

# NORTHWESTERN Banker Newsletter

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April 9, 1973

## Justice Continues To Challenge Mergers

Despite one U.S. Supreme Court and four district court setbacks, the Justice Department will continue to challenge bank mergers which it sees as foreclosing potential competition within a particular state.

This pledge was made by Donald I. Baker, policy planning director for the Department's Antitrust Division, in a recent address at the Columbia University Graduate School of Business.

In the High Court test involving the potential competition issue, the First National Bankcorporation of Denver won—but by a split decision which left the industry without any definitive potential competition rule.

Mr. Baker said he expects the division to stress to “an even greater degree the importance of broad changes in statewide (banking) structure. In the long run, what is needed is a rule of law that in effect says that the largest banking organizations in a state cannot combine with other large banking organizations within the state.”

Justice has brought 21 cases in an attempt to apply Section 7 of the Clayton Act to potential competition in banking, Mr. Baker pointed out. Four have been lost in district courts, while the “Greeley” case saw Justice defeated when the Supreme Court voted 4-4 to sustain a district court decision refusing to block the acquisition.

Mr. Baker claimed that the Greeley

case turned on “unreliable evidence” given by Bankcorporation officials that they had no intention of entering the Greeley market if the proposed acquisition of the First National Bank of Greeley, Colorado, was disapproved by the court.

Because of this testimony, Mr. Baker told his audience, “The district court judge concluded quite simply that First National (Bankcorporation) was not a potential de novo or foothold entrant into Greeley, and therefore the proposed acquisition would not eliminate potential competition.” Later developments in other markets have shown that such evidence is of questionable veracity, Mr. Baker remarked.

Justice's chief concern in banking regulations, Mr. Baker continued, is to “prevent a state from becoming narrowly dominated by a very few banking institutions—in which the quiet monopoly markets of the past may be preserved in new hands.”

Mr. Baker pointed out that the same day the High Court handed down its “non-decision” in the Greeley case, it upheld the government's contention in the Falstaff Brewing Corporation case that loss of potential competition would bar a merger in the beer industry. “Beer and banking are different, but one should not ignore beer when seeking inspiration in banking”, he added.



**PICTURE OF THE WEEK**—The Wheaton National Bank, Wheaton, Ill., has gotten the jump on the seasons by turning the bank's lobby into a virtual springtime garden complete with all types of flowers and plants plus free rose bushes for new and existing savers, according to Robert W. Schnack, president. Kicking off the Spring festival, two customer service representatives, Sylvia Waters (left) and Cathy Kostecki inspect some of the rose bushes being offered.

## B of A President Suggests Tax Surcharge

The president of Bank of America has asked the Administration and Congress to consider enactment of a standby tax surcharge—an automatic fiscal brake—that would be triggered if there is another “abnormal” increase in the rate of inflation.

A.W. Clausen, the bank's chief executive, proposed what he called a “contingency stabilization tax” that

(Turn to back page, please)

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### IOWA NEWS

Deposits for Iowa's 670 banks at the 1972 year-end were approximately \$8,355,788,648, according to figures compiled by the Northwestern Banker for the 1973 Iowa Bank Directory. The figures were furnished by the Iowa Department of Banking in Des Moines and the Regional Administrator of National Banks in Kansas City. Iowa has 100 national banks and 566 state banks. Figures for Iowa's four private banks are not included in these totals. The year-end figures for 1972 are compared below with 1971:

	Deposits	
	1972	1971
National	\$2,646,255,000	\$2,421,000,000
State	\$5,709,533,648	\$4,935,872,197
	\$8,355,788,648	\$7,356,872,197
	Loans	
	1972	1971
National	\$1,528,481,000	\$1,309,000,000
State	\$3,496,288,182	\$2,969,147,963
	\$5,024,769,182	\$4,278,147,963

An Iowa law passed in 1972 permits each bank holding company operating in Iowa to have 8% of the state's total bank deposits, based on mid-year figures.

DES MOINES: The 52nd annual State Banking Conference will be held Wednesday, April 11, at the Des Moines

## Northeast Iowa Banks

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**nb** National Bank of Waterloo

Hyatt House (Johnny and Kay's), 6215 Fleur Drive. The conference is sponsored by the Federation of County Bankers Associations and the Iowa Junior Bankers Association.

DES MOINES: The annual Iowa Investment Bankers, Inc., Field Day will be held on the 16th and 17th of May at Wakonda Club, Des Moines. For reservations or information, contact Frederick Kammeier of Lowei & Co., 408 Equitable Building, Des Moines, Ia. 50309.

DES MOINES: David L. Miller, president, West Des Moines State Bank, has announced the promotion of Charles E. Cox to assistant vice president. Mr. Cox joined the bank in August of 1972 as assistant cashier and loan officer.

EAGLE GROVE: Joe Ringsdorf has been named assistant cashier at Security Savings Bank. He has been an Iowa bank examiner for the Federal Reserve Bank of Chicago.

MAQUOKETA: Mrs. Lorna H. Wissink, president, Andrew Savings Bank, has purchased stock in the bank owned by her father, E.A. Karsten of Sterling, Colo., giving her controlling interest. At the same time, she announced the appointment of Richard L. Bayless of Moline, Ill., as executive vice president and director.

PALO: John L. Huntington has been named director and executive vice president of the Palo Savings Bank.

ROCKWELL: Richard Galloway has joined the Community State Bank of Rockwell as agriculture representative.



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SIOUX CITY: An application has been filed by the Security National Bank requesting permission to relocate the Leeds facility from 4021 Floyd Boulevard to the southwest corner of the intersection of Floyd Boulevard and Outer Belt Drive.

### NEBRASKA NEWS

Deposits for Nebraska's 441 banks at the 1972 year-end were \$4,656,943,156, according to figures compiled by the *Northwestern Banker* for the 1973 Nebraska Bank Directory. The figures were furnished by the Nebraska Banking Department in Lincoln and the Regional Administrator of National Banks in Kansas City. Nebraska has 123 national banks and 441 state banks. The year-end figures for 1972 are compared below with 1971:

	Deposits	
	1972	1971
National	\$2,936,271,000	\$2,653,000,000
State	\$1,720,672,156	\$1,354,993,609
	\$4,656,943,156	\$4,007,993,609
	Loans	
	1972	1971
National	\$1,840,777,000	\$1,588,000,000
State	\$ 997,862,498	\$ 807,756,157
	\$2,838,639,498	\$2,395,756,157

The 1972 year-end loan/deposit ratio is 60.97%, compared to 59.7% for 1971 year-end.

EAGLE: On April 3, 1973, the Director of Banking, Henry E. Ley, approved the bank charter application for the Eagle State Bank and denied the charter applications of both the Bank of Eagle and the Tri-County Bank.

HASTINGS: The City National Bank of Hastings has filed an application requesting permission to establish a bank office at 403-419 North Burlington, Hastings.

### MINNESOTA NEWS

MARSHALL: The Western State Bank has announced the appointment of Timothy A. Janke as cashier. He was cashier at the New London National Bank.

ROLLINGSTONE: H. J. Litcher has retired as president of the First State Bank of Rollingstone, a post he has held since 1968. He will continue as a member of

## CONFIDENTIAL SURVEY on Officer Salaries and Income

This report is being compiled by the NORTHWESTERN BANKER as part of its continuing study of Bank Officer Salaries that so many readers find helpful. So that the results of this survey can be completely accurate, we request that just one officer from each bank answer and return this questionnaire. After answering questions on both sides of this page, please fill in the information requested at the bottom of the second page and return to the NORTHWESTERN BANKER at the above address. If you have officer titles or job descriptions other than those shown below, please enter them and give the information asked for in the chart. You need not sign your name. All replies will be confidential.

1. Will you please list appropriate figures for officers of your bank under each heading applicable (please designate managing officer with an "X"):

	<u>ANNUAL SALARY</u>	<u>BONUS AND FRINGE BENEFITS</u>	<u>INSURANCE EARNINGS</u>	<u>DIVIDENDS</u>	<u>TOTAL</u>
Chairman.....	\$				
President.....					
Executive Vice Pres.....					
Commercial Lending - Sr.....					
Commercial Lending - Jr.....					
Cashier and/or Oper. Off.....					
Business Development Off....					
Installment Loan Off.....					
Installment Loan Off. - Jr.....					
Auditing Officer.....					
Trust Officer.....					
Branch and/or Off. Mgr.....					
Real Estate Loan Mgr.....					
Ag Representative.....					
All other Officers.....					
Bookkeeper.....					
Teller-Senior.....					
Teller-Junior.....					
Secretary.....					

2. What percentage is your total payroll to your deposits? \_\_\_\_\_ %  
Comment:

3. Do your present salary schedules attract the kinds of officers you want for your staff? Yes \_\_\_\_\_ No \_\_\_\_\_  
Comment:

(Turn to back of page, please)

4. What criteria do you follow in making salary adjustments?

5. What changes will you make in above salary schedule at the next annual meeting?  
Comment:

6. What other comments would you like to make about compensation of bank officers?

Your State \_\_\_\_\_ Population your town \_\_\_\_\_ Deposits of your bank \$ \_\_\_\_\_

THANK YOU!

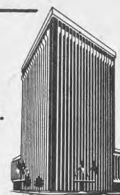


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the board of directors. Succeeding him as president is Patrick Erwin, formerly associated with the Klossner (Minn.) State Bank.

**ST. CLOUD:** Jean Kappel was promoted to assistant vice president in charge of customer services at the First American National Bank, according to A.J. Didier, president. John Childs, who joined the staff in April of 1972 as auditor, recently was elected cashier.

### ILLINOIS NEWS

**CHICAGO:** The Illinois Bankers Association will hold its annual trust conference at the Regency Hyatt House near O'Hare Field on April 25-26.

**CHICAGO:** Edward M. Roob, former deputy administrative head of the First National Bank of Chicago's bond department, has been named special assistant for debt management to George P. Shultz, Treasury secretary. Succeeding Mr. Roob as head of the government bond division at the bank is G. Edward Means, a vice president in the division.

**OAK BROOK:** Bradley M. Steven was promoted to vice president, commercial loans of Oak Brook Bank.

**WOODHULL:** An application for a permit to organize the Woodhull State Bank, 174 North Division Street, has been filed. Total capitalization of the proposed bank would be \$400,000. The 16,000 shares would have a par value of \$10 each. Applicants include: J. Roger O. Boland, Benjamin Stickney Downs and Richard C. Geiger, all of Woodhull; Sheldon Dornink, Galva; J.W. Rehn, Alpha, and C.W. Rodelius, Moline.

### COLORADO NEWS

**ARAPAHOE:** William T. Ahlberg has been elected chairman of the board of the Arapahoe Colorado National Bank.

Charles O. Keller has been elected a director.

**DENVER:** Sale of the financially troubled Skyline National Bank of Denver to United Banks of Colorado, Inc., has been formally approved by Chief Judge Alfred A. Arraj of the U.S. District Court. The new bank has reopened recently as the United Bank of Skyline. The Skyline bank, founded as a multiracial institution, was closed by the U.S. comptroller of the currency as being insolvent because of bad loans.

**GREELEY:** John L. Long, Jr., has been promoted to agricultural vice president in the commercial division of the First National Bank of Greeley. He was previously assistant vice president and agricultural appraiser.

### NORTH DAKOTA NEWS

**LARIMORE:** The application of Elk Valley State Bank of Larimore to increase its capital stock from \$150,000 to \$300,000 by stock dividend has been approved.

**MANDAN:** The North Dakota group of the National Association of Bank Women will hold its annual workshop on April 13 and 14 at the Seven Seas Inn in Mandan. Registration will begin at 1 p.m. on Friday with a business meeting at 2 p.m. and a social hour and dinner at 6 p.m. Keynote speaker for the dinner will be Don Bussell, regional manager, Northwest Computer Services.

### SOUTH DAKOTA NEWS

**ABERDEEN:** Bernie Quaschnick recently began duties in the insurance department of the Farmers and Merchants Bank.

**SIOUX FALLS:** Donald R. Hass has been elected assistant vice president. He has been associated with the bank's installment loan department since October, 1970, and has served as loan officer for over a year.

### MONTANA NEWS

**GREAT FALLS:** The Montana Bankers Association is sponsoring the Installment Credit Conference at the Heritage Inn on April 26, 27 and 28. Governor Judge will address the conference April 27. Other speakers include: Dr. Judson White, University of South Alabama who will speak on bank financing of leisure time activities, Richard Oppenheimer, vice president, Wells Fargo Leasing Corporation, who will speak on leasing, and Dr. Patricia Douglas from the University of Montana who will speak on the findings of the Hunt Commission.

### WYOMING NEWS

**CHEYENNE:** Joseph C. Berber has been elected assistant vice president in charge of installment loans at the American National Bank of Cheyenne, according to Robert J. Sorensen, bank president.



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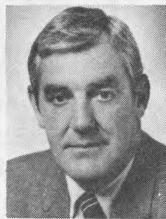
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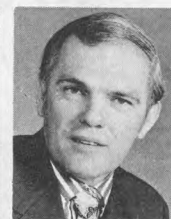
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on your side at



Fred Coulson



Tom Cannon



Dick Muir

# COMMERCE BANK of Kansas City

### TAX SURCHARGE..... (Continued from Page 1)

would provide "an unmistakable vouchsafe" to other nations that the United States is determined to restrain domestic inflation.

"Specifically," Mr. Clausen said, "this contingency tax would consist of an individual and corporate income tax surcharge which would not take effect unless triggered automatically by an abnormal increase in the rate of inflation. It could go on or off as circumstances warranted."

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