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## Senate To Draft New Holding Co. Bill

The Senate Banking Committee will meet in executive session June 23 to begin discussing a new one-bank holding company measure that the committee staff has begun drafting. Committee Chairman John Sparkman sent a letter to all members informing them of the June 23 session.

Among the provisions likely to be contained in the draft bill will be one to authorize the Federal Reserve Board to write regulations to prohibit bank holding company-affiliate tying arrangements, reciprocity and exclusive dealings.

The basic outline of the draft bill likely will follow the suggestions of Fed Chairman Arthur F. Burns. It is expected to include the Fed's suggested language for revision of the permissible activities language. No "laundry list" of prohibitive activities is likely to be included.

A grandfather clause date—falling between June 30, 1968 and March 24, 1969—likely will be contained in the draft. The Fed is expected to get complete regulatory jurisdiction over all holding companies.

The draft also is expected to include provisions making changes to broaden the test of control,



Senator John Sparkman

cover partnerships and permit foreign bank holding companies to retain nonbanking interests.

Nat S. Rogers, president of the American Bankers Assn., termed the House bill a "destructive measure" designed to define the business of banking.

The House measure, adopted in an atmosphere of "turmoil and haste," would constitute "bad" legislation, he said.

The House bill, Mr. Rogers said, would make it impossible for commercial banks to participate fully in providing financial services to the public, and would deprive the public of the advantages of innovative and effective competition among all financial institutions.

Without exception, he continued, the prohibited activities in the House bill—data process-

ing, insurance, collective investment funds, travel, leasing and accounting—are those which are "directly related" to providing financial services to bank customers.

The basic problem with the House bill, Mr. Rogers claimed, is not so much its immediate impact on banks if it were to become law as its future effects. It strikes at some of the most innovative techniques available in finance, he said. And it "virtually guarantees that banking's hands will be tied by reason of extensive factfinding and litigation arising out of attempts to interpret" provisions of the bill.

On the specifics of legislation, ABA stood by these points:

\* Endorses the principle that banks and bank holding companies should be limited to those activities which are financial in nature, or are functionally related to banking or finance.

\* Primary responsibility for determining the scope of bank operations should be left in the hands of the bank regulatory agencies.

\* Endorses the principle that whatever legislation is adopted, for bank holding companies, it should apply equally to all such

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## IOWA-DES MOINES NATIONAL BANK

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### IOWA NEWS

**AMES:** The 25th annual Agricultural Credit School at Iowa State University, Ames, is being held June 8-19, sponsored by The Iowa Bankers Association in conjunction with Iowa State.

**CEDAR RAPIDS:** Frank J. Stastny, 70, who had retired January 20, 1970, as executive vice president, First Trust & Savings Bank, died June 2. He was a director of the bank at the time of his death and had served the bank for 52½ years. Mr. Stastny had been chief operating officer from 1950 until his retirement.

**DES MOINES:** Barney Grangaard, president and chairman of Central National Bank & Trust Co., has been confined to Methodist Hospital, Room 611, in Des Moines, for the past two weeks with a slipped disc and slight aberration. Doctors expect to keep him there for at least another week or two, after which he will return to his home at 20 - 37th Street for further recuperation.

**EAGLE GROVE:** The Security Savings Bank plans to open an office in Woolstock subject to approval of state and federal banking agencies.

The announcement was made by C. W. Dunn, bank president.

**FAIRFIELD:** The Fairfield Golf and Country Club will be the scene of the Group 11 golf day on June 10. The event is being sponsored by the Iowa State Bank & Trust Company and the First National Bank, both of Fairfield.

**GOWRIE:** The First State Bank of Gowrie has announced a contest for the "oldest cancelled check" in honor of Gowrie's centennial, July 2-4.

**MONONA:** The FDIC has given approval to the Union State Bank to change the location of its main office from 100 So. Page St. to 110 So. Main St.

**WAUKON:** The Waukon State Bank held open house this past weekend for its new drive-in bank located at 301 Rossville Road.

### NEBRASKA NEWS

**ATKINSON:** John C. Watson has been elected president of the First National Bank to succeed Leo T. Adams, who has retired. Mr. Watson has been chairman of the bank at Atkinson and also is president of

# Northeast Iowa Banks

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the First National Bank at O'Neill. Mr. Adams was honored at a bank reception on the occasion of his retirement after more than 50 years as a Nebraska banker.

**AURORA:** President Frank Farr announces that construction has started on a new drive-in facility to be completed in late summer.

**FULLERTON:** Dale J. Black has been elected president of First National Bank to succeed the late Everett M. Black. The new president joined the bank in 1965.

**PICKRELL:** Dennis E. Osmera has been named vice president and cashier of Pickrell State Bank. Previously he was cashier at the Farmers State Bank in Lyman. At Pickrell he replaces Calvin McClurg, who resigned as executive vice president and cashier to become assistant vice president and loan officer at the DeLay First National Bank in Norfolk.

### MINNESOTA NEWS

**ALBANY:** Andrew Peternell, former officer of the First State Bank, died recently at the age of 91.

**BRECKENRIDGE:** Duncan F. Barr, 60, president of the Farmers and Merchants Bank for the past 11 years, died recently at his home in Breckenridge. He had been a banker since 1929.

**MANKATO:** Arthur L. Miller, 32, formerly regional examiner for the

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First National Bank System, has joined the First National Bank here as auditor.

MINNEAPOLIS: Truman L. Jeffers was elected executive vice president of the Minnesota Bankers Association on June 2 at a special meeting of the MBA executive council. His appointment was effective immediately. He replaces Kenneth A. Wales, whose resignation was accepted at the meeting. Mr. Wales earlier had announced he is leaving the association to become a vice president in the correspondent bank division at First National Bank in Minneapolis. Mr. Wales will continue with MBA throughout the forthcoming convention and until July 1 as a consultant.

### SOUTH DAKOTA NEWS

BELLE FOURCHE: Staff changes have been announced at the First National Bank of the Black Hills by A. W. Jones, vice president and manager of the bank's Belle Fourche office.

William L. Blake has been named manager of the real estate department and will continue as manager of the insurance department.

George D. Keil has been named manager of the installment loan department.

William J. Hannah has moved to the commercial department and was named assistant manager of the bank.

### COLORADO NEWS

BEAR VALLEY: The First National Bank of Bear Valley has announced the election of Kyle J. McClaugherty to the position of loan officer. Mr. McClaugherty was with Dial Finance Co. 10 years until joining the bank last January.



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DENVER: Purchase of 88 per cent of the outstanding stock of the North Denver Bank by Nordenco, a new Colorado corporation, was announced recently by Leo Van Dittie, chairman and president of the new company. Mr. Van Dittie, of Palm Springs, Calif., and Sun Valley, Idaho, is a former vice president of Central Bank & Trust Company of Denver, and is chairman of the Fruita State Bank, Fruita, Colo., and Garden National Bank, Garden City, Kans.

Other investors in Nordenco include Max G. Brooks, chairman and chief executive officer of the Central Bank and Trust of Denver; Joseph R. Lincoln, vice president and general counsel of Central Bank; Edward Hogan, a Denver CPA, and Leslie Kehl and Paul Rupp, Denver attorneys.

The stock was acquired by purchasing North Banc Corp., a one-bank holding company, from the heirs of Etienne Perenyi, who founded the bank in 1951 and died last October, and from Neil R. Cullen, retired auto dealer, who also resigned as a director, C. G. Theodoran, who has been president of North Denver Bank since Mr. Perenyi's death, has resigned as president and a director.

Mr. Van Dittie said capital structure of North Denver Bank will be further strengthened by \$1.5 million through the sale of subordinated capital debentures.

DENVER: Walter A. Woods, 69, died

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recently. He was formerly a vice president and director of the American National Bank and was a founder and president of the Guaranty Bank and Trust Co.

DENVER: William L. Scoggins, auditor of the Greely National Bank, has been elected president of the Denver chapter, Bank Administration Institute. Other new officers include: vice president, Donald D. Wise, Cherry Creek National Bank; secretary is LaVerne H. Andersen, Fort Lupton State Bank, and treasurer is Conrad G. Kern, First National Bank of Boulder.

ENGLEWOOD: The Republic National Bank of Englewood has received approval to establish a branch office at 701 West Hampden Ave.

GOLDEN: John A. Fortune, president of the First National Bank, recently announced plans for a major expansion of that bank, to be completed early next year.



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## ILLINOIS NEWS

**BETHANY:** The FDIC has given approval to the Scott State Bank to establish a motor facility at 100 East Main St., Bethany.

**CHICAGO:** Frank E. Bauder, chairman of the Central National Bank, announced the appointment of Wayne D. Smart, Jr., to the staff as attorney in the law department.

## MONTANA NEWS

**HELENA:** William D. Erickson has been elected assistant vice president of the First National Bank & Trust Co. according to an announcement made by Harold M. Ormseth,

bank president. Mr. Erickson was formerly with the First National Bank of Missoula, Montana.

## WYOMING NEWS

**CHEYENNE:** A. H. Trautwein, president of the Cheyenne National Bank and board chairman of the Wyoming Bancorporation, announced the following promotions at the Cheyenne National:

Charles L. Scribner from first vice president to executive vice president and chief executive officer.

T. W. Kerrigan from cashier to vice president in charge of personnel.

James G. Melvin from auditor to cashier.

John P. Moran to installment loan officer and Mrs. Lucille Morrison elected assistant cashier.

## Holding Co. Bill...

(Continued from Page 1)

holding companies - whether one-bank or multi-bank.

\* Believes that holding company legislation should apply only to the domestic activities of holding companies.

\* Supports a "reasonable" grandfather clause to avoid "unfair retroactivity."

\* Urges that legislation not be enacted until there has been an opportunity to provide serious and thoughtful study of the nation's financial system.

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