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"Laundry List" Concerns Banking Industry

The "laundry list" of prohibited activities contained in the House-passed one-bank holding company bill applies to banks belonging to a bank holding company system as well as bank holding companies and their non-bank subsidiaries, Washington banking sources believe.

These sources say the industry will proceed in the Senate on the assumption that the holding company banks are covered by the bill's prohibitions concerning the operations of mutual funds and travel agencies, the general insurance business, equipment leasing, data processing and accounting.

In several places of the present Bank Holding Company Act, they point out, the term "subsidiary" is used to cover bank subsidiaries as well as non-bank subsidiaries.

In addition, these sources note, the banking industry must look to the clear intent of Rep. Benjamin B. Blackburn (R., Ga.), who introduced the "laundry list" amendment, to prohibit banks in a holding company system from engaging in these activities.

Throughout the discussion of his amendment, Rep. Blackburn said it would forbid "banks" from engaging in these activities.

The "laundry list" amendment

is of more concern to the banking industry than any other single provision in a very restrictive one-bank bill (H. R. 6778).

Not only does it place limitations on bank holding companies and their subsidiaries (both bank and non-bank), sources noted, but it could lead to restrictions on the future growth of the banking industry—including banks not affiliated with a holding company.

As an example, they point to hearings on the mutual fund reform bill (S. 2224 and H. R. 11995), which would allow banks to enter the mutual fund business.

The Investment Company Institute, attempting to kill the banking provisions, noted that the one-bank holding company bill prohibits holding companies, their bank affiliates and their non-bank subsidiaries from engaging in the mutual fund business.

ICI admitted that the legislation does not apply to banks not affiliated with a holding company, but argued that if holding company banks are forbidden from entering the mutual fund business, other banks should also be prohibited from operating mutual funds.

In addition, banking sources point out that the three Federal banking agencies will find it difficult to ignore the sense of Con-

gress—should the House one-bank bill be enacted—that banks generally be prohibited from these activities.

The Blackburn amendment states that the prohibited activities are "neither necessary, incidental nor related to carrying on the business of banking or of managing or controlling banks, and are not in the public interest to be carried on by bank holding companies or subsidiaries thereof."

House Banking Committee Chairman Wright Patman (D., Tex.) stated on the House floor that the banking agencies and the courts "should take into consideration this statement of legislative policy when considering what is incident to banking under the banking laws."

FDIC Chairman K. A. Randall said he would go directly to the President to veto this restrictive legislation if a more moderate version is not worked out in Congress before final passage. He was addressing the Third District of the National Association of Supervisors of State Banks in Miami when he delivered his critical analysis of the House-passed legislation. He said further that the new FHLBB administration is trying to achieve a strong savings and loan industry at the expense of commercial banks, riding on the

(Continued on Page 4)

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IOWA NEWS

ALBERT CITY: Clarence Kindwall, president of the Albert City Savings Bank, has sold his controlling interest in the bank to W. O. Hopkins of Webb, Iowa, and John Hopkins of Spencer, Iowa.

W. O. Hopkins is president of the Citizens State Bank of Webb and will continue to operate that bank. John Hopkins will become executive vice president at the Albert City bank. He has been employed as an assistant vice president in the commercial loan department of the Clay County National Bank, Spencer.

NEWTON: Controlling interest in the Newton National Bank has been purchased by Robert Isensee, president, United Home Bank, Mason City, and a group of Mason City investors from W. C. Ilstrup, president.

Mr. Isensee has been elected chairman, president and director of the bank. Duane Prill, president, First State Bank, Britt, also has been elected to the board. Mr. Ilstrup, who has resigned as president, continues on the board.

Resigning from the board were Dr. R. W. Wood and John Schumann.

MT. PLEASANT: Mrs. Ernie Hayes fell and broke her hip last week when she and Mr. Hayes were in Chicago. She is in room 502, Passvant Memorial Hospital in Chicago. Mr. Hayes is director of Henry County Savings, Mt. Pleasant, and president of Hillsboro Savings Bank.

NEBRASKA NEWS

CENTRAL CITY: Ervin Hesselgesser

has purchased the interest of Hans Lamsen in the Central Bank here. Mr. Hesselgesser has assumed the duties of chairman of the board. Mr. Lamsen had been serving as vice president, inactive, at the bank.

DONIPHAN: Stock in the Bank of Doniphan formerly owned by the late Glen E. Dean has been sold to J. H. Oliver, president of the Ravena Bank. Mr. Dean was president of the Bank of Doniphan from November 1965 until his death last June. Mrs. Dean, who has served as bank president since the death of her husband, will continue to serve for an indefinite period.

HASTINGS: The board of directors of the City National Bank has announced the following promotions: Carl F. Witt, vice president and cashier; Melvin D. Bunde, assistant vice president; Robert L. Shoemaker and Mrs. Marie Kilmer, assistant cashiers. O. J. McDougal, Jr., vice president at the bank, has been elected to the board of directors.

TILDEN: Myron K. Osborn, former assistant cashier at the Tilden Bank, has been discharged from the Army and has returned to his position at the bank.

MINNESOTA NEWS

BURNSVILLE: An application has been filed with the Minnesota Department of Commerce for a state bank to be located here at the intersection of Highway 13 and Interstate 35 W. Proposed name for the bank is the Burns-

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BANK PLANNING

Waterloo, Iowa

ville State Bank. Incorporators named in the application are John F. Singewald and Richard Temby Todd, both of Burnsville. The proposed capital structure of \$500,000 consists of \$200,000 common capital, \$200,000 surplus and \$100,000 undivided profits. No date has been set for hearing on the application.

HUTCHINSON: Officials of the Citizens Bank & Trust Company recently held an open house celebration for their expanded motor bank facility. A second teller position has been added to the facility to speed up service.

MINNEAPOLIS: Virginia Hawarth, assistant vice president, First Wisconsin National Bank of Fond du Lac, will be the guest speaker at the meeting of the Minnesota Group of the National Association of Bank-Women, Inc., on Wednesday, December 3, at the Northstar Inn here.

MINNEAPOLIS: Robert H. Jones, 29, administrative assistant in the national accounts and correspondent banking department at the First National Bank of Minneapolis, has been killed in a head-on, two-car collision near Lake Geneva, Wisc. Mr. Jones was a University of Wisconsin graduate and had been with the bank since April, 1968.

NORTH BRANCH: W. C. Holt, vice president and director of the Merchants State Bank here, has died at the age of 71. Mr. Holt's son, William, Jr., is president of the Merchants State Bank.

SLEEPY EYE: Stephen Adams of Eden Prairie has been elected chairman of the board of the First Security State Bank, succeeding Clark Arnott, who has resigned to take charge of his own bank at Ladysmith, Wisc. Charles Haug has been named managing officer at the bank here. He has been with the bank for 25 years and has been president the past two years.

ILLINOIS NEWS

CHAMPAIGN: Chancy A. Finrock has been promoted to senior vice president and comptroller at the Bank of Illinois here. Mr. Finrock has served as vice president, cashier and trust

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officer at the bank since 1959. Ken-
nard J. Kling has been appointed
vice president, installment loan de-
partment. He joined the bank in 1968
and was promoted to assistant vice
president in July of this year. Law-
rence P. Walton, formerly with the
Rock Falls National Bank, Rock
Falls, Ill., and the Southeast National
Bank of Moline, Ill., has joined the
bank as vice president and cashier.
Richard T. Tempelman, formerly of
the First National Bank of Chicago
and the First National of Lansing,
Ill., has been appointed assistant
cashier, installment loan department.

QUINCY: The 500 mark for the num-
ber of banks which are members of
the Bankmark group of banks has
been surpassed with the addition of
five new banks from the Quincy area.
The new banks include the Broadway
National Bank of Quincy, the Illinois
State Bank of Quincy, Mercantile
Trust and Savings Bank, South Side
Bank of Quincy and the State Street
Bank & Trust Company.

The board of directors for Credit
Systems Incorporated, the non-profit
organization which operates Bank-
mark, has announced that the name
"Bankmark" would be changed to
"Master Charge" sometime after the
first of the year.

NORTH DAKOTA NEWS

"Let's Serve North Dakota Agri-
culture" is the theme of the North
Dakota Bankers Association's 8th
annual Agricultural Credit Conference
to be held December 4-5 at the
Gardner Hotel in Fargo. The confer-
ence will get underway Thursday
evening, December 4, with registra-
tion at 5:00, followed by a social
hour, smorgasbord and dance at 6:30
that evening.

Presiding at the morning sessions
will be Henry N. Ness, chairman,

NDBA Agricultural Committee, and
vice president and agricultural repre-
sentative, Fargo National Bank &
Trust. George Schwartz, assistant
cashier, First National Bank & Trust
of Fargo, will preside at the after-
noon sessions.

Other speakers and their topics
include: U. S. Agriculture-Expand Ex-
ports or Adjust Resources? -Norbert
A. Dorow, extension agriculturalecon-
omist, North Dakota State University;
Who is Eligible for an FHA Loan? -
N. Paul Rasmussen, North Dakota
state director, Farmers Home Admin-
istration; Are We Serving Agriculture?
(open discussion); Responsibility of
Country Bankers to Agriculture -
Thomas J. Prosser, member of ABA
Agricultural Committee, and president,
National Manufacturers Bank of Nee-
nah, Wisc.; Who's Going to Be Around
to Pay the Loan? - (panel discussion)
Clark Jenkins, vice president, Mer-
chants National Bank & Trust, Fargo
(moderator).

Guest speaker at the evening ban-
quet will be Laurel Loftsgard, pres-
ident of North Dakota State Univer-
sity.

SOUTH DAKOTA NEWS

BUFFALO GAP: Robert Nolan has
been named manager at the Buffalo
Gap office of the Southern Hills Bank
of Edgemont. Mr. Nolan fills the
vacancy created by the resignation of
Lloyd Soske, Jr., and has been em-
ployed for the last five years at the
Blackpipe State Bank in Martin, S. D.

WYOMING NEWS

SHERIDAN: Homer A. Scott has been
elected president of the Bank of
Commerce and chairman of the bank's
board of directors, effective January
1. Mr. Scott has been a director at
the bank since 1967 and served as a
director of the Omaha office of

the Federal Reserve Bank of Kansas
City from 1959-60 as well as deputy
and chairman of the board of the
Federal Reserve in Kansas City
during 1961.

SHERIDAN: D. C. Brayton has been
named cashier at the Bank of Com-
merce. He has been with the bank
since 1946.

COLORADO NEWS

COLORADO SPRINGS: The Colorado
Bankers Association will hold its
Executive Management Conference
here at the Broadmoor Hotel on
December 4-5.

DENVER: Three promotions have
been approved by the First National
Bank of Denver. Gary C. Winter has
been promoted from assistant cash-
ier to assistant vice president, head-
ing the recently created cash manage-
ment division at the bank. Robert L.
Bauers has been named assistant
cashier in the bond department, and
Gary L. Potter has been designated
assistant trust officer in the trust
department. The bank also has de-
clared a quarterly dividend of \$1.03
per share, payable December 29 to
stockholders of record December 8.

DENVER: Charles E. McDaniel, vice
president and cashier of Northeast
Colorado National Bank, has been
named to the bank's board of direc-

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tors. He joined Colorado National Bank in 1931 and transferred to the Northeast Colorado National in 1967.

MONTANA NEWS

BUTTE: Two new officers have been elected at the First Metals Bank & Trust Company, according to Erwin P. Frizelle, president. Don G. Tatge has been named assistant trust officer, and Mrs. Juanita M. Periman has been elected assistant secretary and assistant treasurer. Mr. Tatge joined the bank's timepay department in 1966 and was a unit manager in that department before his promotion. Mrs. Periman, who also joined the bank in 1966, was a stenographer in the commercial department.

"Laundry List"

(Continued from Page 1)

"politically potent force of housing" to achieve new powers.

Washington sources are not completely discouraged by the harsh



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grandfather clause date of May 9, 1956. They claim that this date is so unreasonable that there is little chance that it will finally emerge from Congress.

In addition, they point out that the small, traditional one-bank holding companies, which for the most part stayed out of the controversy on the House side, now must become active in opposing the 1956 grandfather clause and other provisions in the Senate.

And some one-bank holding companies that believed there would be no legislation this Congress will have to re-evaluate this attitude following the House action, sources note.

The stand of the Independent Bank-

ers Association on the one-bank bill was particularly disturbing to banking representatives in Washington and to bankers in general—including many IBA members.

Despite the fact that many IBA members operate one-bank holding companies, the association sent telegrams to all House members urging support for a roll back of the grandfather date to January 1, 1965. It would have forced many small, traditional one-bank companies to divest acquisitions found not functionally related to banking.

Even though this date was not adopted, the telegram served to confuse many House members on where the banking industry stood on the legislation, sources noted.

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