

NORTHWESTERN Banker Newsletter

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March 12, 1973

High Court Approval for Greeley

The U.S. Supreme Court has dealt the Justice Department a major defeat by turning down its bid to halt acquisition of the First National Bank of Greeley by the First National Bancorporation of Denver.

The case, closely watched by the banking community, was the nation's first test of Justice Department power to stop banking alignments through anti-trust charges.

The high court split 4-4 on Wednesday's decision, but a tie vote upholds the lower court ruling. Justice Lewis F. Powell, Jr. did not participate in the decision.

The government had charged the acquisition of small state banks by large state bank holding companies eliminated potential competition and would lead to the dominance of commercial banking by a few large holding companies.

The Justice Department pointed out that in 1960 in Colorado there was only one bank holding company and that it operated three subsidiary banks.

But by 1970, the department said, there were seven holding companies in Colorado operating 41 banks which controlled 51 per cent of the total bank deposits in the state.

However, on Aug. 27, 1971, then Denver U.S. Dist. Court Judge William Doyle ruled the government failed to show the acquisition of the Greeley bank by the First National Bancorporation would "substantially lessen competition."

Attorneys for the First National

Bancorporation argued the acquisition of the small state banks doesn't necessarily discourage new competition.

They noted that in areas where the state's two other major bank holding companies had acquired banks, 24 new banks have organized and performed well.

The bank attorneys also questioned the right of the justice department to regulate the structure of the banking industry, a duty assigned by Congress to the bank regulatory agencies.

The Justice Department had appealed Judge Doyle's ruling directly to the Supreme Court. The current decision noted only that the lower court ruling was affirmed by an equally divided court.

The court doesn't announce how each justice voted when they are equally divided.

ABA Supports Bank Tax Bill

A bill to regulate state taxation of national banks and federally insured financial institutions has received the full support of the American Bankers Association.

In testimony before the Senate Committee on Banking, Housing and Urban Affairs, Frank E. Bauder, chairman of the ABA's Government Relations Council, urged the enactment of S.297, which would:

- Prohibit discriminatory taxation of depositories.
- Prohibit taxation of intangible per-



PICTURE OF THE WEEK — Top officers of Chicago's Northern Trust Bank added their signatures to the topping out beam of the 31-story Northern Building at recent topping out ceremonies. Chairman of the board Edward Byron Smith (center), President E. Norman Staub (left), and Vice Chairman Douglas R. Fuller joined more than 2,000 employees and customers who signed the beam during its two-week display in the bank. The Northern Building will be completed in 1974 at the northeast corner of Wacker and Adams in Chicago's Loop.

sonal property, including cash owned by banks.

- Postpone state taxation of transactions by out-of-state banks, until Congress decides the terms of such taxation.

The bill would carry out the recommendations of a Federal Reserve Board study on state taxation of banks. It was introduced by Senator Wallace F. Bennett (R-Utah) by request.

Mr. Bauder explained that the proposals would reinstitute a situation dating from 1864, when the National Bank Act was adopted. Since national banks

(Turn to back page, please)

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IOWA NEWS

BETTENDORF: Steven A. Ostrow has been elected a v.p. & t.o. of Security State T & S, according to Floyd W. Sherry, Jr., pres.

DES MOINES: David L. Miller, 40, pres., West Des Moines State Bank, has been named recipient of the 1972 West Des Moines Citizenship Award. The Chamber of Commerce presents the award annually.

DES MOINES: The Comptroller of the Currency has approved the application of the Central Nat'l. B & T Co. for permission to establish an office at the southeast corner of 35th and Ingersoll.

MAHASKA: The following promotions have been made at the Mahaska State Bank: Dale Stansbeary, a.v.p. & comptroller; Rex L. Blom, a.v.p. & t.o.; Robert Cooper, a.c. & installment loan mgr.; Harold Sutherland, a. comptroller; Hester Whitlatch, Carol J. Wagner, Irene Finch, a.c.'s and supervisors; and Joseph W. McCurdy, data processing mgr.

OSKALOOSA: In 1971 Iowa Trust and Savings purchased the one-half block facing south Market Street adjacent to its drive-in bank facility as the future building site for a new bank. Plans call for beginning construction this spring.

Northeast Iowa Banks

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WILTON: The Wilton Savings Bank has withdrawn a controversial application to the Iowa State Banking Board for permission to open a temporary banking facility in Atalissa. The application had been challenged by the West Liberty State Bank on the grounds that the Wilton bank would be encroaching on its territory. No specific reason was given for the decision to withdraw.

NEBRASKA NEWS

The Legislature's Banking, Commerce and Insurance Committee has voted unanimously to advance a proposed one-bank holding act, LB 441, sponsored by Sen. John Murphy of South Sioux City, would allow the State Banking Department to supervise matters of banks owning other banks.

Killed by the committee was LB 305, which would have prohibited financial institutions from getting involved in the insurance business. The bill, sponsored by Sen. Glenn Goodrich of Omaha, would have banned any institutions in a town of over 5,000 population from selling insurance, either directly or indirectly, regardless of the situation.

DODGE: Funeral services were held recently for Fred J. Rabeler, 63, pres., Farmers State Bank. He had been with the bank for 23 years. Mr. Rabeler's son, Russell, is a v.p. in the bank.

HARDY: Jerry Cordis is the newly named mgr. of the Hardy State Bank, succeeding Vinton Clark, mgr. for the past six years.

LINCOLN: The Department of Banking has announced dates for hearings on the

following two charter applications: Merina State Bank - April 18, and Gilco Trust Company, Waterloo - April 10.

NORTH PLATTE: L. E. Alford has been elected pres. of the North Platte State Bank.

OMAHA: John S. McCune, Grand Island, has been appointed a.c. in the correspondent banks division of the U.S. Nat'l. Bank.

OMAHA: Excavation work has begun on the 1.5 acre site for the Community Bank of Nebr. at 52nd and Ames. A foundation will be prepared for a modular bank building which should be open by April 1. Plans call for a permanent building to be completed in about a year and a half.

OMAHA: A plan to merge the Union Stockyards Co. of Omaha with the Kay Corp. of New York was approved recently at a special meeting of Union stockholders. The Kay Corp. is owned by Ralli International, Ltd., a London-headquartered merchant and trading firm. Ralli is owned by the Bowater Paper Co. of London.

MINNESOTA NEWS

Marvin L. Rye has resigned as state banking commissioner, about a month before the end of his term. He had held the post since 1967.

BIG LAKE: Edward B. Richter of Mound has been named sr. v.p. & cash. of the Citizens State Bank.

DULUTH: A hearing on the application for a new bank, Miller Hill State Bank of Duluth, has been set for March 26 by the Minnesota Commerce Commission in St. Paul. Applicants: Jerry J. Jubie, pres., First State, Floodwood; Michael Paulucci, Stuart and Michael Seiler, Duluth businessmen. They, along with Duluth attorney, James Harper, would comprise the board of directors. Capitalization: \$500,000.

MANKATO: Jack Weber has been elected exec. v.p. of the Nat'l. Bank of Commerce.

MINNEAPOLIS: Robert P. Pronk was named v.p. in the international banking department of the First Nat'l. Bank.



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MADLIA: James Fox has been named pres. of the Farmers State Bank, succeeding Philip Gunderson who was named chmn. of the board.

ST. PAUL: James L. Boudreau was named dir. of investment services for St. Paul Investment Management Co., a subsidiary of the St. Paul Companies, Inc., investment management company.

WAYZATA: R. W. Lee, was elected v.p. of the Wayzata B & T and head of the real estate mortgage loan department.

ILLINOIS NEWS

STERLING: Lincolnway State Bank, newly-chartered, will open for business this month. Oliver Daggert, former regional v.p. of Foundation for Full Service Banks, will be pres.

COLORADO NEWS

Hearings have been set by the state banking board on the charter applications of three proposed banks. They are for the Adams County Bank, Denver; the Northern B & T and the Southmoor State Bank, both to be located in Fort Collins.

Hearing on the Adams County Bank will be on Thursday, April 26, at 9 a.m. in the State Services Building. Incorporators are Edward F. Hanifen, Aurora; Leon E. Hayden Jr., Thomas A. Waters, Charles R. Sillstrop and George T. Sweeney, all of Denver.

May 17 is the hearing date for the Northern Bank and Trust application. The hearing will be at 9 a.m. in the State Capitol Annex.

Filing for incorporation are Glen B. Clark, A. Frank Vick Jr., and Glen B. Clark Jr., all of Denver; Dewey L. Carnahan Jr., Englewood; and William P. Johnson, Boulder.

Hearing date for the Southmoor State Bank application is Thursday, May

24, at 9 a.m. in the State Capitol Annex. Applicants are Albert John Miltenberger, Loveland; and Thomas J. Bassett, Richard Ray Hansen, David Leslie Wood and Robert Stanley Everitt, all of Fort Collins.

DENVER: George C. Rankin, v.p. in charge of Denver branch of the Kansas City Federal Reserve Bank, has been promoted to sr. v.p.

NORTH DAKOTA NEWS

The March 15th meeting of the Bank Administration Institute, "Bankers in High Heels," will feature Barbara M. Pogue, a.v.p., First James River Nat'l., Jamestown, who will discuss the value of women to the banking industry and the opportunities available to women seeking careers in banking. Mrs. Pogue has been in banking for 28 years. The meeting will be held at 6 p.m. at the Bismarck Municipal Country Club.

FAIRMOUNT: Stella Whitehead, v.p. & cash., Peoples State Bank, was honored recently for 50 years of service with the bank.

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FARGO: Donald Sannes has been appointed v.p. of the State Bank of Fargo and will assume charge of the installment loan department.

SOUTH DAKOTA NEWS

The annual South Dakota Bankers Association Washington trip will be held March 27-31. Special arrangements have been made with Ozark Airlines for a group travel rate from Sioux Falls to Washington for approximately \$135 per person.

BRITTON: Charles Kretchman has resigned his position as a.v.p., First Nat'l. Bank of Aberdeen and asst. mgr., Britton office, to accept the position of pres. of the Northwestern State Bank of Dawson, Minn.

SIOUX FALLS: The board of directors of Western Bank recently announced the election of Marlin F. Winkelman as a.v.p.

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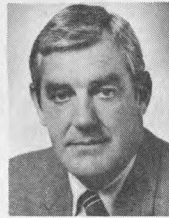
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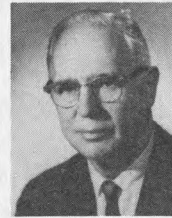


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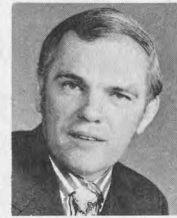
Three of our men
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Fred Coulson



Tom Cannon



Dick Muir

COMMERCE BANK of Kansas City

WYOMING NEWS

CASPER: Lew Elliott has been promoted to a.v.p. of Security B & T Co.

CASPER: Don C. Davis has been promoted to sr. v.p. of the Wyoming Nat'l. Bank.

KEMMERER: The following changes have been made at The First Nat'l. Bank: C. Dale Morrow named sr. v.p. & t.o.; Russell E. Knight named cash.; Everett J. Cassidy named loan officer; Jane Cisz named executive secretary.

SHERIDAN: John L. Piesik, formerly asst. mgr., F. W. Woolworth Co., has joined the staff at the First Nat'l. Bank.

COURT APPROVAL

(Continued from Page 1)

were Federal instrumentalities, states could only impose those taxes specifically authorized by Congress. Over the years, five types of taxes were authorized on real estate, national bank shares, taxes on dividends as part of the taxable income of shareholders, bank income taxes, and franchise taxes measured by bank income.

In 1969, Congress approved an amendment that would end Federal regulation of state taxation of banks, and permit states to tax national banks as though they were state-chartered. The amendment took effect on January 1, 1973.

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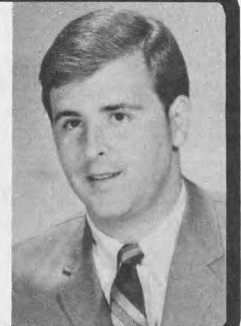


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