

Senate Bill Aimed at Largest Single Banking Firm in West

By A. ROBERT SMITH
Mail Tribune Correspondent

Washington — The Senate this past week passed a bank holding company bill aimed primarily at Transamerica Corp., the largest single banking institution in the West, while exempting many large banking firms in the East.

Transamerica, through its control of the First National Bank of Portland and its 68 branches around the state, controls about half the bank deposits in Oregon. Transamerica controls the National Bank of Washington with its 12 branches in Washington state, as well as a



number of banks in Idaho and in eight other western states.

Legislation passed by the Senate would stop Transamerica from acquiring new bank properties in additional states, and it would require the holding company to get rid of its non-banking interests, including Columbia River Packers Assn. of Astoria.

The same bill would apply to the other bank holding companies in the Pacific Northwest that own two or more banks: Marine Bank corporation of Seattle, with 44 branches and 18 per cent of Washington's deposits; Old National Corp. of Spokane with 18 branches and 7 per cent of the state's deposits; and Union Bond and Mortgage Co. of Portland, which has four banks and one branch, but less than one per cent of the deposits of Washington state.

Satellite Purges Prelude to Larger Shakeups by Reds

Editor's note: The denunciation of Stalin in Russia has thrown the Soviet satellites into a spasm of self-recrimination and purges the like of which has not been seen previously since the Stalin Era scapegoat trials. In the following dispatch, United Press Correspondent Russell Jones, former U.P. Bureau manager in Prague and an expert on Eastern European Affairs, reports that the purges have only just begun.

By RUSSELL JONES
United Press Correspondent

Frankfurt, Germany — (U.P.) The purges in Soviet satellite nations as a result of the denunciation of Stalin are only the prelude to bigger shakeups to come in both government and the Communist party.

So far, purges in Bulgaria, Czechoslovakia and Poland have ousted known pro-Stalinists. But experts believe that as the clean-out process continues, anti-Stalinists too may fall.

Both Affected

The experts think some of both varieties of political thinkers will be affected.

It is believed that in Russia itself, Soviet Foreign Minister Vyacheslav M. Molotov, one of the few Bolsheviks who successfully stuck with Stalin through the years, may be on his way out. Sources pointed out that Molotov was not included on the recent trip of the Soviet's leaders to Britain, and that the biggest foreign affairs speech made recently in Moscow was by Pravda Editor Dmitri Shepilov, not Molotov.

Other Communist nations already have started weeding out their Molotovs, the leaders like Bulgarian Rrose Vuklo Chervenkov who rose to power and stayed there by following Stalin's "cult of the individual." Chervenkov quit last week, ab-

jectedly apologizing for "errors."

Czech Vice Premier and Defense Minister Alexei Cepicka, a pro-Stalinist known in his homeland as a "brutal thug," was fired from both posts this week.

Polish Shakeup

Poland is in the midst of a major cabinet shakeup which has cost six security and justice officials their jobs.

Polish Premier Josef Cyrankiewicz even criticized himself in a speech last week and warned against the "rampant cult of Stalin."

All of the purged Polish officials had been directly connected with repression of the people or keeping party members within the grasp of iron discipline.

Mass "rehabilitation" of prominent generals may be announced, according to Warsaw cables. Already 30,000 prisoners have had their sentences cancelled.

Communist East Germany said today in its official newspaper that it will not purge leaders who came to power under Stalin. Nevertheless, the East German Communist party has been shaken, and has admitted splits in its ranks over the Stalin issue.

Isaac Stern Leaves For Russian Tour

Washington — (U.P.) — Isaac Stern, America's most famous violinist, left Saturday for a four-week tour of the Soviet Union.

He will be the first major U.S.-trained concert artist to visit the Soviet Union since Moscow embarked on its new "friendship" campaign.

Because of one amendment which exempts all holding companies which have only one bank, the bill does not apply to many big eastern banking institutions, some of them with assets far in excess of the assets of some western bank firms hit by the bill. This one exemption kept 116 of the nation's 163 bank holding companies out of the bill, according to Sen. Wayne Morse (D-Ore.), a member of the Senate Banking committee that handled the measure.

Floor Debate

Morse said in floor debate that these exemptions and others show that "it is a bill primarily aimed at Transamerica" despite the fact that "no abuses on the part of Transamerica in respect to the depositors and the investors have been brought forth in the record."

His point was that if Transamerica should be restricted, then all bank holding companies should be restricted. While believing that all holding companies should be restricted, Morse objected to discriminating against Transamerica. He said: "Let me say this of Transamerica in my state: it has brought great economic advancement to the state of Oregon. Its subsidiary holdings, such as Columbia River Packers, are among the outstanding economic institutions in my state."

Morse offered an amendment to make the bill apply to all bank holding firms but lost 51-28.

Exempted

He pointed out that among those exempted by the bill were W. R. Grace and Co. with assets of \$375 million; Deere and Co. with assets of \$430 million; and Gimbel Bros. with assets of \$160 million. Morse said it also exempted the duPont trust of Florida, which controls 24 banks and many industrial companies.

Among the others exempted are:

Finance companies, such as the Morris Plan, Corp., with 12 banks in six states.

Religious associations, including the Mormon church with its banking interests in Utah.

Labor organizations, such as the United Mine Workers with its eastern banking holdings.

Largest Holding

Transamerica is the largest of the holding companies affected by the bill. The Senate committee said that as of the end of 1954, it controlled banks in five states—Oregon, Washington, California, Nevada and Arizona—with assets of over \$2 billion.

Since then it has been buying up control of banks in six other western states—Idaho, Montana, Wyoming, Utah, New Mexico and Colorado—reportedly to get in under the wire before the new bank holding act takes effect.

The bank bill started out covering all holding companies. But by the time it passed the Senate it had been riddled with exemptions for the most influential firms.

May Increase Urban, Rural Road Funds

Washington — (U.P.) — Sen. Albert Gore Saturday promised an all-out fight to increase the funds earmarked for primary, urban and rural roads in a \$51.5 billion highway building program.

The Tennessee Democrat, who is chairman of the Senate Highway committee predicted the

Senate will insist on \$900 million a year in federal aid for such roads. States would put up the same amount.

The annual \$900 million expenditure for this purpose was authorized in Gore's five-year, \$18 billion highway construction bill which the Senate approved last year.

Portuguese Vessel Sinks In Stormy Seas

Lourenço Marques, Mozambique — (U.P.) — The Portuguese coastal vessel "Luabo" sank in stormy seas Saturday off the coast of East Africa.

Rescue craft reported most of the crew of 44 was saved. But it was feared that Capt. Antonio Ferreira may have gone down with his ship.

Poland Announces Cabinet Changes

Warsaw, Poland — (U.P.) — Poland Saturday dismissed the vice minister of justice and revealed further sweeping post-Stalin changes in major cabinet posts and government security and legal agencies.

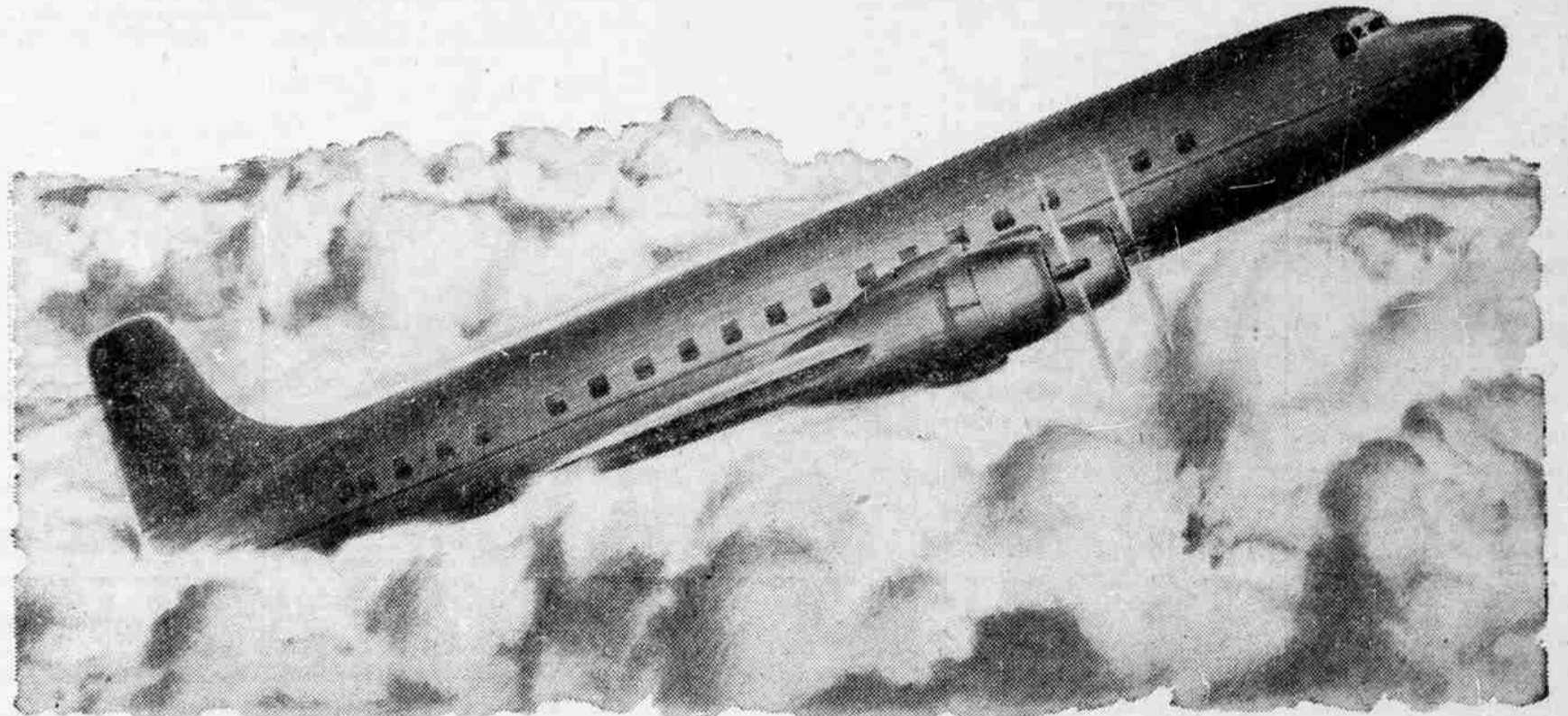
The reorganization thus far has affected eight ministries, the public security committee, and

the civil and military prosecutors offices.

The government, in moves announced today, "relieved" Vice Minister of Justice Henryk Ciesluk, announced Stanislaw Sykzeszewski, foreign minister since 1951, has been relieved "at his own request," and named secretary of the council of state.

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