

Economists View One Bank Holding Companies

By HADSON'S REPORTS INC.

After more than two years of controversy, the Congress has passed and the President has signed an amendment to the Bank Holding Act of 1956 that regulates one bank holding companies.

Prior to this legislation, one bank holding companies were not limited as to what non banking activities they could enter (although the banking subsidiaries were regulated as far as banking functions were concerned). Most did not abuse this privilege, as diversification occurred primarily in financially related fields such as mortgage companies, small loans, and data processing companies.

Nevertheless, it was decided that this loophole should be closed because of acquisition overtones by conglomerates, the increased competition between banks which resulted in their seeking new fields of endeavor, and the rapid growth in the number of one-bank holding companies.

For example, in 1966 there were only 641 banks controlled by one bank holding companies, and these represented less than five per cent of total bank deposits. By the end of 1968, however, 783 one-bank holding companies were in existence or being formed, which represented more than 27 per cent of the industry's total deposits.

SOME BREAK-UP ANTICIPATED

Because of this law some one-bank holding companies which were in operation prior to June 30, 1968 (the grandfather clause data) may be required to divert themselves of their non banking activities.

By the same token, some companies whose prime functions are not banking may choose to spin off their banking operation.

Smaller holding companies may also be forced to divert some of their non-related activities if the Federal Reserve Board finds "that the banks' power to grant or deny credit be influenced by a desire to further the holding company's other interests."

The holding companies have ten years to divert themselves of these activities after they have been ordered to do so.

FED'S GUIDELINES

The Federal Reserve Board played an important role in the making of this legislation, as its opinions were sought at various stages, particularly during the final draft.

The Act itself offers only guidelines and gives the Fed great latitude in drawing limitations as to what activities are to be permitted. In making its decisions, the important

considerations will probably be whether or not a firm's non banking activities are closely related to banking and whether such activities would decrease competition or result in conflict of interest.

Since the final passage of this Act, the Federal Reserve Board has set up its guidelines as to what it considers to be closely related banking activities. These guidelines are quite general, and changes in the future are more than likely.

UNIFORM REGULATION

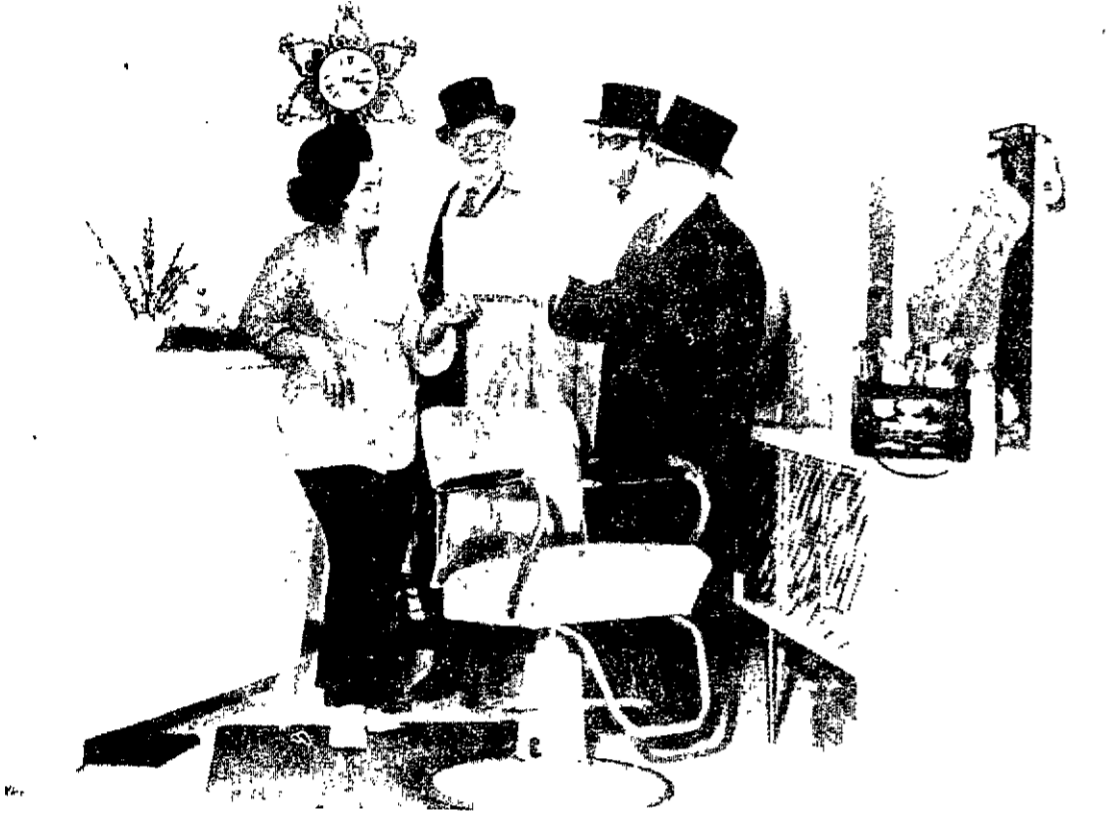
Most important accomplishment of this bill is the uniform regulation applied to both the one-bank holding company and the multi-bank holding company because of related banking activities. This, many one-bank holding

companies will likely become multi-bank holding companies. In New York City, for example, First National City Corporation has already announced plans to form a multi-bank holding company with a

new branch in Suffolk County, and Chase Manhattan Corp. plans to form Chase Manhattan Bank of Long Island in Nassau County. This trend will continue and should have a beneficial impact on future bank earnings.



AWARDS PRESENTED — The Dayton Power and Light Co. was recently presented two marketing awards at the 37th Annual Edison Electric Institute Marketing Conference in Washington, D. C. One of the awards went to Harold Merkle, Farm Sales coordinator, right, who is a graduate of Wren High School and former native of Van Wert. Prior to his promotion to farm sales coordinator he was rural application engineer at Sidney for DP&L. John Hoffman, Home Service adviser, left, holds the other plaque for an outdoor lighting campaign. His department won a similar award in 1968.



GRAND OPENING — Steppes Beauty Salon in the newest section of the Summit Shopping Center recently opened for business. Susan Olson, left, was presented a certificate from the Chamber of Commerce Top Hatters Club for continued Van Wert progress. Others, from the left, are Clark Bushong, E. L. Elliott Jr. and Charles Willman.

State Divides Gasoline Taxes

The state distributed to local subdivisions a total of \$8,102,921 in gasoline taxes in March, State Auditor Joseph T. Ferguson reported.

The greatest amount, \$4,406,921, was sent to Ohio municipalities. The auditor said the municipalities received their share of gasoline revenues on the basis of one dollar per vehicle registered in the municipality.

Rubber Bands Big Help To Postmen

WASHINGTON (AP) — America's mailmen say using tons of teardrop-shaped rubber bands puts more snap in their postal zip and stretches their efficiency. And they never made that brag about twine.

Last year, 875 tons of these rubber bands, costing \$122 million, were bought instead of twine to bundle letters, reports a General Services Administration official.

A postal spokesman said rubber bands have the advantage of repeated use and flexibility, breakless often and are cleaner than twine because they don't raise as much dust, and produced a savings in that they were more efficient.


The GSA official said rubber bands also may yield a financial savings compared with twine.

Postal technicians said the thickening at an end on the specially designed rubber bands is to provide more strength.

The idea for rubber bands was put to a test starting about six years ago in New England, after postal officials there noticed success of similar use in Canada, the postal spokesman said.

Steel Tubs

NEW YORK (AP) — While the bathtub market has remained relatively stable since 1950, steel has been getting an increasing market share. Arco Steel Corporation reports that over a million steel tubs per year are shipped to the home building industry, compared to less than a half million 20 years ago. The tubs are said to be less expensive than cast iron, and they are lighter and easier to install.



FRATERNAL ORDER OF EAGLES
Van Wert Aerie No. 886

FRI. NITE MEETING - 8 P.M., MAR. 19

BENEFIT AUCTION
SAT., MAR. 20 - 12:30 P.M.

Public Welcome - Lunch Available
● Proceeds To Jimmie Durante Childrens Fund

DANCE SAT., MAR. 20
9:00 To 12:00
To The Music Of
PAUL & CLEO

F&S Floor Covering
And
Alexander Smith Carpets

SPRING ACRYLAN SALE

Amber Gold	15 Ft. Width Roll
Copper Sheen	15 Ft. Width Roll
Blue Green	12 & 15 Ft. Width Roll
Avacado	15 Ft. Width Roll
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Golden Tan	12 & 15 Ft. Width Roll
Celedon	12 & 15 Ft. Width Roll
Soft Gold	15 Ft. Width Roll

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Business Beat

Times-Bulletin, Van Wert, O., Thurs., Mar. 18, 1971 5

The American Legion Auxiliary Will Honor The LEGIONNAIRES on 52nd BIRTHDAY

With A Party
SAT. MARCH 20 - 6:30 P.M.

● (Potluck)

Music By
RHAPSODIERS

MOOSE LODGE 

Next To Ploydium Lanes

EUCHRE-EVERY THURS.
7:30 P.M.

ST. PATRICK'S DANCE
SAT., MARCH 20th

Featuring
FRANK SCARBROUGH & Orchestra

JOIN THE MOOSE TODAY!

To The People Of Van Wert, Ohio.



Most of you know that I am running as a Republican candidate for the office of mayor in this city, but many of you do not know how I tried to beautify the city.

While I was the Park Commissioner and assistant street supervisor, we planted all of the Promies along the streets, also in the library grounds and most of the parks.

With the help of two city employees, we dug thirty five beautiful Elm trees for the Highland Woods. Just east of the hospital. These trees were about twenty feet high and were dug by hand, using shovels and axes. They were planted in the three city parks at Jefferson, Market and Washington Streets on Central Avenue. Most of the trees were killed by the Dutch Elm disease and had to be cut down. The remaining trees in Third Ward Park have attained a height of about seventy feet and provide much shade in the summer time.

We then traveled by truck to the hills around Mansfield, Ohio. We found and dug many Red Bud and White Dogwood trees. These were very nice trees with a height of about 10 to 20 feet. They were planted on top of the town creek banks and were alternated in color which made a beautiful contrast.

Our next trip was to the Middle Point stone quarry. There we picked up four or five loads of large flat stones. We then made a beautiful rock garden planting on the east bank of Town Creek, south of Main Street bridge. However the work was all done in vain. A new administration was selected and at the expiration of my term, the beauty of Town Creek quietly faded away, and was left to die a lonesome death.

The appropriation allotted by the city council for the Park Commission was a grand total of \$100.00 per year.

What do you think I could do with Town Creek, using 10 or 12 men and just a small portion of the Income Tax money? Vote for me and find out.

Watch for future plans to be released soon. I know you will like them. Save all future clippings.

Issued by
CHING GAMBLE
Republican Candidate
for Mayor

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