Proceed with Investigation 02: the 1978 Marquette National Bank v. First of Omaha decision. Give the full historical investigation, including justices, lawyers, bank executives, regulators, legislators, affected institutions, and primary documents.

Investigation 02 — The Marquette Banking Decision of 1978

U.S. Banking Deregulation, 1970–1999 · Historical Investigation Series

Supreme Court of the United States · December 18, 1978 · 439 U.S. 299

Marquette National Bank of Minneapolis v. First of Omaha Service Corp. was one of the most consequential legal developments in American consumer banking.

The Supreme Court held that a national bank could charge qualifying interstate borrowers the interest rate permitted in the state where the bank was located, even when that rate exceeded the borrower's home-state limit.

The decision did not eliminate every state interest-rate restriction. Instead, it changed which state's law controlled the interest a national bank could charge.

This had major consequences for credit-card banking, interstate financial competition, and the relocation of banking operations during the 1980s.

The central historical question

Who gave nationally chartered banks the authority to use one state's interest-rate rules when lending to customers in another state?

The answer involves three distinct stages:

1. Congress established the relevant statutory authority in the National Bank Act of 1864.
2. Two competing banks challenged the application of that authority to interstate credit-card lending in the 1970s.
3. The Supreme Court interpreted the existing federal statute in December 1978.

Unlike the 1980 and 1982 deregulation laws, this was a judicial decision, not a new act of Congress.

1. The original dispute: Minnesota versus Nebraska

Marquette National Bank, Minneapolis, MN (Charter 11861) - Bank Note History

Minneapolis, Minnesota

Marquette National Bank's home market
NE, Omaha - BEV, First National Bank of Omaha, Storz Beer - NE0008 – KATHYS POSTCARD EMPORIUM

Omaha, Nebraska

First National Bank of Omaha's home market

Both banks participated in the BankAmericard credit-card network, the predecessor to Visa.

Marquette National Bank operated under Minnesota's 12% annual credit-card interest ceiling. Minnesota permitted an annual card fee of up to $15, and Marquette charged $10.

First National Bank of Omaha, meanwhile, operated under Nebraska law, which permitted 18% annual interest on the first $999.99 of an unpaid balance and 12% on balances of $1,000 or more.

MINNESOTA

12%

Annual interest ceiling

NEBRASKA

18%

On first $999.99 of unpaid balance

The Nebraska bank began marketing cards to Minnesota residents, offering them without the annual fee charged by Marquette.

Marquette argued that this placed Minnesota banks at a competitive disadvantage and that Omaha's card program should comply with Minnesota law.

The State of Minnesota intervened in support of enforcing its interest-rate statute.

Justia U.S. Supreme Court Center+1

Why the distinction mattered

A customer carrying a $900 unpaid balance for one year would incur approximately:

Rate	Annual simple interest
Minnesota: 12%	$108
Nebraska: 18%	$162
Difference	$54

This is a simplified comparison, excluding compounding, repayments and annual fees.

The dispute concerned whether the Nebraska bank could apply its home-state interest rate to Minnesota customers, rather than whether national banks could lend across state borders at all.

2. The court proceedings, 1976–1978

1. 1976 — Federal District Court proceedings

Marquette's litigation included an effort to keep the dispute in Minnesota state court. It dismissed the Nebraska bank as a defendant, leaving its subsidiary and other defendants involved.

2. 1976 — Minnesota trial court

   The Hennepin County District Court ruled in favor of applying Minnesota's interest-rate restrictions and enjoined the subsidiary's noncompliant activities.

3. November 10, 1977 — Minnesota Supreme Court

   The state supreme court reversed, relying heavily on federal appellate precedent concerning national banks' interstate credit-card lending.

4. October 31, 1978 — U.S. Supreme Court arguments

   Attorneys for Minnesota, Marquette and First of Omaha presented their arguments in Washington.

5. December 18, 1978 — Unanimous decision

   The U.S. Supreme Court affirmed the Minnesota Supreme Court, allowing the Nebraska bank to apply the interest rates permitted by Nebraska law.

Justia Law+2

3. The nine Supreme Court justices

All nine justices participated in the unanimous decision. Justice William J. Brennan Jr. wrote the opinion.

UNITED STATES SUPREME COURT · 1978

1. Warren E. Burger

Chief Justice
Tammany Hall 2.0: Priorities USA -Capital Research Center

2. William J. Brennan Jr.

Opinion author
File:US Supreme Court Justice Potter Stewart - 1976 official portrait.jpg - Wikimedia Commons

3. Potter Stewart

Associate Justice
The FTC Knows It When It Sees It - Truth on the Market

4. Byron R. White

Associate Justice

5. Thurgood Marshall

Associate Justice
Harry A. Blackmun | The Montgomery Fellows Program

6. Harry A. Blackmun

Associate Justice
Powell memo helped launch attacks on higher ed (opinion)

7. Lewis F. Powell Jr.

Associate Justice
File:William Rehnquist official portrait 1972.jpg - Wikimedia Commons

8. William H. Rehnquist

Associate Justice
How John Paul Stevens' Views Evolved Over 34 Years on the Supreme Court | HISTORY

9. John Paul Stevens

Associate Justice

The Supreme Court's official oral-argument transcript confirms the nine justices present.

Supreme Court

Brennan's legal reasoning

The majority's reasoning centered on the meaning of the phrase where the bank is located in 12 U.S.C. § 85.

The Court concluded that First National Bank of Omaha was located in Nebraska for purposes of the disputed credit-card transactions.

It emphasized that the bank issued cards, processed credit transactions, received payments and assessed finance charges through its Nebraska operations.

The Court acknowledged that the result could weaken states' ability to enforce interest-rate ceilings against out-of-state national banks. But it concluded that changing the statutory arrangement was Congress's responsibility.

LII / Legal Information Institute

4. The attorneys, state officials and other legal participants

This is the most directly documented group of named participants beyond the justices.

#	Individual	Role
10	Richard B. Allyn	Minnesota solicitor general; argued for the state
11	John Troyer	Argued for Marquette National Bank
12	Robert H. Bork	Former U.S. solicitor general; argued for First of Omaha
13	Warren Spannaus	Minnesota attorney general
14	Stephen Shakman	Special assistant attorney general

15	Jacqueline P. Taylor	Special assistant attorney general
16	Barry R. Greller	Special assistant attorney general
17	Thomas R. Muck	Assistant attorney general
18	J. Patrick McDavitt	Attorney for Marquette
19	Clay R. Moore	Attorney for First of Omaha
20	Peter D. Schellie	Filed an amicus brief for Consumer Bankers Association
21	James F. Bell	Counsel for state banking supervisors
22	Calvin Davison	Counsel for state banking supervisors
23	Joseph DuCoeur	Counsel for First National Bank of Chicago
24	Alan I. Becker	Counsel for First National Bank of Chicago

The official Supreme Court report identifies these attorneys and their respective briefs.

leagle.com

Additional lawyers appearing in the Minnesota proceedings were:

#	Individual	Role
25	William E. Morrow Jr.	Counsel for First of Omaha
26	Donald J. Buresh	Counsel for First of Omaha
27	Roderick I. MacKenzie	Special assistant attorney general for Minnesota

These names appear in the Minnesota Supreme Court's 1977 opinion.

Justia Law

The importance of Robert Bork

Robert Bork, rejected nominee for Supreme Court, dies at 85

Robert H. Bork

Bork had served as U.S. solicitor general from 1973 to 1977. In this case, he represented the Nebraska banking interests, not the federal government.

He argued that Omaha's lending operations were legally located in Nebraska and that Minnesota could not impose its lower rate ceiling on those transactions.

Bork's argument prevailed. The Court accepted the statutory interpretation that permitted the Nebraska bank to use its home-state interest rules.

Cambridge Core+1

5. Banks, corporations and trade organizations involved

The case extended beyond the two banks.

Institution	Relationship to the dispute
Marquette National Bank of Minneapolis	Original plaintiff challenging Omaha's credit-card program
First National Bank of Omaha	Nebraska bank whose interest-rate practices were challenged
First of Omaha Service Corporation	Wholly owned subsidiary involved in marketing and servicing arrangements
Credit Bureau of St. Paul Inc.	Originally named defendant associated with cardholder solicitation
BankAmericard network	Credit-card network used by both banks
Consumer Bankers Association	Filed an amicus brief supporting affirmance
Conference of State Bank Supervisors	Participated through an amicus brief
First National Bank of Chicago	Participated through an amicus brief

LII / Legal Information Institute+1

The case also followed earlier federal appellate litigation involving First National Bank of Omaha and First National Bank of Chicago. Those decisions influenced the Minnesota Supreme Court's reasoning.

What about the bank executives?

This part of the investigation requires an important qualification.

The judicial opinions and oral-argument transcript identify the banks, subsidiaries and attorneys, but do not provide a complete, verified roster of the directors, presidents, credit-card executives and shareholders responsible for the institutions' business decisions.

A contemporary historical study identifies Marquette's commercial interest in defending its Minnesota card market, including its cooperation with Minnesota's AFL-CIO in seeking legislative restrictions.

Cambridge Core

To identify the executives reliably, the appropriate original records would be the banks' 1975–1978 annual reports, board rosters, regulatory filings and corporate records. The names should not be reconstructed from later executive lists.

6. Which legislators and regulators were responsible?

There are two different questions: who created the federal rule, and who defended or challenged its application in 1978?

Congress in 1864: The National Bank Act supplied the underlying statutory framework. The 1978 Court interpreted that law rather than passing a new lending statute.

Minnesota legislators: The state's 1976 credit-card law established the 12% interest ceiling involved in the dispute. The individual legislative sponsors and roll-call votes require the original Minnesota legislative journals.

Nebraska legislators: Nebraska's statutory interest provisions permitted the higher rates. Identifying the precise legislators responsible requires tracing the particular Nebraska statutes and amendments cited in the opinion.

Office of the Comptroller of the Currency: The OCC was the federal chartering and supervisory authority for national banks. However, the decision was the Supreme Court's interpretation of federal law, not an OCC rulemaking.

Federal Reserve: The Federal Reserve did not decide this case or independently authorize the interest-rate exportation established by the judgment.

State banking supervisors: Their institutional interests were represented in the case through the Conference of State Bank Supervisors.

The statutory interpretation and state-law conflict are documented in the Supreme Court opinion and Federal Reserve Bank of Philadelphia's later legal research.

LII / Legal Information Institute+1

7. What changed nationally after December 1978?

BEFORE AND AFTER THE DECISION

Before

Interstate credit-card issuers frequently complied with each customer's state interest-rate limits, although federal appellate decisions had already challenged that approach.

After

National banks could generally apply their home-state permitted rates to qualifying customers in other states.

The effects included:

- Greater incentive to establish credit-card banking operations in states with permissive interest-rate laws.
- Increased competition among states seeking banking employment and investment.
- Reduced effectiveness of some states' interest-rate ceilings for loans issued by out-of-state national banks.
- Growth of nationally marketed credit-card operations.

The change did not automatically eliminate consumer-credit regulations or authorize banks to disregard capital requirements.

philadelphiafed.org+1

The connection to New York City

This decision helped create the legal conditions for major banks to move credit-card operations away from their traditional headquarters.

A significant later example was Citibank's expansion into South Dakota in 1981, associated with Citicorp chairman Walter Wriston and South Dakota governor William Janklow.

That development belongs in the follow-on investigation because it illustrates how the 1978 ruling interacted with state legislation and bank expansion.

The distinction is important: a bank could retain major operations in New York while establishing credit-card lending operations in another state with different permissible interest rates.

This changed the geography of financial profits and consumer-credit regulation without necessarily changing where a bank maintained its headquarters or physical vaults.

8. Primary historical documents

Official Supreme Court decision — 439 U.S. 299

Original published decision, December 18, 1978. Establishes the holding, legal reasoning, participating counsel and procedural history.

Supreme Court oral arguments — October 31, 1978

The 56-page transcript of arguments by Allyn, Troyer and Bork, including questions from the justices.

Minnesota Supreme Court decision — 262 N.W.2d 358

November 10, 1977, state appellate decision with attorneys, state-law arguments and procedural details.

1976 Federal District Court proceedings

Documents the jurisdictional dispute preceding the Minnesota litigation.

Federal Reserve Bank of Philadelphia — National Bank Act research

Historical legal analysis of interest-rate exportation and its consequences for consumer-credit regulation.

Business History Review — Citibank and national consumer finance, 1968–1991

Academic investigation connecting the Marquette case to banking competition, state politics and Citibank's subsequent expansion.

9. Investigation 02 — Findings

The documentary record establishes the following:

Legal responsibility: The nine Supreme Court justices unanimously approved the interpretation of 12 U.S.C. § 85, with Brennan writing the opinion.

Litigation responsibility: Marquette challenged Omaha's lending practices; Minnesota supported the challenge; First of Omaha defended its right to apply Nebraska interest rates.

Commercial interests: Competing banks had different economic incentives. Marquette sought to preserve the application of Minnesota's rate restrictions, while First of Omaha sought to continue offering its Nebraska-based credit-card program in Minnesota.

Regulatory consequence: The decision facilitated nationwide interest-rate exportation by national banks and weakened the practical reach of some state usury ceilings.

Limitations: The decision did not directly reduce bank capital requirements, abolish deposit insurance protections or cause the 1980s savings-and-loan failures. Those developments require separate investigation.

We have identified 27 named judicial and legal participants. A complete investigation still requires the contemporary corporate officers, bank directors, original state legislative sponsors, and the full history of the relevant Nebraska and Minnesota statutes.

NEXT INVESTIGATION · 03

Depository Institutions Deregulation and Monetary Control Act of 1980

The Carter administration, Congress, Federal Reserve, banking industry and the increase in federal deposit insurance from $40,000 to $100,000.
Continue

Proceed with Investigation 03: the Depository Institutions Deregulation and Monetary Control Act of 1980. Give an extensive chronological historical investigation with all identifiable sponsors, legislators, committee members, regulators, Treasury and Federal Reserve officials, banking and insurance industry representatives, votes, amendments, financial effects, and original primary documents.

Investigation 03 — The Banking Deregulation Act of 1980

U.S. Banking Deregulation, 1970–1999 · Historical Investigation Series

Public Law 96-221 · H.R. 4986 · 96th Congress · March 31, 1980

The Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA) was a major turning point in American banking law.

It changed how banks could attract deposits, expanded the lending powers of savings institutions, increased federal deposit insurance from $40,000 to $100,000, and extended Federal Reserve requirements and services to institutions outside its membership.

It was signed by President Jimmy Carter on March 31, 1980.

Federal Reserve History+1

14 Reasons Why Jimmy Carter is America's Greenest President
Paul Volcker Dead at 92, Fed Chairman Who Set Bank Risk Rule - Bloomberg
Federal Reserve Chairmen: Famous quotes from the Great Depression to today - CSMonitor.com
5

1. Executive summary: what the law actually did

Provision	Before 1980	Change introduced
Deposit interest ceilings	Federal regulations limited rates paid on many deposits	Six-year phaseout scheduled through 1986
Deposit insurance	Generally $40,000 per depositor	Increased to $100,000
Federal Reserve requirements	Applied principally to member banks	Extended to essentially all depository institutions
Checking accounts	Interest-bearing checking was restricted	Nationwide NOW accounts authorized

Savings-and-loan lending	Primarily mortgage-oriented	Broader consumer and other lending powers
State usury restrictions	State laws restricted certain loan rates	Federal preemption expanded in specified lending categories
Federal Reserve services	Access differed by institutional status	Broader access, with required service pricing
Regulatory authority	Several agencies regulated deposit rates	New interagency deregulation committee established

FDIC+1

The legislation contained nine titles covering monetary control, deposit deregulation, checking accounts, thrift powers, usury laws, consumer lending disclosures, national banking law, regulatory simplification, and foreign control of U.S. financial institutions.

Federal Reserve

The most consequential combination for the later savings-and-loan crisis was expanded deposit insurance, more competition for deposits, and broader investment authority for thrifts. These changes did not alone cause the crisis, but they altered the incentives and risks institutions faced.

2. Chronological legislative history

1. 1978–early 1979 — Banking reform proposals

   Policymakers were already debating Federal Reserve membership, monetary control, deposit interest-rate ceilings and competition from money-market funds.

2. February 1979 — Federal Reserve testimony

   Federal Reserve Chairman G. William Miller addressed proposed Senate banking legislation, including plans to modernize reserve requirements.

3. May 1979 — Carter administration initiative

   President Carter publicly supported eliminating deposit-rate ceilings, arguing that the existing restrictions disadvantaged smaller savers.

4. 1979 — Congressional proposals

   The Monetary Control Act of 1979, H.R. 3864, and several Senate proposals were considered. H.R. 7 was among the legislation advanced by the House.

5. 1979–February 1980 — Congressional negotiations

   Banking committee leaders, Treasury officials and the Federal Reserve negotiated competing approaches to deposit-rate deregulation and monetary control.

6. February–March 1980 — Conference negotiations

House and Senate conferees assembled a comprehensive banking package from the competing proposals.

7. March 1980 — Final congressional approval

   The House approved the conference legislation by a recorded vote of 380–13. The Senate also approved the compromise.

8. March 31, 1980 — Enactment

   Carter signed Public Law 96-221, accompanied by congressional and administration officials.

Dallas Fed+2

The final bill's history is especially important because its provisions did not all originate with one sponsor. They were assembled from several bills and negotiated in conference.

3. The principal political and financial officials

The most direct contemporary evidence comes from Carter's own signing ceremony. He specifically credited Treasury Secretary G. William Miller, Federal Reserve Chairman Paul Volcker, and congressional leaders from both parties.

Executive branch and monetary authorities

#	Individual	Position in 1980	Documented connection
1	Jimmy Carter	President	Proposed financial reform and signed the law
2	G. William Miller	Treasury Secretary; former Fed chairman	Major administration negotiator and advocate
3	Paul Volcker	Federal Reserve Chairman	Supported extending monetary-control authority
4	W. Michael Blumenthal	Former Treasury Secretary	Led Treasury during earlier reform discussions; specific role in the final bill needs verification
5	Alfred E. Kahn	Chairman, Council on Wage and Price Stability	Administration deregulation advocate; no established drafting role in this act
6	Charles L. Schultze	Chairman, Council of Economic Advisers	Senior economic-policy official; individual contribution to this bill not yet established

Carter's March 31 statement specifically credits Miller, Volcker and several legislators. The inclusion of Blumenthal, Kahn and Schultze identifies relevant administration officials, not proof that they drafted particular statutory provisions.

The American Presidency Project

Congressional leadership and bill sponsors

#	Individual	Position	Role
7	Fernand J. St Germain	Democratic representative, Rhode Island	Sponsor of H.R. 4986
8	Henry S. Reuss	Democratic representative, Wisconsin	Chairman, House Banking Committee
9	William Proxmire	Democratic senator, Wisconsin	Chairman, Senate Banking Committee
10	Jake Garn	Republican senator, Utah	Senior Senate banking participant
11	J. William Stanton	Republican representative, Ohio	Senior House banking participant
12	Chalmers P. Wylie	Republican representative, Ohio	House banking legislator and bill cosponsor
13	Thomas P. O'Neill Jr.	Speaker of the House	Influenced conference appointments and legislative procedure
14	Frank Annunzio	Democratic representative, Illinois	House conferee; opposed significant elements of deregulation
15	Doug Barnard Jr.	Democratic representative, Georgia	House conferee and supporter of deregulation
16	Richard Bolling	Democratic representative, Missouri	House Rules Committee chairman involved in legislative procedure

St Germain's sponsorship and the House vote are recorded in the bill history. Carter's statement identifies Proxmire, Reuss, St Germain, Stanton and Garn as significant participants.

InsideGov+1

A later peer-reviewed study by political scientist Richard Barton examines the less-visible congressional negotiations. It documents Speaker O'Neill's selection of House conferees and the differences between Annunzio and Barnard concerning deregulation.

Cambridge University Press

4. How the legislation advanced despite disagreement

One of the more significant findings concerns the House committee process.

The House Banking Committee was not uniformly supportive of eliminating deposit interest-rate ceilings. Some legislators were concerned that deregulation would damage smaller local financial institutions.

According to Barton's analysis, Speaker O'Neill used procedural authority to assemble a conference delegation favorable to reaching a deregulation agreement.

The delegation included:

- Henry Reuss, House Banking Committee chairman.
- Fernand St Germain, a strong deregulation advocate.
- Frank Annunzio, who opposed major elements of the proposal.
- Doug Barnard Jr., a relatively junior legislator who supported deregulation.

The inclusion of Barnard was particularly significant because O'Neill bypassed numerous more-senior Democrats in making the appointment.

Cambridge University Press

This illustrates that the final legislation emerged not simply from Federal Reserve recommendations but from congressional leadership decisions, committee negotiations, and compromises among competing banking interests.

The complete Senate conference roster and individual amendment sponsors remain to be extracted from the conference report and Congressional Record.

5. The federal regulators and deposit insurers

These officials are especially relevant to the question of who was responsible for supervising banks and protecting insured deposits.

#	Individual	Office	Responsibility
17	Irvine H. Sprague	FDIC Chairman	Deposit insurance policy and bank supervision
18	William M. Isaac	FDIC Director	Deposit insurance administration and oversight
19	John G. Heimann	Comptroller of the Currency	Supervision of national banks
20	Jay Janis	Federal Home Loan Bank Board Chairman	Federal thrift regulation
21	Lawrence Connell Jr.	National Credit Union Administration Chairman	Federal credit union supervision
22	James E. Hanley	Democratic representative, New	Questioned FDIC leadership on the

York proposed insurance increase

The FDIC's original 1980 annual report identifies Sprague, Isaac and Heimann on its board and records its responsibilities under the new legislation.

archive.fdic.gov

The new Depository Institutions Deregulation Committee

The law created the DIDC to manage the removal of deposit interest-rate restrictions.

Its statutory membership consisted of:

- Secretary of the Treasury.
- Chairman of the Federal Reserve.
- Chairman of the FDIC.
- Chairman of the Federal Home Loan Bank Board.
- Chairman of the National Credit Union Administration.
- Comptroller of the Currency, without a vote.

The DIDC began issuing regulations in 1980. Its decisions affected deposit rates, certificate maturities, early withdrawal penalties and competition between banks and thrifts.

archive.fdic.gov

This committee is important because it identifies the federal officials responsible for implementing the deposit-rate phaseout after Congress enacted the law.

The statutory authorization came from Congress; the subsequent regulatory choices were made through this interagency body.

6. The $100,000 insurance increase: who proposed it?

This deserves separate examination because it directly concerns the transfer of financial risk to federal deposit insurance.

FEDERAL DEPOSIT INSURANCE LIMIT

Before the 1980 law

$40,000

After March 31, 1980

$100,000

A 150% increase in the coverage limit.

The FDIC's later historical research identifies several relevant participants and competing positions.

James E. Hanley, a New York representative, advocated consideration of a $100,000 insurance limit.

Irvine Sprague, the FDIC chairman, initially suggested increasing coverage to $60,000 to reflect inflation since the previous adjustment.

Sprague subsequently indicated that $100,000 could be acceptable if accompanied by changes to the insurance assessment refund, thereby strengthening funding relative to insured deposits.

The Federal Reserve supported the higher $100,000 figure.

The final law reduced the assessment refund from 66⅔% to 60% of net assessment income.

FDIC

This is more precise than saying that insurance regulators unanimously opposed the increase or that Congress imposed it without any discussion. The record shows debate over the amount and the accompanying insurance-funding arrangements.

Why the change was financially important

A thrift that was struggling to retain deposits could now offer federally insured certificates of deposit with substantially larger protected balances.

For example, a depositor with $90,000 could place that sum in one insured institution and remain within the standard $100,000 coverage limit, subject to applicable ownership rules.

If the institution failed, the deposit insurer rather than the depositor would bear the insured loss after accounting for recoveries.

This could make depositors less sensitive to the financial condition of institutions offering unusually high rates.

However, the insurance limit itself did not authorize speculative loans. The risk increased when larger insured funding capacity was combined with expanded lending powers, inadequate capital, weak supervision and troubled institutions seeking rapid growth.

7. The FDIC's institutional responsibilities

The original 1980 annual report also identifies officials responsible for research, bank supervision, liquidation and legal oversight.

#	Individual	FDIC position
23	Quinton Thompson	Director, Division of Bank Supervision
24	Robert V. Shumway	Director, Division of Liquidation
25	Frank L. Skillern Jr.	General Counsel
26	Stanley C. Silverberg	Director of Research
27	Kenneth Fulton	Director, Office of Legislative Affairs

28	Alan R. Miller	Deputy to the Chairman
29	George G. Kershaw	Director, Management Systems and Financial Statistics

These names appear in the FDIC's contemporary organizational records. They identify the officials occupying the relevant offices; they do not establish personal endorsement of each provision.

archive.fdic.gov

New York and nationwide FDIC supervision

The same annual report identifies:

#	Individual	Regional responsibility
30	Bernard J. McKeon	New York
31	Anthony S. Scalzi	Boston
32	Roy E. Jackson	Dallas
33	Charles E. Doster	San Francisco
34	Robert P. Gough	Minneapolis
35	Paul G. Fritts	Philadelphia
36	W. Harlan Sarsfield	Chicago
37	A. David Meadows	Memphis

These officials are useful for the nationwide investigation because their regional offices supervised institutions and maintained records relevant to bank condition and enforcement. They were not the legislators who passed DIDMCA.

archive.fdic.gov

8. Banking industry representatives, associations and other interested parties

The private financial sector was not unified in its position.

Different types of institutions faced different competitive pressures.

Organization or industry	Interest in the legislation	Evidence and qualification
American Bankers	Commercial-bank	Relevant industry participant; individual

Association	competition, deposits and regulation	1980 witness positions require hearing verification
Independent Bankers Association of America	Protection of smaller and community banks	Relevant to concerns over large-bank competition
U.S. League of Savings Associations	Thrift industry funding and lending powers	Represented savings-and-loan interests
National Savings and Loan League	Savings-and-loan regulatory issues	Another important thrift-industry organization
National Association of Mutual Savings Banks	Deposit competition and mutual savings-bank powers	Represented mutual savings institutions
Credit Union National Association	Credit union services and share-draft powers	Relevant to credit union provisions
Money-market mutual fund industry	Competition for customer savings	An alternative to regulated bank deposits
Consumer and retiree advocates	Higher returns for small savers	Some supported eliminating deposit ceilings

The Federal Reserve's historical account confirms that consumer advocates and retirees joined demands for higher deposit returns. Its analysis also identifies the competitive pressures exerted by money-market mutual funds.

Federal Reserve History+1

These are institutional interests, not a verified list of the organizations that endorsed the final conference bill. Their named witnesses, lobbying expenditures, proposed amendments and formal positions must be established from the 1979–1980 hearing transcripts and contemporary filings.

The competing economic interests

Banks and thrifts wanted to retain deposits that were flowing toward higher-yielding alternatives.

Many consumers wanted higher interest on their savings.

Some smaller institutions worried that removing rate ceilings would intensify competition and increase funding costs.

Federal Reserve officials wanted monetary controls to cover a larger proportion of the financial system.

These goals overlapped in some areas and conflicted in others.

9. The congressional voting record

HOUSE · RECORDED FINAL VOTE

380–13

In favor / opposed

SENATE · FINAL APPROVAL

Approved

No verified individual final roll-call tally in the retrieved record
Final legislative record for H.R. 4986.
InsideGov

The House vote demonstrates broad bipartisan support, but it does not reveal each legislator's position on every section of the omnibus bill.

A member could favor monetary-control reform while opposing particular deposit-insurance or lending provisions.

For a complete accountability register, the relevant records are the individual roll calls, committee votes, conference report, floor amendments and Congressional Record statements.

10. What were the actual financial consequences?

The consequences must be separated into immediate changes and later developments.

Immediate changes, 1980–1982

Banks gained greater flexibility to compete for deposits.

Thrift institutions obtained additional financial powers.

The Federal Reserve gained broader reserve-requirement authority.

The insurance system became responsible for a larger insured amount per eligible depositor.

The DIDC began removing interest-rate ceilings.

At the same time, the Federal Reserve's anti-inflation monetary policy contributed to exceptionally high market interest rates.

The FDIC's 1980 annual report records the prime lending rate reaching 21.5% in December 1980.

archive.fdic.gov

Later developments, 1982–1989

The savings-and-loan crisis intensified as troubled institutions faced high funding costs, deteriorating asset values and increasingly risky investment strategies.

The 1982 Garn–St Germain Act expanded thrift powers further, while separate regulatory decisions weakened capital safeguards.

The FDIC's historical chronology identifies the 1980 legislation as an early attempt to help thrifts return to profitability and records subsequent regulatory relaxation.

FDIC

These were interacting developments. The 1980 law should not be treated as the sole cause of every later bank failure.

11. Why this matters for the bank-vault investigation

DIDMCA has two direct connections to our separate investigation of physical banking assets.

First, reserve requirements: The law extended reserve requirements to a wider range of institutions. Vault cash could count toward satisfying those requirements.

But reserve requirements were not requirements to hold gold, silver, jewelry or other customer valuables.

Second, bank services: The Federal Reserve was required to price services including currency and coin handling, payment processing and securities safekeeping.

This affected financial infrastructure, but it did not constitute a nationwide order to empty local bank vaults.

Federal Reserve History

To trace actual physical assets, we still need individual institutional records: vault inventories where preserved, custodial agreements, merger records, branch closures and receivership documentation.

12. Primary documentary archive

These are the strongest starting records for checking who proposed the law, what the final provisions said, and how officials described their decisions.

Public Law 96-221 — Original statute

Full enacted law, beginning at 94 Stat. 132. The controlling text for all nine titles.

Senate Conference Report 96-640

The legislative compromise, with statutory language and explanations of the provisions.

Jimmy Carter — March 31, 1980 signing remarks

Names leading administration and congressional participants and explains the administration's stated objectives.

FDIC 1980 Annual Report

Original regulator records, including officials, organizational structure, regulatory implementation and financial conditions.

FDIC Banking Review — Deposit Insurance History

Examines congressional testimony concerning the $100,000 insurance increase, including Sprague and Hanley.

FRASER — Federal Reserve historical document archive

Search for 1979–1980 monetary-control hearings, Federal Reserve testimony, committee reports and regulatory publications.

Richard Barton — Upending the New Deal Regulatory Regime

Peer-reviewed analysis of the legislative negotiations, congressional leadership and competing political interests.

13. Findings and outstanding evidence

The investigation identifies 37 people across the presidency, Congress, Treasury, Federal Reserve, deposit insurance, federal supervision and regional administration.

They fall into three evidentiary categories:

Category	Finding
Direct legislative participants	Carter, Miller, Volcker, St Germain, Reuss, Proxmire and other named congressional participants
Implementing authorities	FDIC, Federal Reserve, FHLBB, OCC, NCUA and Treasury officials
Institutional or related participants	Agency directors, regional supervisors and officials whose specific legislative contributions remain to be established

The strongest documented finding is that the 1980 law was not simply an instruction issued by the Federal Reserve. It was a congressional and presidential reform, supported by a broad coalition, implemented by several federal agencies, and shaped by competing financial interests.

The second major finding concerns deposit insurance. The increase to $100,000 was discussed by named officials, including Hanley and Sprague, with disagreement over how much additional insurance funding should accompany it.

The investigation is not yet an exhaustive personnel or lobbying register. To reach that standard, the remaining evidence must include every conference committee member, named hearing witness, original cosponsor, recorded individual vote, industry submission and amendment sponsor. The primary documents above provide the route to those records without attributing positions to people whose participation has not been verified.

NEXT · INVESTIGATION 04

Federal Home Loan Bank Board — 1980 capital reductions

Who authorized the reduction of thrift capital requirements from 5% to 4%, the regulatory proceedings, participating board members, industry positions, and the consequences for deposit insurance.
Continue