman of the board and majority stockholder. Mr. Pickering, 27, is one of the youngest bank presidents in the state.

Colorado News

BOULDER: Terry Hannum has been appointed vice president and cashier at the Bank of Boulder. David Haney is a new vice president.

HOTCHKISS: James L. Addams, president of the First State Bank of Hotchkiss, died recently following an extended illness.

PAONIA: Daryl Thierer has joined the Peoples State Bank here as vice president and cashier.

South Dakota News

SIOUX FALLS: Several promotions have been announced by the National Bank of South Dakota. They are: Thomas Shelby, vice president and trust officer; David Gadde, vice president and timepay manager; Greg Musso, Stephen Gerlach and Brad Schmidt, assistant vice president; Ted Risty and Ka Alberts, agricultural loan officer, and Carol Rysavy, trust administrator.

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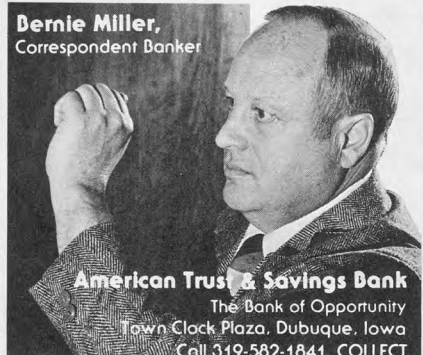
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Heads Wisconsin Bankers

Robert C. O'Malley, president of the United Bank & Trust of Madison, has been named president of the Wisconsin Bankers Association, succeeding Bryant E. Wackman, president, Brooklyn State Bank.

INTEREST EQUALITY . . .

[Continued from front page]

• The Federal Reserve should be authorized to set reserve requirements on all transaction account deposits at all financial intermediaries which legally offer such accounts. Non-Fed member institutions should be allowed to hold their reserves on transaction accounts in the form of vault cash or deposits at commercial banks or as pledged assets acceptable to the Federal Reserve. Fed member institutions should be allowed to hold a substantial portion of their required reserves in the form of pledged assets acceptable to the Fed. Reserve requirements on time and savings deposits should be eliminated. □

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Attention Iowa Bankers
We are trying to locate Jerry A. May and Roger May who may be in Iowa and the Clear Lake area. If you know their whereabouts, please call George Smith, pres., Jasper State Bank, Jasper, Minn., collect (507) 348-3051. (N)

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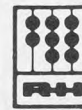
AG LOAN OFFICER - Degree in Ag Business & Fin. Exp as a farm rep. Other areas include instalment and real estate. Solid ag background.

OPERATIONS OFFICER - Very strong in DP. Been instrumental in converting demand deposits, savings and an accrual acctg system. Currently Cashier in 44MM bank. In charge of tellers, bkpg, DP, payroll & money position. Asks \$18,000.

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