

NORTHWESTERN Banker Newsletter

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Fed Files Brief On Competition Issue

The Federal Deposit Insurance Corporation announced that it has filed an amicus curiae or "friend of the court" brief with the Supreme Court of the United States in the first case involving issues of potential competition and banking structure to reach the high court. Filing of the brief was authorized by the Solicitor General of the United States.

The case involves the proposed acquisition of The First National Bank of Greeley, Greeley, Colorado, by The First National Bancorporation, Inc., a Denver-based bank holding company. In the proceeding now before the Court, the Justice Department is seeking to overturn a United States District Court decision which would authorize the proposed acquisition. The case is scheduled for oral argument and decision in the fall.

The FDIC brief specifically avoids any comment on the facts involved in the Colorado case and does not recommend affirmation or reversal of the judgment below.

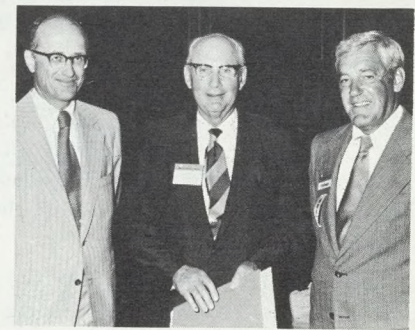
The FDIC brief points out that while the specific acquisition before the Court was decided under the Bank Holding Company Act of 1956, the provisions of which are administered by the Board of Governors of the Federal Reserve System, the Court is being asked to interpret statutory language which also appears verbatim in the Bank Merger Act. The FDIC is required by statute to decide cases under the Bank Merger Act,

and has passed on 546 applications for mergers under that Act since its enactment.

The principle concern of the FDIC is that the Court so word its opinion that the banking agencies know whether they should continue to consider questions of potential and future competition and state-wide banking structure in their decisions under the Bank Merger Act and the Bank Holding Company Act.

The FDIC urges the Supreme Court to adopt certain specified principles of potential or future competition and banking structure irrespective of its decision in the case before it. As the brief states:

"The sole interest of the FDIC in this case is that certain principles relating to potential competition and banking structure, which it believes are valid and essential if the United States is to have meaningful competition in banking in the future, be taken into consideration by the Court in the expression of its opinion. Questions relating to these principles are raised in this proceeding that have not heretofore been addressed by the Court in prior opinions involving proposed bank acquisitions. The Court's disposition of these questions, and its statements with regard to such questions, will have important implications for future decisions under the Bank Merger Act by each of



PICTURE OF THE WEEK — William S. Lowe, pres., United States Chamber of Commerce (center) is shown with his hosts from Commerce Bank, Kansas City — James M. Kemper, Jr., chmn., exec. comm. (left) and Fred Coulson, Jr., sr. v.p. in charge of correspondent banking (right). Mr. Lowe was a keynote speaker at the Commerce Bank Management Conference last week. He told some 400 visiting bankers that "it is time to project your views on the advantages of the free enterprise system."

the Federal agencies which administers the Act, including the FDIC, and profound significance for the future structure of the nation's banking industry."

The FDIC brief points out that the primary concern in most bank merger cases has been the possible elimination of existing competition between the banks proposed to be merged. In recent years,

(Continued on back page)

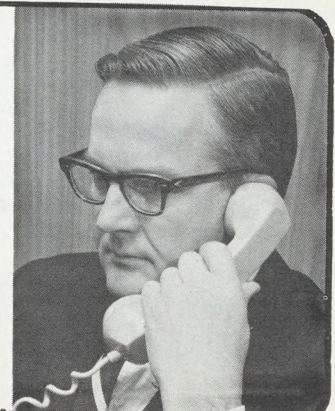
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Forbes Olberg
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IOWA NEWS

CEDAR RAPIDS: The United State Bank is currently celebrating its 50th anniversary. Executive Vice President Charles Kriz has been with the bank the entire 50 years.

CEDAR RAPIDS: The FDIC has given approval to the First Trust and Savings Bank to establish a parking lot office.

DECORAH: The Decorah State Bank will hold an open house in its newly expanded quarters this Saturday, June 24, according to President Bill Ronan.

DES MOINES: Hawkeye Bancorporation, 4-year-old Des Moines multi-bank holding company, has received the approval of the Federal Reserve Board of Governors to acquire six of the seven banks for which it had sought approval.

This was revealed Tuesday when the Federal Reserve announced its approval for Hawkeye to acquire control of the Jasper County Savings Bank, Newton; State Bank and Trust, Council Bluffs; Clay County National Bank, Spencer; First Federal State Bank, Des Moines; Camanche State Bank, Camanche; and Citizens National Bank, Boone.

Hawkeye had sought also to acquire control of Kellogg Savings Bank, Kellogg,

Northeast Iowa Banks

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nb National Bank of Waterloo

but the Federal Reserve Board denied that application.

It ruled that because of the nearness to Newton the potential for elimination of competition would be increased if that application was granted.

ELMA: Controlling interest in the Peoples Savings Bank has been purchased by A. M. Saylor of Hampton. Mr. Saylor also holds controlling interest in banks in Hampton and Cresco.

KEOKUK: Alice M. Grice, assistant cashier of the Security State Bank, was recently honored by employees, officers, and directors upon completion of 30 years of service to the bank.

OTTUMWA: The Union Bank and Trust Company has received approval to establish a parking lot office in North Ottumwa.

PANAMA: Bob Sullivan, 64, vice president and manager of the Panama office of the State Bank of Portsmouth, died here recently at his home.

POCAHONTAS: The Commercial State Bank has received approval to construct a motor bank facility. The new office, to be built this summer, will be located near the junction of highways 3 and 4.

STANHOPE: Ground was broken here recently for the new home office of the Farmers' State Bank.

SWISHER: The FDIC has given approval to the Swisher Trust and Savings Bank to change the location of its main office to the southwest corner of Rose Ave. and State Road.

WAPELLO: The 1972 Group 11 Sports Day will be held at the Indian Hills Golf and Country Club here on Wednesday, June 28.

NEBRASKA NEWS

LINCOLN: The new Lincoln Bank East has received approval for federal deposit insurance. Total capital for the new bank is \$1,750,000. Paul E. Doherty is president.

OMAHA: Roy G. Leibee has joined C. William Daly & Co. as a registered representative.

MINNESOTA NEWS

DULUTH: The promotions of three staff members of the First American National Bank have been announced by Chester C. Lind, president. The appointees and their new titles are: Jeffrey S. Dennis, controller; Mrs. Dorothy A. Puchreiter, assistant auditor, and James A. Seitz, assistant personnel officer.

Mr. Lind also announced that John M. Dickerson has retired from the bank after 17 years of service. Mr. Dickerson was vice president of the legal department.

MANKATO: The First National Bank has purchased 29,000 square feet of land from the Mankato Housing and Redevelopment Authority to be used for construction of a new two story bank building. The tract of land is located in the downtown urban renewal area.

MINNEAPOLIS: James G. Peterson, chairman of the executive committee of Dain, Kalman & Quail, Inc., will join the University of Minnesota office of development as special advisor. He was formerly president and chairman of the investment firm.

OWATONNA: Charles Patterson was recently promoted to vice president of the Owatonna State Bank. Mr. Patterson is head of the installment loan department.

WAHPETON: Roger W. Erickson recently joined the staff of the First National Bank here as farm representative. Mr. Erickson recently received his MS degree in agricultural economics from North Dakota State University.



Bob Bueneke

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WATERTOWN: The American State Bank is opening for business today in its new banking facility. An open house will be held this Saturday, June 24, from 9:00 a.m. to 5:00 p.m.

MINNEAPOLIS: John Jackson, former hearing examiner for the Minnesota Dept. of Commerce, has been named general counsel of the Minnesota Bankers Association, effective July 3.

DULUTH: John Nash, president and chief executive officer of the American National Bank and Trust Company, St. Paul, was elected president of the Minnesota Bankers Association at its convention here last week. B. B. "Pete" Allen, president of the First National Bank, Milaca, was named vice president, and Richard E. Ganrud, executive vice president, Polk County State Bank, Glenwood, was named treasurer.

MINNEAPOLIS: Fourth Northwestern National Bank, 2600 East Franklin Ave., will hold a grand opening in its expanded facilities on June 21, 22, and 23.

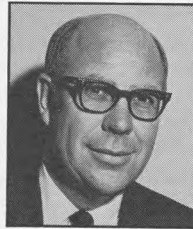
ILLINOIS NEWS

ALSIP: The election of Jack F. Blackhall as president of the Alsip bank has been announced by Vice Chairman Albert A. Payne. Mr. Blackhall was formerly executive vice president.

CHICAGO: Chairman Gaylord Freeman of the First National Bank has announced the election of four new vice presidents. They are: Kenneth L. Hebson, trust department, Robert M. Hultgren, bond department, William S. Race, loan division, and Edward M. Sullivan, operations division.

CHICAGO: Donald V. Versen has been named executive vice president of the new Bank of Commerce & Industry, according to Richard P. Larsen, president. Mr. Versen was formerly vice president at Colonial Bank & Trust Company of Chicago.

OAK PARK: The First Bank of Oak Park is planning a five-day open house the



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week of June 26 in celebration of the bank's 50th anniversary.

Bank and Trust Company in the Main Avenue urban renewal area.

COLORADO NEWS

Dale R. Hinman, chairman of the Greeley National Bank, was elected president for 1972-73 of the Colorado Bankers Association at the group's annual meeting held recently in Colorado Springs. New vice president is George B. McKinley, president of the First National Bank of Grand Junction.

DENVER: Roger D. Knight, Jr., chairman of United Banks of Colorado, Inc., has announced the acquisition of the St. Vrain Valley Bank of Longmont pending approval of the Federal Reserve Board.

NORTH DAKOTA NEWS

FARGO: Construction has started on a drive-up facility for the First National

SOUTH DAKOTA NEWS

ROSLYN: Ground was broken recently for a new facility for the Roslyn branch of the Webster Security Bank of Webster. Gary Knebel is manager of the Roslyn branch.

WYOMING NEWS

CASPER: Barton W. Smith, president of Western National Bank, has announced that the bank has received trust powers from the Comptroller of the Currency. Mr. Smith will temporarily serve as trust officer.

CHEYENNE: Wyoming Bancorporation has reached an agreement for purchase of the First State Bank of Cody and the First National Bank of Meeteetse. W. F. Messenger is president of both banks.



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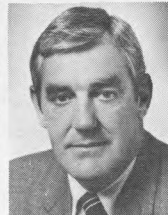
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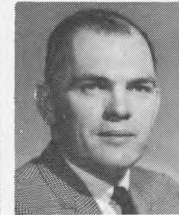
Three of our men
on your side at



Fred Coulson



Tom Cannon



Dick Muir

COMMERCE BANK of Kansas City

COMPETITION ISSUE . . .

(Continued from page 1)

however, bank regulatory agencies have regularly examined the possible elimination of potential competition between two applicants in their analysis of bank merger and bank holding company applications, and have denied proposed acquisitions on these grounds.

The acquisition in the case before the Supreme Court was approved by the Board of Governors of the Federal Reserve System on June 9, 1970, and was affirmed by the United States District Court on July 12, 1971. The Justice Department subsequently appealed.

Formal filing of the brief was authorized by the Board of Directors of the FDIC at a May 22 meeting by a 2-to-1 vote, with Chairman Frank Wille and Director Irvine H. Sprague voting to file the brief and Director William B. Camp, the Comptroller of the Currency, opposed.

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