

NORTHWESTERN Banker Newsletter

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Question Automated Tellers In Oregon

Oregon's failure to affirmatively authorize state bank use of automated tellers precludes the use of such tellers by national banks, the U. S. District Court for Oregon has ruled.

The District Court's opinion came in suits filed by the Independent Bankers of Oregon and Oregon Superintendent of Banking John Olin against the Comptroller of the Currency and United State National Bank of Oregon contesting two new automated teller stations approved for U. S. National by the Comptroller.

Oregon's branching law permits the establishment of branches under the same criteria use for new bank authorizations. The state bank superintendent ruled that automated tellers do not comply with the statute since, among other things, such tellers cannot themselves show profits and therefore cannot be assured of success as required.

The Comptroller emphasized that automated tellers would be especially useful and convenient and would put competitive pressure on traditional banks to extend their hours.

The opposing banks feared that automated tellers would be a cheap way for U. S. National to preempt potentially valuable branch locations. Although the volume of business at a particular location may not justify the expense of a traditional branch, it might support an automated teller until such time as it was profitable to convert into a traditional

branch. The banks felt this put them at a competitive disadvantage.

For state banks, this disadvantage was especially severe, the Court said. The Superintendent took the position that off-premises automated tellers violated states banking laws and could not be employed by state banks.

The Comptroller concluded the superintendent's interpretation of the state law was not binding upon him, that the state law did not forbid automated tellers to state banks, and that even if it did, national banks are not subject to this prohibition.

The Court concluded the state legislature probably "did not contemplate automated tellers when it enacted these statutes." It said the "Comptroller has to strain to fit automated tellers within them, and the superintendent similarly has to strain to find in the statutes the prohibition against them."

However, the Court added, the demands of the National Bank Act are not satisfied by statutory neutrality or inattention. Like the establishment of a branch, the operation of an automated teller is permitted only if such operation is authorized "affirmatively and not merely by implication or recognition."

Therefore, the Court added, "in the absence of a specific statute permitting automated branches to state banks, they are unavailable to national banks.

"Whether or not this technological



PICTURE OF THE WEEK—ABA President Eugene H. Adams (right) testified before the Senate Subcommittee on Financial Institutions in opposition to interest paying checking accounts. Adams told the Senators that ABA opposes the spread of such accounts pending a thorough review of all ramifications of paying interest on demand deposits to determine where the true public interest lies. Charles McNeill, ABA's Director of Government Relations, accompanied Mr. Adams.

innovation should be encouraged is a question for the state legislature to consider, not this Court. The principle of competitive equality is particularly pertinent in situations like this where, because of statutory vagueness, the Superintendent would arrive at opposite interpretations, resulting in potentially severe competitive inequality between state and national banks."

St. Paul Hosts Workshop for Community Bankers

Community development and Federal laws and regulations affecting bank personnel will be the topics at the American Bankers Association's first

(Turn to Page 2, please)

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community banker regional workshop at the St. Paul Hilton, St. Paul, Minn., April 15-17.

E. A. Morse, chairman of the ABA's community banker administrative committee, said these are among the two most pressing problems facing bankers according to ABA's 1972 Community Banker Survey.

The primary aim of the workshop is to aid bankers to become better community development leaders, he added.

Where to get technical and financial aid and how to establish a community economic and development corporation will be covered.

Morse, who is also president of Citizens Bank of Abilene, Kan., said bankers who have been involved in community development projects will discuss their experiences in case sessions on industrial development.

Businessmen will explain the criteria companies use to evaluate a community as a potential plant site.

Three other community banker workshops have been tentatively scheduled: Salt Lake City, Utah, in May; Tulsa, Okla., in June, and Knoxville, Tenn., in July.

IOWA NEWS

BETTENDORF: Joe Deere has been named marketing officer of the Bettendorf Bank and Trust Co., according to George C. Heninger, bank president. Previously loan officer and assistant manager of the Bank of America in San Jose, Calif.,

Mr. Deere has been with the Bettendorf bank since November.

CLARINDA: Ann Reimer, assistant cashier at the Citizens State Bank, is retiring. She was honored recently at a surprise dinner party.

LE MARS: The First National Bank will hold an open house May 19 in its new building, according to Al Maser, president. The bank takes up two floors of the contemporary glass and brick structure located on Central Avenue just one block from the old bank building. Cost of the new bank was \$500,000 and the general contractor was Chris Hanson Construction of Sioux City.

MAQUOKETA: Jerry S. Maples, executive vice president of the Jackson State Bank and Trust Company, has announced the appointment of David Thieleke of Oelwein, who has been an FDIC examiner for the past seven years. Mr. Thieleke will be in the commercial loan department as vice president.

SIOUX CENTER: The Iowa Banking Board has approved an application by the Hoppers Savings Bank to move to Sioux Center. At year-end, the Hoppers bank had \$8 million in deposits and \$6.6 million in loans. Sioux Center has been a one bank community served by the First National Bank with \$14.8 million deposits.

SPENCER: Larry Wenzl, president of Clay County National Bank, has announced the appointment of Nathan (Dutch) Dillingham as installment loan officer. Mr. Dillingham was formerly with East Des Moines National Bank. William Fulcher has joined the bank as insurance agency manager, Clay County National Agency. He was previously with the Jefferson State Bank.

VENTURA: Elgin Morris of Marengo has been named president of the Iowa County Savings Bank of Marengo.

NEBRASKA NEWS

The Nebraska group of the National Association of Bank Women will hold its annual meeting at the Yancey Hotel in Grand Island, April 13-15.

LINCOLN: J. D. Schiermeyer, presently of Fremont, and Leland Holdt, of Lincoln have been elected to the board of directors of NBC Co. Mr. Holdt is president of Security Mutual Life Nebraska in Lincoln, and Mr. Schiermeyer was elected president of NBC Co. in March. NBC Co. is a bank holding company which wholly owns the National Bank of Commerce and Mutual Savings Company, both of Lincoln, and has seven other affiliates across the state.

WALLACE: Henry E. Ley, director of banking, has denied the application of the Citizens Security Bank for authority to change the location of its bank from Lot 1, Block 19 of Original Town, Wallace, to 410 Rodeo Road, North Platte.


MINNESOTA NEWS

Members of the National Association of Bank Women in Minnesota are taking a spring break and spending a fun 'n work weekend at Arrowwood Lodge at Alexandria on April 28 and 29. Workshops and meetings will be presided over by June Hanson, Minnesota chairwoman and assistant vice president of the Second Northwestern National Bank of Minneapolis.

Ms. Wilma Bender, program chairwoman and systems analyst of the Federal Reserve Bank of Minneapolis, is scheduling workshops concerning current banking trends in audit procedures, personnel recruitment and development, public relations, computer service, banker's social responsibility and word processing with women bank officers as panel leaders.

ALBERT LEA: Stanley L. Jensen has been promoted to assistant vice president and cashier of the Security State Bank.


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BENSON: Morris Stevens, chairman of the board of directors at the First State Bank and former president, has retired after 46 years in the business.

COLUMBIA HEIGHTS: Philip M. Rodberg has been promoted to assistant vice president of Columbia Heights State Bank, according to Karl D. Stotesbery, president. Mr. Rodberg joined the bank in March of 1971, was elected assistant cashier in June of 1971, and is presently manager of the bank's installment loan department.

EMMONS: Clifton C. Cavanaugh of Clarks Grove has been named vice president and manager of the First National Bank, according to Herbert A. Lund, bank president. Mr. Cavanaugh has also been elected cashier of the bank. He had been cashier of the State Bank in Clarks Grove.

LOWRY: A grand opening was held recently at the newly enlarged and remodeled Lowry State Bank. Utilizing the old bank building walls only, the new building has been doubled in size. The interior is completely carpeted and draped and features a new vault, teller stations, furniture, drinking fountain, air conditioning system and two private offices. Cliff Mork is bank president.

ST. PAUL: The application of the Valley National Bank of Eagan Township to change its name to the Valley National Bank of Eagan has been approved.

WINONA: G. D. (Jerry) Herman has been elected executive vice president and director, effective April 15, of the Town & Country State Bank. Mr. Herman was previously vice president and cashier of the First National Bank of Owatonna.

MONTANA NEWS

MISSOULA: The First Security Bank of Missoula has filed a report to become a member of the Federal Reserve System.



Greg Scharnberg

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WYOMING NEWS

CHEYENNE: Ron Davis of Riverton has been named the new senior vice president of the American National Bank of Cheyenne. He was business manager for Diamond Management in Riverton and before that was vice president and cashier of the First National Bank of Riverton.

SOUTH DAKOTA NEWS

ABERDEEN: Jack M. Thompson, president of Aberdeen National Bank, has announced that the bank has purchased the property at 113 3rd Avenue S.W. adjacent to the bank's parking lot. The building will be razed to provide two-lane traffic to improve exit conditions north toward 3rd Avenue for customers using the bank's drive-in facilities. Detailed expansion plans will be announced later.

PARKER: Verner Berg, chairman of the Parker office of the Northwestern National Bank, has retired after 40 years of service to banking in the state.

SIOUX FALLS: Donald R. Hass has been named assistant vice president at the Western Bank. He had been in charge of the installment loan department.



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NORTH DAKOTA NEWS

GRAFTON: The Grafton National Bank's application to change its name to the First National Bank in Grafton has been approved.

ILLINOIS NEWS

Chicago: A permit to organize the Mid Town Bank of Chicago, 2029 North Clark Street, has been issued. Total capitalization of the new bank will be \$2 million, consisting of: \$800,000 in both capital stock and surplus and \$400,000 in reserve for operating expense. The 80,000 shares will have a par value of \$10 per share. Organizers are: Miles L. Berger, Daniel A. Cotter, Burton L. Gordon, Carl G. Leigh, M. D., and Curtis W. Rowley, all of Chicago.

CHICAGO: Elected as new directors of Gateway National Bank were Charles W. Burns, Jr., Howard C. Medley, Sr., Edison Hoard, and W. Victor Rouse.

CHICAGO: The Illinois Bankers Association has elected Robert C. Humphrey, president of State National Bank, Evanston, president; and Glenn W. Ramshaw, vice president of Continental



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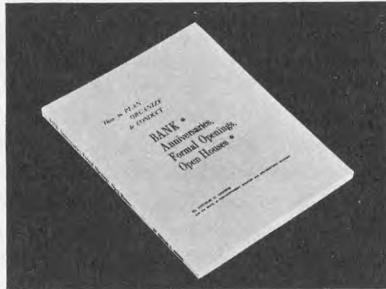
City National Bank is now united missouri bank of kansas city, n.a.

Only the name has changed. The people are the same.

Illinois National Bank & Trust Company of Chicago, senior vice president.

CHICAGO: Hugh Bunten, vice president, director, secretary and general counsel of Signode Corp., was elected a director of Sears Bank & Trust Co.

SKOKIE: First National Bank has announced that Ronald P. Pederson has been appointed vice president-loan department.



HOW TO PLAN, ORGANIZE & CONDUCT BANK ANNIVERSARIES, FORMAL OPENINGS, OPEN HOUSES is the title of a new book just released.

The book actually is a practical "how-to" manual that provides the banker with workable "formulas" for organizing and conducting any type of bank opening. Based on hundreds of successful bank openings, the book presents a systematic planning approach, various checklists of opening-day problems for bankers to consider, as well as several detailed plans (including budget samples) used in actual bank openings and anniversary celebrations.

Profusely illustrated, the book contains 172 pages, size 8½" x 11", sells for \$13.50 and may be obtained from:

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