## Business school Kuthy: Let banks compete adds computers Backs state deregulation of branch sites

The Oakland University School of Business Administration has com-pleted a program to provide ourse than state-ot-the-art and students, said Dean Ronald M. Hormitz

han \$1 million in state-of-the-art computer resources to its faculty and students, said Dean Ronald M. Horwitz. The four-phase program is being completed with the acquisition of 50 workstations from Unisys Corp. and 40 VAXmate workstations from Di-gital Equipment Corp. The new workstations are being installed Unis month, and the total computer network will be operating in January 1988.

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in January 1988. The three phases announced earli-er included a 36 workstation student lab, a 12 workstation advanced UNIX C lab, and the acquisition of the YAX minicomputer and related net-york. These facilities were funded with the assistance of granis from Comerics, Inc., Michigan Bell, AT&T Information Systems, K mart Corp, and the OU Foundation.

AP — If Michigan lifted its re-strictions on where banks locate, consumers across the state would find cheaper loans and improved service, according to a leading state official pushing for bank deregula-tion networked to each other, to laser printers, and to common hard disk torage over a local area network in the business school's new, second student PC lab. The new VAXmates will provide all business school faculty with local word processing, spreadsheet, graph and chart generation, database man-agement, and printing capabilities. The DEV constraints will be an

official pushing for bank deregula-tion. "It is time to permit our banks to be fully competitive with other fi-nancial service providers," Eugeno Kuthy, commissioner of the state's Financial Institutions Bureau, told the House Corporations and Finance Committee. "Our anticompetitive geographic branching restrictions have no place in today's financial world," said Ku-thy of West Bloomfield.

The DEC workstations will be con-nected to a DEC network within the business school and the business fac-ulty will have easy access to pro-grams and data via the school's VAC 8350 minicomputer. KUTHY SAID banks need more freedom to compete against credit unions and savings and loan institu-tions. The latter institutions may lo-This minicomputer will also be used for computer conferencing, in-formation retrieval, and the transfer of data to other workstations.

cate wherever they want. In addition, banks face new chal-lenges from corporations like Sears, Roebuck and Co. and General Mo-tors Corp., which have entered the financial business.

Kuthy said his bureau supports a bill, sponsored by Rep. Michael Grif-fin, D-Jackson, that would virtually eliminate the state's rules about where banks can open branch offic-

Committee chairman John Ben-nett, D-Redford, said the panel would postpone a vote on the bill un-til late January to give banking groups a chance to take a stand on the legislation.

UNDER MICHIGAN law, a bank cannot open a branch more than 25 miles from its headquarters. Banks

also are prohibited from opening a branch in a city or town where an-other bank has its headquarters or a

other bank has its headquarters or a branch. The law does not apply to credit unions, savings and loans institutions or banks chartered in other states or countries.

"It seems ironic that a bank hold-ing company from Chicago or Co-lumbus or a bank from Tokyo can establish a presence anywhere in the state. Yet an East Lansing bank can-not serve its customers by establish-ing a branch in downtown Lansing." Kuthy said.

Kuiny Said. With automatic tellers springing up around the state, it no longer makes sense to prevent banks from opening branches wherever they be-lieve they can best serve their cus-tomers, Kuthy said.

"In one-bank towns, it means a lot more competition," Kuthy said.

GRIFFIN SAID he believes con-sumers will be the beneficiaries of forther bank deregulation. The branch banking bill has the support of Michigan's big bank com-panies, including Michigan National Corp. of Farmington Hills and Na-tional Bank of Detroit.

But it is also being eyed with ap-prehension by community bankers, who are afraid the larger banking companies will push them out of business.

Smaller banks generally disagree with the concept of full statewide banking, according to Jerry Towns, chairman of the Michigan Associa-tion of Community Banks, a trade association of about 110 small banks.



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