

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

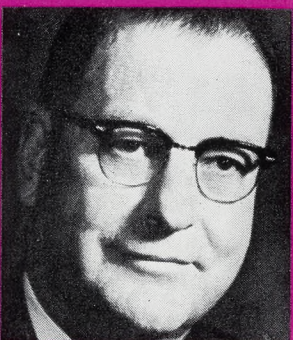
OPERATIONS AND PERSONNEL ISSUE

APRIL, 1970



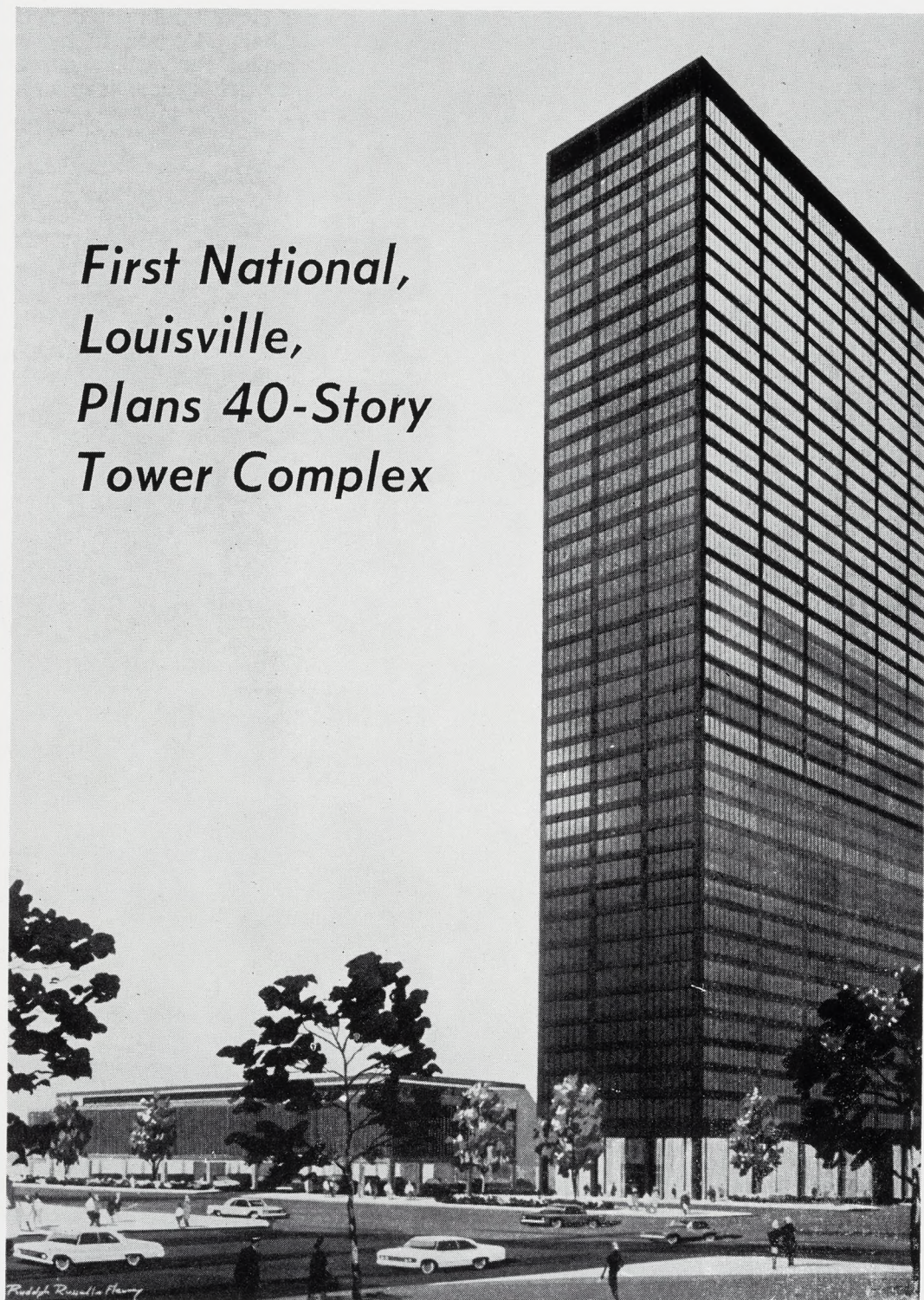
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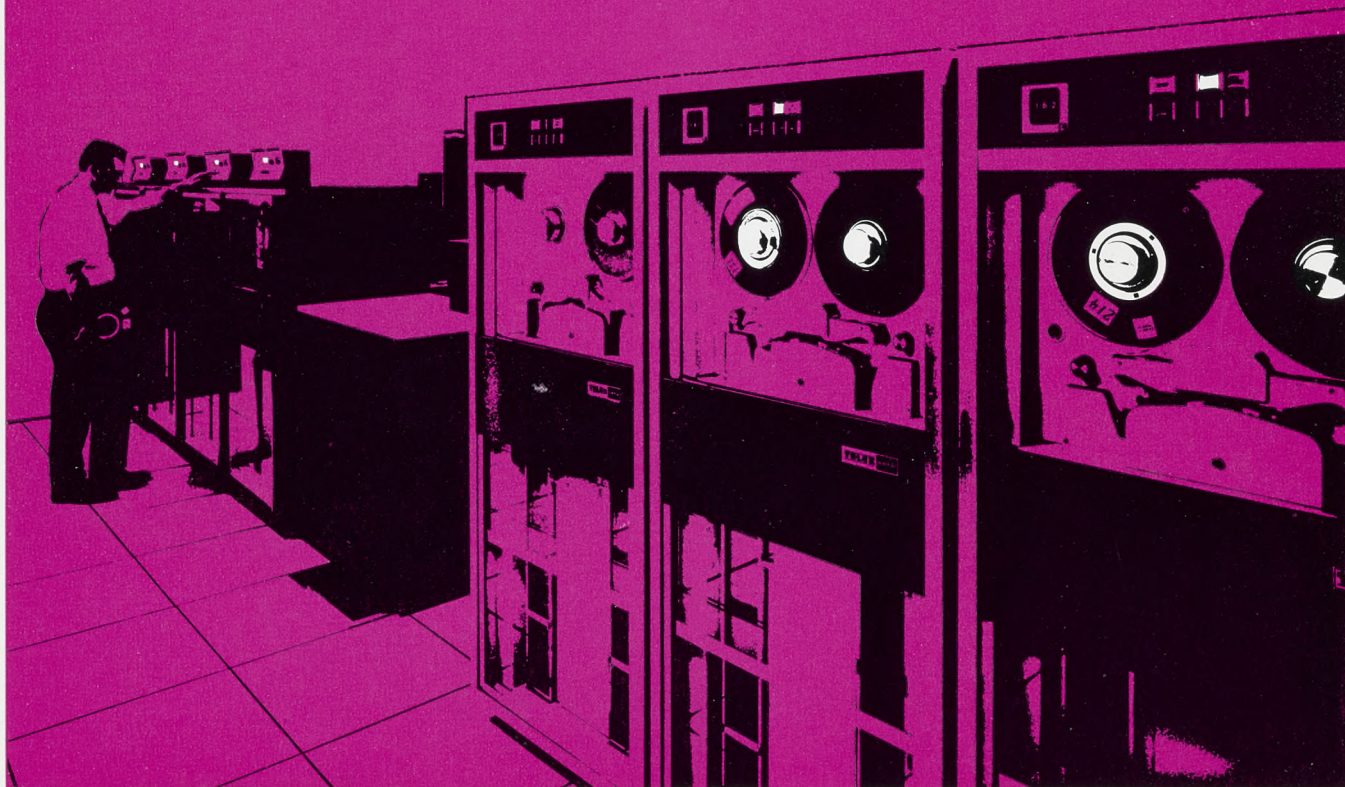


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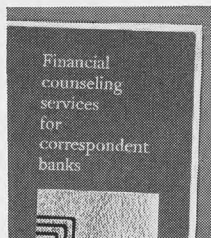
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MID-CONTINENT BANKER for April, 1970

Compensating Balances

On Their Way Out?

MCB Reader Asks

Dr. Lewis E. Davids, who writes "The Banking Scene" each month for MID-CONTINENT BANKER, received the following letter from J. K. Sinclair, chairman, Kennedy Sinclair, Inc., Wayne, N. J. Dr. Davids is Hill professor of bank management at the University of Missouri at Columbia. Here is Mr. Sinclair's letter:

"I was very much interested in reading your article, 'MAPS—Reversing the Growth of Float,' which appeared in the January issue of MID-CONTINENT BANKER.

"Having been a banker (quite a few years back) and having worked with banks for some 40 years, 'float' and all other matters that have their effect on the profitability of banks have a great deal of interest to me.

"I was unaware until I read in your article of the new system being developed at Culpeper, Va., called MAPS. It certainly will save time and I believe, too (as you say), it will change the matter of float considerably.

"In the last paragraph of your article, you mention the fact that when MAPS really begins to operate, corporation treasurers will find it necessary to considerably increase their ratios of cash in banks to other items on their balance sheets. I wonder if this is not going to cause another and a much more important jolt to bankers.

"I don't know whether you have read *Commercial Banking Arrangements*, published by the National Industrial Conference Board, but if you have not, I think you will find it most interesting. It gives a rather interesting picture of the views of corporation treasurers toward banks that require compensating balances, which the banks then lend at high interest rates.

"If, as you say, the corporation treasurer is not going to have the opportunity to make money out of 'float,' I am sure than many of them will demand that bankers do away with this compensating-balance idea; or else—and I think this is coming—pay interest on the balances remaining in the accounts—available for loans—after all charges and credits are made to pay for checking charges.

"When I was in the banking business, we paid interest on demand deposits. I can understand the reluctance of bankers to urge Congress to change the banking law of 1933 to permit them to pay interest on demand-

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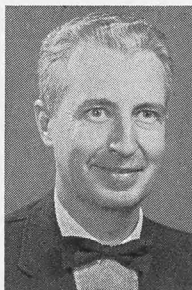
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THE BANKING SCENE



By Dr. Lewis E. Davids
Hill Professor of Bank Management
University of Missouri

Financing Changes in Ownership of Unit Banks

ONE of the intriguing areas in which there is a paucity of valid written material or objective data is in financing changing ownership and control of unit banks.

There are several reasons for this. Control of unit banks is considered by most bank supervisory agencies as almost being in the same category as their reports of examinations. They just won't discuss the topic, and without some central source of reliable data there is typically only public speculation as to the real control of probably 13,000 of our nation's banks.

Several state bankers associations have, from time to time, tried to tabulate and keep records on who really controls their state associations' member banks. Here, however, most associations have deemed it the better part of prudence not to know (at least officially) who actually controls each bank. Thus, they can avoid any court or hearing testimony or subpoenas on the topic.

United States Representative Wright Patman, that cantankerous, but let us acknowledge, provocative thorn in the side of banking—as chairman of the House Banking Committee—has made many studies of interlocking directorates and trust operations of banks and scores of other touchy banking topics. He and his committee probably have the best statistical data on bank “ownership and control.” The trouble, however, is that much of his material, as revealed by his committee studies, is *de jure* in nature rather than *de facto*. Further, he is known to be unreasonably and violently anti-banking and equally pro savings and loan association. Therefore, many students, looking at the same data as he and his staff do, would probably, being closer to the real world as distinguished from the political arena, take substantial issue with the anti-banking interpretation permeating many of the House Banking Committee studies.

A major difficulty of understanding and regulating “control” of banks is that most supervisory agencies ultimately are forced to use some arbitrary number—for example, 50% of the voting stock. Certainly there is no legal question that if one controls 50+% of a bank's stock that one *can* control the bank. This of course assumes that the family—estate—trust or foundation is willing to *exercise* control. Yet I have known of situations in which the absent and divided family ownership, the complacent estate, the satisfied agency, trust or foundation has not exercised control as long as the operating management of the bank maintained the “historical” dividend rate. In fact, most brokerage houses' and trustees' policy in this area appears to be to vote “street name” stock for existing management unless there are really compelling reasons not to do so. These reasons include cutting the dividend rate or consistent abnormally poor earnings reports. In more than a few cases, there is a problem of a bank's obtaining a quorum of the ownership of the disbursed voting stock to exercise the required voting proxies to have valid elections.

In such circumstances, it is natural to have the vacuum filled by operating management, which, in effect, then nominates an almost self-perpetuating board of directors. This is not to infer that such a situation is *per se* either good or bad. One must look at each case individually. There is, however, the probability that such institutions lack some of the built-in checks and balances which would maximize the growth and profit of the bank. This in turn, however, makes the bank more susceptible to a “take over” by outside interests.

The well-intended Federal Reserve Board and the Securities and Exchange Commission have both fallen into the precedingly described “trap”: the FRB in its use of the magic number

of 25% of bank stock ownership to come under the “Registered Bank Holding Company Act” provisions and the SEC in its use of 10% of stock ownership as a definition of an “insider.” Both agencies' regulations have been rather easily bypassed by individuals and organizations intent on avoiding such constraints.

Analysts who are conversant with the several legal subterfuges know that it is not rare to observe 24.9% and 9.9% blocks of stock ownership. Such individuals or companies elected to avoid the regulation or reporting provisions for banks. At other times two or more separate unregistered holding companies have what may be described as a “common bond.”

The very nature of the FRB 25% and the SEC 10% criteria indicate how inadequate in practice is the 50+% *de jure* control concept. Changing percentages to 10% or 5% does not achieve a solution.

The proposed one bank holding company legislation may be an almost mortal blow to hundreds of country unit banks. It vitiates a viable system, where scarce capable independent new bank management could be induced to take over a country bank which has lost its management through death or retirement. Generally it calls for a one bank holding company that is in the form of an insurance agency.

A major reason this is done is that today's high income taxes preclude a good, but not personally wealthy, banker from acquiring through his own earnings sufficient capital to buy control of a small unit bank.

However, using a “pass-through” device of the IBHC insurance agency the capital can be generated. This permits the younger banker to acquire control and put out the effort to keep the small unit country bank intact. Without the device of the IBHC in-

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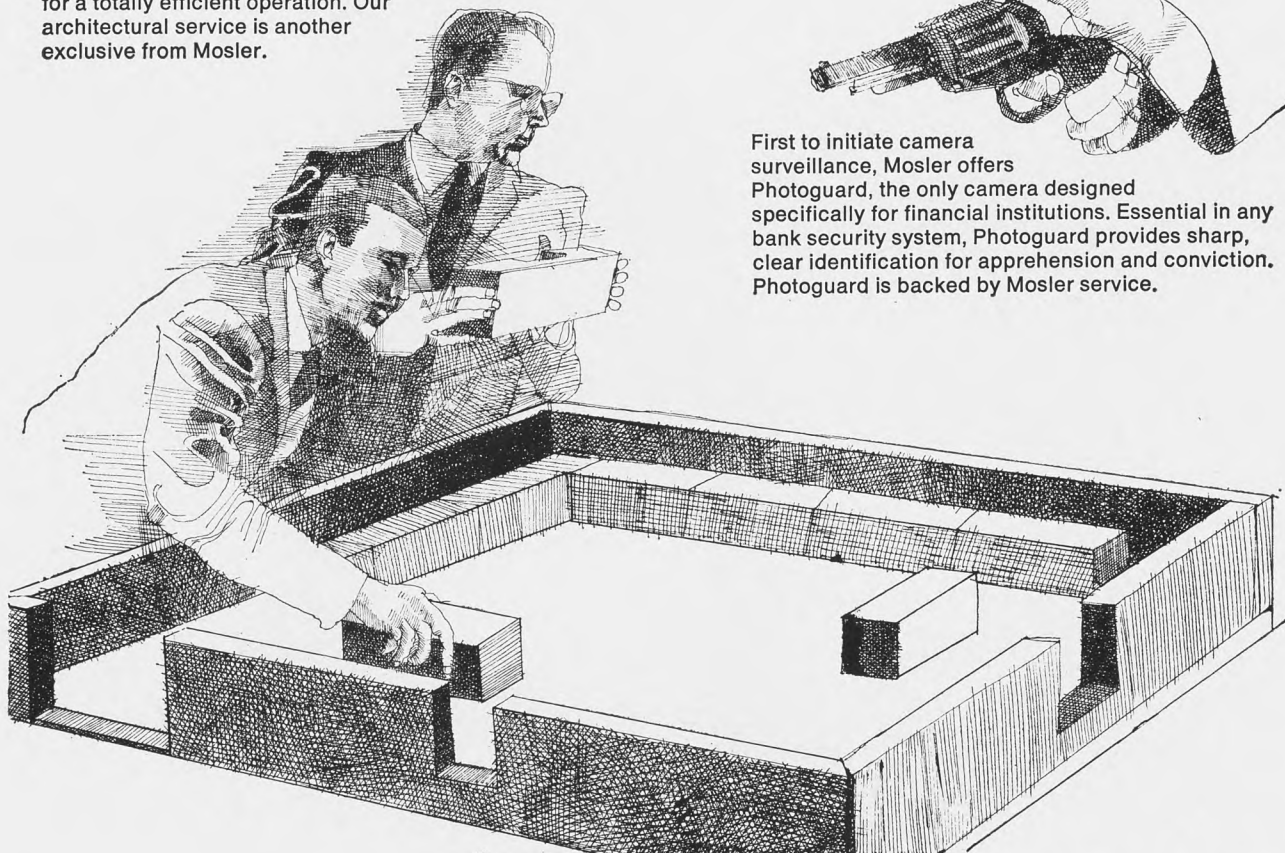
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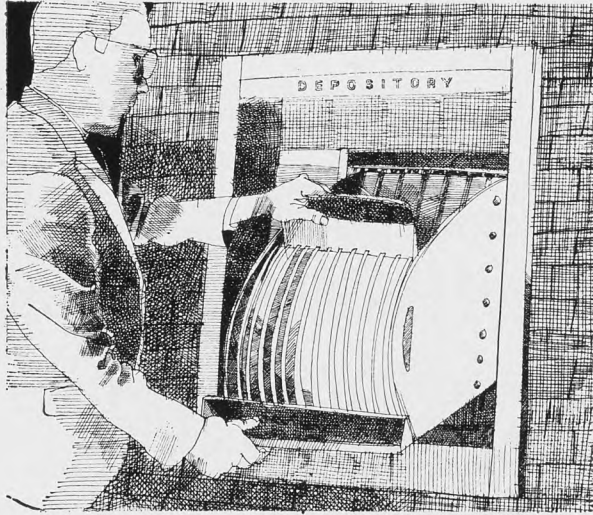
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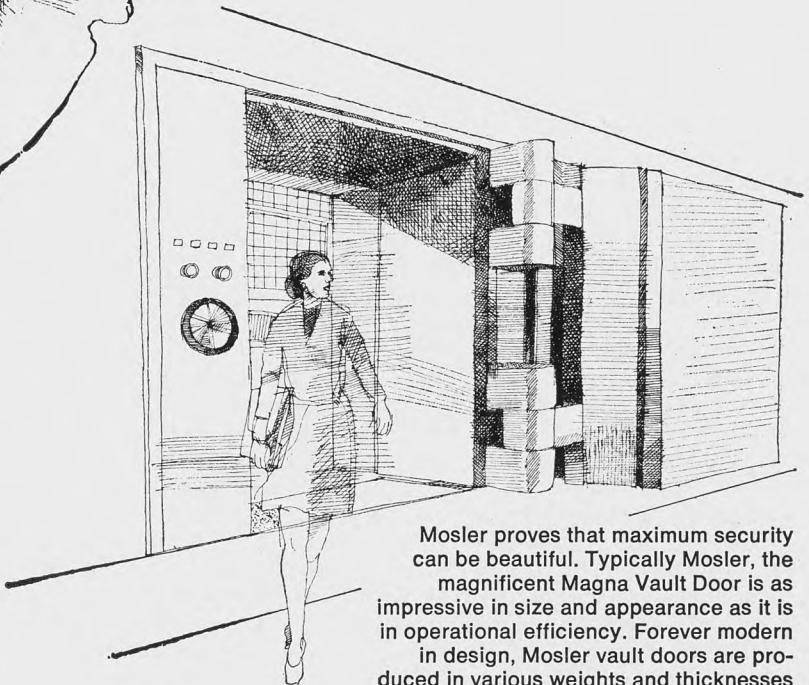
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Bank Security

Credit Card Fraud Can Be Controlled If Proper Precautions Are Observed

By **SAMUEL E. BRAY**

**Director of Security
Town & Country Charge
Continental Illinois
National Bank
Chicago**

THE CONTROL OF fraud is a demanding, full-time occupation. The security of a credit card operation cannot be assigned to an amateur as an additional duty, or to a Sunday afternoon armchair detective. The practice of security is a professional art demanding trained practitioners and a knowledgeable management.

Each card-issuing bank must protect its investment in such an operation by doing everything in its power to protect that system. In this context the security representative's job is educational as well as protective, since security in these areas is a total concept.

When we speak of credit card protection, we are speaking of security from the time the negative is used to produce the printing plates through the moment when the card leaves the physical control of bank representatives and enters the mails. If the job is properly done, innumerable problems will be eliminated before they have a chance to appear.

As a point of reference, the minimum standards published by Interbank are an excellent guide to security in the manufacturing phase. It should be continually borne in mind, however, that these are *minimum* standards. No such document can hope to provide for all contingencies or to cover the needs peculiar to individual charge card issuers.

Charge plates which have reached the stage in manufacture where they are usable by fraud-oriented persons are literally "money on the loose." It has been our experience that such a card may be worth as much as five thousand dollars in the hands of a professional passer. A card, therefore, becomes a dangerous piece of material when its face format has been completed and it is completely printed. It becomes doubly dangerous when the

embossing process has been completed.

Because of these factors and because of the inherent value of uncontrolled cards, positive steps should be taken to see that all operations are controlled to the fullest extent possible. This entails physical counts of finished blank plastics delivered for processing and a check against manufacturers' invoices on a per-card basis.

When security is satisfied that counts tally, all blanks should be secured in a vault and all plastics to be embossed should be signed out, again on an individual count basis to the individual embossing operator. At the end of each shift, finished cards plus unused and spoiled cards should be collected and tallied against the number issued to the individual operator. All tallies should coincide and any discrepancies should be explained. In embossing operations involving the author's bank, the embossing operation is isolated and all employees are required to change into work smocks which are surrendered at the end of a working shift. Wherever possible, separate vaults should be maintained for each operation.

The stuffing of cards into mailers should take place immediately after the finished plastics are issued for that purpose. All such stuffing should be under the immediate supervision of a competent supervisor and a physical inspection of finished mailers should be undertaken prior to placing them in mail sacks or other bulk containers. Again, this count should tally with the number of cards issued to the mailing section for processing. Let me reiterate: *it should be physically verified that cards are in the mailers before they are placed in mailing containers.*

Prior to mailing, the cooperation of the postal authorities should be solicited, and from them high theft and problem areas should be ascertained by zip code zones. Mailing into these critical zip code areas should be by registered mail only. All other mailings should be zip code sorted—first class mail dropped at post offices with low

crime rate experiences. It will be found that the Postal Inspection Service will be more than glad to cooperate in securing a safe route for these mailings.

One final word on preparation and mailing. The envelope is *not* the place to advertise the credit card system! Such statements as "Here is your new 'Instant Money' credit card" on the exterior of an envelope can wipe out all the careful efforts at control which have been exercised up to the point of mailing. These envelopes should show the customer's name and address and the return address of the sender—nothing else. The charge account number should not be displayed anywhere where it can be seen from the outside of the carrier.

Once a secure mailing has been accomplished, internal controls must be reviewed and a chain of responsibility established for IBM print-outs bearing name and account numbers, unused plastics and other sensitive items. Such materials should be placed in secured vaults, controlled by responsible custodians and should be distributed on a strict "need to know/need to handle" basis.

Finally, a consistent policy of handling detected fraud cases is essential for a secure charge card system. Since most issuing agencies are now members of national and international systems, credit cards have become attractive to the organized, sophisticated criminal societies. Because of this, it must be clearly established that banks will vigorously investigate and prosecute any attempt to misuse their systems. In this area, a clear understanding of the principles involved and a respect for the need for such activities is essential on the part of bank management. This is an educational process which is one of the security officer's biggest jobs and which heavily influences the responses of police and prosecuting officers upon whom the success of the system rests.

If the authorities are aware that they are dealing with professional, competent security representatives, and know that complaining banks are prepared to follow through with apprehension and prosecution of fraud artists and others, you may depend on their full cooperation in the control of credit card abuse. Nothing does more damage to the security system than the bank which institutes investigation and apprehension, and then declines prosecution at the last moment because restitution has been made. Attitudes such as these quickly become known in the law enforcement community and the next complaint made

(Continued on page 14)



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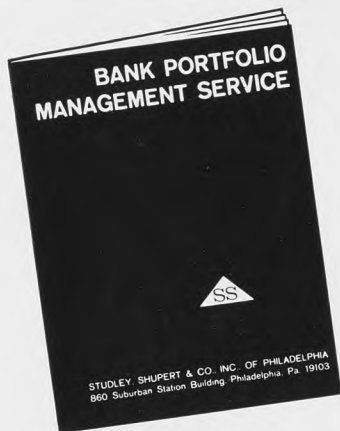
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CORPORATE NEWS ROUNDUP

- **Diebold, Inc.** John J. Posh has been appointed branch sales manager, Chicago Office, of Diebold, Inc., which has headquarters in Canton, O. He joined Diebold in 1960 as a sales representative in the Milwaukee Branch.



POSH

Mr. Posh was promoted to regional marketing manager, office equipment division, in 1963. Before going to Diebold, Mr. Posh was director of business development at City Bank in Milwaukee.

- **NLT Computer Services Corp.** The Nashville-based NLT Computer Services Corp. has elected Clarence H. Berson chairman and Carroll D. Shanks president. NLT was established last August to provide data processing services to National Life & Accident Insurance Co. and Third National, in addition to the general data processing market.

Mr. Berson is senior vice president and Mr. Shanks is vice president of National Life. Both the chairmanship and presidency of NLT were held by

News of Firms Serving Banks

Walter S. Bearden during NLT's organizational period. Mr. Bearden, vice chairman of National Life, has resigned from NLT but will remain a director.

- **Studley, Shupert & Co., Inc.** Officials of Girard Co., Bala Cynwyd, Pa., and Studley, Shupert & Co., Inc., Philadelphia, have agreed in principle for Girard Co. to acquire all the capital stock of Studley, Shupert. The acquisition is subject to a formal purchase agreement and approval by Girard Co. directors.

Girard Co. is the one-bank holding company that owns Girard Trust, Philadelphia. Studley, Shupert serves as investment banker for banks in 36 states.

- **Check Savers, Inc.** A new document carrier called KLEER-VUE Check Savers has been developed by Check Savers, Inc. The top sheet is composed of clear glassine to give easier reading of an inserted item.

Check Savers, Inc., is offering a new catalog showing the 15 standard styles of document carriers and other products for bank automation.

Credit Card Fraud

(Continued from page 12)

by such a group is met with polite disinterest. The result is a license to steal for anyone who wishes to take advantage of the situation.

There is a further educational job for the security man. It entails the continuing training of the merchant who handles such cards and the customer who uses them.

The writer makes it a practice to carry his credit cards unsigned in an effort to locate an alert merchant who will refuse a sale because of this. So far no one has ever questioned him. It is almost certain that some businessmen have no idea what the back of a credit card looks like. The merchant must be made aware of the significance of floor limits, heavy buying of salable items, the skipping of an individual from division to division within a store, or from check-out desk to check-out desk and other questionable activities by individuals using credit cards.

At the same time, the customer

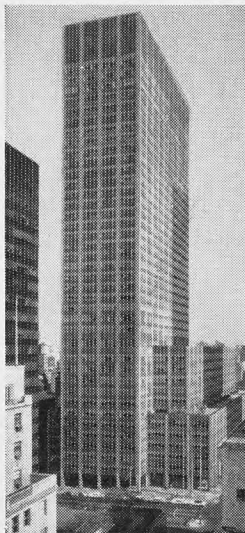
must be made aware that the credit card represents actual money. He must be made to know that the card should be in his control at all times, properly signed, and he should require that the merchant be sure that the card is properly used. In speeches before various groups, the writer uses a \$5,000 bill to illustrate the value of a single, conveniently-handled, piece of exchange. Such demonstrations drive the point home. We would not dream of placing a \$5,000 bill in the glove compartment of our auto or leaving it on the table at home; yet this is what is done in too many cases with the credit card.

In summary, three concepts are basic to a secure credit card industry—continued vigilance in their preparation and control, a vigorous policy of detection and prosecution where they are abused and a comprehensive program of education for bank officials, merchants and the public. Thanks to these three principles, the Midwest Bank Card operation has gone from chaos to a very low percentage of fraud experience within two years time. Fraud can be controlled! • •



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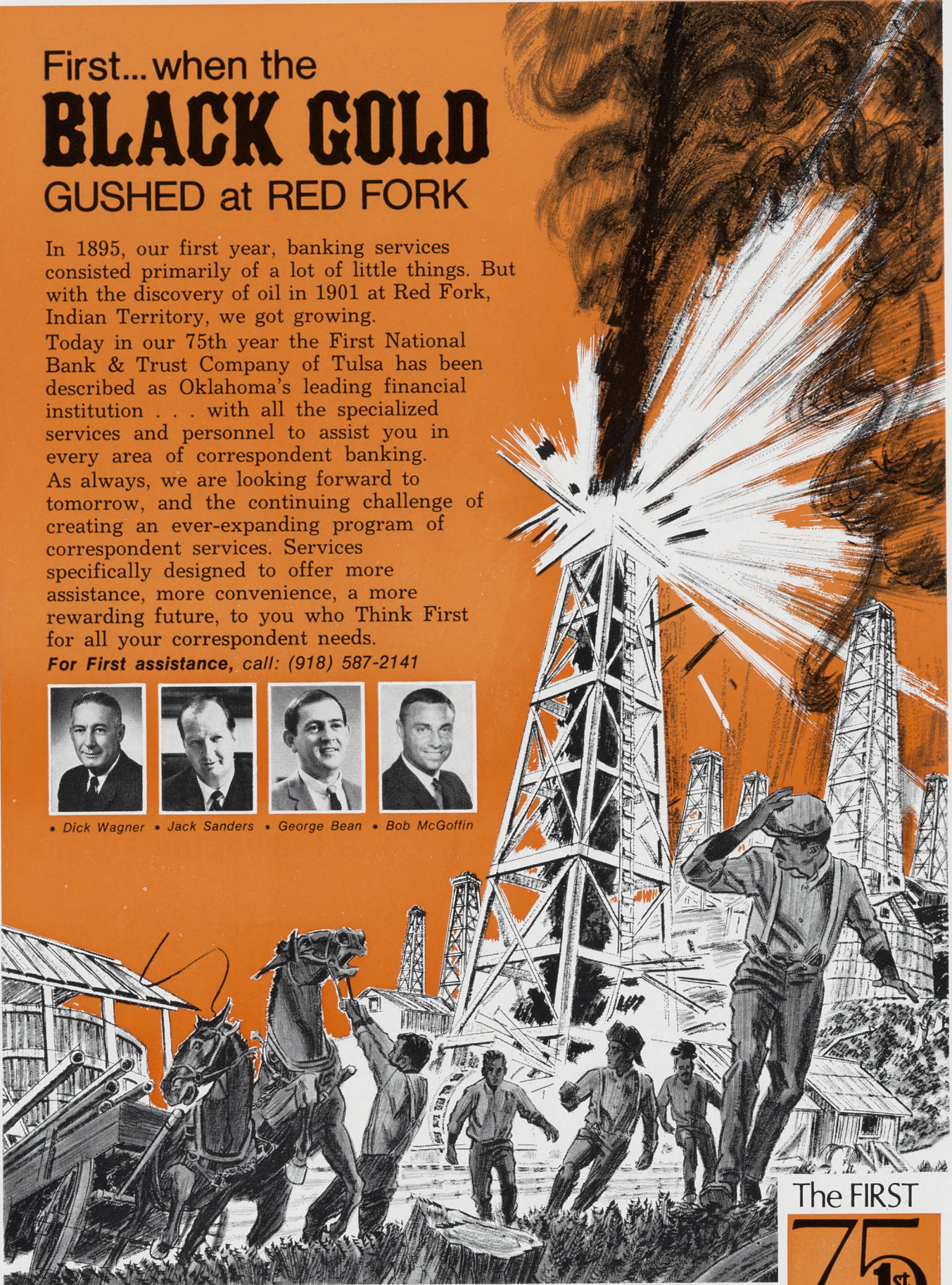
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First National Bank & Trust Company of Tulsa

MID-CONTINENT BANKER for April, 1970

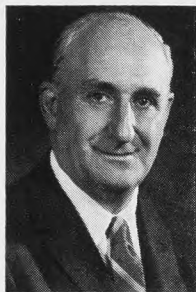
MID-CONTINENT BANKER NEWS ROUNDUP

News From Around the Nation

PEOPLE

• CHARLES J. SCANLON will leave the Federal Reserve Bank of Chicago, where he is president, on April 15. Mr. Scanlon will become vice president of General Motors Corp. At GM, he will succeed CARL E. ALLEN, also a former Chicago Fed president. Mr. Allen will retire under the GM retirement plan.

Mr. Scanlon joined the Chicago Fed in 1933 and was a bank examiner for several years and also served as chief examiner for the Seventh Federal Reserve District (Chicago) before being elected first vice president in 1959. He became president in 1962.



ROTH



SCANLON

• ARTHUR T. ROTH has announced plans to retire as chairman of Franklin National, New York, next December, when he reaches officer retirement age of 65. Mr. Roth also has asked that he not be re-elected a director when the annual meeting of Franklin New York Corp. (of which Franklin National is a subsidiary) is held April 30. However, he will be an adviser to the board at least until next December 31.

• LOUIS K. EILERS and JOHN G. HALL have been elected directors of the First National City Corp., New York, and its principal subsidiary, the First National City Bank. Mr. Eilers is president and chief executive officer, Eastman Kodak Co., and Mr. Hall is president, Anaconda Co.

• JAMES B. GRIFFITH, LLOYD P. JOHNSON, ARNOLD B. PEEK and EDWARD L. TREADGOLD have been elected senior vice presidents of Security Pacific National, Los Angeles.

BofA Branch Rises From Ashes

The student-protest movement took on a nightmarish reality for the Bank of America February 25 when its Isla Vista Branch near Santa Barbara was burned to the ground by a group of young protesters. Despite recurring threats, the bank reopened its branch in a temporary prefab building March 9.

In addition, BofA filed civil "John Doe" suits against all participants in the burning and destruction of the branch, announced it will seek and collect maximum civil damages from those participants, asked the Grand Jury in Santa Barbara to convene as soon as possible to issue criminal indictments for arson against all participants in the burning and offered rewards totaling \$25,000 for information leading to the arrest and conviction of the leaders of the mob violence in Santa Barbara that accompanied the burning of the branch.

A comprehensive, informative, full-page ad headed "Violence in America" was placed in all daily and college newspapers in California, in selected dailies in major metropolitan areas throughout the country and in the *Wall Street Journal*. The ad described the destruction of BofA's Isla Vista Branch and warned readers that such an event could happen in their communities with even more disastrous results.

Later, a BofA spokesman pointed out to MID-CONTINENT BANKER that the bank, in its ad and in statements by officers, was not criticizing students in general. He pointed out that BofA has one of the best high school and college awards programs of any business in the country, not to mention its student-loan programs and the fact that the bank's relations with colleges and students—"give or take a radical or two"—have always been most congenial. Unfortunately, the BofA spokesman continued, a few students are misinterpreting the bank's stand as a personal attack on them, "which it most certainly isn't."

Rough Seas for Interest Ceilings

A bill seeking an increase in the interest-rate ceiling has been defeated in Alabama, while Missouri Governor Warren Hearnes announced he will not push efforts to boost the ceiling there. The Missouri Bankers Association had urged banks to seek a change in the maximum interest rate from 8% to 10% and elimination of usury-limit restrictions for all commercial institutions. The Mississippi Senate did not act on an interest-rate bill.

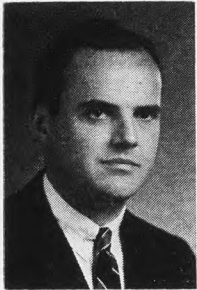
In *Alabama*, a measure to boost the simple interest rate from 8% to 10% and the add-on rate from 6% to 8% was killed by a filibuster in the Senate after having passed the House with only four dissenting votes.

In *Mississippi*, a bill to increase the maximum contractual rate of interest from 8% to 10% was introduced. This bill was not acted on. However, a bill to allow lenders to make conventional mortgage loans, which mature in three years or longer at rates of up to 10% with no discount, was passed by the Senate. In addition, interim construction loans and crop loans may carry the higher rate regardless of maturity. As MID-CONTINENT BANKER went to press, the bill was in the House Banks and Banking Committee.

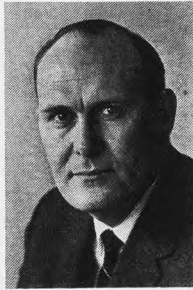
Fed Told to Speed Up

The new chairman of the Federal Reserve Board, Arthur F. Burns, has ordered the FRB to streamline its regulatory machinery so that it can make a decision within 90 days after accepting an application from a bank. The banking industry seemed cheered by this news, having complained for years that the Fed is too slow in acting on banks' requests. In fact, this slowness often is cited as one of the reasons banks switch from national to state charters.

• **LESLIE C. PEACOCK** has succeeded **JOSEPH F. HOGAN** as president of Crocker-Citizens National, San Francisco. Mr. Peacock was formerly executive vice president for administration. Before joining the bank in 1964, he was director of research and deputy manager of the ABA.



WILLE



PEACOCK

• **FRANK WILLE**, New York State superintendent of banks since 1964, has been named an FDIC director by President Richard Nixon. Mr. Wille succeeded **K. A. RANDALL** as a director, but not as FDIC chairman. The latter post is appointed by the three-man board of the agency. Mr. Randall left the FDIC last month after a five-year term as FDIC chairman. Mr. Wille's appointment as a director has been confirmed by the Senate.

• **WILLIAM A. ROBSON**, who retired February 28 as regional administrator of national banks in Memphis for the Comptroller of the Currency, has joined Union Planters National, Memphis. At the bank, he will be consultant to the management in corporate planning.



ROBSON



COX

• **GEORGE W. COX JR.**, senior vice president in charge of the credit division of Chemical Bank, New York, has been named an executive vice president. He succeeded **JOSEPH A. McFADDEN**, who retired from the post. Mr. Cox has supervisory responsibility for the loan portfolio and credit policy of the bank.

Giant Effort to Improve Banking's Image

A combined effort on the part of several banking associations to improve banking's image was announced by ABA Vice President Clifford C. Sommer at the association's marketing/savings conference last month. The theme of the project is "BANKING SERVES AMERICA—A Public Information Service." A basic plan involving research and dissemination of ideas and educational materials for banks' internal and external use has been developed. The program will try to uncover those aspects of the banking business that are least understood by customers, by public officials and by educators. It will try to find the answer to the question: What are the "hang-ups" that cause some opinion makers to misinterpret what we do? The answers to these and related questions will provide guidelines for the long-range development of the program.

According to Mr. Sommer, the project will try to show the public how and why commercial banks serve them; to help people understand some of the economic and legal disciplines that affect their competitive enterprise system and to clear lines of communication from banks to communities. Said Mr. Sommer: "We want every member of banking's family—from the chairman to the newest trainee—to take a personal part in articulating what his bank is all about."

Participants include the BAI, Bank PRMA, Robert Morris Associates, National Association of Bank-Women, Association of Registered Bank Holding Companies, the American Safe Deposit Association and the ABA. State bankers associations are taking an active part through the ABA's state association section.

The Foundation for Full-Service Banks has played a leadership role from the outset and is providing the lion's share of the financing for the first year's activities. The latter include a survey by the Louis Harris organization to define, as Mr. Sommer said, "precisely what it is about full-service banking that bugs people."

A Fed Ruling Eased

The Federal Reserve Board has relaxed slightly the proposed coverage of a new regulation to set a minimum denomination and maturity on subordinated notes and debentures.

In its first announcement, March 2, the Fed said the regulation would not cover all such instruments issued before March 9, 1970. Later, the Fed changed this to broaden the exemption to include all such instruments where a "public offering" had been made before March 9, 1970, provided the issue is sold before the new regulation becomes effective.

Under the proposal, a minimum maturity of more than five years would be established, along with a minimum denomination of \$20,000 on capital notes and debentures.

Banks to Be Union Target

Banking is said to be the No. 1 target for unionization by the 85,000-member Office and Professional Employees International Union. The request to zero in on bank personnel was made by the union's president, Howard Coughlin, in a letter dated March 9 to locals in the U. S. and Canada.

In a release also sent out last month, Mr. Coughlin pointed out that while the OPEIU, an affiliate of the AFL-CIO, had had limited success until now in unionizing about a million bank employees, "this campaign will be different." He said the difference is that for the first time, the union is backed by a newly enacted AFL-CIO policy resolution urging affiliated unions and their members to give preference to unionized banks in the conduct of both union and personal business.

ABA Office Merger Approved

The ABA's administrative committee has approved a consolidation of the association's New York and Washington offices. No timetable for the merger was projected, but it's hoped a specific location in Washington can be found before the ABA's annual convention in October.

Frank Nichols



Jim Roland



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In era of rising expenses—

Banks Find Ways to Cut Costs, Boost Revenue

IN THIS ERA of continually rising costs, banks—like other businesses—must seek ways to cut back on expenses, time and labor. They also must take a realistic look at the charges they make for their services and see whether they may be selling those services too cheaply. Thus—by reducing costs and boosting charges to realistic amounts—banks perhaps can beat the high cost of doing business.

This philosophy was advanced by one of the respondents to a recent survey of banks in the 13-state area covered by MID-CONTINENT BANKER. The survey asked bankers how they were fighting rising costs. One banker, in his answer to the survey, pointed out that a bank *must know* its costs of performing services, then charge accordingly. These costs, he continued, must be updated periodically to keep up with rising expenses. In other words, he said, banking today requires more effort than ever before in this area. This banker also believes that all banks can use computer services profitably.

In fact, many of the answering banks listed automation as one of the ways they are trying to cut costs. John Morris, vice president, Central Trust Bank, Jefferson City, Mo., said that the key to cost reduction is automation. "In our case," he said, "equipment was purchased, and personnel were hired to offer computer services to our geographical area, not just to do our own work. Out-of-pocket cost has not decreased, but real functional cost has been and will continue to be reduced."

By **ROSEMARY McKELVEY**
Managing Editor

Another Central Trust Bank officer—James T. Herfurth, second vice president—defined what Mr. Morris meant by "out-of-pocket cost" and "functional cost." His bank, he continued, made a sizable capital investment, more than was needed to automate the basic bank applications of demand-deposit accounting, savings, CDs, Golden Passbook and installment loan processing. "Even so," he said, "if we were to charge our own bank for the services that our EDP division renders, the price or what I refer to as functional costs to any department concerned actually would be less than the cost of performing that function under the manual system. This is what I mean when I say that functional costs have been reduced.

"When one looks at our EDP division and the investment in equipment, software and staff, it's plain to see that the division's day-by-day cost (out-of-pocket cost) still exceeds its revenue. Our sales of computer service to other banks and non-banks is a profitable one. That is, the cost of equipment, personnel, software, plus a profit margin, is covered by the price we charge for the service. However, we have not yet reached full utilization of the computer; therefore, our EDP division—when our costs are allocated (and there are many different ways to do this)—is not yet in a profit position."

Central Trust Bank now processes

DDA, savings, CDs, Golden Passbooks and installment loans for correspondent banks and also handles payrolls and account reconciliations for banks and non-banks. The marketing area is within a 60-mile radius of the bank, which is located in Missouri's capital.

"We are as profit conscious as any well-managed bank must be," said Mr. Herfurth. "However, we do not believe that all the benefits of a computer can be measured directly in dollars and cents. Our management is dedicated to the idea that the computer should assist in management decisions. We are planning more equipment purchases to allow us to build a central-information file and eventually to develop a 'management information system.' The magnitude of this investment, contrasted with the difficulty of placing a dollars-and-cents price tag on the information available to management, will make it impossible for some time to isolate the EDP division as a profit center. How much our bank's profit picture improves will be a measure of how well we have utilized the information made available to us by the computer."

Union Planters National, Memphis, hopes to reduce costs in its transit department by installing a fully automated transit operation. The bank expects to achieve a similar cost reduction in data processing by making a feasibility study of the computer operation.

By going on a correspondent bank's computer, First National, Opp, Ala., now saves on salaries and on bank forms and the printing of these forms

because the latter are no longer needed. The bank transferred its installment loans, IPC demand deposits and all savings accounts to a correspondent's computer.

Another bank has gone on a computer with its savings accounts and savings certificates. And the Peoples Liberty Bank, Covington, Ky., reported that it has managed to hold costs level for three years by selective use of modern equipment, including a computer, plus reviewing and revising internal systems.

Automation makes it possible for banks to do more work with less personnel, but, of course, they can never do without employees. Therefore, it behooves them to use their employees as efficiently as possible in order to keep costs down. Two survey respondents in particular described what they are doing in this area.

First National, Dallas, has two

projects in operation—work measurement-staffing and work flow-systems/equipment and staffing.

Work Measurement. According to Assistant Vice President Edgar L. Smith, work measurement is the technique of determining the amount of time it takes to perform a task, and times volume (number of times that task is performed) equals the number of hours required to perform the task. Do this for each task, Mr. Smith advised, and add the products of all tasks times standards, and you will learn the number of total hours required for a particular department to perform its function.

"By multiplying the number of persons in the department times seven hours* a day times the number of working days, you get the total hours

*The bank actually pays for eight hours' work, but considers one hour used for coffee breaks and for employees' personal time.

available," Mr. Smith continued. "By dividing the total hours required by the total hours available, you get the percentage of performance, which is an indicator to management."

Mr. Smith warned that only repetitive jobs can be measured this way. An unmeasured job's performance (such as that of supervisor) is negotiated with the person's superior, he said.

The Dallas banker said that by using the work measurement he described a bank can accurately establish how many employees it needs.

Work Flow. Mr. Smith defined work flow as merely the physical route that the work (paper) travels with the action taken on it at each step. "You first must decide whether the action is necessary," he said, "and next make the work flow without backtracking or crisscrossing by laying the desks out in the order the task is to be performed. Proper work flow increases the efficiency of the operation and, needless to say, needs to be concluded before the measurement and standards are firmed, because improved flow can decrease the time needed to perform an operation."

Work Management. First National, Memphis, began what it calls a work-management program last June. The bank made an extensive survey of its operations before that time and estimated that it could put into effect clerical work standards for about 800 of the 1,500 positions in the bank. T. A. Binford, assistant vice president, said First National wanted to be able to install this program itself and to continue running it once it had been installed. Therefore, the bank employed a consulting firm to train eight of the bank's personnel in work-simplification and work-measurement techniques. At the end of this intensive training program, the bank began its work-management studies.

Once standards have been established and improvements made in all of these 800 jobs, said Mr. Binford, the bank will use the information gained to tie into its cost system. Reports of the efficiency of the various jobs and departments then will be reported to all levels of management concerned. In this way, said Mr. Binford, First National believes it will have better control of the number of employees and that it will have more contented employees because the latter then will know exactly what is required of them. In addition, the bank hopes to be able to make more realistic charges for services it performs.

The North Side Bank in the St.
(Continued on page 48)

Small Illinois Bank Stresses Personal Touch

MILLSTADT, ILL.—"How long does it take you to find out if your check is paid, if a check is good, what balance you have, if your last loan payment arrived, or how much interest you paid or drew last year?"

This is the involved question that First National here is asking in advertisements in the Millstadt newspaper in order to emphasize the personal service a small bank can offer in competition with the giants. Millstadt is just a short distance from St. Louis.

Has Computerized Banking Slowed You Down? -- If So, Then Try Us

HOW LONG DOES IT TAKE YOU TO FIND OUT IF YOUR CHECK IS PAID, IF A CHECK IS GOOD, WHAT BALANCE YOU HAVE, IF YOUR LAST LOAN PAYMENT ARRIVED, OR HOW MUCH INTEREST YOU PAID OR DREW LAST YEAR?

IT TAKES US LESS THAN 5 MINUTES BECAUSE WE ARE NOT ON A COMPUTER. FOR THIS REASON WE ARE ABLE TO GIVE YOU FASTER, MORE PERSONAL AND BETTER SERVICE.

Computers are for Things -- Not For PEOPLE

CALL US

The First National Bank Of Millstadt,

Tele. 476-1351 — Open Fri. Evenings till 7
Saturdays till Noon

WHERE IT'S A PLEASURE TO PLEASE YOU

The bank answers its own question by pointing out that its employees can answer any one of these questions in five minutes and says they can do so "because we are not on a computer" and thus "can give you faster, more personal and better service."

The headline on the ad asks: "Has computerized banking slowed you down?—If so, then try us." Another points out: "Computers are for things—not for people."

"While we are not making little of computers," comments Merton Baltz, First National president, "we do feel they have removed the personal touch in banking. We have electronic posting in our shop, but we want to be the last to send our work out to some far-off place to be processed. When computers get so we can afford one under our roof and control the operation, I will be among the first to get one going."

Weekend Seminar Generates New Enthusiasm Among Bank Employees for Their Jobs

BANKERS, like other businessmen, are so busy with their day-to-day duties that they seldom have time to stop and take stock of where their banks are going, what objectives they should have and how they should go about obtaining these objectives. There just don't seem to be enough hours in each day to do everything that must be done, let alone stop long enough to sit quietly, think and look ahead at months or even years from now.

In Salina, Kan., Gerald Shadwick, chairman and president of the \$28-million First National, decided some months ago that it would be advantageous for the bank and its staff if some time was taken just to "stop, think and talk" about bank goals and problems and get some fresh viewpoints. As a result, the bank sponsored a weekend staff seminar at the local Ramada Inn so that participants could "take a new look at themselves away from their desks."

Mr. Shadwick listed three purposes for the seminar:

1. To start a new program of management of the bank by setting objectives, both within the departments of the bank and the bank as a whole, including the establishment of a budget and bank goals.

2. To improve communications among the various departments and individuals within the bank and to improve their understanding of each other's work, problems and responsibilities.

3. To create a new enthusiasm among employees for their jobs and for one another.

Mr. Shadwick invited all officers of the bank, as well as a few other key employees, to the sessions, which began Friday night following a dinner. The bank obtained the speakers through its own efforts—one from a correspondent bank, another who is a



Roy Hatten (l.), Jackson, Miss., discusses how to work with customers at First of Salina's weekend seminar for bank officers and key employees. Listening to Mr. Hatten are (l. to r.) Gerald Shadwick, ch. & pres. of bank; David Wilson, James Berglund and Donald E. Cain, all of First Nat'l. (Topeka "Capital-Journal" photo.)

successful businessman and the third who was chosen from a list suggested by the Kansas Bankers Association.

On Friday evening and from 10-12 Saturday, Roy Hatten of Jackson, Miss., conducted a human relations clinic on techniques of working with customers. The clinic was designed to help participants understand one another and their customers and to motivate the bankers to do better in their relationships with other people.

Jack Parr, who operates Success Motivation, Inc., in Waco, Tex., spoke at the Saturday night dinner. Mr. Parr motivated his listeners to establish goals, write them down and then work toward them. He is a former All-America basketball player at Kansas State University.

William E. Drenner, senior vice president, First National, Topeka, spoke early Saturday morning about the techniques of bank management through setting objectives. According

"Participants began to realize the importance of their work, and they all gained a new respect for, and satisfaction from, their jobs."

to Mr. Shadwick, Mr. Drenner instilled enthusiasm and respect in First National officers for their work as bankers.

The rest of the weekend was spent in "thinking" sessions, in which seminar participants worked in small groups on problem areas and goals of the bank. These groups studied junior officer and employee training and employee benefits and such aspects of business development as sales and advertising, bank promotions and evaluation of services.

The weekend ended on a festive note Sunday when seminar participants went to Kansas City to attend a Kansas City Chiefs football game.

The seminar was particularly beneficial for the bank's new young employees, who benefited from the three-day association with senior officers, said Mr. Shadwick. The sessions also developed a spirit of fellowship and cooperation, he continued.

According to Mr. Shadwick, one of the most important results of the seminar was the respect individuals in the various bank departments developed for one another.

"The weekend fostered a spirit of cooperation rather than competition in the bank," he said. "It did a great deal to develop a better understanding of, and respect for, the decision processes required of management."

Mr. Shadwick pointed out that the choice of speakers was unusually fortunate because their enthusiasm carried over to the participants. The seminar, he continued, made those attending realize that they're working in a field of business that offers both financial benefits and a great deal of satisfaction in serving the people and businesses of their community. Participants began to realize the importance of their work, he said, and they all gained a new respect for, and satisfaction from, their jobs. • •

Employee Benefits in the Future

By THOMAS H. PAINE, Partner
Hewitt Associates, Libertyville, Ill.

GALILEO SHOCKED the world by saying that the earth was not the center of the universe, fixed and stationary, with the sun, moon, and stars revolving around it. Instead, said Galileo, the world spins rapidly and moves in a great circle around the sun. The idea was unbelievable. People could not see the earth's rapid movement as they stood and looked skyward.

Anyone who attempts to predict the future of employee benefits must feel a little like Galileo trying to explain rapid movement to people whose vantage point is one fixed place in a world of change. Each of us has the temptation to view the status of employee benefits as it presently exists—fixed or at least reasonably stable. We know that levels of compensation and benefits will change as inflation occurs and as productivity permits greater real earnings. But we tend to limit our exploration of what lies ahead to the terms and conditions of today's state of the art. Perhaps we are missing the whole new world out there.

Borrowing from Galileo, we can start by saying that rapid movement is normal. We will look back at this period as one of intense movement in the development of new concepts of em-

ployee security in a post-industrial society.

Those who are responsible for the design and administration of compensation and benefit programs have an important task—to see that new concepts and programs are put into operation in a coordinated, sensible way. They must answer three questions:

1. What are some of the basic changes?
2. What are some of the concepts behind the changes?
3. How may tomorrow's benefits be provided?

Changes Influencing Employee Benefits

In the past a common assumption was that relative stability would apply to the cost of living. Inflation at a rate of more than 2% a year has been considered abnormal. But we now face quite a different picture. For all the efforts of the current administration, economists are projecting a rate of inflation of about 4½% for 1970. An average rate of 3% for the 1970s does not seem an unreasonable assumption. Inflation is one of the elements of change we must be prepared to live with.

Significant changes in the amount of compensation and the way it is paid should also be anticipated. Wage rates increase not only to offset the effects of inflation but to reflect the increase in productivity that the economy produces. Hopefully, a 3% inflation rate can be matched by a 3% productivity rate. This will produce average compensation gains of about 6% a year. Of course, in times of labor scarcity and in occupations in which there is a shortage of personnel, substantially higher gains can be expected.

The way compensation is paid may also be altered considerably. One of the keynotes will be increased flexibility. Individuals will have more choice in how they will receive their pay. Also likely is a re-evaluation of

bonus programs because of the growing belief—backed up by studies—that companies are wasting much of the money they put into so-called “incentive” programs.

An even more basic change affects the economy itself. The industries that have provided the backbone of progress in the last half century appear to be leveling off as sources of new growth. Instead of the major growth coming from steel, automobiles and electricity, the '70s will see mushrooming growth in the computer business, the materials industry and the whole new area that is being called the knowledge industry.

Another change that is coming involves the channeling of a greater portion of our total activity through government. Major unmet needs of society—such as cleaning up air and water, rebuilding urban areas and revitalizing mass transportation—are likely to be done by government. As the share of government activity increases, its influence on compensation practices will undoubtedly grow.

Some Likely Areas of Development of Benefits

Predicting long-term trends in benefit plans is even more hazardous than guessing what the economy of 1980 will be like. Benefits are methods of replacing income when it stops. Benefit programs, then, must change at least as fast as compensation increases. The changes will accelerate as new ideas are developed to provide protection against new hazards.

Three concepts may serve as the basis for benefit development in the 1970s:

First, in retirement and disability planning, we may be moving toward benefits that replace completely an active employee's net income. Part of the



Prior to joining Hewitt Associates in 1954, Mr. Paine served with the U. S. Bureau of Labor Statistics, where he co-authored a series of reports on employee benefit plans under collective bargaining. He al-

so served with the President's Committee on Retirement Policy, helping to draft amendments to government retirement and insurance systems. He is currently a member of the advisory committee appointed by the Secretary of the Treasury to help formulate new rules for integration of private pension and profit sharing plans.

Retirement Benefits Upped

INDIANAPOLIS—American Fletcher National recently announced that it has increased retirement benefits of many staff members who are in retired status.

The bank claims to be one of the first in the nation to make increased retirement benefits retroactive. Approximately 140 current retirees were affected by the new plan, with a few having their retirement incomes doubled.

The bank adopted the liberalized plan to make benefits more equitable for retired staff members.

accelerating pace in this direction is provided by the Social Security system. Even with public benefits increasing, there is no tendency to slacken the rate of development of private retirement plans. The result could be that we will attain, within the decade, a position in which full net income will be replaced for persons who have hourly rated and clerical jobs. Add to that the pace at which pay will be increasing. That makes full replacement of net income a very substantial benefit boost—and a very costly one.

The retirement income problem may be complicated by increased mobility in the work force as major shifts occur in the number of people employed in various industries. As companies diversify and innovate, programs of re-education and retraining will be necessary. The watchword in our society will be "change." Flexibility and ingenuity in benefit plan design will be a basic requirement to meet the change.

Deferred profit sharing, as a method of providing basic retirement income, may face tough sledding in the years ahead. Because it involves a pre-determined contribution, rather than a fixed benefit, profit sharing tends to work best where continuity and stability prevail. But it is harder for such a program to adjust to major changes than a plan in which the benefit is fixed and changes affecting all past service can be made by a change that affects benefits immediately, but gives a long time to fund for them. Deferred profit sharing will not disappear, but will more likely be a supplement to basic fixed benefit systems.

Another concept involves family protection and the trend toward full protection for widows and children if an active employee dies. Interest in death benefits payable as monthly income rather than in a lump sum has increased recently. Survivor income insurance is now available from major insurance companies. As American companies become more international in scope, they seem to borrow some of the concepts of responsibility to the widow and children that are so prevalent in Europe. The nature of the commitment made in the United States under this type of plan is now at a reasonably low level. Often, it is about 25% of pay, plus social security. Fairly rapid movement toward replacement of at least half income, plus social security, can be expected.

As more comprehensive systems are developed to protect persons against the risks of retirement, death and disability, some change in today's practice of having separate plans for separate hazards can be anticipated. A

Bank Fringe Benefit Survey Reveals Extent of Coverage

HOW DOES your bank fare in the fringe benefit department? A special survey recently conducted by MID-CONTINENT BANKER should enable you to determine whether your bank is "with it" as far as fringe benefits are concerned.

A record 43% of surveyed banks responded, providing a top-to-bottom popularity list of benefits. A list of typical benefits was presented in the survey and banks were asked to check which ones they were sponsoring for their employees.

The top spot was captured by two benefits—both in the time-off category—death in the family and jury duty. A full 97% of banks allow these benefits. Last on the list in popularity was another of the time-offs—employee birthday. Less than 1% of responding banks allow this benefit.

In between were the following benefits, ranked from high to low: Major medical and life insurance tied at 91%, tuition refunds (for AIB courses, etc.) fared high at 89%, next came medical insurance at 88%, followed by pension plans at 86%. Hospital insurance is furnished by 84%, surgical insurance by 82% and paid sick leave by 80%. The next highest category is time off for military training—64%. Long-term disability insurance is provided by 55% of the responding banks, while 42% supply sickness and accident insurance.

Figures on the bottom end of the scale include deferred profit-sharing plans, provided by 31%, and paid physical examinations, allowed by 17%. Twenty-three per cent considered career apparel to be an employee benefit.

Under the category of "other benefits" (types were supplied by the banks) the most popular was the presentation of a bonus, followed by free checking accounts, low interest loans, employee lunch room, free parking, travel accident insurance, organization dues paid and free flu shots. Also mentioned in this category were free safe deposit boxes, savings incentive plans, accidental death policies, employee loan funds and annual Christmas parties.

Perhaps the most unusual benefits mentioned were time off for newlyweds and new fathers.

Of the benefits not currently allowed but being considered by banks, long-term disability rated highest, followed closely by deferred profit-sharing and paid physical exams.

Now, how does your bank rate in the employee benefit department?

man who lives until retirement is not going to produce liabilities for family survivor income benefits. The man who dies before retirement will not be a post-65 liability. But separate funding is now encouraged, and in many cases is made mandatory by the quaint and curious regulations of the Internal Revenue Service. Hopefully, some of these rigidities can be removed and more imaginative approaches to funding developed.

Public versus Private Sources of Benefits

Our economic climate will be changing and our types and amounts of benefits will be expanding. And we may see some changes in the methods

by which benefits are provided. What role will the government play in the financing of benefit programs? How much responsibility will be left to private industry and to the individual?

Public and private programs differ from one another in several important characteristics. Government programs have a uniformity of benefits. They may differ because of length of service or level of compensation, but the program does the same job for everyone in similar circumstances throughout the covered population. Private programs, on the other hand, have diversity as their key. Private programs can be tailored to the unique needs or de-

(Continued on page 42)

Banks Are Pace-Setters In Applying Computerized Project Management

ASK ANY SYSTEMS specialist to give an example of "project environment" work and he'll probably say, "Well, for example, take data processing." Ask for an example of a business that relies heavily on data processing, and you'll probably get the answer—"banks." Therefore, it's only natural that a number of banks have been among the first firms converting to a computerized system of project management called DPMS.

DPMS means Data Project Management System, but the emphasis should go on "project management." Data processing is only one of many areas of application. Financial institutions are naturally more cost-control conscious than is the average business, hence it was the banker who most readily recognized the fact that modern project approaches negate some of their own value because of the difficulty of accurate monitoring.

When the time of staff members and groups of staff members is divided among many different tasks, creative administration becomes difficult. This, of course, describes the project environment. Varying numbers of individuals will contribute to a project, with varying amounts of time spread over extended work periods. The old-fashioned organization charts and time reports, developed in the days of "one-man-one-job," are no longer adequate. The accepted critical path network methodology is only effective where a staff of people is involved in one complex problem. This method, however, usually requires heavy file maintenance and administrative adjustments. In contrast, DPMS is designed to administer a multitude of assignments for multiple functions.

DPMS provides up to six standard reports (depending on the scope of the user's needs) containing significant economic information for management. Additional reports are available if required. Only two relatively

By **FREDERIK H. LUTTER**

**Lutter & Helstrom, Inc.
Chicago**

simple forms of input are needed.

Some of Lutter & Helstrom's DPMS bank clients are First National, St. Louis; Mercantile Safe Deposit & Trust, Baltimore; Exchange National, Chicago; American National, Chicago; Maryland National, Baltimore; and Equitable Trust, Baltimore.

Other clients include A. B. Dick, Trans World Airlines, Avis Rent-A-Car, Walgreen Drug Co., Teletype Corp., Owens Corning Fiberglas, Hennepin County, Minn., and others.

Carroll Satterfield, manager of administration of the Kansas City data centers of Trans World Airlines, sums up the most immediate advantages of DPMS from the user's point of view: "(It) has given TWA a better control of project cost than we could have obtained by any other means. It has also enabled us to use our most

valuable people more efficiently with much less waste."

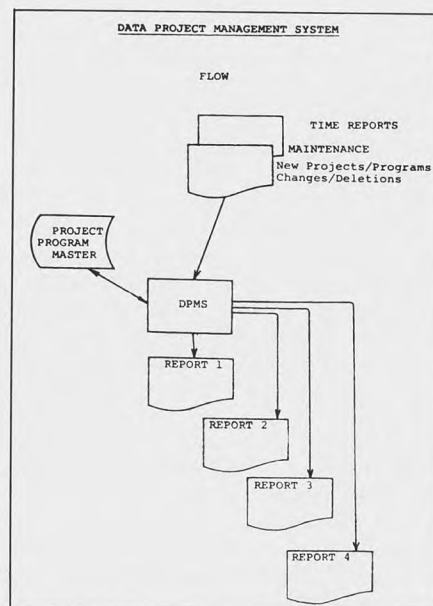
Users also see advantages beyond dollars-and-cents cost control. "Right now we're principally interested in watching costs," says Roger Kahn, director of systems and programming at First National, St. Louis. "In the future, our greatest need may be assignment planning; to be able to adjust our plans rapidly in certain areas or to expand/change a number of our assignments just as rapidly. We are sure that DPMS can help us do this efficiently. We'll be able to see in advance how long assignments can be expected to take and how many people are required and when." First National uses DPMS for the administration of its data processing projects.

Personnel relations is another business interest served by DPMS. According to Norman Hoffman, director of management information services at A. B. Dick, "No one really likes overtime. To the employer, it's costly. To personnel, it's bothersome. With DPMS, we can tell ahead of time when overloads are likely to occur, and we can make necessary changes in emphasis to smooth out the work load. Also, overruns over budgets can be spotted through the early warnings of the variance, and action can be taken early.

DPMS is rapidly earning a reputation for telling the brutal truth about project productivity. It points up the errors in original work load estimates through backlog reporting. Thus, project managers can reassess work ahead regardless of original projections. Striking variances occur with unexpected frequency.

Installation of a DPMS system is performed by the user company, working closely with the assistance of Lutter & Helstrom staff and executive supervisors. Present systems and operations are reviewed, interviews are

(Continued on page 62)



Exec. V. P. J. Grayson Guthrie (r.) and Cash. David Bryan (l.) of Central Bank, Monroe, La., show J. J. Cuthbert, pres., First Nat'l, Rayville, La., how Central's Dynabank-Keyline terminal is operated.



Dynabank-Keyline Marriage Assists Time-Sharing Banks

By JIM FABIAN, Associate Editor

THE MARRIAGE of Dynabank and Keyline is proving to be an excellent match for banks that are putting their money on the time-sharing concept of computer operations. The system is especially beneficial to smaller banks, for it puts them on a par with their larger counterparts, at least in the EDP department.

Dynabank is a financial analysis and forecasting system that was developed by First National of Atlanta in 1968. The system offers time-sharing programs of a wide variety that provide the necessary analytical data to enable bank management to make intelligent forecasts. First of Atlanta has franchised the marketing of Dynabank on a regional basis to three other banks, including Mellon National, Pittsburgh; First National, Dallas; and Continental Illinois National, Chicago.

Keyline is described by Continental Illinois National as being a management-oriented computer time-sharing service that can provide immediate access to a variety of management information. The Keyline library includes Dynabank programs, and the combination of both services gives bankers access to a wide range of bank application time-sharing programs.

The combined service is available to interested banks for their own as well

as customer use. The only equipment involved in a terminal installation is a typewriter-telephone hookup that takes less than three feet of space. Transmission is carried on telephone lines. Terminals are often located in executive suites, not only to speed communication but, since the equipment is so simple to operate, because top officers often prefer to do their own keyboarding.

A typical Dynabank-Keyline installation is the one at Central Bank, Monroe, La. Shortly after the system became available last summer, Central Bank officers attended a demonstration session, following which they signed on the dotted line for the state's first installation.

According to Central Bank President Conway Crossland, the system offers close to 25 bank-management-oriented programs to the bank and its customers. "The information through the service includes everything from bond evaluation to liquidity programs," he says. Through the system, the bank is in almost instantaneous touch with a giant computer in Cleveland, which, on command, dispatches a multitude of information directly to a terminal on the bank's second floor.

To activate the system, the local operator picks up the phone and dials a

direct number to contact the computer. The computer is activated by pushing a single button and the specific program information desired is obtained by typing a request for that data. The computer cannot be contacted by other users while the local connection is being made, but once individual contacts are made, as many as 40 users can receive information from the computer simultaneously. A 10-minute transmission (at 180 words per minute) can save up to four hours of a bank employee's time. Cost of the service averages \$350 per month.

The service is available at any time during the day and new programs, often developed in cooperation with subscribing banks, are added as they become perfected.

Following is a brief resume of the programs used by Central Bank:

- *Dynafacts*—A program designed to provide information on money-market activities, Fed action and other significant economic developments. A regional economic analysis also is kept current as changes occur in specific marketplaces. The program makes specific security quotations available on offerings of municipals, agencies and Treasuries.

- *Municipal Bond Valuation*—Allows rapid portfolio pricing to satisfy current money-market conditions. It also indicates appraisal yield, book value, annual amortization or accretion, appraisal value, gain or loss on the issues, pledging and safekeeping. Portfolio totals and averages are computed and a maturity distribution schedule is printed indicating bonds by type and the percent of the portfolio each represents.

(Continued on page 40)

Banks Gain New Business By Marketing Software

By JIM FABIAN

Associate Editor

SOFTWARE marketing by bank-related firms is on the increase. And reasonably so, since most large banks have developed in-house software programs at considerable expense and naturally are eager to utilize any opportunity to recoup some of these expenses through the marketing of their expertise.

There are, of course, other reasons why bank-related firms are offering proved software programs to the financial and business fields. These include the following: The improvement of relationships through the offering of software services to correspondents; obtaining new business by offering computer services to business firms; broadening operational scope by marketing programs to banks throughout the nation that are not correspondents.

Not all bank affiliates in the software marketing business operate in

the same way or aim at the same markets. Most operate through holding companies, which diminishes the possibility of legal squabbles with competing software distributors not connected with banks.

MID-CONTINENT BANKER has contacted officials of four operations in an attempt to illustrate some of the diversities of bank-related software marketing operations. Included are First National, Memphis; First-Union Automation Services, Inc., affiliate of First National, St. Louis; First Data Management Corp., affiliate of First National, Oklahoma City; and Citizens Fidelity Bank Services, a new department of Citizens Fidelity, Louisville. These are but four of the numerous firms of this type that are marketing software services.

First National, Memphis, markets EDP services to banks through a system of remote computer service centers, located in Decatur, Ala.; Tupelo, Miss.; and Sikeston, Mo. These centers have enabled participating banks to offer their customers a service equal to that available had they gone directly to First of Memphis. The centers are set up as individual corporations and are joint ventures between First National and the banks using them.

First National has offered its automated payroll package through its computer service outlets, and, in addition, has used this package to establish many new commercial accounts in the Memphis area.

From a catalog of over 300 programs, practically any engineering demand of clients can be met through the bank's Memphis facility. These needs have varied from inventory accounting to a program designed for a stockyard, from car wash recording and accounting to apartment management programs.

Savings in time and money in the engineering application of these programs have been impressive. In one instance an engineering firm worked

out the structural needs of a 23-story building in two days, saving more than 120 working days.

Bank officials feel that any successful operation of this sort is dependent upon the building and maintaining of a reputation of dependability. In order to enhance its position, First National is constructing a new operations computer center which is scheduled for completion early next year. The facility will be capable of storing all First National records and will house what will be one of the largest EDP centers in the nation.

First-Union Automation Services, Inc. (FAS), a new affiliate of First Union, Inc., holding company for First National, St. Louis, and St. Louis Union Trust, sees itself specializing in several areas to serve both the financial and commercial communities.

In the initial stages of its existence, FAS will market services designed to satisfy the needs of all major computer users in the major problem areas of computer input and output. The company will help its customers bypass the critical area of input preparation, the majority of which is now done by keypunching. This will be done through the use of an IBM 1288 optical character reader which will read input documents which can be type-

(Continued on page 44)

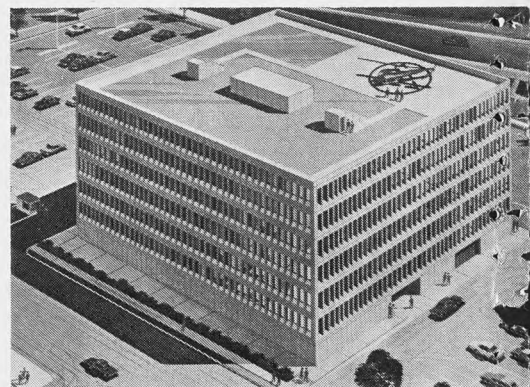
EDP Firms Can Sue Banks

WASHINGTON—The U. S. Supreme Court ruled early in March that data processors have the right to sue national banks that sell computer services to non-bank customers. The decision reversed a ruling by the Eighth Circuit Court of Appeals made in February, 1969.

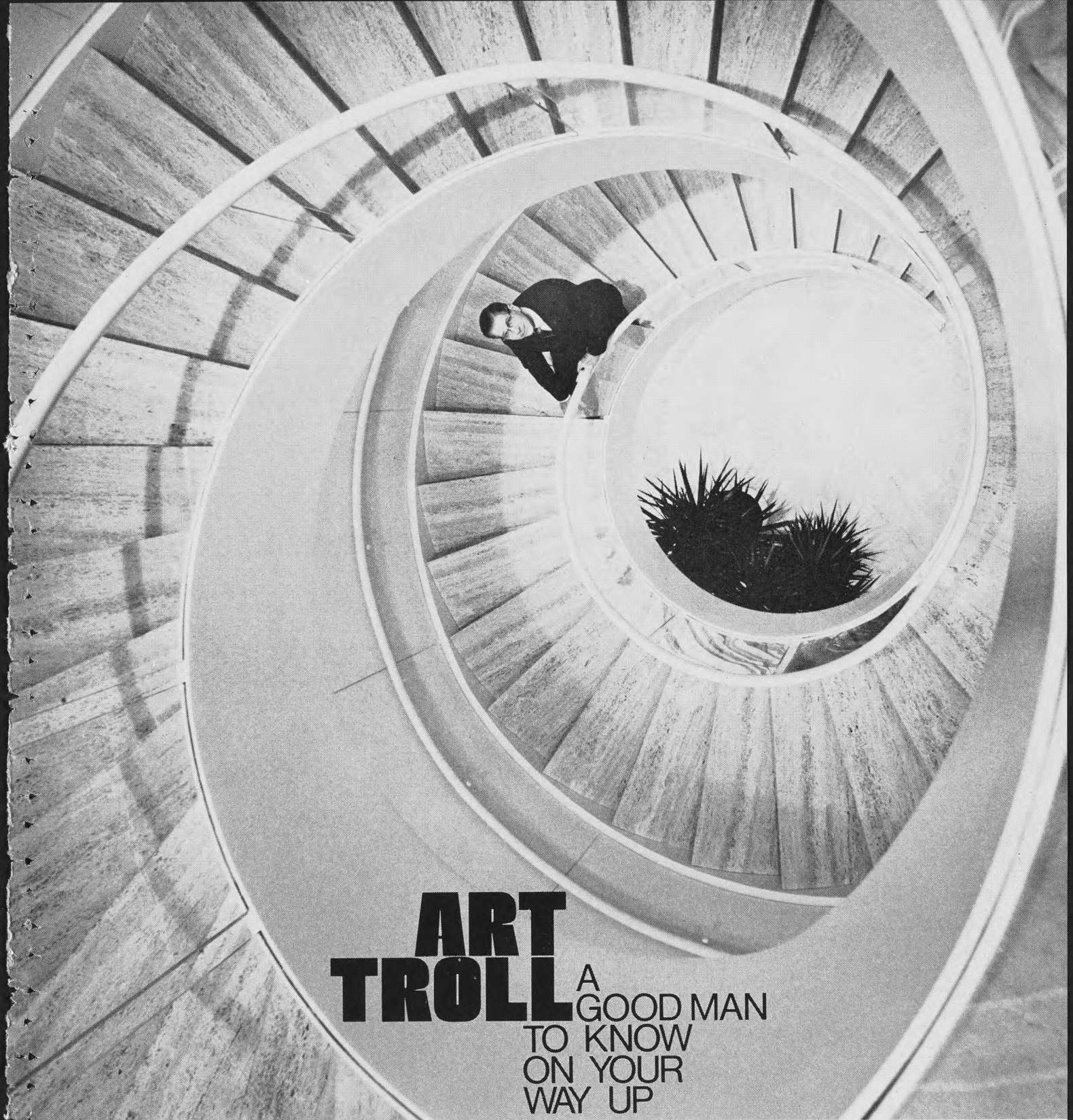
The suit involves an attempt of the Association of Data Processing Service Organizations and its member service bureau, Data Systems, Inc., Minneapolis, to sue Comptroller of the Currency William B. Camp and American National, St. Paul.

The high court ruled that the data processors, "as competitors of national banks which are engaging in data processing services" are clearly "within that class of aggrieved persons who . . . are entitled to judicial review of agency action."

A spokesman for Mr. Camp has emphasized that the Court's decision does not reflect on the legality of the Comptroller's ruling permitting national banks to sell EDP services.



Operations computer service center, which will be opened in 1971 by First National, Memphis.



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The SOFTWARE Market

SFTWARE PROGRAMS are the nutriment of any EDP system. Recently there has been a proliferation of packaged software programs designed for or adaptable to financial applications. The increase has been not only in the quantity of programs; but quality, too, has been on the rise. Today any bank with an EDP system finds itself in a position to take advantage of an ever-widening variety of computer applications.

A software program boils down to a plan for problem solving. It consists of a series of instructions that will guide a computer to the successful conclusion of a given problem. Banks are learning that they don't have to re-invent

the wheel—they don't have to develop software programs for their equipment—for some other firm probably has put its software application expertise on the market, and at prices that are usually bargains when compared to start-up costs of in-house developed programs.

Perhaps the greatest obstacle to filling the needs of a bank's EDP department is the search to locate the correct program for the bank's application. In an attempt to alleviate this obstacle, MID-CONTINENT BANKER has surveyed a number of major software distributors, asking them to submit brief resumes of the programs they have on the market. Resumes of responding firms are as follows:

- **American Software Corp.** offers programs covering demand deposit accounting, term-savings and certificates of deposit, installment loan processing and accounts receivable.

The demand deposit accounting package includes the following features: statement printing, self-checking account numbers for customer accounts and service charge calculations. The package also offers an automatic overdraft plan, an income and expense record-keeping system, a credit card for checking account customers that is honored by merchants and a check guarantee card.

The term-savings and CD package includes check digit validation to eliminate miss-posting, duplicate entry files for back-up, interest calculated daily or quarterly, system adapts to passbook or no passbook, quarterly statements and automatic renewal of CDs.

The installment loan package is designed to process add-on and simple interest loans. The system also handles dealer floor planning accounts.

The mortgage loan package handles conventional, VA, FHA and student loans and provides detailed reports to enable management to control mortgage loan accounts.

- **Aries Corp.** offers programs in three categories: for banks that prefer to operate their own EDP systems, for banks that wish tailored programs and for banks that prefer to let the software firm do all the work. In the first category, Aries offers PROMPT, a project monitoring system that provides detailed computerized reports to all levels of management to assure close control; FAST, a generalized management reporting system that produces actual tables/reports and will extract, count, list, summarize and perform extensive arithmetic operations, format and print and data selected from the data base; and an income tax computing system, which is sold to banks by First National City Bank, New York City. Also available is a personal trust system that performs the bookkeeping and reporting functions necessary for the operation of

a personal trust department, developed through Union Trust Co., Baltimore.

- **Cambridge Computer Associates, Inc.** markets Crosstabs, a system to put a bank's data to work. The package may be used to create statistical summaries of large data files for banking applications at all levels and in all departments of a bank, according to the manufacturer. Suggested applications include bank marketing and customer operations and performance analyses.

- **Computer Resources Corp.** offers "Audit-Thru," a retrieval and reporting system that includes the power to calculate, select, sort, total and cross-foot. Up to 10 custom analyses may be done on one file pass. The one-page report request can be prepared by an auditor or business executive with little or no EDP knowledge.

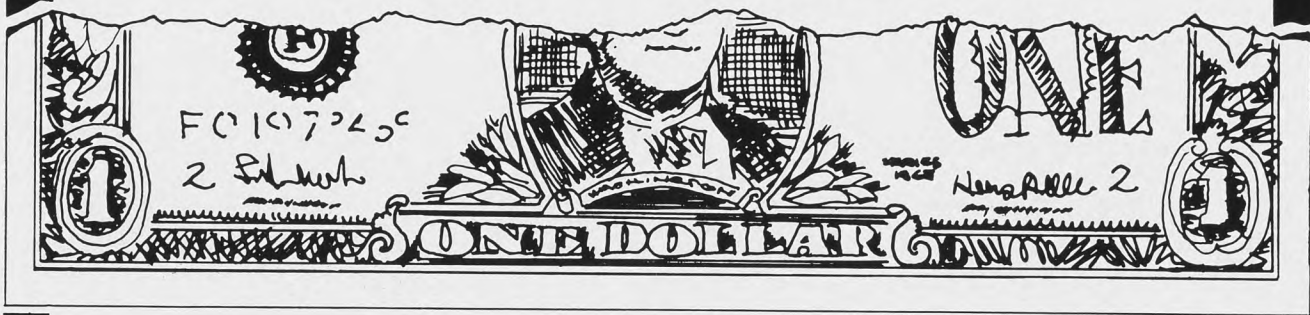
Also offered is "ATX—Audit-Thru Extended," an information retrieval system that lets the user define the input disc, or tape file, with a series of simple statements on punched cards. The system is said to be able to read an infinite number of EDP files and produce an infinite number of analytical reports.

A third system is called "First" and

Write for Addresses

Addresses of any of the software firms featured in this article are available at no charge by writing to MID-CONTINENT BANKER, 408 Olive Street, St. Louis, Mo. 63102. Please enclose stamped, self-addressed envelope.

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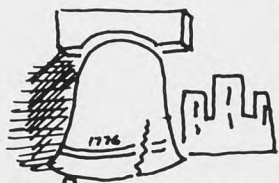
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CONTACT:
Ted Dela Court, Vice President
Marketing, XiOX International, Inc.
119 N.E. 79th Street, MCB0095
Miami, Florida 33138



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MILWAUKEE



NEW ORLEANS

TOMORROW'S SOFTWARE

is a free-form ledger accounting system designed to fit the accountant's needs for flexibility in account numbers, account descriptions and report arrangements. The system produces a full line of financial reports compared to budget for the current and prior years and also produces production statistics.

- **Computer Sciences Corp.** offers a variety of programs, including a general ledger and related accounting documents package for use on IBM equipment, a general ledger accounting package for use on Burroughs equipment, a commercial loan accounting system, a computer center management system and a series of proprietary systems to handle payroll, general ledger, business management and commercial loan applications.

- **Computing and Software, Inc.,** recently introduced its new trust accounting system that is capable of providing banks with easily accessible cash and securities information. The system is designed to reduce costs and create efficient, time-saving computer operational procedures, according to the manufacturer. The system is said to be adaptable to all trust accounting needs. The project was developed initially for LaSalle National, Chicago, and is now available on either a license or service contract basis.

- **Control Data Corp.** recently announced two new software packages for use with its 915 Page Reader systems. They are GRASP (generalized read and simulate program) and a keypunch simulator program. The former is used to capture data for computer processing. It reads documents, validates and formats the input data contained on the documents and writes the output on magnetic tape. The latter obtains data from pages typed in the standard font of the American National Standards Institute and converts it into punched card images that are recorded on magnetic tape.

- **Data Center Corp.** offers a water billing system which enables banks to handle accounts receivable and accounting functions of public and/or investor-owned water companies. The system meets Public Utility Commission requirements, provides for graduated rate structures, minimum billings, usage or pro-rated day rates, flexible billing cycles and can accommodate up to 100 routes with 100,000 subscribers each.

- **Data Usage Corp.** offers a system which provides automatic English lan-

BAI Develops Software

Bank Administration Institute is offering software programs to banks. Its COMVEST program provides for the measuring of investment performance of pension funds and its BANKSIM program is a bank accounting system that provides for calculation of future bank financial statements, given the assumptions of present and future decisions, bank cost structure, interest rates, deposit supply, loan demand and regulatory examiners' policy.

COMVEST implements the recommendations embodied in the publication "Measuring the Investment Performance of Pension Funds," released by BAI last year. The program is available to banks at no cost; however, there is a service charge that includes the cost of handling the program, auxiliary material and a user's manual.

BANKSIM is the first of a series of three programs being developed by BAI. BANKSIM 2 will be an extension of the initial bank model that will include the element of environmental uncertainty in the bank management problem and BANKSIM 3 would explicitly represent bankers' subjective opinions about future uncertainty. The ultimate decision aid planned for the project is a computer model that would suggest improved decisions for top management's consideration.

guage documentation of programs written in IBM System/360 RPG language. The manufacturer states this system is useful because it permits a person who has only basic knowledge of EDP terminology to understand the complexities of IBM programs.

- **Dynamic Computer Systems, Inc.,** offers "BPAA," which is said to provide monthly accounting essentials for bond portfolios as well as a quick comprehensive summary for ease of portfolio analysis at any given time. The system is based on a categorical breakdown of bond portfolios into general obligation, government; agency obligation, government; municipals; and Public Housing Authority bonds. Accounting data includes accruals of both taxable and non-taxable income, appreciation, amortization and capital gains tax liability. Included in the summary for investment analysis are informational items such as average life of portfolio securities, estimated tax-exempt and taxable dollar returns per year, book values and appraised values. Profit-and-loss figures are optional.

- **Growth Industry Computing, Inc.,**

recently announced its Agribusiness Financial Control System, which is said to offer commercial banks a unique marketing and credit service that provides agricultural owners and managers with comprehensive financial data and analysis necessary to run their businesses. The program also furnishes bank lending officers with information to aid in agricultural credit decisions. The system automatically calculates depreciation; interest accrual; and amortization of pre-payments, insurance, leaseholds, etc. It has the capability of reporting on non-current crop years and fiscal years as well as reporting on both a cash and accrual basis for the same business.

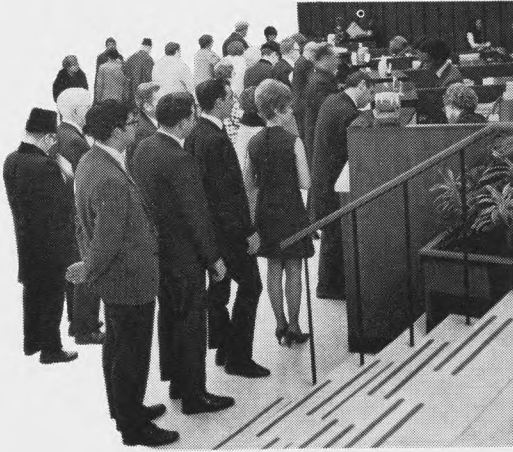
- **Philip Hankins, Inc.,** offers a generalized payroll system, originally designed for Marine Midland Banks, Inc., and in use in more than 20 major financial institutions. The manufacturer claims that the programs have enough built-in flexibility to handle virtually any payroll problem without modification to the basic system. The system is capable of providing multiple-customer payroll processing for banks and service bureaus, as well as being an efficient "in-house" payroll system for individual corporations.

The same firm offers Money Minder, a simplified computerized income and expense reporting system developed in conjunction with U. S. National, Portland, Ore. The system operates in conjunction with a checking account and focuses on every item of income and expenses, describing them both in dollars and percentages. Monthly reports are divided into general expense, special expense, general income and special income categories.

Philip Hankins offers a third program for banks called FMS Facilities Management System. The program was developed in conjunction with First National, Boston, and is designed to report project progress and resources utilization by bringing together and analyzing raw data from available sources, such as time sheets, expense reports, machine running time and machine down time. The program enables managers to decide what resources are needed to put a project back on schedule and improve techniques for planning future projects.

- **IBM Corp.** offers four software programs designed specifically for banks. They include demand deposit accounting, on-line teller program with mortgage loan background capability, mortgage loan program and optimum bond bidding program packages.

The demand deposit accounting ap-
(Continued on page 52)



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Case Histories of Purchased Software

SFTWARE PACKAGES can have three basic types of impact on an organization. First, there is the type of package which is acquired, implemented, and run in production without any modification by the purchaser. Secondly, there is the type of package acquisition which, through the purchaser's needs, would require some effort in changing the program itself. Thirdly, there is a type of package that would require major changing of manual or clerical functions within the organization. In other words, you have decided to change particular clerical procedures to conform with the requirements of an existing software package. This third type can many times be the most difficult to install because of its major impact outside the data processing department.

I think one of the most major problems in the purchased software area in the past has been that of not recognizing what our responsibilities as users are. When I look back at some of the problems or successes I have experienced, it almost always relates to the kind of job we have performed within our own organization. I am going to relate a few examples of where I feel things were definitely done wrong. It is true the vendor contributed to these problems, but I will, as I mentioned before, highlight them from the user's viewpoint.

Case I: This happened to be my first experience, also the first experience for the organization with which I was associated, in implementing purchased application software. As is many times the case, the first experience was the most painful. The first mistake we made was in assuming that by working with a large, reputable software firm, they had long ago worked out the problems associated with purchased software. This was not the case. It was their first endeavor in putting an application together for the sole purpose of marketing it to a wide

By **WILLIAM C. SHIVELY**
Vice President
Bank of the Southwest
Houston

variety of users. They found out, as we did, that the requirements for this type of application program were quite different from those previous experiences in contract programming.

Our use of this particular package was going to be as a customer service application with the full intent of making a profit. Some of the mistakes we made with this particular package follow:

1. We were the first organization in the country to use this package. (It has been sold since some 50 times.) We were fully aware of this and took pride in being pioneers because we had successfully pioneered some of the early efforts in the automated proof and transit area. I have now learned that pioneers are usually followed by a group of Indians with a lot of arrows, and these arrows are the multitude of problems. We had no proof of successful operation or projected timings, only the data provided to us by the vendor, which was at best weak. There was no one to turn to but ourselves and the vendor.

2. There was a misunderstanding

Mr. Shively joined Bank of the Southwest last August as manager of systems and data processing services. He had prior service as supervisor of systems and administrative programming at Honeywell,

Inc., Minneapolis, for five years and more recently was director of systems and data processing services for American National, St. Paul.



(I say this because it takes two parties) as to the core requirements for this particular package. It was originally supposed to be a 32K program, but as developments proceeded, it was recognized that 65K was going to be needed. We had at that time a 65K machine, and when the package was delivered, one of the programs had not yet been overlaid to run in 65K; so, as a result, it required 256K. This created all sorts of havoc. Because of customer commitments, we were required to purchase time on a machine that did have enough core to run this particular program. The costs involved in this were prohibitive. These conditions continued for about 30 days prior to receiving a 65K program.

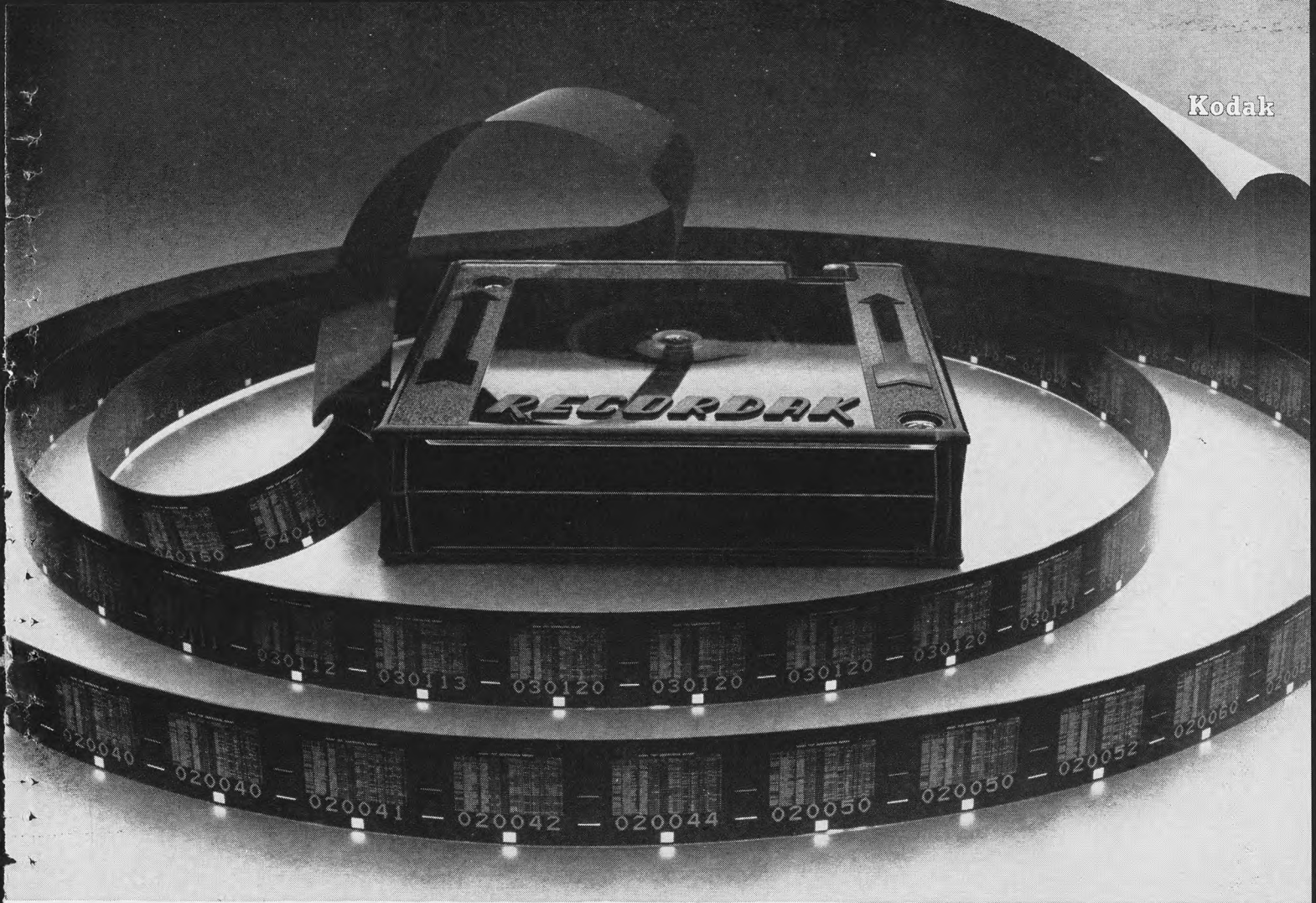
3. Too much was committed too soon. Being implemented as an outside service, we were anxious to bring in income and had no problem signing customers. We had made customer commitments for conversions which later caused problems in the areas of control, customer education, in-house education and difficult scheduling of computer time. Actual conversions were not so much a problem as the second or third production run. The result was much overtime, computer re-runs and, most important, customer dissatisfaction.

4. The documentation was not complete in that it was behind changes that had been made to the system. Constant updating was necessary on all of our customer manuals. As a result, data entry was in error which can have a snowballing effect.

5. Quarter-end programs were not completely tested at the time of systems implementation. Because of other problems, these programs had to be laid aside; therefore, we were faced with the task of debugging too close to the time of actual production.

All in all, this has to be the most difficult purchased software conversion, as far as time pressures (due to

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Kodak Microfilm Systems

customer commitments), that I have been associated with. But, today, this particular system is the smoothest running, most profitable purchased system of the ones that we have implemented. Only an all-out effort on our part, plus a very extended effort by the vendor, made this possible.

Case II: We were faced with a different set of problems in the implementation of this application package. The purpose for using this package was different; the originator and his reasons for designing this package were different; and our user of this package was quite different. This package was implemented basically for in-house use, and the main reason for implementing it was to get a third-generation system that would better utilize our present equipment. No great degree of changes was contemplated, and the only real requirement was that the system be modular for future development. Problems arising from the implementation of this package were as follows:

1. **Operating system.** This package, as we received it, was not running under the same version of operating system that we were using at that time. This presented major problems in implementation, due to the inability many times to readily isolate what was causing any particular error. We were aware this problem was existent, but felt it should not be cause for delaying implementation. Going from one version of DOS to another was not as easy a couple of years ago as it is today.

2. **System changes.** As it turned out, more changes were made in the system than had been originally planned. These changes were a result of both data processing necessities and user-department necessities. The lesson that was learned here was the necessity to thoroughly understand the package as it exists from the vendor to the point of operating it in a near-production environment, prior to making major changes.

3. **Contact with user.** There was not enough contact between data processing and the user prior to installation of this system. The only manuals available were of a technical nature, which would not have been understood by the using department; so that, basically, all communications had to be via meetings, which resulted in misunderstandings. We in data processing felt we were familiar enough with the application that took too much for granted. This is not a problem with only purchased software, but with any systems implementation—and it happens far too often. It is simply easier to fall into the trap with purchased software.

Bank Computer Use Hit

Banking institutions, as a group, have more electronic data processing equipment than any other U. S. industry but are among the least efficient in using it.

This conclusion was reached from an analysis of industrial computer utilization made by Computer Exchange, Inc., New York City.

Conversely, the study found that airlines have fewer computers than most other industries but utilize them better than any other business in the nation. The worst offender is misuse of EDP equipment by federal and state governments.

The data was taken from reports gathered from a statistical sample of some 18,000 data processing managers through the U. S.

The survey reinforced a prevalent attitude in the data processing industry that the extent, or cost of a system often is not in proportion to the results achieved. It has been estimated that almost half of the 70,000 computers now in use in this country are not being utilized to their fullest capacity.

4. **Programing language.** This system was written in our least familiar language, resulting in our being limited in the type and number of people who could be assigned to this particular project. Priorities change, people change and resources change, all of which could leave you short-handed.

5. **Communication link with other programs.** Very little concern was given, at the outset, to the necessity of linking this system to another important system in our operation. The buffer programs that were necessary to build for this communications added computer time and programing time in excess of our original estimates.

This system as it runs today is also very successful. It was probably the biggest eye-opener for us as to some of the problems that were going to exist in going from second- to third-generation systems.

In discussing successes in implementing application packages, I feel it is necessary to be somewhat more general because even within each total success there are problems. Some of the things that have made recent installations more successful than in the past are as follows:

1. *Full understanding of what the package will do by both data processing and the using department.* We have made the rule and used it recently in an installation that the end-result-user will be as familiar with what the system will provide as he

possibly can. It is his responsibility to prepare the test data and evaluate the output. I realize this can result in a time delay as far as installing the system; however, after the system has been installed, problems probably can be worked out more readily because of the ability of the user and the data processing department to communicate or understand the problem on a more immediate basis.

2. *Ability to see the system in operation.* This relates back to an earlier point. Nothing influences a potential user of the system more positively or negatively than being able to see a system in a production environment for evaluating the output and talking to the user. This ability can save many pre- and post-installation hours and dollars.

3. *Installation support.* More thought should be given to how to use the vendor-supplied installation support. In a recent implementation, about 75% of the agreed upon installation support by the vendor was used in areas outside data processing. I think in the past too often the support given has been to the data processing department, leaving the user department without the knowledge and tools to fully utilize the system or to realize when it may be the cause of problems within the system.

4. *Maintenance contract.* As the system has been implemented and is running in production, we have found that one of the best investments is that of a maintenance contract. In one case we have found that virtually no time is required by our programing staff for maintenance.

Successful implementations of purchased software are becoming more and more the case.

As I see it, there are two necessary ingredients for a successful program from a user's standpoint:

1. **Communications at all levels.** So that you know what you have, know what you want and know what you are getting.

2. **Pre-planning.** Probably the one single factor that will minimize the number of problems is to minimize the element of surprise. This one single element, surprise, or lack of understanding, I believe, has caused more problems in the installation of application packages than any other user-oriented problem.

Even though these problems exist, the application package market has made its mark, and its positive or negative impact in any particular organization will, I feel, be the result of the completeness of the job performed by the purchaser. • •



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MID-CONTINENT BANKER for April, 1970

One-Bank Holding Company Protection Dominates IBAA Convention Agenda

LEGISLATION that would outlaw large-scale conglomerate activities while protecting the small one-bank holding company was urged by independent bankers assembled for the 40th anniversary convention of the Independent Bankers Association of America at Honolulu last month.

The one-bank holding company issue was the most widely discussed convention topic among the 2,000 participants from 40 states who convened for three days at the Hilton Hawaiian Village on Waikiki Beach. The association has supported the principle of one-bank holding company control, but it has not endorsed any specific legislation.

In a resolution unanimously adopted on the convention floor, the association noted that the Nixon Administration also firmly supports the objective of outlawing large-scale conglomerate activities through the one-bank holding company device. Also, the adoption of H.R. 677 by an overwhelming vote of 351 to 24 in the House of Representatives "demonstrated the deep and widely-held concern that the combination of banking and commerce on a large scale endangers America's economy," the resolution stated.

However, the association said, H.R. 6778 adversely affects the smaller locally-owned banks and requires modification in the Senate.

"A distinction must be made between large conglomerates and small one-bank holding companies which present no danger to the national econ-

omy," said the IBAA. "This distinction should be in the form of an exemption in the law, limited to these small one-bank holding companies. The exemption should carry suitable restrictions as to the extent, nature or size of their non-bank activities."

The IBAA further called for a clarification of the definition of a one-bank holding company "so that an individual is not deemed to be a company."

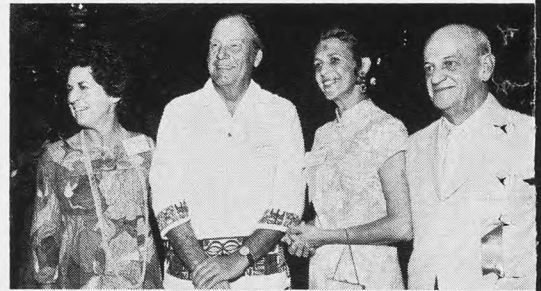
The bill should be further amended, the IBAA said, to:

- Plug the loophole which now permits interstate expansion by existing multibank holding companies.
- Broaden the means of preventing evasions and violations of the law.
- Permit independent banks adversely affected by multibank holding company acquisitions to object and have the opportunity for hearings on these acquisitions.

Elected president of the association was Rod L. Parsch, president of Lapeer County (Mich.) Bank. He succeeds B. Meyer Harris, president of Yellowstone Bank, Laurel, Mont. Advanced to first vice president was Donald M. Carlson, president of Elmhurst (Ill.) National. Named second vice president was H. L. (Bud) Gerhart Jr., president of First National, Newman Grove, Neb. Marshall Barnes, president of Beaver Dam (Ky.) Deposit, was re-elected treasurer.

In other convention resolutions the IBAA:

- Urged President Nixon to appoint



Among those attending IBAA convention were, from l., Mrs. Tucker Teutsch and Mr. Teutsch, pres., First State, Dumas, Tex.; and Mrs. Richard B. Elwood and Mr. Elwood, v.p., corres. dept., Worthen Bank, Little Rock.



Attending luncheon at IBAA convention were, from l., Bob Lindsey, pres., Cabool (Mo.) State; E. L. Daugherty, exec. v.p., Bank of Raymondville, Mo.; and R. H. Thompson, pres., Miner County Bank, Howard, S.D.

an IBAA representative on the Presidential Commission on Financial Structure and Regulation. This commission over the next several months will study national banking structure and report its findings and recommendations.


- Urged the Congress and the Administration to give a priority position among national issues to the restoration of agricultural prices to an equitable balance with other parts of the economy. The resolution also urged that discretionary power to set parity prices remain with the Congress and not be delegated to the Secretary of Agriculture. The IBAA supported the unified efforts of farm groups to obtain the best long-range agricultural programs which will place agriculture in fair balance with other segments of the economy.

- Reaffirmed its stand on branch and group banking. The association opposes the introduction of branch banking in states where it is not permitted and the expansion of branching in states where it is permitted on a limited scale. The IBAA also opposes the expansion of multi-office banking through the registered bank holding company, which it called "a device to circumvent the branching law."

Convention speakers included President Harris, Dr. Herbert Stein, member of President Nixon's Council of Economic Advisers; Carter H. Golembe, banking consultant and head of Carter H. Golembe Associates, Inc., Washington; and J. Phil Campbell, Under Secretary of Agriculture. • •



Rod L. Parsch (center), pres., Lapeer (Mich.) County Bank, new IBAA pres., receives congratulatory handshake from his immediate predecessor, B. Meyer Harris, pres. Yellowstone Bank, Laurel, Mont. Looking on are, from l., Donald M. Carlson, pres., Elmhurst (Ill.) Nat'l, IBAA 1st v.p.; Marshall Barnes, pres., Beaver Dam (Ky.) Deposit Bank, re-elected treas.; and H. L. Gerhart Jr., pres., First Nat'l, Newman Grove, Neb., IBAA 2nd v.p.



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the question: who helps banks relieve the pressure
of heavy loan demand in 3 constructive ways?

Dynabank

(Continued from page 27)

• *Tax Switch (Tax Free Securities)*—Provides recommendations for selling bonds from portfolios and for purchasing other municipal bonds. These recommendations are printed according to bond types. Two tax-switching alternatives are evaluated, considering both average maturity of the bonds and the time-value of money. The better alternative is printed. The program also considers a bank's tax position, allowing maximization of benefits from preferable tax treatment in changing markets.

• *Comptroller's Liquidity Calculation*—Calculates a bank's liquidity position as reviewed by regulatory authorities. The program develops a ratio of net liquid assets to net deposits and compares the ratio to a median arrived at in a bank survey conducted by the Comptroller's Office.

• *Fed Capital Adequacy Analysis*—Measures a bank's liquidity by considering the structure and mix of its assets and liabilities and points out surplus and deficit capital positions calculated according to Fed computational guidelines. Suggested restructuring of assets

considers market risk and flexibility while maintaining liquidity relative to the bank's capital base.

• *Company Bank Analysis*—Analyzes corporate customer accounts, considering the amount of the loan outstanding, average ledger balance maintained, amount held in CD accounts, availability of money and other relevant factors. A profitability recap is provided for further analysis.

• *Balance Sheet Forecaster*—Projects major asset and liability categories on a monthly basis for 12 months in the future. Allowing for seasonal variation and economic factors, the program projects balance sheet figures.

• *Continuous Compounding*—Calculates interest-payment schedules based on the continuous compounding of interest. The program will produce daily, weekly, monthly, quarterly, semi-annual, annual, etc., payment schedules using any rate desired by the user.

When a subscribing bank joins the Keyline system, it deposits its financial data and approximately 18 months of statistical background in a computerized research library file maintained by Continental Illinois National.

Continental officials point out that

the system does not make decisions for management, but provides a quick, comprehensive digest of financial alternatives open to management. The subscribing bank's executives make the decisions whether or not to act and how to act on the information received through the system.

Banks of all sizes are finding that Dynabank-Keyline is a valuable adjunct to existing operations. • •

Orientation Kit for Employees

NEW YORK—A kit called "Your Place in Banking" is being offered by the American Institute of Banking. The kit is designed to introduce new employees to the role of banking and a bank's many functions.

The kit is composed of five items and is planned as a three-hour training unit. It is the first of three units in a proposed series. The remaining items will be called "Your Personal Finances" and "Your Personal Image." Among the materials included are a 40-page booklet on bank services, a 36-page discussion leader's guide and a 76-page booklet on the history of banking.

Humboldt National Officers and Farmer Guests Attend Western Farm Show

HUMBOLDT, KAN.—More than 200 farmers from the Humboldt area attended the Western Farm Show in Kansas City recently as the guests of Humboldt National.

This was the third year for the project, which is under the direction of Robert D. Ames, assistant cashier and farm representative. The first year 120 farmers took advantage of the free trip and last year about 170 so that interest in the annual event is growing.

The annual Farm Show trip is part

of a comprehensive farm program operated by the bank. Other components in the program are:

(1) A monthly newsletter for farmers that has information of national scope, but always carries at least one article about someone of local interest;

(2) Weekly articles in the Humboldt newspaper containing information directed toward farmers;

(3) Educational meetings for farmers featuring the most knowledgeable speakers obtainable on varied subjects

of interest to farmers;

(4) A strong program of farm calls that take the bank to its farmer customers and prospective customers.

As part of the Farm Show trip, the bank provided box lunches to be eaten on the bus en route to Kansas City. After visiting the show, the bank's guests were taken to the Ranch Inn Restaurant at Lenexa for dinner. Name badges were provided and guests were urged to become acquainted with one another.



(L.) Farmer customers enjoy coffee and doughnuts in Humboldt National's community room before departing by bus for the Western Farm Show in Kansas City. (C.) Norman R. Shannon (l.), cashier, helps a bank customer check out a piece of farm equipment. (R.)

David S. Woods (l.), president, pins a name tag on Director Walter H. Wulf as Robert D. Ames, assistant cashier and farm representative, looks on.

She's Wearing a Hamilton Ensemble!

It's important for this Southern Airways stewardess that she look attractive, yet businesslike.

It's also important that your bank employees be groomed attractively . . . and it's possible, in a Hamilton ensemble!

Styling is important for the airline stewardess, for she *is* the airline to millions of flying customers. As an example, this Southern Airways stewardess, wearing her Hamilton ensemble, is confident of her appearance . . . confident of her ability to serve.

In your bank . . . Mr. Bank President . . . your public-contact staff (tellers, receptionists, secretaries) *are* the bank to your customers. Therefore, when you decide to put your staff in career suits (as many banks are doing today), you'll want to talk to one of the nation's *most experienced* stylists in career suits.

Our credits include scores of banks as well as several major airlines: TWA, Delta, American, United and Southern.

Don't talk career suits at your bank without talking to Hamilton. We'll show you a complete bank program . . . offer names of satisfied users . . . then let you decide.

We think you'll decide to put your staff in Hamilton ensembles, too.

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MID-CONTINENT BANKER for April, 1970

Management Communications Center Opened by First National, Chicago

CONTINUING its program of innovation and development, First National of Chicago in February opened its new Management Communications Center, a five-room complex of conference rooms, each of which integrates in one versatile and comfortable environment the latest concepts in large image graphic display systems, sound, lighting, communications and electronic controls.

Termed a "decision environment," the center is designed as an output terminal of the bank's Information Management System and provision has been made ultimately to generate graphic displays directly from the bank's computers.

In describing the new facility, Gaylord A. Freeman Jr., chairman, said it "was designed to be a focal point for information exchange and graphic presentations. Ultimately, we intend that large screen computer based displays will be available here. It is functional and flexible so as to conform to a variety of needs. We look on it as a link between our growing Information Management System and busy bank executives."

In essence the center is a means of bringing to management (either an individual or a department group) the information necessary when a decision is to be made.

It is also intended as a means of speeding that information to the officers concerned. For example, a high-resolution closed-circuit television system provides a rapid response link be-

tween the center and the offices of Mr. Freeman and Robert K. Wilmoth, senior vice president. Either or both may "listen in" on information being detailed in the center without leaving his office.

The five-room configuration seating from 10 to 50 persons and its display and control systems were designed by Information Management Facilities, Inc., New York City, to provide maximum flexibility for a variety of conference needs of the various management groups of the bank. Three central rooms seat up to 16; two of the three rooms can be joined together to accommodate 35; or all three rooms can be joined for large meetings and seat about 50.

The smaller rooms are designed primarily for marketing presentations. It is planned to have pre-recorded tape and slide programs available in these rooms for presentations to customers.

All of the rooms are equipped with TouchTronic random access management display systems, with dual-display areas in the larger rooms and single-display areas in the smaller rooms. The display systems are solid state, utilizing tone control encoders and decoders similar to those in Touchtone telephones.

Controls to operate the display systems are conveniently located in the arms of key executive chairs; duplicates of the controls are located in the master control room so programs can be operated by the executive himself, or by an operator in the control room.

A television transmission unit located in the master control room and controlled by the TouchTronic system, is connected to individual controls in the executive offices. If one of these officers wishes to display any portion of a report or presentation that has been presented or is to be presented in the communications center, he or his secretary calls the control operator on duty in the center and asks that that program be loaded for display in his office. The program is then remoted to that executive's display terminal.

The key role of the Management Communications Center, beyond providing a more efficient and comfortable conference environment for management, is to serve as the output terminal for graphic reports to aid senior management decision making.

Bank management meets weekly in the center, where they can review operating reports and other performance measurements. Reviews of the bank's profit plan will be held as well as business and economic forecasts and analysis, special meetings and presentations for management. The center will be used for programs scheduled by the divisions, and for advertising, public relations and public affairs presentations. The bank's systems priority committee also will hold its monthly meetings in the center to review and coordinate the progress of all information systems and management science projects. • •

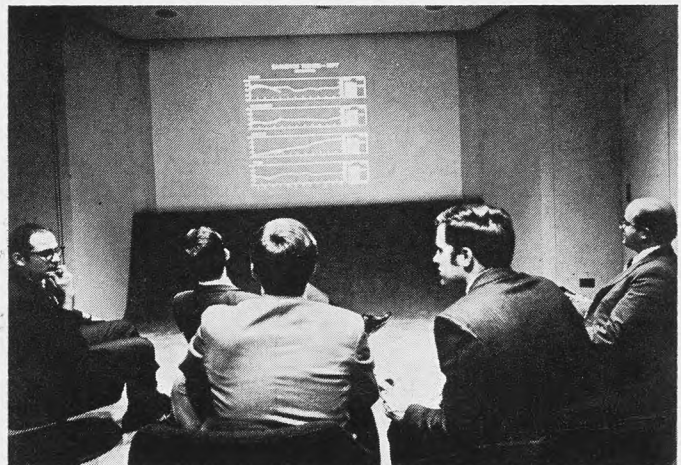
Employee Benefits

(Continued from page 25)

sires of a specific group. Obviously, our society needs both. There must be a uniform set of government programs which will guarantee a reasonable level of protection for all members of the



Operator presses button on control panel located in master control room of new Management Communications Center at First National, Chicago. The panel controls closed-circuit television for graphic presentations which are transmitted to offices of bank's two senior officers. Programs can be controlled either by operator here or by the officer himself through a control panel in his desk drawer.



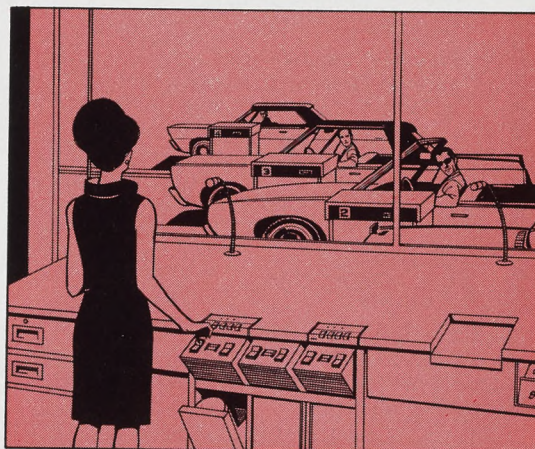
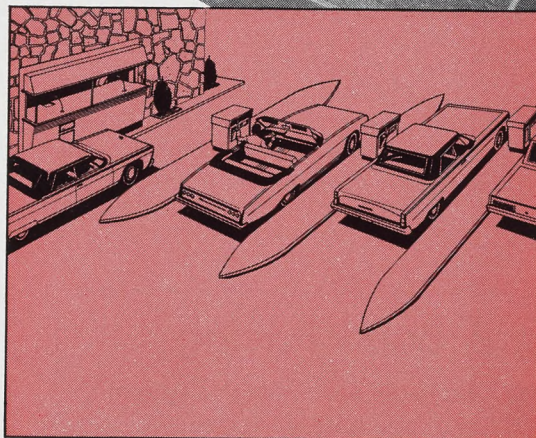
Bank officers scan information being televised onto a single image screenwall in one of two small rooms which are part of five-room Management Center. Each room has its own display system and an executive chair with controls located in an arm. The small rooms are designed primarily for pre-programed presentations, which a bank officer can present to a visiting customer in a few minutes.

*How to serve
more drive-in
customers in
less time with
fewer tellers*



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- Fewer teller controls mean greater transaction speed.
- All equipment for the system fits under the counter, providing teller with more useable counter work surface.
- Teller can readily and easily serve more than one customer at a time.
- A choice of clear view plastic or vinyl clad aluminum carrier with color-coded end caps.
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working society, including those for whom no private benefits are available. On the other hand, we need private programs to accomplish the total needs of the society in ways that are directed toward varying circumstances.

Transfer Payments

Public programs are financed on current income with no reserves created. These are forms of transfer payments, by which taxes are collected from one group and paid to another. This, too, is as it should be. On the other hand, private programs for long-term benefits involve creation of reserves which can be used as a source of investment capital, allowed to grow, and then used to pay benefits at a later time.

Probably, government will provide a larger percentage of the total employee security program in 1980 than today. In medical benefits, a system of national health insurance may well be adopted. If so, industry sponsorship of medical benefits could cease. Insurance companies and Blue Cross organizations may still be involved as administrators, but employers may be removed from the design of benefit plans. Of course, employers would continue to pay for these benefits, but through taxes instead of direct contributions.

The social security program will continue to change so that a moderate living standard is guaranteed to most of the work force. Perhaps a major battle ground will be over defining what is meant by a "moderate" living standard. The answer will represent a higher portion of pre-retirement earnings than is replaced under current social security.

In Dealing with Tomorrow's Problems

These, then, are some of the elements in what may be ahead—some of the changes in conditions, some of the likely developments in benefit plans and some predictions about the role of public and private programs.

One thing is certain: change, and at an increasing pace. But anyone trying to predict the nature of the change must recognize that he is facing the dilemma of the actuary. He knows that no matter how sophisticated his methods, how shrewd his analysis, he is bound to be wrong. His task is to be the least wrong and only constant attention to the changing situation can make that possible. ••

Banks Gain

(Continued from page 28)

written, handwritten or computer printed.

In the time-consuming and costly area of preparing computer printed reports, FAS will place many reports previously placed on paper forms directly on to microfilm in roll or microfiche form. The equipment used to provide this service is the Stromberg Datagraphix 4440. The film process is not only much less expensive than printing on paper forms but it is also much faster (10 to 20 times faster) and requires a minute fraction of the space required to store computer reports printed on paper.

In addition to these two basic services, FAS will also market unique computer software packages developed by First National in St. Louis. These packages include a computer source

deck maintenance system, specially developed "utility" packages, a cost-reporting system for computer centers and application packages such as a new system to process installment loans.

FAS intends to avoid the "everything for everybody" approach which has resulted in failure or just bare survival for many computer service organizations. The FAS philosophy will be to perform those functions that it can do well today and expand only as profitable new areas are identified. Officials feel FAS has assembled the people, equipment and know-how to serve these markets well.

'Home Grown' Operation

Officials of First Data Management Corp. (FDMC) term their operation as being "home grown." They had no rulebook to follow, so they wrote their own. That the program has been successful is attested to by the fact that FDMC has marketed software programs to some of the better-known banks in the nation. Of eight programs being offered, FDMC has marketed proof and transit, mortgage loan accounting and CD accounting systems to these banks.

FDMC stresses the rapid installation of its third-generation data processing systems and the resulting cost savings—up to 90% in some instances. In addition, an elimination of extensive manpower and computer process time requirements can be a great benefit to those banks whose facilities are limited. Each client receives a copy of First National of Oklahoma City's departmental standards manual which aids in the development and operation of a third-generation systems and programming department.

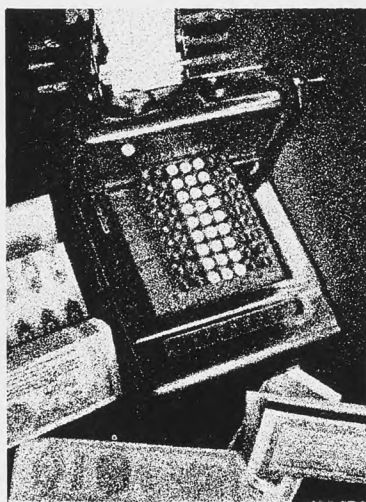
FDMC has designed its programs under a modular approach and reports that changes required by individual banks can be made with little extra effort because of the great care taken to make the systems flexible for their original use at First National.

Other systems offered by FDMC include demand deposit accounting, commercial loan accounting, safekeeping/investment/bond accounting and analysis, savings system and source backup and retention system.

Citizens Fidelity Bank Services (CFBS) prefers to avoid the term "service bureau" in regard to its operations.

CFBS offers a commercial loan system to other banks. The system was installed at Citizens Fidelity in 1965, using a second-generation computer. Officials report that during the past four or five years many bankers from

Bond Accounting & Bond Pricing



Available as an integral system or as separate packages.

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Guide for a beginner

Some people think that a package of checks is a package of checks. When you've seen one, you've seen them all, and that's the end of it. What these people don't realize is that when they make the decision to buy the check packages, they've made the decision to live with whatever the company has to offer . . . the check packages as well as the things that do or do not happen to go with them.

For the beginning check purchaser . . . here's a little check list of what you should expect from a company selling check packages.

- THE CHECK PACKAGE**—If it isn't printed properly and accurately, it's of no use at all, so this is a prerequisite. Necessary extras are handsome appearance and high quality printing, attractive functional binding and good strong packaging.
- SERVICE**—The customer has to get the checks before he can use them . . . and there are few products that demand faster production service. You must choose a company that has the capacity and desire to provide fast, dependable service on a day-to-day basis. Visit their plant.
- ACCURACY**—There isn't anything much more irritating to the customer and bank than receiving checks incorrectly printed and, therefore, useless . . . unless it's perhaps using these checks and finding out about it later. Pick a company that can show it has a proven accuracy record.
- RE-RUN POLICY**—Even the best of companies makes an occasional error, and the best of banks occasionally submit incorrect copy. When this hap-



pens the problem is to get the checks run correctly and replaced fast. The company should have a planned program for doing this and cheerfully re-run all checks at no charge no matter who made the mistake.

- SALES-SERVICE**—When you want to know something about an order or have a special request or have any other question at all, sales-service people in the company's plant should be as close as your phone . . . with a ready and willing attitude waiting to help you any way they can.
- MARKETING**—Sales representatives should be available when you want them. They should call on you and your branches regularly and help your people do the job easier. They should be knowledgeable in all phases of their products and the programs to implement them. They should furnish you attractive sales aids, catalogs and advertising material. They should help you serve your customers better and save money for your bank.

There's more you should know but we've run out of space. If you choose DeLuxe, you needn't be concerned about any of this, you get it all automatically. Please call us . . . let us prove we've much more to offer than just a package of checks.



DELUXE CHECK PRINTERS, INC.

SALES HDQTRS. • 3440 N. KEDZIE, CHICAGO, ILL. 60618
STRATEGICALLY LOCATED PLANTS FROM COAST TO COAST

MID-CONTINENT BANKER for April, 1970

throughout the eastern and midwestern states visited the bank to see the system in operation. The bank maintained a policy of not making the system available, despite repeated requests.

However, in 1968 and 1969 Citizens Fidelity rewrote and reconverted the system, using the same basic concepts as to system features but with a modular approach to programing. The system was installed on third-generation equipment last year. Several new features were added and additional subsystems and management reports were developed.

Shortly after this installation, an Illinois bank asked Citizens Fidelity to provide an off-line version of the system. This was the beginning of CFBS, which was formed specifically to support the expected activity in providing the commercial loan system package to banks. According to CFBS officials, the program has sold itself. • •

■ COLONIAL BANK, New Orleans, has promoted George S. Allen from assistant vice president to vice president.

Two assistant vice presidents were elected: W. E. Arms and Edward B. Weaks. Vincente J. Borerros and E. J. Newell Jr. have been named assistant cashiers.

Golden Coin Award

CHICAGO—The Bank Public Relations & Marketing Association is accepting entries for the third annual Golden Coin Award Competition. The competition recognizes excellence in public relations and various aspects of bank marketing.

In this year's competition, entries will be judged together, instead of subdividing entries into only public relations and marketing. Entrants will be judged in comparison with other banks of approximately the same size.

Any bank may enter the competition, even if not a member of the association. Information and entry forms may be obtained by writing to Golden Coin, Bank PRMA, 309 West Washington Street, Chicago, Ill. 60606.

Compensating Balances

(Continued from page 7)

deposit balances. However, I believe it is important to consider the advantages of applying for a change in the law to permit the payment of interest on demand deposits. It's certainly true that more and more financial officers of corporations, as well as individuals with money, are becoming increasingly sophisticated in ways and means to use cash in order to earn money. If bankers aren't going to pay them, they're going to take what they have out of banks and place those funds where they are going to earn money.

"It seems to me that bankers will have to make a decision on either one or the other choices in the near future:

"1. Pay interest on loanable balances in demand-deposit accounts—at reasonable rates.

"2. Set up other checking services, but carefully work out a reasonable fee basis and stop asking for compensating balances."

Personalized Photo ID Charge Cards Make Gains

HOW ABOUT that! A charge card bearing the cardholder's photo!

The practice of personalizing charge cards is gaining ground—and it seems to be making everybody happy: cardholders, merchants and banks (not to mention Polaroid Corp., manufacturer of the color cameras).

And banks are broadcasting the new

photo service in delightful ways (see illustrations). Louisiana National, Baton Rouge, used a tongue-in-cheek approach with a series of ads featuring various nationalities (including an Indian chief!) and Exchange Security, Birmingham, made use of its lovely "Miss Exchange Security" in its advertising copy.

Exchange Security has recently offered Master Charge cards for the first time, and has scooped its competition by including the photo ID option on its cards. The bank also of-

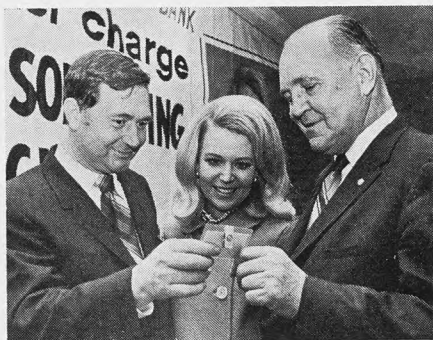
fers a check guarantee provision with the cards. Louisiana National has offered BankAmericard for some time, but has been among the leaders in promoting the card. The addition of the photo ID option is expected to stimulate card requests and result in more use of BankAmericards in the bank's area.

Smile, Rosa! You're on BankAmericard!

It's better than you are. It's BankAmericard. The credit card you can't get on. It's the card that gives you the most. And now you can even have your picture on BankAmericard to prove just how good you are. It's the card that gives you the most. And now you can even have your picture on BankAmericard to prove just how good you are. It's the card that gives you the most. And now you can even have your picture on BankAmericard to prove just how good you are.

And it proves you're really you!

LNB LOOK
LA NATIONAL BANK



Exchange Security Pres. Norman D. Pless (l.) and "Miss Exchange Security" Alice Roddy show new photo ID charge card to Birmingham Police Chief Jamie Moore. Bank is providing photo ID cards to local police and firemen for identification purposes. Birmingham Post-Herald photo.

EXCHANGE SECURITY'S master charge WILL HAVE SOMETHING SPECIAL ON THE BACK... YOU!

master charge THE INTERBANK CARD

Check Guarantee Conditions
Exchange Security Bank guarantees payment of checks drawn on the cardholder's account and signed in the cardholder's presence.

1. Check does not exceed \$100.00.
2. Check is prepared with cardholder's name and account number and signed in paper's presence.
3. Account number and expiration date are written on the back of the check.
4. Check is payable to an established merchant, endorsed by them and promptly negotiated.

By retaining an Exchange Security Bank card, holder agrees to the terms of Exchange Security's Master Charge Cardholder Agreement.

IT PROVES YOU ARE YOU IN COLOR AT NO COST TO YOU

The Friendly EXCHANGE SECURITY Bank



He decided to put our data center to work picking dandelions.

So our correspondent left his garden and made a note to call Chattanooga 615—265-3581 to find out which jobs we could computerize for his bank.

Our Correspondent Banking Department told him practically everything. Checking. Savings. Special sav-

ings certificates and certificates of deposit. Loans. Just about everything that goes on in a bank, actually.

When you need our electronic services, all we need is a call. We'll have your in-depth feasibility study finished in less time than it takes to grow another crop of dandelions.

Hamilton of Chattanooga
makes good things happen

Cut Costs

(Continued from page 22)

Louis suburb of Jennings reported that it tries to reduce costs by maintaining constant supervision of all departments, with full attention given to the possibilities of reducing or eliminating certain areas of work.

Of course, there are many other methods of fighting high costs, including making charges for services previously performed for nothing and/or increasing charges. For instance, First National, Opp, Ala., has a Xerox copying machine in its lobby and charges 10¢ for each copy run off on it by individuals and businessmen. This charge nets the bank a 3¢ profit on each sheet copied. The bank also plans to boost its safe-deposit-box rental schedule from \$3-\$15 to \$4-\$18.

Another bank previously had not made any charge on securities purchased other than that charged by its correspondent banks. However, this bank now adds a \$5 charge for each purchase. At present, the same bank does not charge for safekeeping of securities; however, in the near future it plans to make a charge per document and for each transaction affecting each document.

The survey revealed that banks are now charging for small bond purchases, for customer investments in Government bonds and for small trades (odd lot) Government securities. One bank charges \$3 for each post-dated check; while another makes a \$2 charge for insufficient-fund checks and also charges for all photo copies of checks not lost or misplaced by the bank. The survey showed that various banks make a \$10 flat charge on small bond purchases, a 1% service charge on mortgage loans and a charge for handling escrow accounts. Banks also seem to be charging more realistically for various demand-deposit and trust services, some of them boosting service charges by 35%. One bank made a 100% boost in stop-payment charges; others have raised safe-deposit rentals from 10% to 40%. Some of the responding banks have raised the interest they charge on loans and the charges they make for money orders. A bank that had been providing free tax-return service to investment-management accounts now charges \$25 an hour.

First of Memphis has instituted a close-out fee on Christmas Club accounts. This charge is assessed against the customer if he doesn't complete the total number of deposits to his

Christmas Club account as originally agreed upon. For instance, if the bank issued to a customer a coupon book containing 50 weekly deposits of \$5 each, the last deposit would be in November of the current year. First National would charge the customer a fee if he did not complete all 50 deposits by the November deadline. In the past, this fee has been 50¢, but it has been raised to \$1.

In addition to charging more for services the banks already had been offering, many of them have instituted new, revenue-producing services: various data processing services, data transmission, international banking activities, computer payroll accounting and credit cards.

When MID-CONTINENT BANKER sent out this survey, the accompanying letter said that soaring expenses, lessening profits and tight money are problems all businesses, including banks, face. One banker wrote that he agreed that soaring expenses and tight money are real, but he didn't see any lessening in profits. According to this banker, banks in general and country banks in particular (of which his bank is one) have experienced increases in profits. He said that his bank's profits are up so much that he found it embarrassing to make the year-end 1969 report. "Believe me," he continued, "this is the first time that I have ever felt a problem in justifying our profits and, at the same time, trying to explain an 8% interest rate."

This banker said he has spoken to several non-banking groups, to whom he has been frank in discussing the high interest rates, and that he has used two approaches: One is that some interest-rate increase was necessary because of additional costs and secondly that the boost to the 8% maximum was needed to control loan requests.

Other bankers may or may not agree with this banker, but—from the answers received to this survey—banks definitely are interested in reducing costs and boosting revenue.

Eight Officers Appointed at Trust Co. of Georgia

ATLANTA—Trust Co. of Georgia has elected eight new officers. They are: H. E. Clary Jr., marketing; John C. Fleming, education and training; Robert M. Doll, Charles R. Epperson and William J. Godsey, factoring credit; Miss Sara F. Ellington, James C. Mynatt and John P. Thornton, commercial officers.

O. Wayne Rollins has been elected to Trust Co. of Georgia's board. Mr. Rollins is chairman and president of Rollins, Inc., a nationwide diversified service company.

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Does your computer get shorter every fifteen minutes?

The modern bank's computer, as we see it, shouldn't lose time from dullness. Or run out of ink. Or give your employees writer's cramp.

Manual accounting methods were reasonably satisfactory, if tiring, in the heyday of the green eyeshade and the roll-top desk. But today you have a lot more customers, needing a lot more services. You probably compound their savings interest every day. And accrual accounting, as we're sure you're painfully aware, is becoming a requirement now.

Let us tell you how First National computer services can eliminate time-consuming manual computations and simplify your whole banking operation. At probably less cost than the man-hours you're using now. Call, wire or write The First National Bank of Birmingham, P.O. Box 2534, Birmingham, Alabama 35202; phone 205-328-5120.

We can help you sharpen up your service to your customers. And trim your operating costs down to size.

The First National Bank
of Birmingham



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Automatically Indicates Amount
And Denomination In Red
Bordered Windows*

AUTOMATIC COIN WRAPPERS

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- *Patented Red Bordered Windows automatically indicate the total amount and denomination of contents.
- Diameter of coin automatically positions value of contents in red window openings.
- Save time for tellers, buyers, stockkeepers and depositors. Eliminate errors.
- For years a favorite with leading banks and financial institutions.
- Wrap all coins from 1¢ to \$1.00 in following amounts:

50¢ in pennies	\$10 in quarters
\$2 in nickels	\$10 in halves
\$5 in dimes	\$20 in dollars
- Packed 1,000 to a box. Tapered edges. Available Imprinted. For details on other high quality "Steel-Strong" Coin Handling Products, call your dealer or send coupon.

The C. L. DOWNEY COMPANY / HANNIBAL, MISSOURI, DEPT. MC

PLEASE SEND FREE DETAILS ON "STEEL-STRONG" COIN HANDLING PRODUCTS TO:

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Firm _____

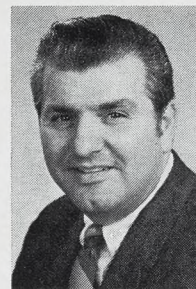
Address _____

City _____ State _____

AROUND MONEY THE FINEST IS "STEEL-STRONG"

Louis Ross Promoted to VP at National Boulevard

CHICAGO—Louis J. Ross has been promoted from assistant vice president to vice president at National Boulevard Bank. Mr. Ross, who is in charge of the real estate department, has been with the bank since 1962 and had been an assistant vice president since 1964.



ROSS

National Boulevard also has promoted three other officers: James L. Ringel from assistant comptroller to auditor; William E. Mikuliza from assistant cashier to assistant comptroller; and Martin Vazzano from pro-cashier to assistant cashier.

Four Chicago Firms Forming New Investment Company

CHICAGO—A new investment company, Conill Venture Corp., is being formed by Conill Corp., holding company for Continental Illinois National, and three other Chicago-based companies: Leo Burnett Co., Inc., Illinois Central Industries Inc., and Universal Oil Products Co.

The new investment company has applied to the Small Business Administration, Washington, for a license. The company will finance new enterprises. John H. Perkins, executive vice president of the bank, will be chairman of the new firm. John L. Hines, a Continental vice president, will be president and chief executive officer. Offices will be located at Continental Illinois National, 231 South La Salle Street.

'Office of the Year' Award Goes to 1st of Chicago

CHICAGO—*Administrative Management* has chosen First National as first-award winner in the magazine's "office of the year" competition. The competition was begun 20 years ago to promote high standards of efficiency and design in American offices.

First National, which moved into its new building last year, was selected in addition to eight other winners from offices that opened in 1969. Selections were made by the magazine's editorial board, which sought nominations and advice from the American Institute of Architects and the Association of Consulting Management Engineers.

LOUIE the I

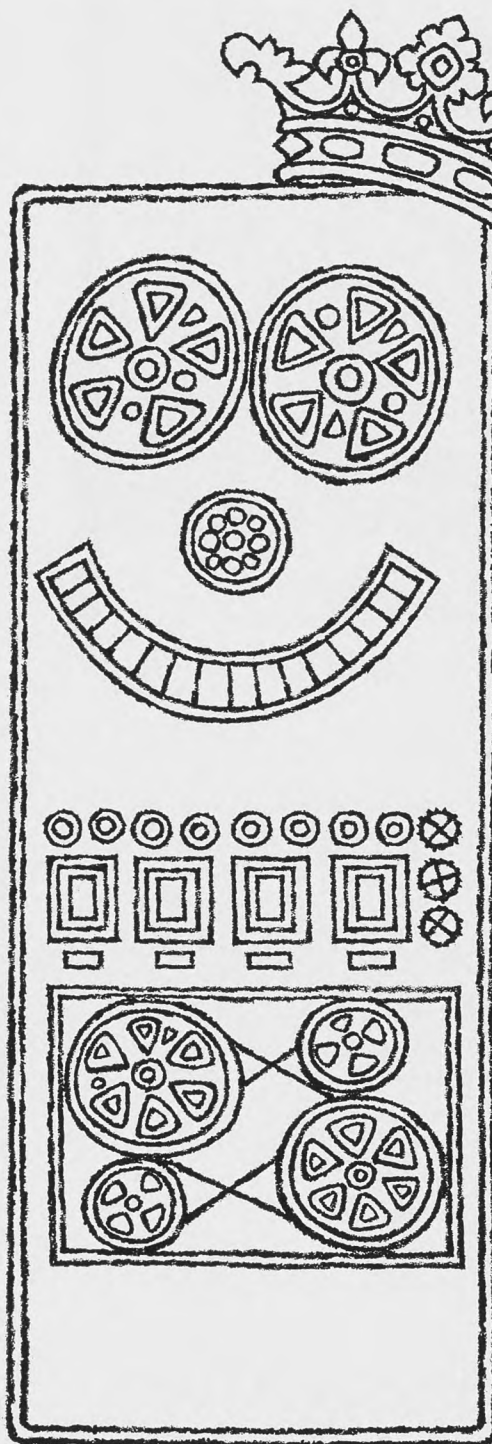
Liberty's Louie is a Louisville First

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relax-
leave it to Louie

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Liberty
NATIONAL BANK
& TRUST COMPANY
MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION



Correspondents
rejoice
-Louie's here

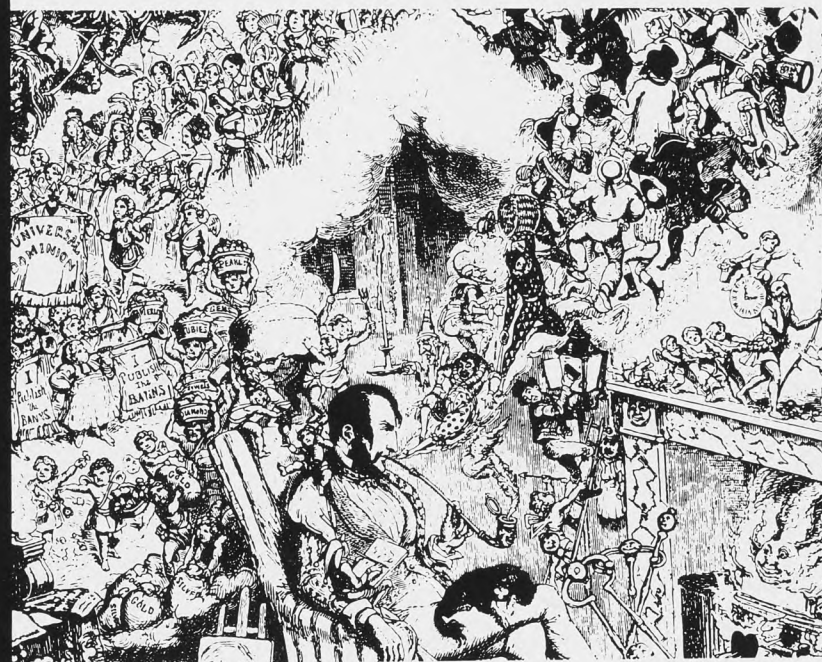
Meet Liberty National Bank's king of the computers! Louie's a first for Louisville and Liberty — The first comprehensive computer service available to our correspondents. What do you need? A financial forecast for a projected period of time? Feed it to Louie. Want answers to questions about bond swapping, investments or financing? Louie is greedy for facts and quick with answers. Pretty sharp boy our Louie.

Liberty's financial experts work hand in cog with Louie. They feed your plans and past history to Louie. BEEP. In minutes Louie's back with a report projecting a full financial analysis for the next 5 periods, be they quarterly, semi-annually or annually. Fast with the facts our Louie.

Anybody can tell you what *has* happened — Louie's job is to anticipate what *will* happen. If you need answers in minutes instead of months, leave it to Louie.

In spite of all his sophisticated ways Louie's a very easy guy to work with. Call your Liberty National representative and he'll arrange for your introduction to Louie.

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everyone's doing... on each job
... each hour... and how much
it's costing you?



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PROMPT, or Program Monitoring and Planning Techniques, is the new management control package developed and application-proved by ARIES Corporation. PROMPT provides detailed computerized reports to all levels of management so that they know exactly what's happening at any phase of the program cycle... down to the most basic task performed by each man, every hour of the day. Effective implementation of PROMPT will drastically reduce expensive cost, manpower and schedule overruns since it can accurately pinpoint these problem areas sufficiently in advance to enable rapid correction.

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Software

(Continued from page 32)

plication program is designed to meet the customer's programming requirements for installing demand deposit accounting and covers the three areas of demand deposit accounting, analysis and conversion.

The on-line teller program performs the basic accounting normally associated with teller activity at the savings window. It keeps control totals which make possible a daily audit of depositors' records.

The mortgage loan program accomplishes the major processing for mortgage loan accounting operations and includes coupon or monthly billing, calculation of accrued interest and aged analysis of delinquent accounts to determine slow loans. It also can handle partial, arrears, advance and special payments to principal, interest and individual escrow balances. There is a provision for portfolio analysis.

The optimum bond bidding program is designed to assist bond underwriters in determining the coupon schedule and associated values for a bid on a new bond issue. A mathematical procedure is used which develops an optimal set of coupon rates which minimizes the net interest cost or effective rate, whichever is applicable, while remaining within the constraints established by the issuer and the underwriter.

- **Arthur S. Kranzley & Co.** offers a system of programs for overdraft accounting which produces statements that satisfy Truth-in-Lending requirements. The system, called "BANK-SERV Check-Credit and Overdraft Accounting System," was developed for South Jersey National, Camden, N. J. The system automatically creates and processes new loans triggered by checks or demand deposit overdrafts. The statements produced include full descriptions of each charge incurred and payments applied and are keyed to Regulation Z requirements.

- **McCormack, Allen Data Systems, Inc.**, markets three programs, all originally designed for use in New York City banks. A Zip Code system enables users to assign full five-digit Zip codes to all records in their computer operations. A second system permits isolation of the parts of the name and address of a magnetic tape file for reference and sorting purposes. The third program deals with adapting the firm's Zip Code system to special di-

MID-CONTINENT BANKER for April, 1970



Rapid Transit.
By saving you time
we can make you money.

**Union National Bank
of Little Rock
The Financial Center
of Arkansas**

rectories being created for marketing purposes.

- **Rec-Chek, Inc.**, provides computerized recordkeeping systems for checking account users as well as a complete depreciation system for businessmen and farmers. Also offered is a marketing and training assistance program.

- **Scientific Resources Corp.** markets a mortgage servicing package, a demand deposit accounting system and a time deposit accounting system.

The mortgage servicing package consists of 92 reports and includes, among others, the following features: acceptance of multiple payments, prepayments and curtailments; computation of late charges if due; recording of service fees, escrow and interest as required; application of miscellaneous payments; processing of payoffs and automatic teneration of proper codes; changing of closing codes to freeze an account; processing of sales if a loan is delinquent or prepaid; and daily processing of disbursements against all open accounts.

The demand deposit accounting system provides interface to inquiry file, interface to overdraft banking system, automatic transfer to funds, float control and analysis, service charge calculation and account analysis and audit confirmations.

The time deposit accounting system provides interface to central file through separate name/address file, allows any compounding frequency and rates, includes automatic renewals with notices to customers, interest checks, audit confirmations and complete line reports.

- **URS Data Sciences Co.** offers bond accounting and pricing programs that provide complete management information capabilities for municipal and other government portfolios. The programs were originally developed by United Virginia Bankshares, Inc.

The system is said to enable banks to price bonds more frequently, to obtain pricing schedules when needed and to communicate efficiently within multi-bank organizations through uniform reports and data. The bond accounting program is designed primarily to produce a securities subsidiary ledger and the bond pricing program generates current market appraisals of government and municipal portfolios.

- **University Computing Co.** offers a mortgage loan accounting system that maintains master loan, investor, tax and legal, payee and name and address files. Included are provisions for multiple investor ownership and declining participation schedules, au-

tomatic transfer of sold loans, daily preparation of loan history requests, automatic escrow advance and recovery, multiple hazard insurance policies, flexible investor reporting options, preparation of late delinquent notices, comprehensive daily loan collection reports, positive control of tax payments and monthly warehouse reports.

- **Western Operations, Inc.** has three programs for the financial field, including System '70, a mutual fund shareholder accounting system for transfer agencies that integrates shareholder, fund, invoice, commission and sales analysis reporting. It is currently in use at First National City Bank, New York City.

Also offered are programs for mortgage banking and credit card accounting.

- **XiOX International** offers a time deposit-total software system that processes passbook or no passbook for any pay or compound period. The program is said to facilitate performance of check printing, crediting to demand deposit account advices, statements and 1099s under single owner. Also available are Computer-matic, a variable input computational program offering 140 variables of five basis interest formulas; and Autocal, which handles program calendar controls over 45 reports and management analysis recaps with total program control. • •

Financing Changes

(Continued from page 8)

insurance agency, when one "plugs" data on such factors as typical age of becoming a CEO (45-55 years) and the span of time needed to generate from bank salary sufficient capital to purchase "control," one must conclude that this no longer will be likely.

It is possible that some other innovative financing of control technique may be developed, but it is probable that curtailment of the IBHC insurance agency approach may, in fact, lead absentee ownership to option for and join (where legal) registered state-wide bank holding companies.

A most delicate area of financing a change of bank ownership revolves around the role of a city correspondent bank. Just how aggressive a city bank correspondent may be varies substantially from one section of the nation to another. In some sections the city correspondent will lend on a stock-collateral basis substantially higher amounts than the book value of the control stock. One and a half to two times book loans are not uncommon, although there is likely to be

some definite side agreements on maintenance of correspondent compensating collected balances. The possible change of control is viewed by some innovative and aggressive city correspondent banks as an opportunity to become the city lead bank for the country bank, if it is not already. In major money market cities we often observe two city banks that for years have fought one another to become the biggest in their area. This situation may well lead to attempts to build correspondent balances via loans on the control portion of a country bank's stock.

Another sticky problem related to this is the almost nationwide willingness of strong aggressive regional money market banks to finance country bank control stock well outside the normal marketing area of the city banks' operations.

When bank earnings on invested book valued capital were in the 7-8-9% range and loans on controlling bank stock could be made in the range of 5-6%—also sweetened by a correspondent balance—such financing of change in bank ownership was economically feasible. However, the viability of the stock-financing transaction becomes doubtful when one moves the range of earnings to 9-10% of book value of equity, considers loans at 1½ to two times book, moves the financing charge of control stock to modestly below the prime rate of 8½% or at prime and throws in the "correspondent balance" in lieu of a "compensating balance."

Conclusion: The limitation of space for this column precludes dealing with many other aspects of financing control of bank stock. Whether the present major emphasis should be on "going concern" value with little appreciation of the substantial overstatement of the value of the investment portfolios may be challenged by some in light of today's uncertainty. If the typical country bank's portfolio were valued at today's depressed prices, a substantial proportion of the bank's capital would disappear. In turn, this raises a serious question of the judgment of those city banks' loans to finance change of control of country banks at 1½ or two times the overstated book value.

In normal times, capitalization of stable earnings is a legitimate financing technique. Today's uncertainty calls for a higher degree of prudence.

Thus, intermediation of funds from financial institutions into higher-earning marketable securities could not only reduce the size of the institutions, it could reduce their earnings—and the value of the stock. • •

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MissBA to Sponsor Schools

JACKSON, MISS.—The education committee of the Mississippi Bankers Association has voted to endorse and sponsor two new basic banking schools, one to be for women bankers.

The Summer Institute for Women in Banking is planned for the Mississippi State College for Women at Columbus. The purpose of the school is to provide opportunity for the professional development of women in banking who have the talent and desire to pursue a career in banking. It will be open to any woman in banking upon the recommendation of a member of MBA.

The Mississippi School of Banking is planned for the University of Mississippi campus at Oxford. The school's two-year curriculum has been designed to meet the rapidly expanding need for trained management personnel in commercial banks. It will be open to men and women who are 25 years of age with one year of banking or college experience and who are presently employed by a commercial bank. Certificates will be awarded upon completion of course requirements.

MBA officials hope the schools will be initiated this year.

Employee Open House Held at National Boulevard

CHICAGO—National Boulevard held its first open house for employees in the 49-year history of the bank. More than 500 employees, directors and their families toured the remodeled and renovated areas of the bank, viewed a magician's show and were given souvenirs.

National Boulevard's open house was held primarily to observe the nearly completed remodeling program. Visitors were given a brochure outlining the floors and locations of departments at the bank. The brochure also will be used as a customer mailing piece and as a guide for new bank customers. National Boulevard pres-



Assistant Cashier Robert Bloecker and his family visit with Chief Executive Officer Irving Seaman Jr. (r.), during first open house for employees held by National Boulevard, Chicago.

ently occupies space in four floors in each tower of the Wrigley Building.

■ LOUISVILLE TRUST has opened a new branch at the corner of Shelbyville Road and Norwood Drive. The branch, which is Louisville Trust's ninth location, has two drive-in windows. Terry D. Barrickman, assistant treasurer, has been named manager. The bank also will open a branch this spring in the Holiday Manor Shopping Center.

■ BANK OF LOUISVILLE officials hope to open the bank's 18th location this summer. The new facility will be located at Breckenridge and Dutchmans lanes.



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These men can make yours a little special.



These men are experts in their field who know how to make credit life and disability plans work harder for you. And they're backed by home office specialists who'll see to it that your customers receive the same kind of courteous, efficient service they've learned to count on from you.

Together this team—the Listeners—will help you make your credit life

coverage a little special. With better services and better ways of providing them, like the Security Protector Plan, designed to cover today's larger loans.

And through the Listener, you'll have access to a wide range of other financial services from Integon. Group insurance, pension and profit-sharing plans for your employees. Key man

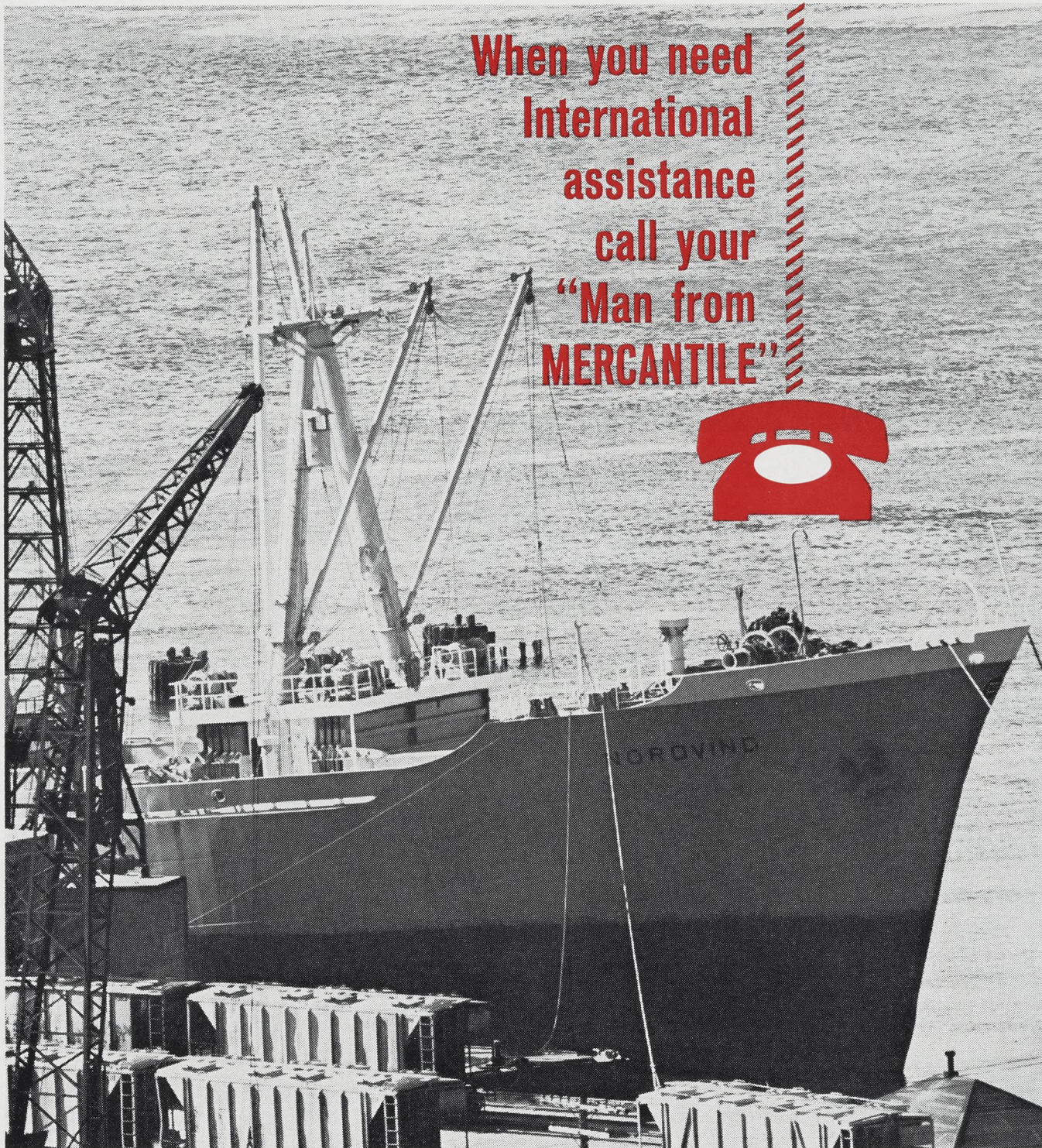
insurance. Property and liability coverages. And more.

Talk to the Listener in your area. Or write M. DeLeon Britt, Integon Corporation, Winston-Salem, N. C. 27102.



Pictured from left to right are Tim Myers, West Virginia, Ohio; Jimmy Fortner, Alabama; Steve Shepherd, Oklahoma; Bob Johnston, Illinois, Missouri; Gid Jenkins, Tennessee, Kentucky; Marty Gohmann, Indiana, Illinois, Michigan.

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The world—and our International banking experience—is as close as your "Hot Line" telephone when you need help with a foreign banking problem. And, if it takes on-the-spot handling, remember we have a working network of correspondent banks in every major city in every country in the world.

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INTERNATIONAL BANKING DEPARTMENT

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MID-CONTINENT BANKER for April, 1970

Bank Backs Sluggers

Manufacturers Hanover Trust, New York City, knows how to get to first base with aspiring Babe Ruths in the 9-14 year-old age bracket (not to mention their parents)!

The bank participated in a Home Run Derby, actually a home run hitting contest, held in an indoor batting cage at Madison Square Garden. First prize to the best hitter was a two-week vacation at the Little League Baseball Camp in Williamsport, Pa., courtesy of the bank.

One can imagine that the bank almost rivals the New York Mets, as far as nine-year-old winner Noel Caban (see cut) is concerned. He is shown accepting his prize from Lawrence Bober, vice president in charge of Manufacturers Hanover Trust's Penn Plaza Office.



Keeping an Eye on Competition

Of course, you have some idea of what your competition is doing in the way of advertising, special accounts and premium offers, but do you have a means of keeping an ACCURATE check on what that competition is doing?

Here are some of the questions to which you should have answers: What is their advertising budget? How frequently are they introducing a new twist on an old specialized account idea? What premiums are they offering and how often?

Every banker should have this information about the other banks in his area and also about the savings and loans.

Here is a simple means of checking up and gathering this information:

Get an outside cork bulletin board and appoint a member of the marketing department to take charge of it and keep it up to date. Have this person watch the local newspapers and clip all ads of banks and S&Ls. Post these ads on the bulletin board in groups by in-



stitution. It will be a simple matter to determine a competitor's advertising budget by figuring the cost of the space bought and you will know at all times what special offers the competition is making.

One southern bank that has doubled in size in five years has used this device successfully. This bank knows what the competition is doing and is in a position to react quickly, if reaction is necessary.

Put the News to Work!

What's a good (and economical) way to get your bank's name in front of the population at 7 a.m. every morning? First National, Salina, Kan., does it by means of its daily Newsgram, a brief news bulletin that is distributed to 75 key points in town, including restaurants, motels, business houses, medical clinics and hospitals, every morning at 7.

The bulletin is slightly larger than a telegram and is published in cooperation with a local radio station. It includes the weather forecast and national, state and local news items, plus latest sports scores. Started in 1959 as a mutual promotion between the radio station and the bank, the Newsgrams have proved to be excellent image builders and public relations tools for both concerns. Two high school students and a staff member of the radio station distribute the 1,200 daily copies, which are produced at the station.

Proof of its utility is the fact that First National has received new business from new citizens staying in motels and eating at restaurants.

Wanta Decorate a Bank?

Ever had the urge to decorate a bank? Well, it's a little late now, but if you had been at the new Bronx Branch of New York City's Chemical Bank the last half of

January, you would have had your chance to express your individuality in terms of paint, carpeting and draperies.

On January 17 the new branch was opened with bare floors, bare walls and uncurtained windows. "This is your bank," Lamont Taylor, branch manager told new customers. "We want you to help us decorate it."

Swatches of material and paint chips were on display from January 17-30 and customers were invited to make their choices of color schemes. The names of people whose choices coincided with those of an internationally known interior designer were then put in a drum, and a drawing called the Decorator Sweepstakes was held.

First prize was a six-day vacation for two in the Bahamas; second, a color television console; and third through 10th, \$50 gift certificates redeemable at neighborhood stores.

Loaded Cake Pays Off

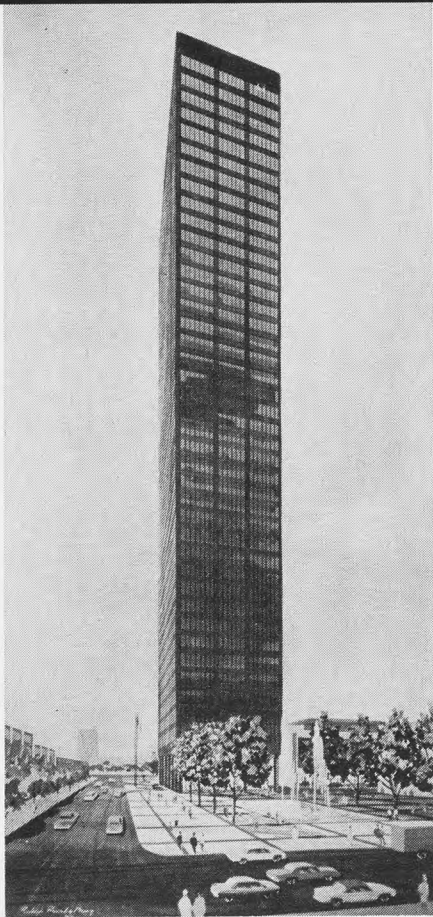
The search was on for the "green thing" recently when St. Johns River Bank, Jacksonville, Fla., held its first anniversary celebration. To mark the event, the bank had a "money cake" baked and decorated to simulate a \$100 bill. The cake contained 51 candy discs representing \$100 to be given away to lucky cake eaters. Fifty brown discs were redeemable for crisp \$1 bills, but the 51st disc, the green one, was worth \$50.



Illustration shows winner Randy Brentlinger (center) wearing the happy smile of the one who found the "green thing." He is flanked by bankers Miss Sarah Warren and Vaughn Sharpe.

The celebration was so well attended that the supply of cake was quickly exhausted. An order for disc-less cupcakes had to be rushed to the baker.

First of Louisville Announces Plans for 40-Story Tower



Artist's sketch of proposed First of Louisville Building shows how structure will tower over city. It will be tallest building yet announced in Kentucky and taller than any in Indiana or Tennessee.

COVER PHOTO: New home of First of Louisville, to be completed in mid-1972, will consist of 40-story, curtain-walled glass and metal tower and five-story auxiliary building (at left in photo).

DOWNTOWN LOUISVILLE will have a 40-story, 495-foot high office building by mid-1972, when First National's new quarters are completed. The bank announced plans for the structure—to be known as the First National Bank Building—at a meeting March 17 of the city's Urban Renewal and Community Development Agency.

The building will be located on an L-shaped site fronting on four streets, Market, Main, Fourth and Fifth, and bordering Louisville's Riverfront Development. The building will be the tallest yet announced in Kentucky and taller than any in Indiana or Tennessee, said Chairman J. Van Dyke Norman Jr.

A landscaped plaza, reflecting pool and fountain will grace the Fifth and Market streets corner, and TV drive-in facilities with unobstructed access will be located at the corner of Fifth and Main.

A five-story auxiliary building to the high-rise tower will contain street-level retail shops on both Fourth and Main frontages, and three levels of parking will be topped with the bank's operations center. The total plan encompasses more than a million square feet of gross building space.

Twelve floors of the main tower building, plus the top floor of the parking annex, will be leased by First National and its affiliated companies, Kentucky Trust and First Kentucky Co. The additional floors will be available for lease.

The bank plans to move the following offices to the new quarters: offices now located in the building at

Fifth Street and Court Place, at 412 West Market in the Kresge Building and in the Lincoln Branch bank building at 421 West Market. No other offices of the bank will be affected.

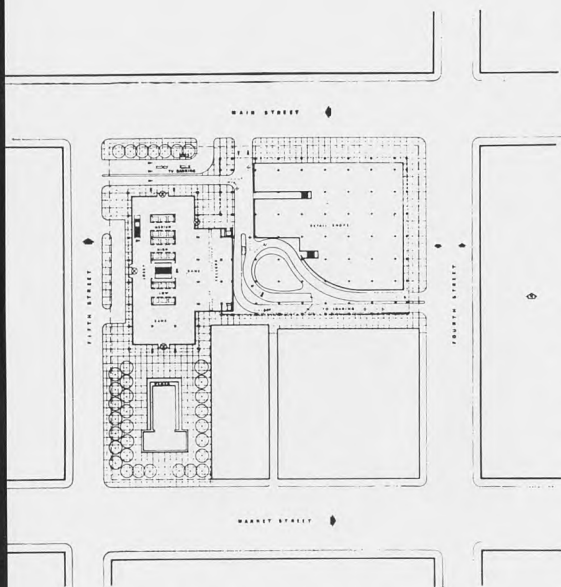
The bank's present executive office building at 216 South Fifth was purchased last fall for the Jefferson County Fiscal Court, and First National has been paying rent to the county since then. This property, together with adjacent properties, is designated to become part of a government center.

The new building will be owned by the Riverview Development Co., and the bank will have a minority interest. Principal interest in this firm will be held by John W. Galbreath & Co., Columbus, O., and the Equitable Life Assurance Society of the United States, New York. Galbreath will be developer in charge of the project and will act as leasing agent and manager of the structure. Equitable will finance the building, which will cost more than \$25 million, excluding land and modifications for building leases, according to preliminary estimates.

John W. Galbreath, senior member of Galbreath & Co., owns Darby Dan Farms in Lexington, Ky., which produced Kentucky Derby winners Chateaugay and Proud Clarion. He also is a director of Churchill Downs in Louisville, home of the Kentucky Derby.

All land for the building has been bought, and ground samples have been taken to determine the suitability of a structure of the size contemplated. Detailed working plans and specifications are expected to be completed this July, with ground to be broken in late summer or early fall.

The 40-story, curtain-walled glass and metal tower will be set back approximately 140 feet from Market



This floor plan shows that 40-story office tower that will house First of Louisville will be located at upper left, with five-story auxiliary building at upper right. Landscaped plaza, reflecting pool and fountain will be located at lower left.



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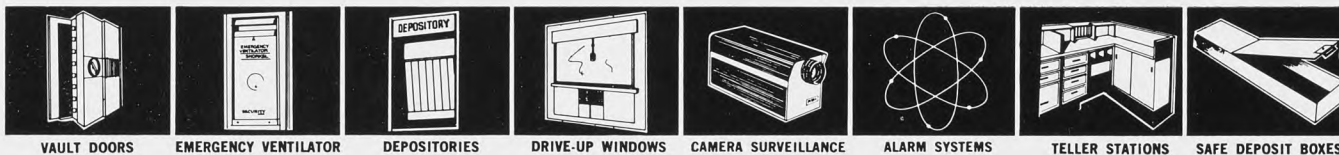
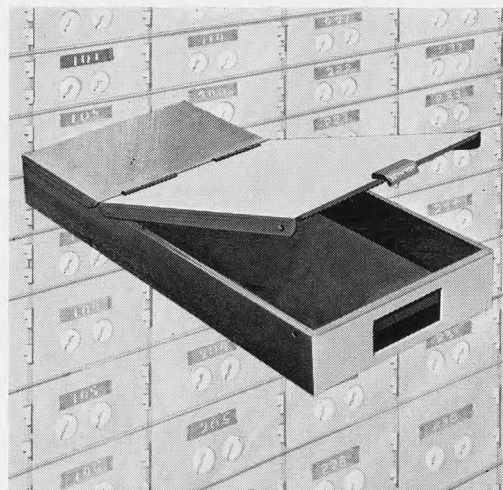
Think of it — in just one month you can have Security maintenance-free modular safe deposit boxes. The ones with all the extra features you want — like removable number plates, easily changed locks and name-plate spaces — at no extra cost.

Whatever size box you choose, you'll have quality construction, easy installation, easy expansion with our modular designs. At the lowest cost on the market. Or on an annual leasing plan, if you prefer. And you'll have it all in thirty days, in most every case.

For details, call your local Security dealer. He'll be glad to help you design a new installation or add to an existing one; he can even arrange for our boxes to match those you may already have.

Whatever you need in safe deposit boxes or in any other type of bank equipment, your Security dealer will fill the bill with his specialized, on-the-spot knowledge and service.

And that's no fairy tale. That's the facts of Security.



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STANTON, CALIFORNIA

MID-CONTINENT BANKER for April, 1970

Street, with the plaza and fountain between the south entrance and Market Street. The entire east side of Fifth between Market and Main will be occupied by the building and grounds.

The north side of the building and parking annex will run along the south side of Main from Fifth to Fourth. Customers using the TV drive-in facilities will enter on Fifth (to become a one-way street north instead of south) and exit on Main. The parking annex will be accessible from either Main or Fifth, with exits to be on both Main and Fourth.

About 3,500 to 4,000 persons will be working in the new building initially, said Robert H. Slater, First National's senior vice president. However, he foresees approximately 1,200 employees of the bank and its affiliated companies in the building by 1980. As the major tenant, First National will retain control of several extra floors to allow room for expansion.

The move will allow the bank to double the space of its data center and bookkeeping operations.

"Though we have no precise figures," said Mr. Norman, "it is a well-established fact that banks tend to find that a new building is an added stimulus to their business and to the economic development of their trade areas. The commitment of First National and Kentucky Trust as long-term prime tenants of the new project evidences our faith in Louisville's future as the leading regional center of the Ohio River Valley."

In announcing plans for the building, Mr. Norman also said, "National organizations have been passing up Louisville as a location for regional offices because of a dearth of premium space in the downtown area.

"This premium-quality office building should be a real impetus to bringing regional offices into our community and should greatly enhance the entire Riverfront Development." • •

Merchants Nat'l Promotes 6; Names 5 New Officers

MOBILE—Merchants National has promoted six officers and has elected five new officers.

Promoted from assistant cashiers to assistant vice presidents were: Robert S. McNeely, Douglas M. G. Wilson and Peter M. Kenyon, assistant managers of the Skyline and Bel Air Branches and foreign department, respectively; Harry M. Hutchings, new accounts and customer services; Kirkland S. Pugh Jr.; and Carl E. Jones Jr., commercial loans.

Named new officers were: E. Carroll Culpepper Jr., assistant cashier;

Walter I. Cleverdon and Frank W. Browning Jr., assistant trust officers; Ray O. Powell Jr., assistant auditor; and Philip R. Forrest Jr., advertising director.

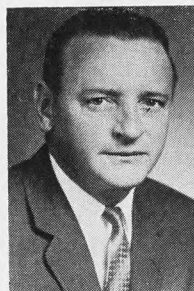
Merchants National also has named two new directors: G. Russell Ladd III, a partner in the insurance firm of Thames and Batre, and H. Manning McPhillips Jr., executive vice president of McPhillips Manufacturing Co., Inc., and president of National Screen Door Manufacturing Co., Inc., of Montgomery. H. Manning McPhillips Sr. has been named an honorary director in recognition of 24 years of service to the bank.

In other action, the bank has increased its capital by \$300,000 to \$3,300,000 through a 10% stock dividend and has transferred \$700,000 from undivided profits to surplus, bringing the latter amount to \$7,700,000.

Greiner Made Nat'l Division Head at Nat'l Bank of North America

NEW YORK—Daniel C. Greiner has been elected vice president in charge of the national division at National Bank of North America. Prior to his new assignment, Mr. Greiner had been a vice president in the metropolitan division.

Mr. Greiner, who has more than 25 years' experience in banking, joined National Bank of North America in 1963. Formerly he had been with Manufacturers Hanover Trust. Mr. Greiner is a graduate of the American Institute of Banking and Stonier Graduate School of Banking.



GREINER

Central Bancorp. Adds Directors, Declares 2-for-1 Stock Split

CINCINNATI—Central Bancorporation, Inc., registered bank holding company that controls Central Trust, has expanded its board to 12 members through the election of Lloyd I. Miller and Ray M. Klemmt. Mr. Miller is president of American Controlled Industries, Inc., and Mr. Klemmt is a senior vice president of Central Trust. The action was taken at the firm's annual meeting.

Stockholders voted in favor of an increase in common shares from 1.5 million shares of \$10 par value to 5 million shares of \$5 par value. A two-for-one stock split was declared, payable March 23 to stockholders of record March 10.

Pace-Setters

(Continued from page 26)

conducted to determine the user's exact needs, possible systems modifications are made and the system is technically installed.

The system, due to its control and monitoring features, generates some resistance at lower levels, but strong managerial support and direction can have this business system installed within 45 days regardless of staff size. When Lutter & Helstrom leaves, the user has been indoctrinated and briefed to make optimum use of DPMS.

Each week, project people submit time reports showing activity on a task-by-project basis. On the average, six to eight lines of information are required. A maintenance form is used to load the master file with new projects and to change or delete existing task lines, particularly to reflect the prognosis of the project managers in terms of backlog ahead and new tasks that are beginning to emerge visibly.

Specifically, the flexibility exists in the following areas: (1) Numbering systems for project identification; (2) task lists, which are tables of up to 100 task descriptions; (3) standard cost rates; and (4) organizational usage and computer configuration.

The project-numbering system is simplicity itself. Four sets of digits indicate the functional area being serviced; the system or project within that functional area; the specific sub-system or module; and an individual functional unit within a sub-system. The structure of the number system is important, not the actual digit count.

A DPMS user can design his own task list, which can serve two purposes: (1) For internal DPMS systems purposes it provides for automatic look up and control and (2) for work-planning purposes the task lists in effect become check lists. Departmental discipline requires that these check lists be used to estimate the man-hours required for each applicable task and for each level—units, sub-systems or the system itself.

Obviously, these aspects in turn produce two managerial by-products: Standard estimating procedures and consistency of reporting.

The standard cost rates can also be easily modified to reflect the philosophy of the users. Most users use one standard cost rate for all systems analyses and programing charges against the various projects. Others use up to five—the system can accommodate more.

Interestingly, all dollar extensions,

**“Take two banks:
Same size, same kind
of business, same
profitability. It could be**

that one’s doing a great job and the other only scratching the surface . . .

“It depends entirely on how you assess each bank’s *potential*. Not just what you *are* doing, but what you *ought* to be doing.

“Judging potential is tricky. You always wonder whether you’ve overlooked something . . .

“For instance, I find many correspondents dissatisfied with portfolio yields because they compare themselves to banks operating under wholly different circumstances . . .

“Our people here keep saying that you have to figure investment potential on your own *individual* objectives, risk philosophy, and so on.

“The same is true when we help you assess potential in other areas: New business, expansion, facility planning, profitability, to name a few.

“And that’s why many of our correspondents call on the wide range of competencies at Continental Bank to get an *outside* evaluation.

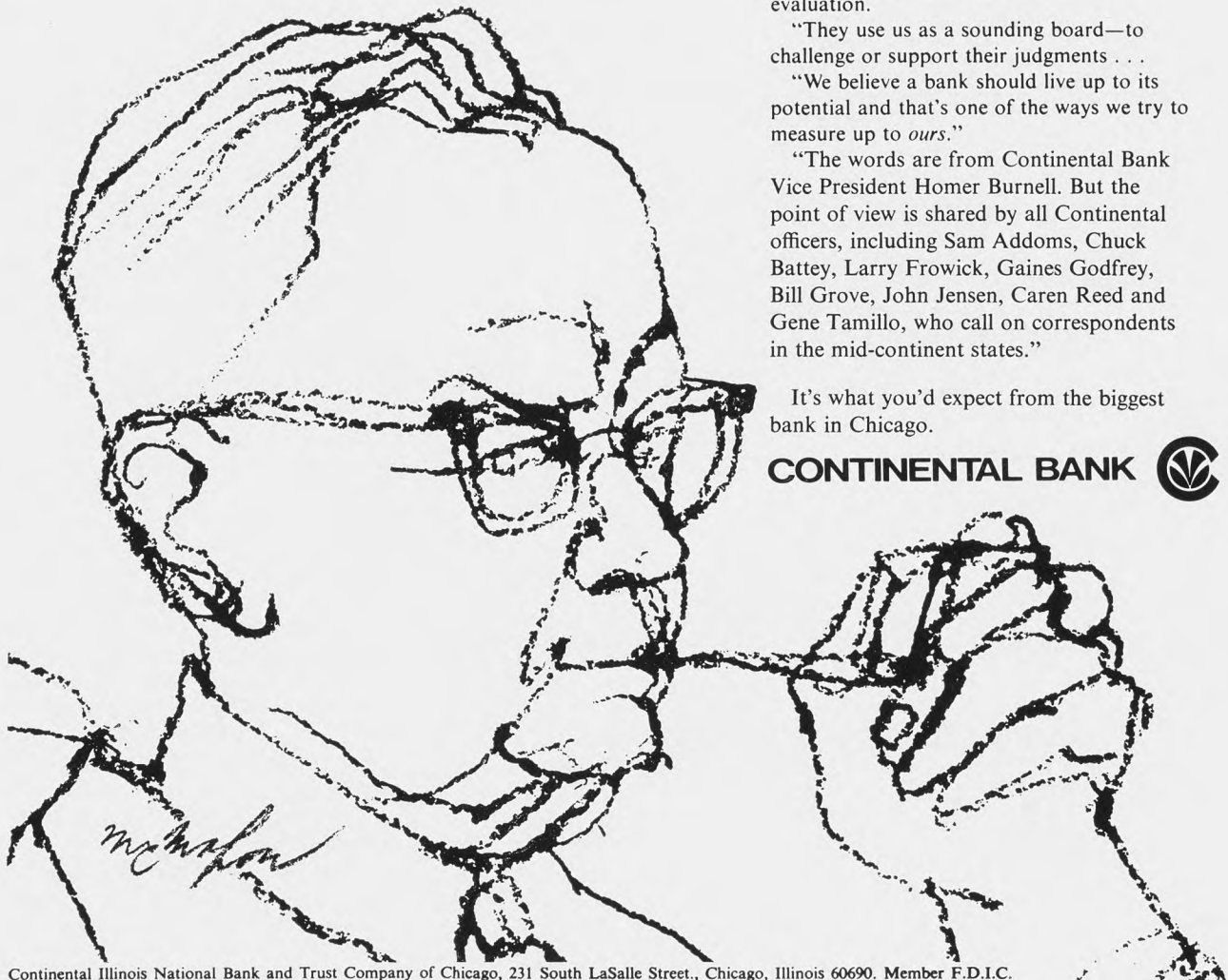
“They use us as a sounding board—to challenge or support their judgments . . .

“We believe a bank should live up to its potential and that’s one of the ways we try to measure up to *ours*.”

“The words are from Continental Bank Vice President Homer Burnell. But the point of view is shared by all Continental officers, including Sam Addoms, Chuck Battey, Larry Frowick, Gaines Godfrey, Bill Grove, John Jensen, Caren Reed and Gene Tammillo, who call on correspondents in the mid-continent states.”

It’s what you’d expect from the biggest bank in Chicago.

CONTINENTAL BANK 



Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street., Chicago, Illinois 60690. Member F.D.I.C.

MID-CONTINENT BANKER for April, 1970

original cost estimates, cost expended-to-date and projected project cost, as it has become visible at report time, have been automatically extended by multiplying man-hours with the applicable standard rates.

Organizational structures in project environments are seldom frozen, but DPMS is sufficiently flexible to allow for this. To date, the systems have been installed under four basic types of organizational charts: (1) data processing systems and programing separately, (2) project orientation, (3) functional orientation and (4) talent pool set-up without differentiation.

A description of DPMS output is deceptively simple. The key six regular reports are:

1. *Executive Summary*—Illustrates for each area, project, sub system and where desired for each work unit, such as programs for the original estimate of costs, costs to date and projected costs; hours estimated, hours to date, hours to finish; variance from the estimate; and the percent completion.

2. *Detailed Status Report*—Shows for each project/work unit the layout of the work in tasks from the task lists. The analyst's number or his initials identify who is responsible for that task, what week it is to be finished, the hours originally estimated,

hours-to-date. There is also a focus on hours-to-finish, variance from the estimate, and the percent completion.

3. *Administration*—This report is identical to report number two, except that it covers all project time, such as vacations, holidays, education, illness per person, per staff unit and for the entire department. Please note that this usually varies from 20 to 30% of total time estimated.

4. *Analyst Backlog*—This shows the same detail data as report number two, by individual. In the event that long-term planning is important, another report may take its place. The main feature of this report is that it may be used as a turn-around document for subsequent time reporting, thereby strengthening the disciplinary aspects of the system.

5. *Plan Analyzer Report* (included in the larger of the DPMS systems)—The plan analyzer report projects each of 12 time periods that can be construed as one, two, three, four and more weeks what each person belonging to a team or crew has in front of him—at the project task level. The man-hours planned between the initial week and the target week are distributed over the various time periods between this beginning and ending week—in accordance with certain logarithms.

A quantified chart emerges and, per period, the various man-hours are added together. This portrays the load of the man in a given time period. The availability is then inserted (this may be 35, 40, 80 or any other number of man-hours per period). Open man-hours or man-hours short of time or cumulative are calculated by the system and indicated.

Thus, the report shows how much open time is available. The additional time may be required between certain time periods. In this manner, the most fitting assignment can be selected and/or reassigned to someone else.

Subsequently, the total manpower picture emerges for assigned work. A listing of all authorized but unassigned work items at task level comes next, and again a total crew position, including both assigned and unassigned work, emerges.

6. *Man-Hour Distribution Report*—A short, weekly task report shows the man-hour distribution over the various standard tasks that the user company has selected. It also shows how many hours went to tasks such as "detail specifications," "testing" and "documentation." A running total of the variance between estimates and total man-hours dedicated should provide an incentive and a method to narrow down on the estimating techniques.

From these reports the executive can easily determine how much staff time is spent on projects; how much staff time is spent on non-projects; the backlog of projects, tasks, teams, individuals; what user areas are receiving what part of the staff effort.

He can also determine whether estimating techniques have been accurate; where maintenance efforts are being expended, how much they cost and more; what each staff member has done and has yet to do; how an individual's time will be occupied in future periods; what an individual's vacation plans will do to schedules; when current assignments will be caught up; and what task assignments cause a particular overload.

Banks, with their recognized posture for cost control, have again been among the pioneers in insisting on accountability in data processing. As John Young of Equitable Trust in Baltimore points out, "It is gratifying to set the example for good management controls in data processing. It is particularly gratifying when these tools can also be used (and have been designed for such use) in other project-oriented areas such as a move to a new building or the management of advertising campaigns." • •

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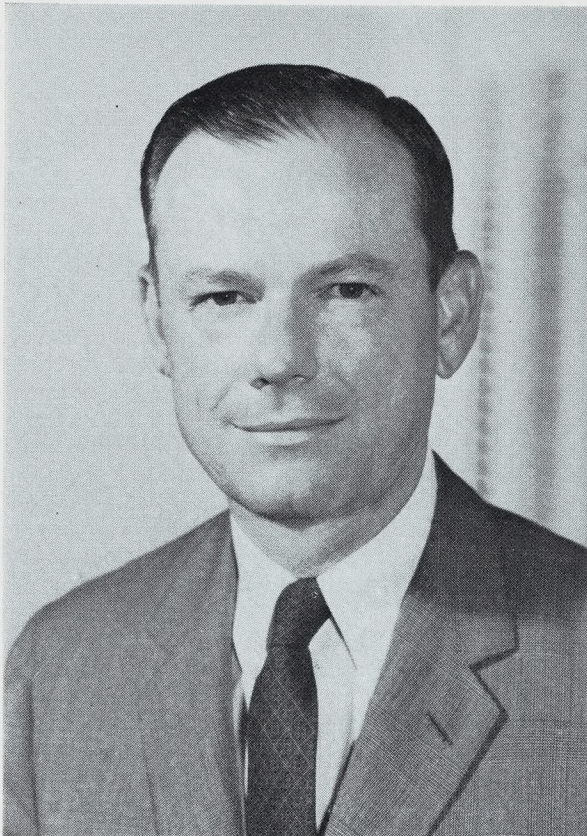
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MID-CONTINENT BANKER for April, 1970

What Should an Agricultural Banker Expect From His Farm Borrower?

By JAMES E. CLINE

Chairman and President
Citizens State Bank
Maryville, Mo.

A MOST CORDIAL relationship must exist at all times between bank personnel and their customers. They must respect one another's positions at all times.

A good customer will and should be expected to recognize the problems and limitations common to his farm operation or his agri-business unit. The shortcomings and disadvantages of the area and community also must be taken into account. The good operator must know what farm enterprises, crops and crop programs are adaptable to his area.

I would expect my customers to know something of their capabilities as far as their management is concerned. They must be knowledgeable as far as their resources are concerned. A basic understanding of credit and capital use is not adequate today to meet with success in farming or ranching. A successful farmer or rancher and his banker must be well versed and skilled in the use of credit and capital today if there is to be a successful and profitable relationship between them.

I would not be honest with myself if I did not publicly admit that many of us involved in agricultural lending lack or are deficient in our knowledge and understanding of modern-day agriculture. We in banking must continue to expand and enhance our know-how in this field. Anyone who has not been connected with agriculture for five years or more will probably find his ideas out of date. Many bankers have farm customers who are much more up to date on agricultural practices than the bankers are. Can't we expect a good customer to recognize this and work with his banker to assure more success for both of them and their community?

In discussing another area of customer relationships, I want to emphasize planning and programing the farm operation well in advance. To operate efficiently, today's farmer or rancher must know his crop plans and livestock programs well in advance. I think we have a right to expect a customer to plan at least 12 months in advance at all times. A good farm

plan or program should be chartered at least five years in the future.

In our bank, we demand more records from our customers. Many of our customers utilize the Missouri College of Agriculture record system, and a sizable number of farmers use certified public accountants. Good customers do not criticize us for asking them to improve their records. The number of statements coming directly from accountants to our bank increases twofold each year. The good farm operator is anxious to improve every phase of his farm operations. Don't hesitate to call things to his attention.

As lending officers in agriculturally oriented banks located in agricultural areas, we can't stay in the business of agricultural lending for long on the basis of financial statements showing merely net worth and current assets. A farm operation poorly managed in this day and age can deteriorate in a short time to the point where we have a substandard loan with an operator whose net worth has melted away. A good record system showing cash flow and profit and loss figures, with adequate planning, is almost a compulsory mandate today for the large operator and lender alike.

Our customers must realize that agriculture is hungry for profits and deficient as a whole in earnings. Consequently, a farm operator must study his lesson well. We must expect him to study and explore every facet of his operation. In addition to this, he must keep abreast of the continuous changes taking place in agriculture.

Farming is no longer a basic or primary industry since approximately 70% of its inputs are purchased off farm from other industries. I expect my customers to have some understanding of the input and output problems as related to their farm operations and also the effect it has on their financing. Inputs purchased off the farm are just as important as those inputs available on the farm when the mix is considered in total for the farm profit or earnings picture.

We must expect our customers to use those inputs that will produce the greatest returns to their units. The limited amount of capital available makes it necessary to limit the inputs we can apply or use with many farm operations. We must expect our customers to apply their inputs first to those enterprises which have been the

most profitable. For instance, a crop farmer who has adequate machinery would apply more inputs in the form of fertilizer. A livestock farmer might use more inputs in the form of supplements for young livestock to utilize his pasture, roughage and grain to the best advantage from a profit standpoint.

Where to apply inputs is a tough decision and is similar to investing funds of a bank or a corporation. Failure to understand the use of inputs and appreciate outputs can only spell catastrophe. It seems to me that failure to recognize the proper mix of inputs has taken the Corn Belt and the Middle West out of the main stream of production in such enterprises as broiler production, turkey production, dairying and, to some extent, cattle feeding.

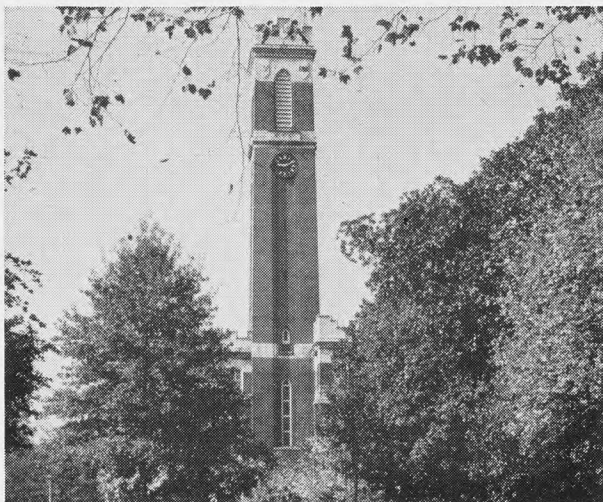
Application of inputs no longer can be on a trial-and-error basis. Decisions must be based on good records, facilities, price forecast, labor and capital available as well as other considerations. The manager who can make good decisions on this input matter will be the manager who tomorrow will have a successful and profitable farm operation.

We must expect our customers to be fully employed to guarantee themselves satisfactory incomes. Full employment is necessary to provide a decent living for operators and their families plus some reward for management and return on investment.

We must expect our customers to operate with maximum efficiency. I stressed full employment and I mean within reason of course; but how many successful people do we know who do not keep themselves fully employed? The narrow profit margins today on our farms and ranches and also in plants off farm, for that matter, make it imperative that our customers operate with maximum efficiency. Productivity must increase each year on our farms and ranches if they are to survive the cost-price squeeze we are now experiencing. We no longer can afford to purchase higher-priced, more elaborate farm machinery and other equipment without a guarantee that it will increase productivity on our farm enough to more than offset its cost.

A great many bankers do not demand adequate collateral and security for many loans. We carry far too many unsecured loans. We must never forget that we are dealing with funds; namely, deposits that belong to other customers. The time to obtain the security is when the loan is made or when the customer first establishes his banking connections with us. We

NASHVILLE MEANS EDUCATION



Since the founding of Davidson Academy in 1785, education has been important in Nashville. Vanderbilt and others of the thirteen colleges and universities have international reputations.

Vanderbilt University, founded in 1873 by Cornelius Vanderbilt. One of America's great universities and another Nashville Plus.

In Nashville, education means business. When Nashville means business for you, call on the bank that means business in Nashville, First American National Bank.

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MACO facia-wal®

The replacement price of a new building today discourages the new building plans of many businessmen who feel they need a "New Look" for their business. Fortunately, most old buildings that have been maintained are excellent foundations for Maco "facia-wal," the modernization system that gives an outdated building the look of an architecturally correct new structure.

Maco "facia-wal" is a system of pre-assembled expanded aluminum panels with baked on enamel finish that completely transforms a building's original appearance. With "facia-wal," all outdated filagree and irregular configurations associated with older buildings are covered by the "facia-wal" panels. Also, buildings adjacent to one another can be blended to look as one with a "facia-wal" facade.

Maco "facia-wal" is installed by local workmen who quickly mount the prefitted and assembled components. There is little interruption to business flow during the brief installation period. And each "facia-wal" project is custom designed for a particular building. You will like the selection of colors and textures plus impressive lighting effects made possible with "facia-wal." Not only does "facia-wal" give a building a look of prominence and progressive-ness, but neighboring businessmen often take the cue and improve their own buildings to the benefit of the business community.

Let Maco architectural engineers appraise your building for a Maco "facia-wal" modernization program. Their proposal will quickly show the economies of "facia-wal" in comparison to new construction—but the results have all the benefits of the appearance of a new building. Write today for actual examples of "facia-wal" projects.

The MACO CORPORATION

Phone: 219-356-3900 Huntington, Indiana 46750

must always keep in mind, however, that adequate collateral does not replace basic honesty, integrity and character in a borrower. We must expect our customers to pledge adequate security and collateral to protect our banks as far as the loans are concerned. There are some customers who will borrow \$100,000 from one bank, but when they have \$100,000 to deposit will split it among several banks.

I believe that our customers should be knowledgeable as far as available funds are concerned. A good customer will have some idea of the cost of money.

In my opinion, many banks should be charging a higher rate of interest. For this higher rate, they should be giving better service to their farm customers. First, they should become better acquainted with their customers' farm operations. They should visit all farm operations of any size annually. By working one hour a day longer and getting out of the bank on quiet days, many bankers could accomplish a lot more work. Secondly, for this increased rate, they should spend more time with their customer in the bank going over his plans, looking at his records and discussing where inputs should be increased. I expect my customer to pay a reasonable rate for funds in exchange for this service.

There are far too many country bankers renting their funds too cheaply. Then to make up for their loss in income, they sell insurance, sell real estate, make out farmers' income tax returns. Many bankers try to run the county court, the school board, the city council and the local church board to keep their control and to keep them from investing their funds.

Our customers must realize that banks have and must continue to have adequate examination. Therefore, we must expect every customer to furnish his bank with adequate records, statements, deed of trusts and other necessary papers to satisfy the examining force. Examiners, I feel, are generally well versed in agricultural lending. Bankers must cooperate with the examiners so that, as a group, we can continue to enhance our knowledge in the field of lending to agri-business both on and off the farm.

We must expect our customers to handle their accounts in a satisfactory manner. Accounts should not be overdrawn nor should large checks or drafts for cattle be given without a prompt trip to the bank. We have a right to expect decent balances from our customers. Most of us will go to the water's edge for a good customer. As an example, during the recent tight-

MID-CONTINENT BANKER for April, 1970

money period, our bank did not experience any problems with excess loans. We even borrowed funds temporarily. Our correspondent accounts are few, but we do maintain decent balances. A large number of banks have too many correspondents. In fact, many can't pay a decent-size draft on any bank without a transfer from one bank to another.

We must expect our customers to operate economical units. To those who continue to make satisfactory financial progress, we must make total commitments for their expansion as long as this expansion is on a sound basis. Banks should not make the decision of how large or how small a unit our customers should operate. Through connections with insurance companies, we must acquire term real estate loans. Through our correspondent, we must, if the need arises, have sound arrangements for excess paper.

I would like to see more commitments to finance agriculture made by top management in our larger banks. Many of our larger banks can and should make a total commitment to agriculture as far as financing is concerned. A number of banks need additional capital, and many banks should sell more stock if retained earnings are not sufficient to meet capital needs.

Failure on the part of a number of banks to service agriculture adequately will bring on branch banking or holding companies or some vehicle to meet the heavy demand for credit in agri-business.

Larger loans can and do require more supervision, but hasn't the time passed when we lend a customer only what we can afford to lose? Serving a large account takes intestinal fortitude. We must continue to finance the smaller operator where credit is justified, but we must not turn down a \$25,000 loan to make 25 different \$1,000 loans.

As bankers, we never must be referred to as the group that agriculture has passed. Let us meet the challenge head on.

I came to banking some 13 years ago after having operated a grain elevator, a fertilizer and feed business. Our town in the early 1950s had two elevators, both depreciated out so to speak. In fact, I was advised not to purchase an elevator since the town had two elevators. It was believed the area could support only one elevator. Our town today has five elevators. They all have grinding and mixing facilities, self-unloading delivery trucks. This is a great satisfac-

(Continued on page 73)



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A specially trained guide points out to visiting correspondent bankers a feature of the safe deposit department in the new Fifth Third quarters. Behind them is the bank's vault.

New Fifth Third Building Toured by Thousands; Special Office Set Aside for Correspondents

CINCINNATI—Thousands of Cincinnatians and hundreds of correspondent bankers from adjacent states toured the new Fifth Third Center housing the Fifth Third Bank in the heart of downtown during the recent hospitality month.

As part of the affair, a special night was set aside for the correspondent bankers. The latter are being given special attention on a permanent basis through development of a private office complete with desk and tele-

phone where they may conduct business while in Cincinnati.

The main banking lobby of the new building is on the second floor of a five-story wing and is almost two stories high, a block long and contains a tellers counter 168 feet long.

Covering the walls are beautiful teakwood panels that came from a tree in Burma. The tree was so large that the wood was stored for 10 years before a job large enough to utilize it was available. And the bank still used

Adjacent to the correspondent banking department, Fifth Third has provided private office space complete with desk and telephone where visiting correspondents may transact business while in Cincinnati.



only half the tree.

Among the modern and unique features that enhance the building is a round elevator shaft that continues from the banking floor to the executives' offices on the fifth floor. The circular shaft is covered with Italian glass mosaic.

A magnificent stairway leading from the fourth to the fifth floor is set in an elliptical opening whose largest diameter is 24 feet. The solid oak railing on the stairway took almost two weeks to install.

Viewing the solar bronze glass, granite floors, fluted bronze walls, vaults 18 inches thick with 18-ton doors, red and green carpeting, Rhodesian walnut and English brown oak which blend into the total decor of the building, visiting bankers commented that the new Fifth Third home was one of the most beautiful bank buildings in the country.



Admiring the many new features of the banking floor, a group of visiting bankers tour the new Fifth Third building on the special day for correspondent bankers.

Simek, Chen Named AVPs at Bank of America

SAN FRANCISCO—Charles J. Simek and Robert Chen have been elected assistant vice presidents, national division, at Bank of America.

Prior to joining BofA, Mr. Simek had been with First National of Chicago six years. His responsibilities will include traveling in several Mid-Continent-area states.

Mr. Simek is a 1961 graduate of Yale University and has an MBA degree from the Graduate School of Business at Stanford University.

Mr. Chen had been with Hawaii National in Honolulu five years before beginning his employment with BofA in 1968. He is a 1959 graduate of the University of Michigan with an MBA degree.



SIMEK

Be a name dropper.



When a fellow banker asks who handles your credit overlines, be a name dropper. City National Bank & Trust Company is the name that's quick to be picked up as the bank that never lets a correspondent down.



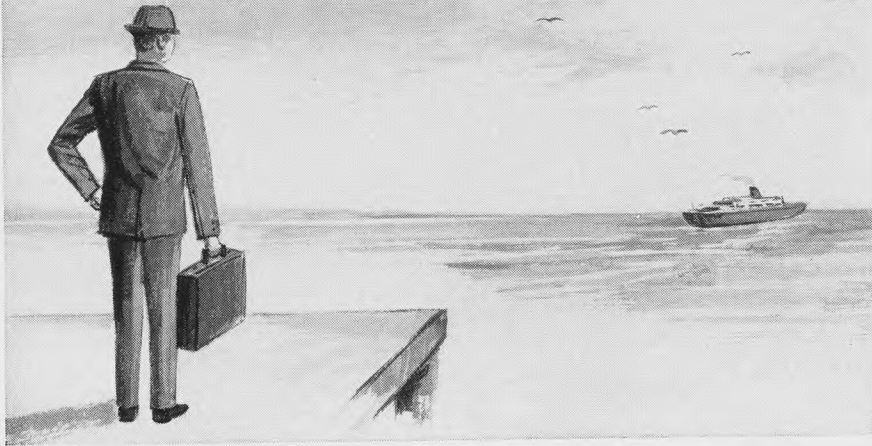
City National Bank

& Trust Company
Kansas City, Missouri

IT'S GREAT TO DROP A NAME EVERY BANKER KNOWS.

MID-CONTINENT BANKER for April, 1970

Is your instalment loan portfolio missing the boat?



Take a look and compare...

**HOME IMPROVEMENT LOANS AT
7% ADD-ON RATE WITH OTHER TYPE
CONSUMER LOANS**

EXAMPLE

\$1,000,000 Loan Volume—Average 48 Month Maturity

Home Improvement Loans	Other Type Loans
<u>7 Percent Rate</u>	<u>5.5 Percent Rate</u>
Gross Income—\$280,000	Gross Income—\$220,000
(Difference—\$60,000 . . . 27.3% Increase)	

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Under our unique credit protection plan every home improvement loan you make is guaranteed against loss. Banks receive 100% reimbursement of the unpaid principal balance plus interest and costs on losses arising from bankruptcy, marital difficulties, strikes, skips, over-obligation and similar causes. You can't lose . . . because with ICS, you'd be lending only "protected dollars" and you'd be assured of extra profits. Hundreds of banks across the nation are doing it. How about you?

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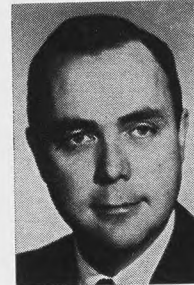


Arthur J. Frentz, Chairman of the Board
Leland C. McCallum, President

307 North Michigan Avenue
Chicago, Illinois 60601

**Randall Offers Predictions,
Comments on Completion
of FDIC Chairmanship**

THE DEPARTURE of K. A. Randall as FDIC chairman last month (see page 18), after completing a five-year term, was accompanied by an over-all assessment of the banking industry.



RANDALL

Mr. Randall predicted that American banking was on the threshold of a computer revolution that would effectively separate the successful banks from the failures. Banks that operate by the seats of their pants will be forced to adopt technological methods of operation in order to survive, he said.

"Banks that learn how to use computers will be the competitive giants," he said. Mr. Randall considers automation in banking to be in its infancy, despite the fact that larger banks are marketing computer services that have been developed in impressive EDP departments. In order for banks to survive, they will have to be of sufficient size to support extensive computer operations and to attract hard-to-get computer-oriented personnel, he said. He also said that some jobs are so complex they are beyond the capacities of small- and medium-sized banks.

Computers can be expected to take over asset management, loan analyses, credit scoring, branch location searches, market analyses and bond portfolio models, he said. They will also be responsible for making sure that sufficient funds are on hand to meet unforeseen needs of banks, for figuring the cost of new activities, for gaining better control of profit centers and of cost centers.

Computers give management the information it needs for making decisions and for judging bank performance, he said. "Computers can supply a tremendous amount of information, but you have to know how to use it," he continued. He also disclosed that the FDIC has been assembling an experimental management information program for use by individual banks.

He predicted that, by the end of the '70s, at least 6,000 financial institutions could be on a computer-to-computer interchange of information. "But they will have to be able to uti-

lize the product," he said. Computers will permit bank officers to compare their banks' loan and profit performances against those of other banks in the same and other geographical areas. Computers will enable officials to check the growth of their banks against that of their market areas so they will be able to make efficiency and cost comparisons.

Mr. Randall also stressed that banks can no longer afford to keep large sums of idle cash on hand as they previously have done. He said banks will have to perform a broad range of new services for customers and will have to know what these services cost, since the services must be sold at a profit.

He also touched on the problem of adequate bank management, predicting that the next six or eight years will see serious management gaps in all sizes of banks. He said that although senior bank management is fast retiring, middle management (which is experiencing the greatest manpower shortage) is attempting to pass its responsibilities on to a younger group that has not had sufficient experience to take over the responsibilities being thrust upon them.

Mr. Randall also commented that banks are overly regulated. He said he wished Congress could be required to eliminate at least one existing regulation for every new one it enacts.

Other subjects covered included a predicted decline in specialized banks, resulting in S&Ls and mutual savings banks offering services similar to commercial bank packages. He predicted that the number of banks will shrink from today's 22,000 to about 8,000, with some form of branching in every state. He also predicted the evolution of only one federal bank supervisor.

When asked to comment on his conflicts with Representative Wright Patman (D., Tex.), chairman of the House Banking Committee, Mr. Randall said that the conflicts that may have existed between Mr. Patman and himself had been far outnumbered by their basic agreements. ••

Agricultural Banker

(Continued from page 69)

tion to me and I expect their operators to be to my customers. These elevators provide jobs and generate additional funds for our community.

Banks can and must continue to finance agriculture. We can acquire the funds if we put forth the effort. We are still the closest organization to the farmer and rancher. We are still the best equipped to handle their financing. We still recognize their problems better than anyone else. ••

For installment loan coupons, the most logical choice is Rand McNally.

PAYMENT NO. 12 12	ACCOUNT NO. 04-1234-567	DUPLICATE NO. DEC 31, 68	AMOUNT DUE 100.00
NO. DUES. PAID 120000	NAME JOSEPH RAPONE	AFTER THIS DATE JAN 05, 69	PAY THIS AMOUNT 105.00
RandComp <small>Trust and Savings</small> BANK			
DATE _____			
FACED _____			
AMT _____			
MTR 13320 / 0000040000 / #04 1234 567# 012			

PAYMENT NO. 01 01	ACCOUNT NUMBER 1234567-24	DUPLICATE NUMBER DEC 27, 68	AMOUNT DUE 1334.00
NO. DUES. PAID 1357400	NAME WILLIAM G. MC WILLIAMS	AFTER THIS DATE JAN 07, 69	PAY THIS AMOUNT
RandComp <small>Trust and Savings</small> BANK			
DATE _____			
FACED _____			
AMT 106600			

DATE DUE JAN 07 69	ACCOUNT NO. 1234567	AMT DUE 123.45
NO. DUES. PAID 01	NAME 1 1 1 1 1 1	1 1 1 1 1 1
DATE 11	11 11 11 11	11 11 11 11
11 1 1 1 1 1	1 1 1 1 1 1	1 1 1 1 1 1

OFFICIAL RECEIPT	ACCOUNT NUMBER	AMOUNT DUE	DATE
	216 5729 1	7500	
PAYMENT NO. 5 5	NAME	ADDRESS	CITY STATE ZIP
MICRand Bank & Trust Company, Ranally, U.S.A.			

PAYMENT NO. 1 1	ACCOUNT NUMBER	AMOUNT DUE	DATE
MICRand Bank & Trust Company, Ranally, U.S.A.			

MONTH DUE APRIL	MONTH DUE APRIL	AMOUNT DUE	DATE
MICRand Bank & Trust Company, Ranally, U.S.A.			

OFFICIAL RECEIPT	DATE DUE	DOLLARS	CENTS	DOLLARS	CENTS
	14	400		300	
PAYMENT NO. 15 15	NAME	ADDRESS	CITY STATE ZIP	MICRand Bank & Trust Company, Ranally, U.S.A.	

PAYMENT NO. 11 11	ACCOUNT NUMBER	AMOUNT DUE	DATE
MICRand Bank & Trust Company, Ranally, U.S.A.			

RandComp MICR-50 . . .

Accurate, economical, 48 hr. delivery, turn-around document. Your mag-tape, punch card or punch tape is our print order. Entire coupon, including MICR, under computer control.

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Computer prepared for either MICR or OCR scanners.

RandComp "ONE" CODE . . .

Special machine readable code from our computer for Scanak readers.

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Perforated on premises and final MICR encoding added at return proof level.

MICRand-20 . . .

Pre-encoded in MICR, hand-punch due date, amount-proof encoded.

MICRand-30 . . .

Loose, preassembled coupon sets for bank premises MICR encoding.

MICRand-40 . . .

Pre-numbered in MICR, perforated amount and due date, MICR proof encoded with payment amount. Features gross-net payments for more effective late charge collection.

ODP . . .

Machine readable perforated coupons.

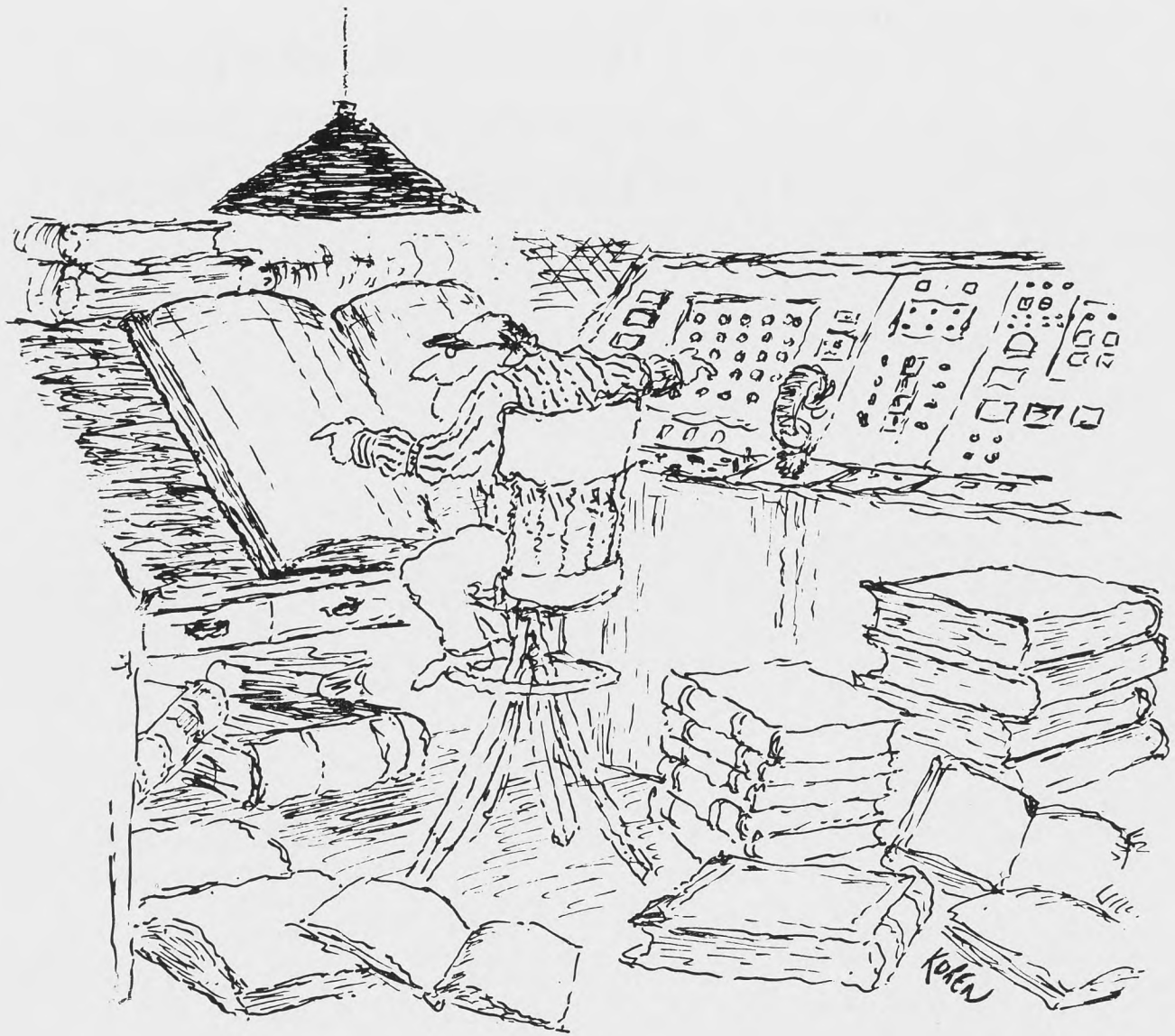
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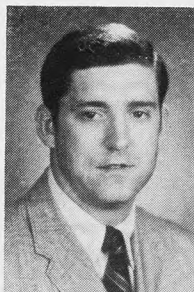
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CHASE MANHATTAN 

MID-CONTINENT BANKER for April, 1970



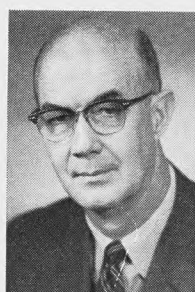
ADAMS



SHELTON



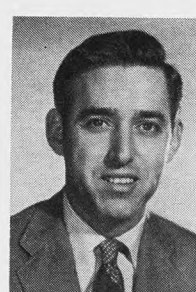
MANDELBAUM



JUNGE



SCHMIDT



MARTIN

Convention 'First-Timers'

Each year new faces represent city-correspondent banks at state conventions. Newcomers attending the Louisiana and Texas conventions for the first time are introduced here.

Louisiana Convention

• Benjamin C. Adams III joined City National, Kansas City, in 1967, joined the correspondent division in 1969 and was elected an assistant cashier last January.

• Terry L. Shelton will represent Southern National, Houston, at both the Louisiana and Texas conventions. He has been with the bank since February, 1969.

• Lester W. Mandelbaum has been with First National, Chicago, since 1953. He was promoted to assistant

vice president in 1967 and joined the bank's correspondent department last year.

• Lester E. Junge, vice president, is head of the banks and bankers department at Whitney National, New Orleans. He joined the bank in 1937.

• Harry C. Schmidt is a long-time member of the staff of Whitney National, New Orleans. He was formerly a branch manager and is now in the banks and bankers department.

• James Martin, assistant vice president at Mercantile Trust, St. Louis, calls on correspondent banks in the southeast. He was formerly with the St. Louis Fed.

Texas Convention

• H. Duncan Edmiston is an assistant vice president at First National, St. Louis. He joined the correspondent banking division last September.

• Bruce Chandler, a division head in the commercial loans department of Valley National, Phoenix, joined the bank in 1962. He is a vice president.

• Al F. Mahaffey is an assistant vice president at Mercantile Bank, Dallas, where he serves in the correspondent bank department.

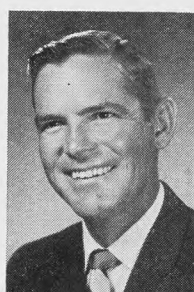
• Jim Fowler, assistant vice president, joined Commerce Trust, Kansas City, in 1967, and became a member of the correspondent banking department a year ago.

• Jerry L. Crutsinger joined City National, Kansas City, in 1966. He was elected an assistant cashier and joined the correspondent division in February, 1969.

• Terry L. Shelton joined Southern National, Houston, in February, 1969. He has served in the correspondent bank department since that time. He is also attending the Louisiana convention.



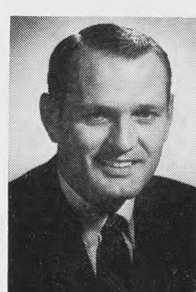
EDMISTON



CHANDLER



MAHAFFEY



FOWLER



CRUTSINGER

If people count at your place add a portrait gallery

Your advertising campaign says your bank is a warm, human, friendly place. A prominent gallery of appealing color portraits of your officers and directors adds so much to that image. Makes an impersonal setting come alive. Features the men who earn the deposits that build your bank.

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GITTINGS

Neiman-Marcus, Dallas and Fort Worth/Lamar Hotel, Houston/Biltmore Fashion Park, Phoenix/Phipps Plaza in Atlanta

Gallery of officers and directors, Executive floor lobby. First National Bank of Memphis, Tennessee



See the Gittings display at the Fort Worth Convention, May 3-5.

MID-CONTINENT BANKER for April, 1970

President



HENRY

TBA Pres. Derrell Henry is ch. and pres., American Bank, Odessa. A member of the ABA exec. council, he is a specialist in farm finance, having served with the U.S.D. of A.

Vice President



FROST

Tom C. Frost Jr., TBA v.p., has been pres. Frost Nat'l, San Antonio since 1962. A director of San Antonio Branch Federal Reserve, he is active in many banking organizations.

Treasurer



ESCH

Ernest R. Esch, ch., First Nat'l, McGregor, is TBA treas. He joined First Nat'l City, N.Y.C. in 1938 and in 1946 went to City Nat'l, K. C. He went to McGregor in 1955.

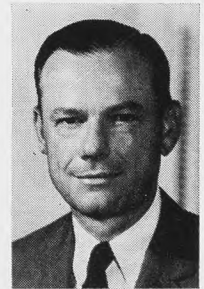
Texas Convention

Fort Worth, May 3-5

Headquarters—Tarrant County Convention Center

PROGRAM SPEAKERS

GOVERNOR PRESTON SMITH, State of Texas.



ROGERS

NAT S. ROGERS, ABA president, and president, First City National, Houston.

WALTER B. WRISTON, chairman and CEO, First National City Bank, New York City.



STULTS

WALLACE JOHNSON, founder, Holiday Inns of America.

ALLEN P. STULTS, chairman and CEO, American National, Chicago.



LASATER

DONALD E. LASATER, president, Mercantile Trust, St. Louis.

New Convention Center to House TBA Meeting May 3-5 in Fort Worth

FORT WORTH—The 86th annual Texas Bankers Association convention convenes May 3-5 at the new Tarrant County Convention Center in the downtown area of this city.

The program will feature a number of important speakers (see preceding page for photos), including Texas Governor Preston Smith; ABA President Nat S. Rogers; First National Citibanker Walter B. Wriston; Wallace Johnson, founder of the Holiday Inn hotel chain; and Allen P. Stults, chairman of American National, Chicago.

Convention activities get underway Sunday evening, May 3, with a party for all delegates at the Tarrant County Convention Center.

Monday's program will feature meetings of the national and state banking divisions of TBA and officer elections. Speaker at the national bank division meeting will be Donald E. Lasater, president of Mercantile Trust, St. Louis.

Lawrence C. Lacy, vice president at Citizens National, Waco, is chairman of the national bank division. W. Eldon Bebee, president at North Austin State, is chairman of the state bank division.

The Texas members of ABA will meet on Tuesday, May 5, and committee reports, resolutions and bylaw changes will be presented.

Assisting TBA Vice President Tom Frost Jr., convention chairman, are the following members of the convention planning committee: Jeff E. Bell Jr., president, Portland State; Seth W. Dorbandt, chairman and president, First National, Conroe; Jack Hinton, vice president and cashier, State Bank of Jewett; Riter C. Hulsey, president and trust officer, American National, Terrell; John J. Kendrick, president, First National, Brownfield; Paul Mason, president, First National, Fort Worth; Archie

Convention Chairmen Hold Planning Session



Chairmen of committees for the Texas Bankers Association's convention May 3-5 take time out from a planning session to have their picture taken. Shown l. to r. (all of Fort Worth) are: Roy E. McDermott, a.v.p., Ft. Worth Nat'l, publicity; Jack Rhodes, a.v.p., 1st Nat'l, social; Barry H. Hill, v.p., Continental Nat'l, transportation; Ben Gunn, sr. v.p. & operations off., Continental Nat'l, show; H. H. Bass, sr. v.p., 1st Nat'l, gen'l ch.; Henry Widdecke Jr., v.p., Ft. Worth Nat'l, food; Reed Sass, v.p., Ft. Worth Nat'l, show; Ellis H. Boyd Jr., sr. v.p., 1st Nat'l, registration; Mrs. Bayard H. Friedman, wife of sr. v.p., Ft. Worth Nat'l, ladies; and Robert L. Cartwright, mgr., Ft. Worth CHA. Not pictured is Lee A. Smith, sr. v.p., Bank of Commerce, commercial exhibits. The business program is being assembled by Tom C. Frost Jr., TBA v.p. and pres., Frost Nat'l, San Antonio.

B. Scott, president, Security State, Pecos; and Newton Wilson Jr., president, Lockhart State.

Mann Buys Controlling Interest in First National of Waco

WACO—First National has elected Robert A. Mann chief executive officer and chairman of the executive committee. He recently acquired controlling interest in the bank. W. Earl Harrison, formerly president, has been promoted to vice chairman, and Goodhue W. Smith has been elected president. He had been executive vice president. Howard F. Hambleton continues as chairman.

Two assistant cashiers were named: T. J. Burt, an employee since 1968, and Toxey W. Cathey, credit department. John Dagley has been named assistant trust officer. Mr. Dagley had been with a Waco investment firm before joining First National last October.

Butz Named Sr. Vice President at First Nat'l, Ft. Worth



BUTZ

FORT WORTH—First National has elected Karl Butz Jr. senior vice president, commercial bank services division. Mr. Butz, who assumed his new post last month, formerly had been manager of the commercial loan

department at the Bank of the Southwest, Houston.

Mr. Butz began his banking career at Republic National, Dallas. He is a graduate of the Business School at the University of Texas at Austin and the Southwestern Graduate School of Banking at Southern Methodist University, Dallas.

■ BANK OF GALVESTON has elected Calvin Buckley assistant cashier.

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Laredo, Texas

Present Elected President of Capital National, Austin

AUSTIN—Robert T. Present has been elected president of Capital National. Mr. Present succeeds Howard T. Cox, who has been advanced to vice chairman. Mr. Cox had been president since 1953.



PRESENT

Mr. Present had been senior vice president in charge of a division at First National, Dallas. His division handled the commercial lending needs of transportation, communications, electronics, aerospace, chemical, drug, printing and publishing customers. An employee for 17 years at First National, Mr. Present also had been vice chairman of the senior loan committee.

Michaux Nash Named President of Dallas Clearing House

DALLAS—Michaux Nash Sr., vice chairman at National Bank of Commerce, has been elected president of the Dallas Clearing House Association. Mr. Nash is the former chairman and president of Empire State Bank, which merged with NBC in 1967.



NASH

W. Dewey Presley, president of First National in Dallas, has been elected vice president of the association.

■ MAIN BANK, Houston, has named Joseph P. De Lorenzo Jr. an advisory director. He joined the bank as a vice president in March, 1969.

■ SOUTHERN NATIONAL, Houston, has advanced Milus E. Hindman from assistant cashier to assistant vice president, installment loan division.

■ AMERICAN NATIONAL, Beaumont, has named Donald J. Sonnier assistant vice president. Formerly Mr. Sonnier had been assistant vice president at First Security National, Beaumont.

■ CHANNELVIEW BANK has promoted James V. Morell from cashier to vice president and cashier and Tom Stoltz from assistant cashier to assistant vice president. The bank also has elected Jerry S. Dominy, president of Dominy, Ford & Associates, as a director and Fred A. Benson, president of Benson Printing Co., as an advisory director.

■ JOHN W. SPARKS, assistant vice president, has been promoted to vice president, at Bank of the Southwest, Houston.

■ DAVID B. DRAKE has been named assistant cashier at National Bank of Commerce, Dallas. He is assigned to the credit department.

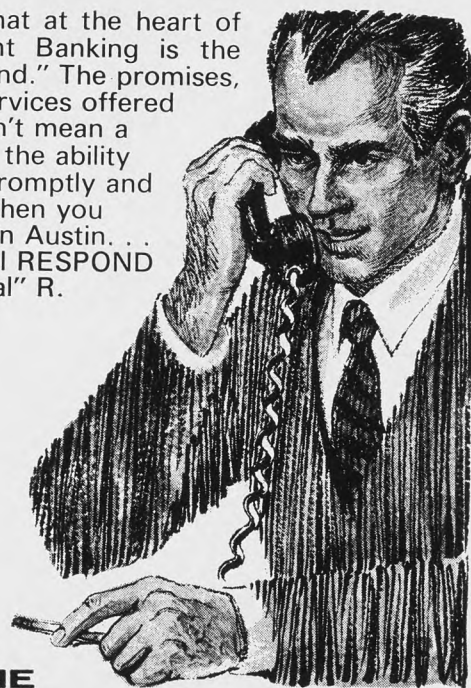
■ HOUSTON BANK has named Walter E. Johnson senior vice president. He had been executive vice president at International Bank, Houston. Mr. Johnson is developing plans to establish an international department for Houston Bank.

■ MIDLAND NATIONAL has elected William P. Franklin senior vice president, commercial loan division. He had been vice president and trust officer. John E. Cooper, manager of the BankAmericard division, has been promoted to vice president. Three assistant cashiers also have been named: Milton H. Dancy and Mike Kelly, installment loans, and Gordon Hogue, operations.

■ PRESTON STATE, Dallas, has named John Hammond Cumby vice president, commercial loan division. Mr. Cumby had been vice president and director at Herrin Transport Co., Houston.

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MID-CONTINENT BANKER for April, 1970

**W. David Long Elected VP
at Mercantile National**



LONG

DALLAS—Mercantile National has elected W. David Long vice president in the commercial loan department. He rejoins Mercantile, where he began his banking career in 1952.

Mr. Long formerly had been with two Dallas banks—one bank as president, the other as executive vice president and chief executive officer.

Mr. Long received a bachelor of business administration degree in finance from Southern Methodist University after attending the Universities of Indiana and Illinois.

■ PINEMONT BANK, Houston, has elected Dudley C. Sharp chairman. He is in the investment business. New directors named were: Ro Croes, investment business; Bruce C. Moats, industrialist; and Paul Auten, who also was named chairman of the management committee. Barrett L. Willett has been elected assistant cashier.

■ LACKLAND NATIONAL, San Antonio, has named Allen R. Byrn executive vice president and Mrs. Joyce Weinman assistant vice president. Mr. Byrn had been vice president and Mrs. Weinman had been assistant cashier.

■ NOLTE NATIONAL, Seguin, has promoted Vernon Rabe from cashier to assistant vice president and Carl W. Illhardt from assistant cashier to cashier. C. H. Donegan and Sydney M. Bauer, vice president, were named directors.

■ JOURDANTON STATE has named Alfred N. Steinle president. Mr. Steinle, who also is chairman, succeeds N. L. Brown, who has retired. W. F. Zuhlke was promoted from vice president and cashier to executive vice president. F. J. Burket has been elected cashier.

■ FIRST NATIONAL, Seguin, has named Cecil McKinney Jr., formerly assistant vice president, vice president. Jack C. Baker has been named cashier.

■ IGNACIO ANAYA JR. has been promoted from assistant cashier to assistant vice president at First National in Eagle Pass.

■ UNION STATE, Carrizo Springs, has promoted Robert C. Evans Jr. to vice chairman from president and D. R. Webster to president from executive vice president.

■ DILLEY STATE has elected F. J. Avant chairman. He had been president 41 years. J. R. Avant was promoted from vice president to president.

■ UVALDE NATIONAL has named J. D. Emerson president. He had been inactive president. Jack Henderson has been elected senior vice president. He had been principal at a Texas high school. Mrs. Dorothy Emerson has been promoted to assistant cashier.

■ FIRST STATE, Uvalde, has elected Warren E. Neill assistant cashier. He has been with the bank six years.

■ PORT CITY STATE, Houston, has named Jon Shumway chairman and John P. Shelton president and chief executive officer. Mr. Shumway, in addition to other posts, is vice chairman at Main Bank, Houston. Mr. Shelton had been executive vice president.

■ NORTH AUSTIN STATE has promoted Bob J. Watson from assistant vice president to vice president and has named Marvin Flowers assistant cashier. Jack Ray and William Nagel have been named directors.

**Fort Worth Nat'l Approves Plan
to Create Holding Company**

FORT WORTH—Shareholders of Fort Worth National have approved a proposal to create a one-bank holding company to be named Fort Worth National Corp. Regulatory authorities were deliberating the proposal as MID-CONTINENT BANKER went to press.

Under the proposed plan, Fort Worth National Corp. will own the stock of Fort Worth National and its subsidiaries and affiliates. Shareholders of the bank will receive one share of stock of the corporation in exchange for each share of bank stock held. Officers of the holding company will be chosen from the bank staff, and bank directors will become directors of the holding company.

Holding Company Formed

HOUSTON—Bank of the Southwest shareholders have approved a plan under which the business of the bank will be conducted as a subsidiary of a newly created bank holding company, Southwest Bancshares, Inc. Shares of the bank will be exchanged on a 1-for-1 basis for shares of Southwest Bancshares, Inc., and the present bank will be merged into a new Bank of the Southwest. The proposed merger is subject to approval of the U. S. Comptroller of the Currency and other regulatory agencies.

Dickson Promoted to AVP

AUSTIN—American National has promoted David Dickson from assistant cashier to assistant vice president, correspondent banking department. An employee of the bank since 1965, he entered the correspondent department in 1966. Mr. Dickson attended the University of Texas before joining American National.

■ FIRST NATIONAL, Brownwood, has elected four advisory directors. They are: L. Gray Beck, O. P. Leonard, Frank Junell and Ken Schoen. Mr. Leonard owns various pecan growing and processing operations in the Brownwood area. Mr. Beck is president of the General Telephone Co. of the Southwest, which serves Brownwood. Mr. Junell is president of Central National Bank, San Angelo. Mr. Schoen is manufacturing manager, Reflective & Decorative Division, 3M Co., and has supervisory responsibility of the Brownwood plant.

■ UNITED STATES NATIONAL, Galveston, has elected Joe Ives assistant cashier.

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George Cook

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Ben Trice

Karl Butz

Bill Montgomery

of Fort Worth
First
NATIONAL BANK

TEXAS DISTRICT MEETINGS CONVENE

SIX OF THE EIGHT districts of the Texas Bankers Association had met as MID-CONTINENT BANKER was going to press and the usual large and enthusiastic crowds were showing up at each meeting.

First to meet was District 7 in Fort Worth with 1,975 registered. District 7 bankers heard Martin R. Gainsbrugh, senior vice president and chief economist of the National Industrial Conference Board, predict that the decade of the 70s will witness a real economic growth rate at least as great as that of the 60s—the greatest of this century. Speaking of the current economic situation, and as to whether we were in a recession, he said we are “still in a twilight zone” citing that a recession with 3.9% unemployment would be unusual.

Derrell Henry, TBA president and president of American Bank of Commerce, Odessa, speaking on the image of banking said that the image of banking is probably at its lowest ebb in modern history.

Next to meet was District 3 in Austin on March 2 with approximately 900 registered. Michael Doman, Regional Administrator of National Banks, discussed bank liquidity stating that a 25% ratio provided a comfortable margin. The Comptroller now asks national banks to file monthly liquidity reports. The ratio for national banks in Texas ranges from 88.5% to 10.6%, but only 39 banks reflected liquidity ratios of less than 25%.

Quinton Thompson, regional FDIC director, outlined three major problem areas in banking today: liquidity, management succession and shoddy practices in municipal bond trading.

Next to meet was District 1 in Houston March 7 with a registration of approximately 1,800. District 1 bankers heard E. Sherman Adams, senior vice president and economist, Fidelity Bank, Philadelphia, speak on “How Can This Inflation Be Stopped?” Dr. Adams said that there is little evidence that monetary and fiscal policies alone will stop inflation. He recommended that a board be established with representation from management, labor and government to set an “incomes policy” for the country to help solve the wage-price spiral.

“High interest rates have not deterred business loans, but have added to the cost of living index, a principal part of the wage-price spiral,” Dr. Adams stated.

New district chairmen and members of the TBA administrative council elected at the meetings are:

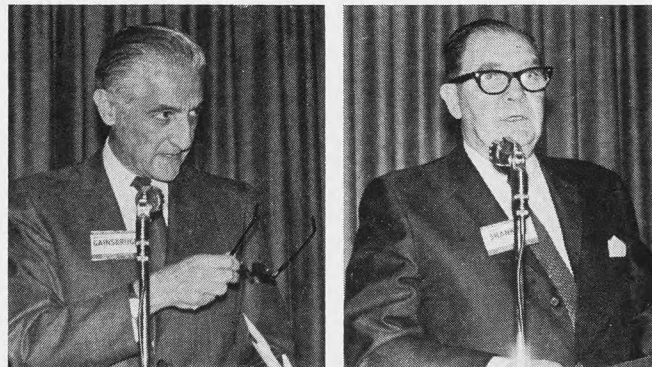
District 1—chairman, John W. Hazard, president, Bank of Texas, Houston; administrative council member, Miles D. Wilson, president, First National, Bellville.

District 2—chairman, C. W. Jones, chairman, Gulfway National, Corpus Christi; administrative council member, Roy H. Schultz, president, Main Bank, San Antonio.

District 3—chairman, Monroe Hannes, president, First National, Giddings; administrative council member, Jay C.



DR. E. SHERMAN ADAMS. Dr. E. Sherman Adams addresses District 1 bankers and guests in Houston.



TWO DISTRICT 7 SPEAKERS. Principal speakers at Ft. Worth were Martin R. Gainsbrugh (l.), sr. v.p. & chief economist, Nat'l Industrial Conference Board, and J. Gordon Shanklin, special agent, FBI, Dallas.



TBA PRESIDENT. Derrell Henry (r.), TBA pres., poses with District 3 speakers Michael Doman (l.) and Quinton Thompson.



TWO DISTRICT 3 SPEAKERS. Speaking at Austin were Quinton Thompson (l.), regional FDIC director, and Michael Doman, Regional Administrator of National Banks.

CITY NATIONAL BREAKFAST. Ed Fizer (3rd from l.) sr. v.p., First Nat'l, Ft. Worth, and Mrs. Fizer visit with City National, Wichita Falls, officers during the bank's traditional breakfast held during the District 7 meeting in Ft. Worth. The City National officers are (from l.) Jack M. Jeffus, John Clark and Gene Pullam.



LOOK TO THE 70'S

From 1868 to 1970! 102 years of economic growth and continuing progress. This is the record of the Frost National Bank.

Looking to the 70's and continuing progress, the Frost Bank is resolved to meet the challenges and changes of the new era with the same vigor and optimism of its 102-year tradition. And pledges to continue its full banking services to the community, expanding the scope of these services as they are needed for continuing progress in these changing times.

Significant signs of continuing progress at the close of the 60's . . .

- 1969 year-end total deposits reached \$324,625,509.67
- Privately held deposits reached an all-time high of \$284,686,876.20
- Capital surplus undivided profits totaled \$21,614,904.02, an increase of \$1,865,485,61.
- BankAmericard, the first all-purpose bank credit card, brought to San Antonio by the Frost Bank, celebrated its first anniversary in November, 1969, by exceeding all projections.

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LOOK TO THE LEADER

MID-CONTINENT BANKER for April, 1970

Sloan, president, Citizens State, Georgetown.

District 4—chairman, S. R. Greenwood, president, Temple National; administrative council member, William B. Bertelsen, chairman, Farmers State, Meridian, and First Security State, Cranfills Gap.

District 6—chairman, Derwood Langston, president, Security State, McCamey; administrative council member, John P. Gammill, president, Kermit State. Wilbur A. Yeager Jr., executive vice president, First National, Midland, was elected to the unexpired council

term of George S. Cone Jr. Mr. Yeager will serve for approximately 18 months.

District 7—chairman, Harold Jones, president, City National, Wichita Falls; administrative council member, Oliver Howard, president, Citizens National, Abilene. • •

Bank of Southwest's Travel Club Slates First Tour April 25

HOUSTON—Bank of the Southwest's new family travel service, the Southwest Travelers Club, is organizing its first tour—a 16-day trip through Europe, departing April 25 from Houston. Formed as an adjunct to the

bank's travel department, the club offers savings on special trips to such places as Las Vegas and Acapulco.

Reduced-cost charter trips to Europe and the Orient also are arranged by the Southwest Travelers Club and other banks through AMGO Tours, Inc. Members may charge their membership fees, travel tickets, hotel expenses and other services on BankAmericard.

By establishing the Southwest Travelers Club, according to a bank official, the Bank of the Southwest becomes the first Houston bank to provide discount travel privileges for families and the first bank in the nation to provide a travel club in connection with BankAmericard.

■ CHARLES C. THOMPSON, chairman and president of City National, Colorado City, has been named 1969 recipient of the National 4-H Alumni Award. Mr. Thompson also is chairman of the Houston Farm Credit Association.

■ TEMPLE NATIONAL has named Robert P. Andrews vice president, marketing. Mr. Andrews will be in charge of creating new banking services.

■ CITIZENS STATE, Dickinson, has ordered new ensembles for its women employees.

■ AMERICAN NATIONAL, Amarillo, has named Joseph R. Freshnock assistant vice president and trust administrative officer; Jairl P. Dowell trust officer; Duane Howard auditor; Keith Bruce comptroller; Bill Abel and W. Ray Black consumer loan officers.

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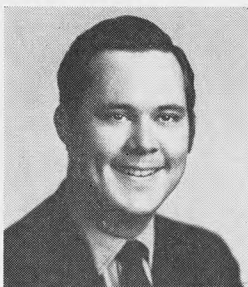
476/6411 AC 512
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JOE K. WELLS
Vice President



TOM K. WARD
Vice President



JOHN SHIVERS
Assistant Vice President

Topping-Out Ceremonies Held for Security Pacific Bldg.

Topping-out ceremonies have been held for the Security Pacific Bank Building in San Francisco. The 45-story building will become the new base for the Northern California Headquarters and the San Francisco Main Office of the Los Angeles-based Security Pacific National Bank.

The Security Pacific Bank Building is the first of four office towers to be erected in Embarcadero Center, an 8.5-acre "city within a city" being developed on a timetable that extends to 1977. Completion of the Security Pacific Building is scheduled for September.

The San Francisco Main Office of Security Pacific National will occupy space on the ground, podium and lobby levels of the proposed new building. Five-and-a-half office tower floors have been leased for the Northern California Headquarters.

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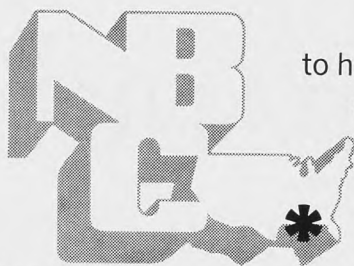
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WE'RE LOOKING FOR YOU AT THE 86TH ANNUAL TEXAS BANKERS ASSOCIATION CONVENTION IN FORT WORTH, MAY 3-5

MID-CONTINENT BANKER for April, 1970



There's
big money in the
Oil, Gas and Petrochemical industries
of the Gulf-South. We at NBC are going out
after our share, and we want to help you
get a fair share in your area, too. If you need money
to help with financing, or if you want
some professional advice, pick up the
phone and give us a call. We'll be glad to lend a hand.



THE NATIONAL BANK OF COMMERCE
IN NEW ORLEANS

The Businessman's Bank of the Gulf-South

Member FDIC
MID-CONTINENT BANKER for April, 1970

President



HEBERT

LBA pres. Lucien J. Hebert Jr. is exec. v.p. & cashier, Lafourche Nat'l, Thibodaux. Active in many banking organizations, he is in his last year as director, New Orleans Fed.

Vice President



WILLIS

Patterson F. Willis, LBA v.p., is pres. of American Bank, Opelousas. In banking since 1940, he was LBA treas. in 1967-68.

Treasurer



CULPEPPER

LBA Treas. W. J. Culpepper joined Bank of Ringgold in 1925 and rose through the ranks to pres. in 1950. He has served Northwest CHA in various posts including ch.

Louisiana Convention

New Orleans, May 2-5

Headquarters—ROOSEVELT HOTEL

PROGRAM

FIRST SESSION, 9:30 a.m., May 4

Call to Order—L. J. HEBERT JR., president, Louisiana Bankers Association, and executive vice president, Lafourche National Bank, Thibodaux.

Address of Welcome—CLYDE HENDRIX JR., president, Hibernia National Bank, New Orleans.

Response—Pat Willis, vice president, Louisiana Bankers Association, and president, American Bank & Trust Co., Opelousas.

President's Address—L. J. HEBERT JR.

Treasurer's Report—W. J. CULPEPPER, president, Bank of Ringgold.

Address—CLIFFORD C. SOMMER, vice president, American Bankers Association, and president, Security Bank & Trust Co., Owatonna, Minn.

Resolutions.

SECOND SESSION, 9:30 a.m., May 5

Call to Order—L. J. HEBERT JR.

Necrology—F. S. BROUSSARD JR., chairman, First National Bank, Lafayette.

Report of the Board of Directors and the Executive Vice President—ROBERT I. DIDIER JR., executive vice president, Louisiana Bankers Association.

REPORTS OF COMMITTEE CHAIRMEN

Legislative—HERMANN MOYSE JR., executive vice president, City National Bank, Baton Rouge.

Legislative Study—WILLIAM B. GLADNEY, vice chairman, Fidelity National Bank, Baton Rouge.

Federal Affairs—CLYDE HENDRIX JR., president, Hibernia National Bank, New Orleans.

Agricultural—P. J. BAKER, executive vice president, Tri-Parish Bank & Trust Co., Eunice.

Forestry—CLYDE FUSSELL, senior vice president, Washington Bank & Trust Co., Franklinton.

Employee Benefits—HERTZOG DEBLIEUX, president, Peoples Bank & Trust Co., Natchitoches.

Installment Credit—W. W. DUNCAN, vice president, Capital Bank & Trust Co., Baton Rouge.

Public Relations—ROBERT D. HESS, vice president, National Bank of Commerce, New Orleans.

Education—ENOCH T. NIX, vice president and director, Gibsland Bank.

Trust—WILLIAM L. MURDOCK, vice president and trust officer, Commercial National Bank, Shreveport.

State Bank Affairs—PRESTON WAILES, president, American Bank, Norco.

Bank Management—WILLIAM J. HAMLIN, senior vice president, Guaranty Bank & Trust Co., Alexandria.

Junior Bankers Section—D. J. TRANCHINA, immediate past president, and vice president, Citizens National Bank, Morgan City.

Reports of Regional Clearing House Associations.

Pierre Laiche Is General Chairman As LBA Convenes in N.O. May 2-5

NEW ORLEANS—Pierre J. Laiche, assistant vice president, Whitney National, New Orleans, will be general chairman when the LBA holds its annual convention here May 2-5.

He heads the chairmen of the seven committees responsible for the affairs of the conclave. These group



LAICHE

heads include: John A. Oulliber, chairman, National Bank of Commerce, New Orleans, program chairman; Milton J. Zeller, vice president, National American Bank, New Orleans, entertainment; Daniel F. Neiswender, vice president, Hibernia National, New Orleans, registration; Mrs. L. J. (Betty) Hebert Jr., wife of the LBA president, ladies; Charles H. Mayfield, senior vice president, Hibernia National, golf; J. E. Pierson, president, City Bank, Natchitoches, rules and calendar; and F. S. Broussard Jr., president, First National, Lafayette, necrology.

Mr. Laiche joined Whitney National in 1933, was named assistant cashier in 1947 and assistant vice president in 1952. He served as entertainment chairman for the 1969 LBA convention. He is active in the New Orleans Chamber of Commerce.

Mr. Oulliber has been with NBC since 1935. He was elected president in 1958 and chairman July 1, 1969. For a number of years he has been a member of the LBA legislative committee. He is active in the ABA, having served on the economic policy and urban affairs committees and is now a member of the executive committee of the ABA's national bank division.

Mr. Zeller in 1925 joined the American Bank, predecessor of National American. He became an officer in 1954, was advanced to assistant vice



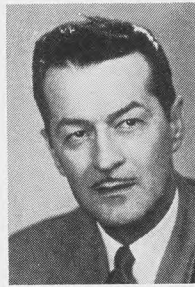
ZELLER



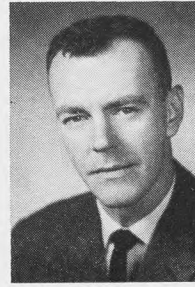
MAYFIELD



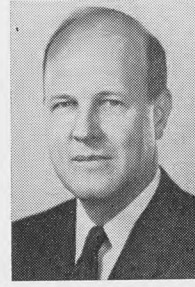
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president in 1959 and to vice president in 1961. He is officer in charge of the correspondent banking division. In 1952 he was graduated from the School of Banking of the South.

Mr. Neiswender entered the operations department of Hibernia National immediately after receiving his B.S. in business finance from Indiana University in June, 1958. He became an officer in 1960, an assistant vice president in 1963 and vice president in 1966. He is in charge of the bank's data processing and all EDP activities. He is active in BAI.

Mr. Mayfield is head of the correspondent division of Hibernia National and was recently advanced to senior vice president. He joined the bank in 1947 after receiving his BA in business administration from Tulane. He has worked in all major departments and branches. He was made an assistant cashier in 1953, assistant vice president in 1967 and vice president and correspondent banking head in 1958.

Mr. Pierson received his LLB from Tulane and practiced law from 1938 until 1951, when he was elected president of City Bank, Natchitoches. He served as vice president of the LBA in 1967-68 and president in 1968-69. He has also served on the legislative study committee.

Mr. Broussard has been a director of First National, Lafayette, since 1955 and served as executive vice president for two years before being elected president last year.

Acklin and Smith Complete Terms on LBA Board

NEW ORLEANS—Two bankers will complete their three-year terms as directors of the LBA during the convention next month. They are J. D. Acklin Jr. and Howard H. Smith. Both were elected in 1967.

Mr. Acklin is a native of Haynesville, where he is executive vice president of the Planters Bank. A graduate of the School of Banking of the South at LSU, he served as treasurer and councilman of the Junior Section of

LBA and has been active and held office in the BAI. He was elected vice president and director of his bank in 1963 and advanced to his present post a year later.

Mr. Smith joined Ruston State in 1924 and worked up through the ranks to become president in 1957. In 1969 he was elected chairman. He is also president of the Bank of Choudrant. He is extremely active in Ruston civic affairs and through the years has served on many LBA committees. He is a director of Bankers Life of Louisiana.

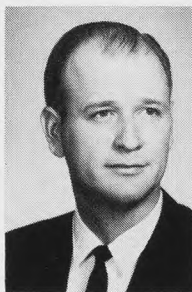
BNO Votes to Become Subsidiary

NEW ORLEANS—Bank of New Orleans stockholders have approved a proposal of the directors to reorganize as a subsidiary of New Orleans Bancshares, Inc., a new one-bank holding company. Holders of BNO's common shares voted to convert their stock on a share-for-share basis into stock of the holding company. The proposed reorganization is awaiting final approval by the State Banking Department and the Federal Reserve Board.

■ FRANKLIN STATE, Winnsboro, has increased capital from \$250,000 to \$300,000 through a 20% stock dividend.



SMITH



ACKLIN

'World' Travelers

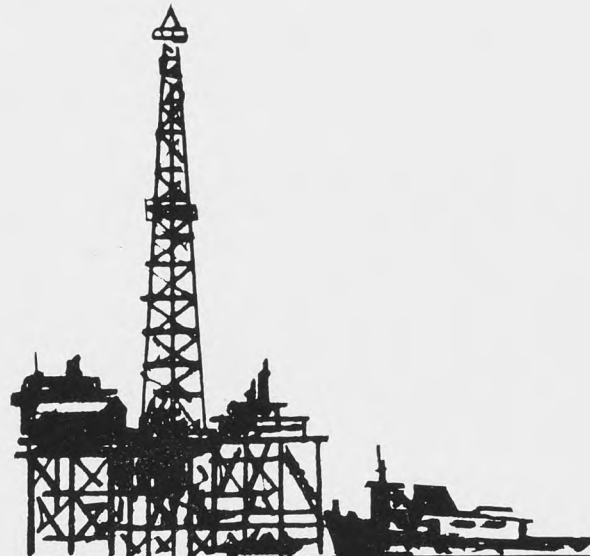
Three of our globetrotters will be in Louisiana for the state convention May 2-5. They represent the "New World of Worthen Bank," Arkansas' largest financial institution and foremost correspondent banking operation. They are (l-r) Bev Lambert, Bob Perry and Dick Elwood . . . and they'll be hanging their hats at the Roosevelt Hotel. Come by and talk shop with the Worthen World travelers. They can help you go places.



DISCOVER THE NEW WORLD
OF WORTHEN BANK
Little Rock

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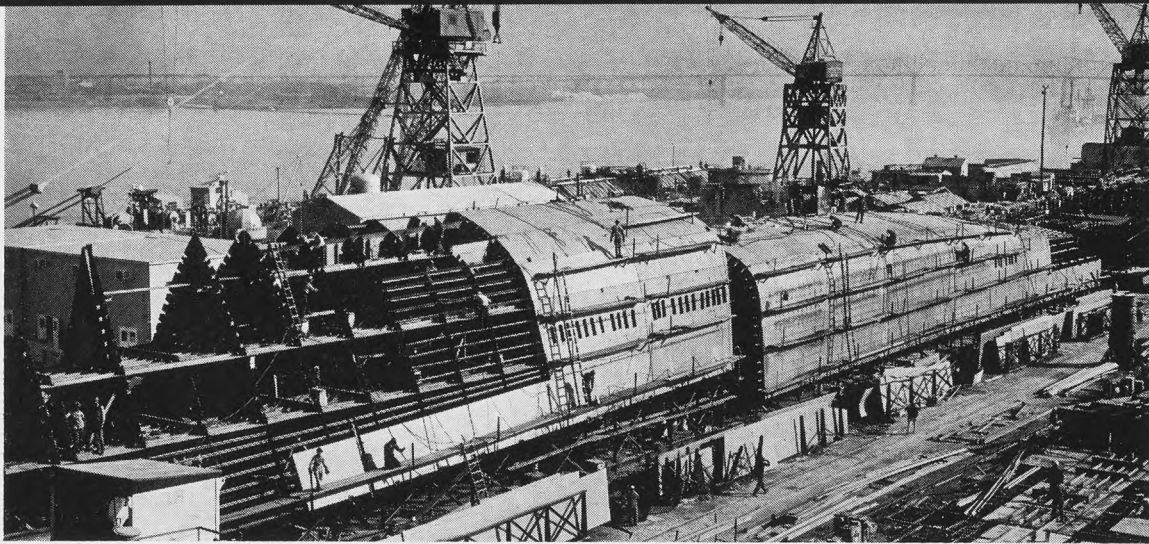




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And it's no wonder. We're THE bank in the city of New Orleans with a complete Oil and Gas Department. Staffed by men who are experts in both banking and petroleum. When you want to talk to a banker about petroleum, call on us. There's a good bit we can do for you.

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IN NEW ORLEANS ... *the Bank that Makes Things Happen*



The '60s--Greatest Decade of Industrial Growth in History of Louisiana

By WILLIAM T. HACKETT JR.

**Executive Director
Louisiana Department
of Commerce & Industry
Baton Rouge**

LAST YEAR topped off the greatest decade of industrial growth in Louisiana's history. The \$579.2 million in new plants and expansions in 1969 marked the fourth consecutive year in which industrial investment was over one-half billion dollars and sent growth for the decade of the '60s to \$4 billion-plus.

The 1969 totals include 234 expansions valued at \$350.5 million and 67 new facilities with a worth of \$228.7 million. Heaviest investment, some \$405.2 million, went into chemical and petroleum projects.

Geographically, the petrochemical complex in and around the Baton Rouge area registered the greatest growth in 1969. The seven parishes (counties) making up this region accounted for \$341.2 million (58%) of all investments for the year. The metropolitan New Orleans area with \$112.8 million ranked second in total growth.

Industrial expenditures in 1969

were the third largest in the state's history, despite a weak showing by the traditionally strong pulp and paper industry. Changes in the tax-exempt status of industrial revenue bonds also had a braking effect on the state's growth. Only \$7 million in industrial bonds were utilized in 1969, compared with \$316 million in 1967 and 1968.

The forecast for 1970 is for a fifth straight \$500-million-plus year. At present, there is an estimated \$600 million in scheduled or announced industrial projects in the pipeline, most

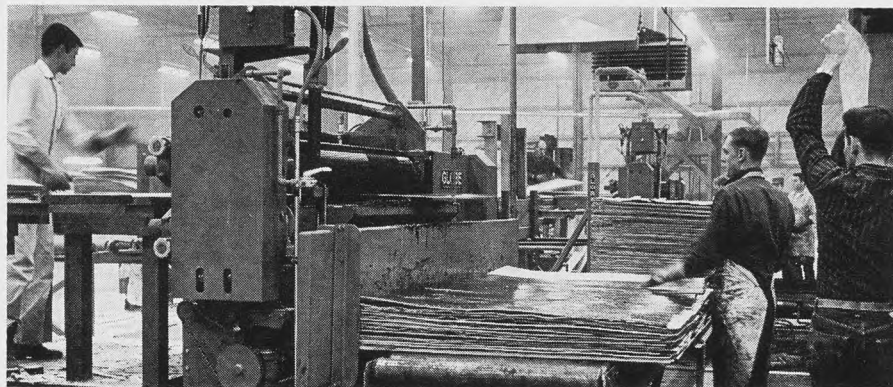
of which are expected to get under way in 1970. In addition, Louisiana is under consideration for several large projects, which—if they are obtained—would increase anticipated growth substantially and get the new decade off to a fast start.

Industrial investment during the past decade was a record-breaking \$4.008 billion, led by a \$2.5-billion investment in chemical and petroleum refining facilities. Paper and paper products investment ranked second with \$438.6 million, followed by electric power (\$412.4 million); metal and metal products (\$327 million); food (\$177.3 million); stone, clay and glass (\$60.2 million); lumber and wood products (\$43.6 million); and miscellaneous (\$35.9 million).

While chemicals and petroleum provided the largest share of indus-

TOP PHOTO: Vessels are built upside down to facilitate welding at Avondale Shipyards on Mississippi River near New Orleans. Avondale has pioneered automated vessels and offshore drilling rigs. This photo and others accompanying this article were furnished by Louisiana Dept. of Commerce & Industry.

RIGHT: Pine plywood production became major industry in Louisiana in '60s. State's 11 mills produce one-third of entire U. S. output.



MID-CONTINENT BANKER for April, 1970



JOE PEREZ is in charge of BNO's Accounting and Systems Department. He's what we call "Mr. Procedural Efficiency." If you need to know the best way to administer a new banking service or how to cut costs on an old one, just remember, at BNO there's a guy named Joe. Call Joe direct, or contact Millard Wagnon.

BNO

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AND TRUST COMPANY

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(From Miss., Ala., Texas, Ark., Okla.)



Chemical production is major pillar of Louisiana's industrial economy. Chemical and petroleum refining investment in state during past decade was more than \$2.5 billion. Du Pont facility shown here is one of dozens that line banks of Mississippi River between New Orleans and Baton Rouge.

trial growth in the '60s, remarkable gains were made in a number of other areas. Louisiana, for instance, became a major supplier to the space program as the assembly center for the mammoth Saturn booster rocket used in the Apollo moon landings. Starting from zero, the state captured one-third of the entire production of southern pine plywood. And over the last half

BATON ROUGE BANK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

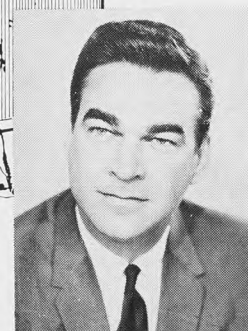


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President

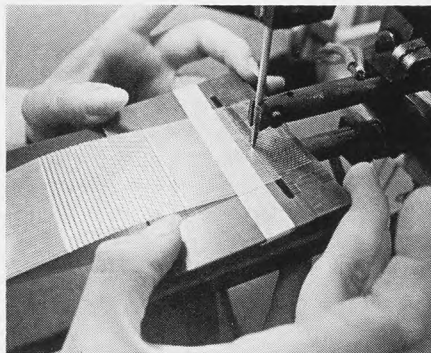
MID-CONTINENT BANKER for April, 1970

of the decade, the pulp and paper industry invested more money in new and expanded facilities in Louisiana than in any other state in the nation.

By the end of the decade, Avondale Shipyards was the busiest in the nation, and a New Orleans firm of marine architects had started a maritime revolution with its LASH (lighter-aboard-ship) concept of cargo handling.

Louisiana became an important factor in telephone communications with the construction by Western Electric of an immense production facility covering more than 1.1 million square feet in Shreveport. The plant is the sole supplier of several types of telephones, including the new Touch-Tone system. The more than 4,000 employees produce over 2.5 million telephone sets a year.

By the end of the decade, the state was rapidly becoming a center for the production of mobile and modular homes, and the apparel industry was becoming a major factor in the economy of rural areas. This trend toward diversification is expected to continue during the '70s, principally as a result of the growing southern market and Louisiana's reserve of available, trainable manpower.



Micro-circuitry plant of ITT Cannon Electric at Monroe is first of its kind in Louisiana. Here operator welds through flat cable insulation.

Greatest growth during the past decade took place in the Baton Rouge area, where industrial gains in excess of \$1.5 billion were registered. The New Orleans metropolitan area showed the second largest gain of \$1.1 billion; southwest Louisiana was third with \$642.3 million. Northwest Louisiana ranked fourth with some \$200 million, followed by central and northeast Louisiana, each with gains of more than \$125 million.

This pattern is expected to be repeated in the '70s, but the figures are somewhat deceptive in that they don't accurately portray the state's growth.

For example, investment in north and central Louisiana has gone principally into labor-intensive industries, whereas in south Louisiana much of the investment has gone into capital-intensive industries that earmark as much as \$250,000 per worker and even more.

On balance, this has given the state strong and healthy growth, with nat-

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ural resources forming the backbone of industrial expansion in the south, and the state's human resources powering the economy of the north.

The long-range forecast for the '70s is for a continuation of the high level of growth attained in the latter half of the past decade when the state's growth rate tripled over the average of the preceding 20 years. No spectacular gains are anticipated, but the 10 years ahead are expected to account for as much new industrial investment as was registered between the end of World War II and the end of the '60s. • •

Wolff Predicts Future of Bank Credit Cards

NEW ORLEANS—The future of bank credit cards was the discussion topic of Robert A. Wolff, vice president and manager of National Bank of Commerce's BankAmericard Center, at the kickoff luncheon of the American Repossessors Association's fifth annual convention.

In his luncheon talk, Mr. Wolff spotlighted the BankAmericard program. He outlined the history of the bank credit card, pointed out main events in the '60s, including the licensing of BankAmericard; and sug-

gested the future possibility of a fully automated payment system—checkless and cashless.

Several problems must be solved before the cashless society evolves, Mr. Wolff said. One problem is that computers must be designed for transferring funds automatically, he added, necessitating a transfer center with an up-to-date record of each account, a practice some people would consider an invasion of privacy.

A. R. Johnson Named President at Guaranty of Alexandria



JOHNSON

ALEXANDRIA—Guaranty Bank has elected A. R. Johnson III president. Mr. Johnson succeeds J. W. Beasley Jr., who has been named vice chairman. J. W. Beasley Sr. continues as chairman.

Mr. Johnson most recently had been president of Gulf National, Lake Charles. He also had been a vice president at Louisiana National in Baton Rouge from 1962 to 1965. Mr. Johnson began his banking career in 1954, when he joined American Bank, Baton Rouge, as a trust officer. He was elected president of American Bank in 1959.

■ AMERICAN BANK, Jennings, has elected Tom Cassidy senior vice president. American Bank is erecting a building at East Academy and State streets. Mr. Cassidy had been production manager for Cravens Dargan & Co., mortgage bankers and insurance managers.

■ MRS. MARGUERITE S. AHERN, supervisor of health services at the National Bank of Commerce in New Orleans, has been named one of five winners of the Schering Industrial Nurse Awards of 1970. The award recognizes exceptional job performance.

■ CAMERON STATE has named Robert V. Landry vice president and cashier. He had been assistant vice president.

■ FELICIANA BANK, Norwood, has promoted H. Toler Hatcher from executive vice president to president.

■ FIRST NATIONAL, Slidell, has promoted Frank J. Pichon Jr. from assistant vice president to vice president and Mrs. Dorothy Punecky to assistant cashier. Two directors also have been named: Thomas W. Tanner, an attorney, and Edwin F. Holdsworth, a partner in a service station.

Think Forward

to a great convention

Look Forward

to meeting old friends and new ones

Be Forward Thinking

and exchange new ideas!

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FIDELITY

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New Canal Branch Bldg. to Be Erected by NBC

NEW ORLEANS—Construction has begun on a 22-story office building to house the National Bank of Commerce's Canal Branch. The site, under long-term lease, fronts 150 feet on La Salle Street at Canal—across from the Jung Hotel.



National Bank of Commerce in New Orleans has begun construction of its new, 22-story office building, shown in the above sketch. Styled on contemporary lines, the building's facade will be dominated by vertical concrete fins.

The building is slated for completion in approximately 20 months, and NBC will occupy the ground floor. Six levels above the ground floor will be utilized for a parking garage. The remaining 15 levels will each offer 19,000 square feet of rental office space.

■ **FIRST NATIONAL**, Gonzales, has elected Emile J. Lambert vice president. He has been a director since 1963.

■ **JACKSON PARISH BANK**, Jonesboro, is constructing a new building at a cost of more than \$300,000. Two drive-in windows are included in construction plans.

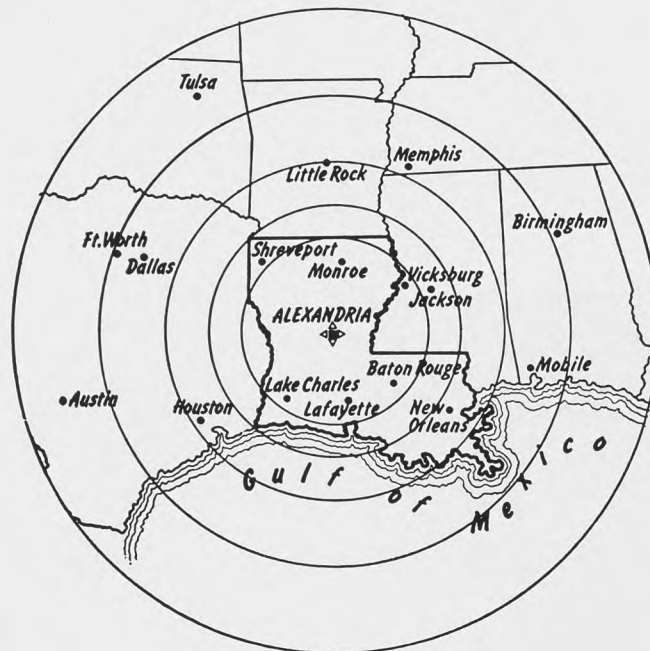
Proposed Bank Protested

The establishment of a proposed Gulf Coast Bank in Abbeville is being protested by three Vermilion Parish banks: First National, Abbeville; Bank of Abbeville and Bank of Erath. The banks have filed suit in District Court in Baton Rouge maintaining that economic conditions in Abbeville and the existence of other area banks do not warrant the opening of another bank.

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SHREVEPORT, LA. 71101

Iberville Trust Establishes Part-Time Facility for Leprosy Patients at Hospital in Carville

Leprosy patients now have the opportunity to increase their contact with the outside world and their self-reliance through a service begun by Iberville Trust, Plaquemine.

The bank has established a part-time facility for the 300 leprosy patients at the U. S. Public Health Service Hospital in Carville. An employee visits the hospital one day each week to service the banking needs of the patients. He is furnished a room in the patients' recreation center. The bank's move has been recognized as

a "humane service" by the State Banking Department and has received approval from the FDIC.

Through the courtesy of Iberville Trust, patients and employees of the hospital heard a harmonica concert by Larry Logan, who has been giving concerts for 20 years. In 1961 Mr. Logan represented the U. S. on a world tour for the State Department. He has been a soloist with the Shreveport Symphony and the New Orleans Philharmonic Symphony.

New Home for NBC Branch



A pile-driving ceremony initiated construction of the new building for the Gentilly Woods Branch of the National Bank of Commerce in New Orleans. Standing outside the present Gentilly Woods Office are, left to right: Warren R. Sullivan, vice president and head of branch administration; Miss Barbara Strauss, assistant vice president and manager of Gentilly Woods; James H. Jones, president and chief executive officer; and Walter B. Stuart III, executive vice president. The new building will give the Gentilly Woods Branch twice as much space as the present building and will have three drive-up units and 15 inside teller stations.



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■ **IBERVILLE TRUST**, Plaquemine, has promoted the following persons: Klein G. Wilbert, vice president, to chairman; Robert E. Kinberger, cashier, to vice president; and Miss Cecile Pitre, assistant cashier, to cashier. Frank J. Greely Jr. has been named assistant vice president and manager, St. Gabriel Branch. A director also has been elected: Edward T. Wall, comptroller, Louisiana division, Dow Chemical Co.

■ **JEROME B. GLYNN** has been advanced from assistant vice president to vice president and Jay L. Buckman from assistant trust officer to assistant vice president at National American Bank, New Orleans.

■ **GERARD ROMERO**, assistant cashier, has been promoted to vice president at American Bank, Welsh.

■ **GUARANTY BANK**, Hammond, has elected two assistant vice presidents: Mrs. Verna Magee, formerly assistant cashier, and Charles Morse, who also has been named assistant manager of the Ponchatoula Office.

■ **C. O. HOLLAND**, chief executive officer and chairman of Peoples Bank in Minden, has retired. Mr. Holland was one of the founders of Peoples Bank in 1931 and its first president.

■ **LAKESIDE NATIONAL**, Lake Charles, has named Johnny E. Stanley assistant cashier at the Sulphur Branch.

■ **PLANTERS TRUST**, Opelousas, plans to open a branch in Leonville this summer.

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Reversal Is Foreseen for Economic Slowdown by Martin Gainsbrugh

BATON ROUGE—The current economic slowdown should be readily reversed before it spirals into a full-blown recession, said Martin Gainsbrugh at the recent economic forum sponsored by Louisiana National. Mr. Gainsbrugh is senior vice president and chief economist, National Industrial Conference Board, New York City.



GAINSBROUGH

Mr. Gainsbrugh pointed out that the distinctions between the present slowdown and past recessions include an unemployment rate of only 3.9% as of last January (until recently, a 4% unemployment rate was widely regarded as "full employment"). Also, he continued, the current and prospective strength of private investment is another difference. In the nine months of the 1961 recession, according to Mr. Gainsbrugh, private investment fell by 15.4%; whereas, according to an NICB survey, more than half of the nation's thousand largest manufacturers plan to invest as much or more this year than last. Although new investment decisions have turned down well before the onset of past recessions, he said, they were still close to their peak in the board's latest survey.

As for those among the thousand largest manufacturers whose capital outlays will be less in 1970 than in 1969, there is a companion array of factors, said Mr. Gainsbrugh. He listed limited availability of credit and high interest rates as the most frequently selected primary causes of less capital spending. The decline in 1969 profits and lower sales or profit expectations also have held down new capital spending, along with completion of major expansion programs.

The board's latest investment survey suggests strong pent-up demand for private investment for new plants and equipment, Mr. Gainsbrugh said, and added that this is even more true for housing.

In Mr. Gainsbrugh's opinion, this slowdown is still largely policy-induced rather than the result of traditional cyclical imbalances, with the market demand having finally been suppressed and its inflationary pull di-

minished. Further compression would militate against efficient use of the nation's manpower and other economic resources, he predicted.

We carry into the '70s the unhappy heritage of cost-push inflation, he said, and this latter-stage type of inflation is difficult to restrain short of controls. He noted that direct wage and price controls, when last tried, operated most imperfectly even under conditions of total war.

Cost-push inflation threatens to live on longer than many now recognize, said Mr. Gainsbrugh. He pointed out that in economic models for the 1970s, the NICB assumed that not until the

middle of the decade will the rate of price increases slow to 2%-2.5% a year—and even that may prove overly optimistic.

■ CALCASIEU-MARINE National, Lake Charles, has named Frederick Lee assistant trust officer. He joined the bank in 1967.

■ PARISH NATIONAL, Bogalusa, has elected Mrs. Ellen Mixon assistant vice president. She is head teller.

■ J. W. LANDRY JR. has been elected a director at Bank of Commerce, Crowley. Mr. Landry is an attorney.

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**Two Banks in Houma Serviced
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HOUMA—The Banker's Computer Center has begun operations for Bank of Terrebonne and Citizens National, which were instrumental in bringing the center to Houma. The center is expected eventually to serve a four-parish area—in Terrebonne, Lafourche, St. Mary and Assumption.

The computer center has an IBM 360 Model 20 computer. It is linked by a leased telephone line to an associate bank's data processing center in New Orleans, which owns and oper-

ates the center. Among the services offered by the center are payroll processing, inventory analysis, billings, check reconciliation, programing and systems.

■ RUSTON STATE has named John F. Emory, vice president and cashier, to the board.

■ BOSSIER BANK, Bossier City, has elected Charles H. Bird president as well as chairman. W. Harry Solomon, manager of the branch on Highway 80, has been promoted to assistant cashier.



WIL TOUPS heads up the team of specialists in BNO's Credit Department. When you want to know what's new in credit analysis, Wil's the man to ask. He has the resources of a skilled staff with computerized reference material. You'll find Wil is as communicative as he is knowledgeable. Get in touch with him anytime, or call Millard Wagnon.



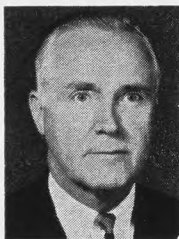
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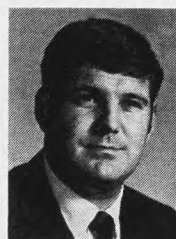
George A. Gear



Tom Long



Terry Hinton



Glen Knight



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Convention Calendar

MID-CONTINENT AREA

- Alabama, May 20-22, Mobile, Municipal Auditorium
- Arkansas, May 10-13, Hot Springs, Arlington Hotel
- Illinois, May 17-19, Peoria, Hotel Pere Marquette
- Indiana, June 10-11, French Lick, French Lick-Sheraton Hotel
- Kansas, May 20-22, Wichita, Radisson Hotel
- Kentucky, Sept. 13-15, Louisville, Brown Hotel
- Louisiana, May 2-5, New Orleans, Roosevelt Hotel
- Mississippi, May 18-20, Biloxi, Buena Vista Hotel
- Missouri, May 10-12, St. Louis, Sheraton-Jefferson Hotel
- New Mexico, May 28-30, Santa Fe, La Fonda Hotel
- Oklahoma, May 6-7, Oklahoma City, Skirvin Hotel
- Tennessee, May 17-20, Memphis, Holiday Inn Rivermont
- Texas, May 3-5, Fort Worth, Convention Center

NATIONAL

- ABA Agricultural Credit Conference, Nov. 15-17, Atlanta, Marriott Motor Hotel
- ABA Automation Conference, April 26-29, San Francisco
- ABA Convention, Oct. 10-14, Miami Beach
- ABA Mid-Continent Trust Conference, Nov. 19-20, Chicago, Drake Hotel
- ABA Mortgage Conference, May 4-6, Dallas, Statler Hilton Hotel
- ABA Personnel Conference, Nov. 8-11, Atlanta, Regency Hyatt House
- ABA Southern Trust Conference, May 22-23, Biloxi, Miss., Broadwater Beach Hotel
- AIB Convention, June 1-3, Milwaukee, Sheraton Schroeder Hotel
- American Safe Deposit Assn. Convention, June 17-20, Richmond, Va., Hotel John Marshall
- BAI Convention, Nov. 1-4, Washington, D. C.
- Bank PRMA Convention, Sept. 27-Oct. 1, Houston, Shamrock-Hilton Hotel
- Nat'l Conference on Bank Security, July 20-22, Chicago, Palmer House

SCHOOLS

- Commercial Lending School, Nov. 9-20, Norman, University of Oklahoma
- National Trust School, Aug. 17-28, Evanston, Ill., Northwestern University
- School of Bank Marketing, June 14-27, Evanston, Ill., Northwestern University
- School of Banking of the South, May 31-June 13, Baton Rouge, Louisiana State University
- School of Consumer Banking, Aug. 9-21,

Charles Foret, Assistant Cashier (left), Milton Zeller, Vice President, National American's Travelling Bankers



A VIEW OF THE 70's: The Park Avenue of New Orleans

A *Park Avenue* is what some people are already calling New Orleans' Poydras Street, seen here from atop the International Trade Mart.

Developments planned for the 70's include major new office buildings, shops and restaurants.

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Stonier Graduate School of Banking, June
7-19, New Brunswick, N. J., Rutgers University

New Service for Chemical Firms Offered by Citibank

NEW YORK—First National City is planning to offer a new service this July called the Citibank Chemical Exchange. The exchange is designed to assist chemical companies in the purchase and sale of bulk chemicals. The new service will be used in in-

ter-company transactions concerning high-volume specification chemicals when shortages or surpluses cannot be met. Citibank will act as a neutral intermediary between buyers and sellers of chemicals and the service will not identify quantity, price or source until a transaction is made. An official of Citibank said the exchange will not maintain or take a position on any product.

■ GULF NATIONAL, Lake Charles, has completed construction of a new building at the Maplewood-Sulphur Office. Charles A. Burrows, assistant cashier, is manager.

Trust Bankers Want Higher Pay, But . . . They Desire 'Challenge,' Too

Senior trust men *believe* that inadequate compensation is the principal cause of job dissatisfaction among trust bankers, but when you get down to the nitty-gritty the word "challenge" comes up far more frequently in an "unhappy list."

Such is the essence of "Profile of the Trust Officer, 1970," a 12-page report prepared by Don Howard Personnel, Inc., a people placement organization serving financial institutions. The report is based on a questionnaire mailed to 2,800 senior trust officers, 636 of whom replied.

Of those replying, 51.8% cited inadequate compensation as a reason for dissatisfaction with their jobs. Other leading causes were limited opportunity for advancement: 20.9%; insufficient use of abilities: 13.5%; and disagreement with management policies: 13.3%.

Nonetheless, Don Howard, president of the organization, contends this does not present an accurate picture.

"We think respondents are voicing opinions based on emotional factors," he comments. "They have a relationship with those under their supervision. We, on the other hand, are impartial third parties. Applicants for our services tend to let their hair down with such interested outsiders. In doing so, they rarely put compensation at the top of the 'unhappy list.' The word 'challenge' comes up far more regularly."

The survey showed that senior trust men earn an average of \$21,080 a year in trust departments averaging \$273.5 million in assets. Average age is 44.1 years and average time with the current employer is 12.4 years. Total industry average service is 17.3 years.

"If higher compensation were truly the overriding goal of trust bankers," Mr. Howard comments, "they would bounce more frequently from bank to bank and would not stay in the industry as long as they do."

ST. MARY BANK & TRUST CO.

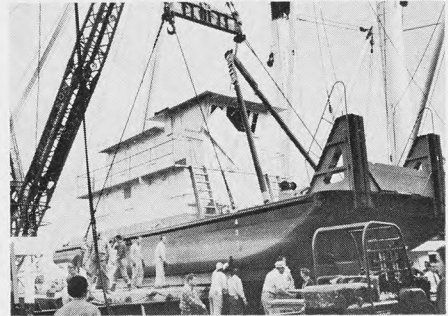
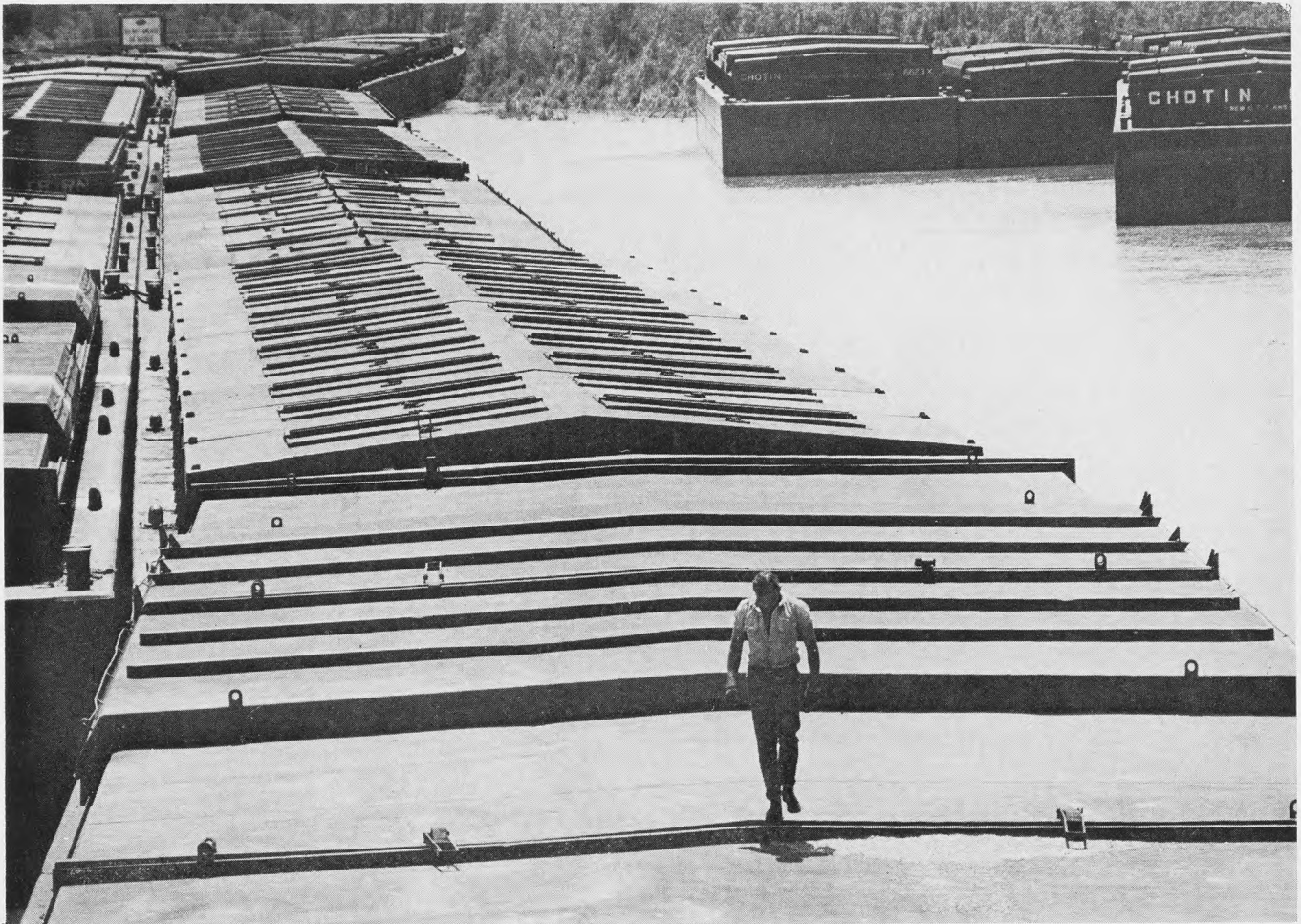
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MID-CONTINENT BANKER for April, 1970



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Illinois News

Edgemont Bank Presidency Goes to C. W. Highsmith

EAST ST. LOUIS—C. Wayne Highsmith has been elected president of Edgemont Bank. Mr. Highsmith succeeds Charles L. Daily, who has been promoted to the newly created post of chairman. Mr. Highsmith, formerly executive vice president, has been with the bank since 1962.



HIGHSMITH

Formerly vice president and cashier, Norman Backues has been promoted to executive vice president in charge of the commercial department. Named to the newly created posts of senior vice president and executive secretary to the chairman, respectively, were: B. J. Holt, who will be in charge of the consumer credit department, and Mrs. Sally Beaird, who has been with the bank since 1964. Mr. Holt had been vice president.

■ OWEN LYNCH has been named vice president in charge of commercial loans at First National, Evanston. He had been a lending officer with a downtown Chicago bank.

7 New V.P.s Are Named at First of Chicago

CHICAGO—First National has promoted seven men to vice presidents, including Robert H. Blanchard, Nick C. Gravenites, Frederick R. Hansen, Norman W. Raedle, James K. Suhr, Ralph W. Webster III and Kevin G. Woelflein. All were formerly assistant vice presidents.

Five of the new vice presidents are assigned to various loan divisions of the commercial banking department. Mr. Blanchard is with division G, Mr. Hansen is with division J, Mr. Raedle is with Division C and Messrs. Suhr and Woelflein are with division I.

Messrs. Gravenites and Webster are assigned to the trust department.



WOELFLEIN RAEDLE SUHR GRAVENITES WEBSTER BLANCHARD HANSEN

Fitzgerald Seeks Fed Post

PALATINE—Gerald F. Fitzgerald, chairman and president of Palatine National, has announced his candidacy for election as a Class A director of the Federal Reserve Bank of Chicago.

Sax Named 'Humanitarian of Year'



The Abraham Lincoln Center has honored Samuel W. Sax (center), president of Exchange National in Chicago, as "humanitarian of the year." Mr. Sax, the first banker to receive the award, talks with Shul Ramati, left, general consul for Israel in Chicago, and Charles Lomax, president of the board of the 65-year-old center. Mr. Lomax said that Mr. Sax and his bank were recognized on the basis of equal employment and merit promotions. Mr. Ramati said that Exchange National was the first foreign bank to establish a branch in Israel.

William C. White Elected VP at Jefferson Trust, Peoria

PEORIA—Jefferson Trust has elected William C. White vice president. He will head a newly created investment division and will assist in corporate mergers and acquisitions.



WHITE

Before joining Jefferson Trust, Mr. White had been vice president and head of the trust investment department at Bank of the Commonwealth, Detroit. He has also been associated with Liberty National in Buffalo, N. Y., and Mercantile National in Hammond, Ind. He is a 1958 graduate of Bradley University, Peoria.

Hanlon of Correspondent Dept. Retires at La Salle National



HANLON

CHICAGO—Robert T. Hanlon, vice president, has retired from La Salle National. He had been in the correspondent banking division since 1954 and has been with La Salle National since 1947. Mr. Hanlon had been

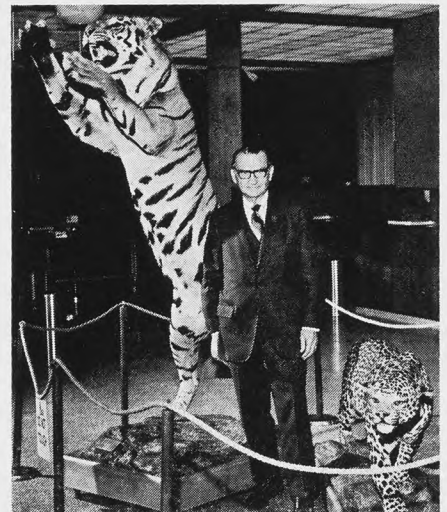
correspondent representative in Wisconsin 15 years.

Mr. Hanlon began his employment with the bank in the personal credit department and later served in the customer service division. Before joining La Salle, he had been with the Federal Reserve Bank of Chicago.

■ RICHARD KNOL, formerly assistant vice president, has been elected vice president at Drovers National, Chicago. Mr. Knol has been with Drovers since 1941.

■ UPTOWN NATIONAL, Chicago, has advanced the following officers: John F. Geskewich, vice president and cashier, to senior vice president and cashier; Charles T. Goodrich, vice president, to senior vice president and to continue as head of installment loans; and James V. Gebhardt, assistant vice president, to vice president and to continue in charge of personnel and operations.

1st Nat'l Shows Safari Souvenirs



The phrase "put a tiger in your bank account" may have described the atmosphere at First National in Mattoon recently, when the stuffed tiger and leopard shown above were displayed in the bank's lobby. President Melvin C. Lockard stands beside the nine-foot, 500-pound tiger and 250-pound leopard, which were killed on a safari in Central India by James Schaefer, a Mattoon oil man.

First Aid

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Suppose a well-to-do member of your community dies. His widow, left comfortably well-off, is financially naive. Her inexperience makes her afraid of making unwise investments. So she comes to you for help.

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For trust departments outside the Chicago area, we offer our Correspondent Bank Trust Investment Service. With it you gain a comprehensive investment research service at a minimum cost.

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Indiana News

■ **FIRST UNION**, Winamac, has elected James D. Fritz auditor.

■ **UNION NATIONAL**, New Albany, has elected Robert D. Hoban vice president and operations officer. Mr. Hoban had been assistant cashier and branch manager at Rushville National.

■ **PIERCETON STATE** has elected Stanley Pequignot a director. He succeeds his father, Edward L. Pequignot, who died recently.

■ **KENTLAND BANK** has declared a 25% stock dividend, increasing capital to \$255,000. Surplus also was raised to \$255,000.

■ **CHARLES WATKINS**, branch manager at First Bank, has been selected South Bend's "outstanding young man of 1969." The award is sponsored by the South Bend Jaycees.

■ **CITIZENS NATIONAL**, Evansville, has promoted two assistant vice presidents to vice presidents: R. E. Vette, an employee since 1923, and William L. Brooks, an employee since 1966. Gary West has been elected assistant cashier. He joined the bank in 1959.

■ **FIRST NATIONAL**, Cedar Lake, has promoted Roger W. Ziegelmaier from assistant vice president to vice president. An employee of First National since June, Mr. Ziegelmaier had been with Bank of Indiana, Gary.

Thibodeau Gets Insurance Post

Foremost Insurance Co. has named Lauren E. Thibodeau district manager, Indiana Division, central region. Mr. Thibodeau has held posts as an adjuster, collection and district manager with CIT Credit Corp. prior to joining Foremost.

■ **GARY NATIONAL** has opened its new East Gary Branch. With a Roman brick exterior and walnut interior, the new branch has five teller, one drive-in and one inside walk-up windows. A parking area is available for 54 cars. Assistant Cashier John Kmetz, formerly assistant manager, Miller Branch, is now manager of the East Gary Branch. Gary National also has opened its new public parking garage at 519 Washington Street. The five-level garage accommodates 319 cars and is open Monday through Saturday.

International Subsidiary Formed by Indiana Nat'l Corp.

INDIANAPOLIS—INB International, Inc., a company that will act as a customs house broker and a foreign freight consultant to Indiana importers, has been formed as a new subsidiary by Indiana National Corp., the holding company for the Indiana National Bank.

INB International will have its offices at Weir Cook Municipal Airport in the Executive Aircraft Building. John R. Benbow, executive vice president, Indiana National, is president of INB International.

New Posts at American Fletcher



Four new assistant vice presidents have been named at American Fletcher National, Indianapolis. They are, left to right: Clarence C. Wood, Northwestern Banking Center; E. Lynn Plaster, who also is an investment officer, trust department; James C. Jackson, travel division; and Gene C. Gehring, Broad Ripple Banking Center.

■ **FRED J. HELMEN** recently observed his 50th year with St. Joseph Bank in South Bend. Presently chairman of the executive committee, Mr. Helmen began his career with the former St. Joseph Loan and St. Joseph County Savings, which later were reorganized into the St. Joseph Bank. Mr. Helmen was made vice president and trust officer in 1933, senior vice president in 1940 and president in 1957. He has held his present post since 1962.

■ **FIRST BANK** of Whiting has promoted Robert P. Strisko from cashier to vice president and cashier. Mr. Strisko also has been elected a director to replace the late Leo T. Mulva.

■ **BANK OF INDIANA**, Gary, has named David P. Malak manager of the Hobart Office and Charles Vigland assistant manager, Glen Park Office.

Merchants Nat'l Storing Gold



Otto N. Frenzel III (l.), president, and Hans Boehm, consultant, international division, hold bars of gold recognizing Merchants National of Indianapolis' appointment as a depositor of gold. The bank has been granted a license by the U. S. Treasury for the storage of gold in various shapes and sizes for immediate delivery to industrial users, including jewelry manufacturers.

■ **LOWELL NATIONAL** has elected Glenn L. Dering president. He succeeds the late Arleigh LaMotte. Mr. Dering formerly had been a national bank examiner. He also was an employee of a South Bend investment firm for 12 years.

■ **CALUMET NATIONAL**, Hammond, has elected Richard L. Kristoff and Karl Rosenthal to the board. Mr. Kristoff is vice president and controller of Burger's Super Markets, Inc., and general manager of Burger's, an independent supermarket operation in the Midwest. Mr. Rosenthal is founder and president of Rosalee Smart Apparel, Inc., a fashion store for women with locations in Hammond and River Oaks.

■ **MERCANTILE NATIONAL**, Hammond, has named Robert J. Anadell and Edwin A. Connell assistant vice presidents. Promoted from assistant trust officer to trust administrative officer was Dennis W. Churilla. Two new directors also have been named: Gary A. Dunn, an investment counselor for a Detroit firm, and Jack Dietrich, who is president of a Hammond manufacturing company and a home construction firm.

■ **LAFAYETTE NATIONAL** has named Mrs. Thelma V. Smith operations officer.

■ **GEORGE A. RIEDER**, senior vice president and director of personnel at Indiana National in Indianapolis, presided at a labor relations conference in Indianapolis sponsored by the Indiana Chamber of Commerce.

Indiana Death

ARLEIGH LaMOTTE, president of Lowell National.



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Kentucky News

■ **FORT KNOX NATIONAL** has appointed Kenneth Logsdon manager of the Radcliff Branch. A native of Radcliff, Mr. Logsdon has had several years of banking experience.

Fire Destroys Branch Bank

BENTON—A branch of the Bank of Marshall County has opened in temporary quarters after a fire destroyed its former quarters. A vault containing money and records was unharmed by the fire. Formerly located in a complex with three other buildings—which also burned—the branch's temporary quarters are at Ken Barr Inn, a building located adjacent to the former complex. A new, permanent building will be erected.

■ **FARMERS & TRADERS**, Campton, has promoted Miss Vergie Pence from assistant cashier to vice president and cashier and Miss Reva Terrill from assistant cashier to vice president and assistant cashier.

■ **CASEY COUNTY BANK** in Liberty has elected Elmer C. Allen president to succeed the late E. C. Moore. Mr. Allen had been cashier. Robert T. Rousey, assistant cashier, has been promoted to cashier to succeed Mr. Allen. Tony M. Price and Larry T. Griffith have been named assistant cashiers.

■ **BEDFORD LOAN & Deposit Bank** has promoted Miss Vergie Pence from vice president to executive vice president and cashier. The bank also has an expanding and remodeling project in progress.

■ **BANK OF NEW HAVEN** has named Tom Bullock Jr. vice president. He has been with the bank more than two years.

■ **MISS CAROLYN MIFFLIN** has been named assistant cashier at Bank of Lexington, and Mrs. Peggy Martin has been named executive secretary.

■ **DONALD FOX**, cashier, has been promoted to assistant vice president and cashier at Citizens Bank, Elizabethtown. An employee since 1964, Mr. Fox is in charge of operations.

■ **FIRST NATIONAL**, Henderson, has promoted Jacob J. Downey Jr. from assistant cashier to assistant vice president. Mr. Downey also is manager of the North Branch. Elward Royster, manager of the Audubon Branch, has been promoted from assistant cashier to assistant vice president.

BAI Chapter Hears Carr



The Louisville Chapter of BAI had as its guest William B. Carr, center, BAI president. With Mr. Carr are Sylvester I. Dries, left, vice president and senior auditor, and Clifton B. Allen, auditor, both of Kentucky Trust, Louisville. Mr. Carr, executive vice president, Provident National, Philadelphia, spoke about banking's role as the major repository of financial services. Mr. Allen is president of Kentuckiana BAI.

■ **LEWISBURG BANKING CO.** has increased its capital from \$50,000 to \$100,000 by a 100% stock dividend.

■ **WILLIAM T. WARRING**, formerly president, has been elected chairman of First National, Georgetown. Richard D. Jordan has been promoted from executive vice president to president. Other promotions were: Raymond Morrison from vice president to executive vice president and Clay Parker Davis from cashier to vice president and cashier.

■ **T. B. STEPHENS** has been advanced from president to chairman at First National, Covington. Elected to succeed Mr. Stephens was Vincent J. Hils, formerly executive vice president.

■ **HOUSTON F. ZETTEL**, vice president and trust officer, has been named vice president and senior trust administration officer at Citizens Fidelity, Louisville. Robert L. Hanks has been promoted from assistant manager to assistant vice president and manager of systems and development. William J. Evans, head of cost analysis, has been promoted to assistant cashier, comptroller's department.

Kentucky Deaths

E. C. MOORE, 94, president of Casey County Bank in Liberty. Mr. Moore was one of the oldest bankers in Kentucky and had been active until his death.

LOGAN O'NEAL HUBBLE, 80, vice president, Lincoln National, Stanford.



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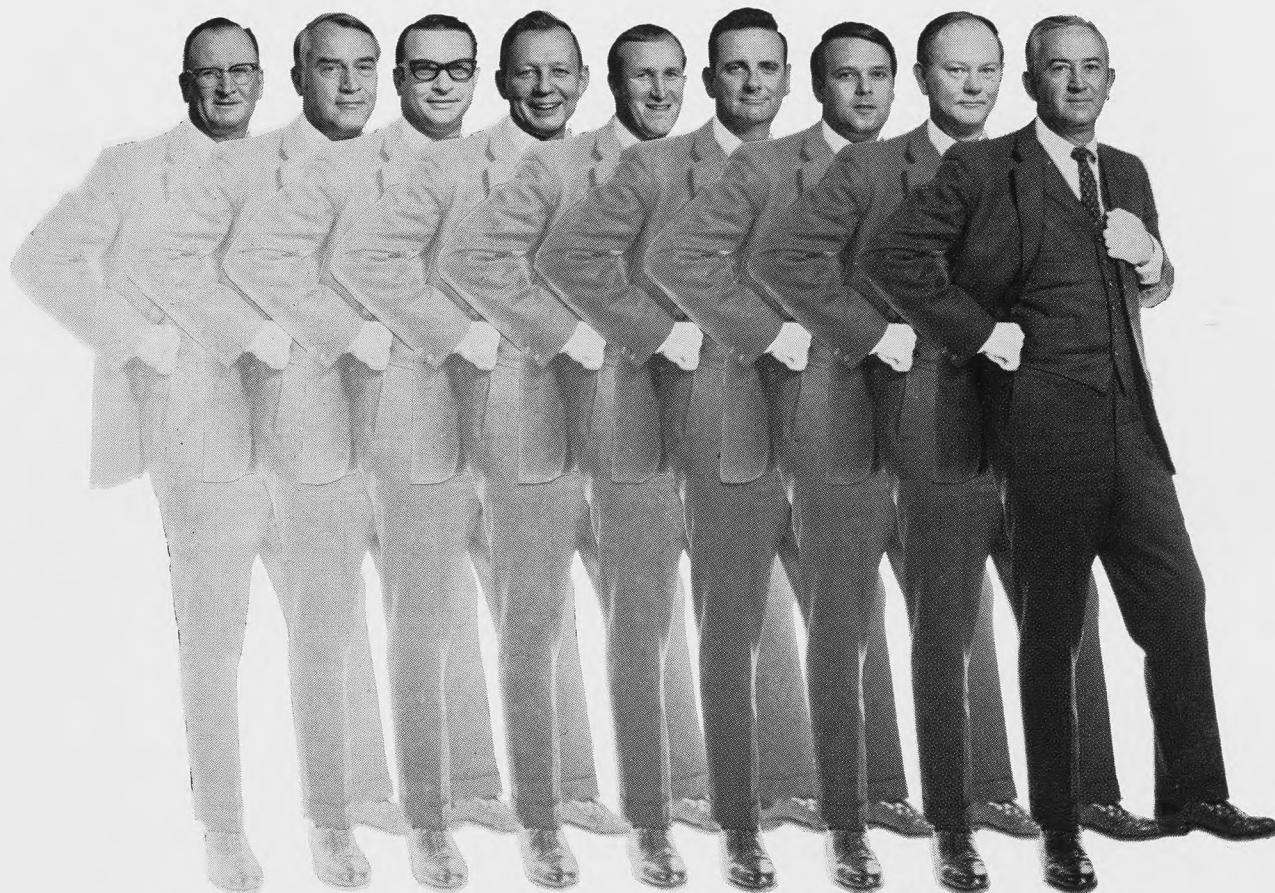
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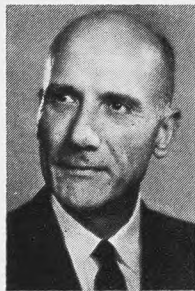
Union Planters

NATIONAL BANK OF MEMPHIS

Tennessee News

Gray Elected Exec. VP at Third National

NASHVILLE—Warren P. Gray has been promoted from senior vice president and cashier to executive vice president at Third National. He has been with the bank since 1934.



GRAY

Other promotions include: Carson Carlisle, vice president and comptroller, to senior vice president and cashier; E. B. Clarke and W. Joe Diehl Jr., vice presidents to senior vice presidents; and James S. Ragsdale, assistant vice president, to comptroller. William Hooper Huggins Sr. has been elected assistant vice president.

Byrn Named VP in Trusts at 1st American National



BYRN

NASHVILLE—First American National has named William A. Byrn Jr. vice president and trust officer. Mr. Byrn had been a vice president in the trust department at Commerce Union.

Mr. Byrn was graduated from Vanderbilt University with a BA degree cum laude and a law degree in 1949. He also attended the Trust Sales School at Northwestern University in 1955. Mr. Byrn is vice president of the Tennessee Bankers Association's trust division.

■ AMERICAN NATIONAL, Chattanooga, has elected Carl Baker a trust officer to specialize in the administration of estates. Mr. Baker had been clerk and master of the Chancery Court of Hamilton County 18 years. American National also has named J. Lewis Card a director. Mr. Card is chairman and president of Tuftco Corp., which manufactures carpet machinery.

■ FIRST AMERICAN NATIONAL, Nashville, has elected Donald R. Pace assistant vice president, marketing division.

■ BLOUNT NATIONAL, Maryville, has promoted Paul A. Johnson from assistant cashier to assistant vice president and manager of the new Airport Branch. Mrs. Mary Lynn Hancock has been elected assistant cashier.

■ PHILLIP WHITTINGHILL has been elected vice president and director of Dickson County Banking Co. in Charlotte, a branch of Peoples Bank in Vanleer. Mr. Whittinghill, an employee of the bank since February, formerly had been assistant vice president and manager of the New Providence Branch of Northern Bank of Tennessee, Clarksville.

William Gerald Named President of First American of Memphis



GERALDS

MEMPHIS—First American has elected William T. Gerald president. With more than 20 years of banking experience, Mr. Gerald formerly had been vice president, commercial division, at Society National, Cleveland.

Mr. Gerald began his banking and finance career at Associates Investment Corp. in 1949. From 1959 to 1967 he was with Union Commerce, Cleveland. In 1968 he joined Society National. Mr. Gerald attended the University of Louisville and Jefferson School of Law.

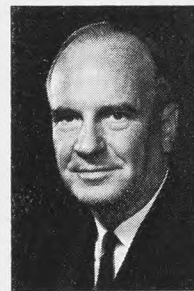
Hamilton National Promotes 6



Hamilton National, Chattanooga, has elected the following assistant cashiers, seated, left to right: Edward Duke, Lookout Valley Branch; Warren G. Elliott and Robert L. Holland, Soddy Daisy Branch. Messrs. Duke and Holland also were promoted to managers of their respective branches. Named assistant cashiers were, standing, left to right: Kenneth Pfitzer, Wayne Bledsoe and James A. Adkisson.

Norfleet Turner Retires at 1st Nat'l of Memphis

MEMPHIS—Norfleet Turner, vice chairman, has retired after 41 years with First National. He will remain on the board in an advisory capacity.



TURNER

Mr. Turner began his career with First National in 1929 as vice president of First Securities Corp., then an affiliate of the bank. He was elected executive vice president in 1937. Mr. Turner was president from 1943 to 1960, when he advanced to chairman. In 1967, he was named vice chairman at his request.

According to First National, Mr. Turner was an innovator in Mid-South banking. Among the services he promoted were: neighborhood branch banking, banking by mail and a viable training program for employees. First National was the first in the area to publish and distribute an annual report, which Mr. Turner prepared himself.

George Taylor Named President at Merchants of Cleveland



TAYLOR

CLEVELAND—George R. Taylor has been elected president of Merchants Bank. Mr. Taylor, formerly executive vice president, succeeds George W. Thorogood, who has been advanced to chairman.

Mr. Taylor joined Merchants in 1945. He also was Cleveland's finance commissioner from 1956 to 1968. He attended the University of Nebraska.

■ IKE G. HOBSON has been promoted from vice president and cashier to president at Bank of Ardmore. Elected vice presidents were: J. G. Jones, formerly president, and Homer D. Boggs, a director. James Davis has been advanced from assistant cashier to assistant vice president and cashier. The bank also has elected its first woman director, Mrs. Merle Jones.

■ UNION BANK, Pulaski, has promoted W. Lambeth Lester from assistant vice president to vice president and Joe G. Wilson from assistant cashier to assistant vice president. Mr. Lester joined the bank in 1946 and Mr. Wilson in 1962.

Alabama News

Commercial Guaranty Bank Has Record Profit Growth

MOBILE—Commercial Guaranty Bank achieved a record 15% deposit growth and a 74% increase in profits last year. President Marion E. Ward told stockholders at their recent annual meeting that the board had determined that growth and earnings had grown to the point that the bank could declare its first dividend to stockholders.

Mr. Ward also announced the following promotions: David McGonigal from cashier to vice president and cashier and continuing as operations division manager; Richard M. Pennington Jr. from assistant vice president to vice president and continuing as marketing and business development division manager; Robert B. Lary from assistant cashier to assistant vice president; and Vernon Britton, William G. Lindsey and Troy Vincent to assistant cashiers. Mr. Britton is manager, Bel Air Mall Office; Mr. Lindsey, operations manager, Bel Air Mall Office; and Mr. Vincent, manager, bookkeeping department.

Banking Assn. Organized for Presidents 'Under 40'

The Alabama Association of Young Bank Presidents was organized recently by a group of young bank presidents. The new association has been formed mainly to provide a forum for discussion of internal bank management problems and procedures and to encourage young men to enter the banking profession.

Members of the new organization must be presidents and chief executive officers of their banks and be under 40 years of age. Once a member, a banker may continue to participate until age 45. Charles M. Jager, president of First Western Bank, Bessemer, has been elected chairman of the new association.

■ **FIRST NATIONAL**, Butler, has named Tillman J. Wright chairman. Mr. Wright, president of Butler Drug Co., Inc., succeeds the late Judge Richard E. McPhearson in the post. Mr. Wright is one of the organizers of the bank.

■ **DAVID W. FARR**, assistant cashier, has been advanced to assistant vice president at Birmingham Trust National.

Carter Hill Road Office Opened



Neil R. Smart Jr., manager, and D. Fearon Arant, vice president and supervisor of branches, open the Carter Hill Road Branch of First National, Montgomery. As the bank's 11th location, the new branch has two drive-in windows, 24-hour depository and three inside teller windows.

Florence Bank Names Long, Flagg Honorary Directors

FLORENCE—Fred Long, chairman, and Jewett T. Flagg, a director for more than 20 years, have been named honorary directors at First National. Mr. Flagg has resigned from the board.

Ralph E. Young, vice president and assistant trust officer, has been promoted to vice president and trust officer. Formerly assistant vice president, Henry King has been promoted to vice president, commercial loan division.

In other action, two directors have been named: Joseph M. Meade, vice president, Phelps Dodge Aluminum Products Corp., and H. M. Perritt, president of Fuzzy's Feeds, Inc. The bank's capital has been boosted to \$2 million by a 60% stock dividend.

■ **CITY NATIONAL**, Birmingham, has named Huel A. Mullinax manager of the new Roebuck Branch. Mr. Mullinax had been with a local bank 10 years.

■ **ALICEVILLE BANK** has promoted Gerald Tucker from assistant cashier to cashier.

■ **ALEXANDER CITY BANK** has named Robert C. Harris, cashier, to the board. Mr. Harris has been with the bank 15 years. Mrs. Walls McIntyre and Lewis Neighbors were promoted to assistant cashiers. Mrs. McIntyre has been with the bank 10 years and Mr. Neighbors since 1966.

First National of Mobile Makes 22 Promotions

MOBILE—Twenty-two promotions have been made at First National, among them the advancement of L. Thelton Bryant Jr. to assistant vice president, correspondent bank department.



BRYANT

The following assistant vice presidents have been promoted to vice presidents: Fred L. Caver, Lloyd B. Patrick and Alfred K. Seibt, commercial loans; Robert J. Blackwell, investments; Archie W. Luckie, international department; William H. McNair, consumer installment loans; and Terry Van Gilder, BankAmericard.

Advanced to assistant vice presidents were: Charles H. Gibbons, trusts; Chobee Slay, manager, Toulminville Branch; J. Tyler Turner Jr., and William D. Sims, marketing.

Given officer status were: Russell Brandau, Ray Gockley, Keene G. Hammond, James R. Hancock, Ronald H. Hays, Cecil F. Howard Jr., Gavin W. Hunter, Angus McRae, Jack F. Ross and Lavern R. Schuerman.

■ **FIRST NATIONAL**, Opp, has promoted James C. Kelsoe, cashier, to assistant vice president and cashier; Miss Frances D. King, assistant cashier, to assistant vice president; and Miss Laurette R. Blair to assistant cashier. Four new directors were elected: M. J. Dick, vice president, Opp and Micolas Cotton Mills; M. Wilbur Donaldson, district supervisor, Farmers Home Administration, U. S. Department of Agriculture; C. E. Gunter, president, Gunter-Dunn, Inc., and vice president, Johnson Stores, Inc., Raleigh, N. C.; and G. R. Jeffcoat, vice president and general manager of Opp and Micolas Cotton Mills.

■ **WIREGRASS BANK**, Headland, has been granted a state charter and approval from the FDIC to open at King and Main streets. Construction has begun on a one-story, modern-designed building. To be built at a cost of \$68,850, the new structure will have a night depository, community room, drive-up window and a parking area.

■ **HEADLAND NATIONAL** has begun its expansion project with plans to construct two drive-in windows and a parking lot. Completion is scheduled May 1.

Get Involved Politically, AlaBA Groups Are Told

Group meetings of the Alabama Bankers Association were held throughout the state last month, with AlaBA officers and others bringing messages to each of the groups. Officers also were elected as listed below.

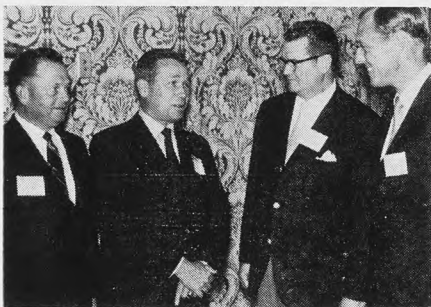
C. Logan Taylor, president of the AlaBA, urged bankers in the state to become "involved" politically at the county, state and national level. If bankers are to achieve legislative goals, he stated, then political action as well as "involvement" by bankers is necessary.

Mr. Taylor, who is president of First State, Oxford, did not confine his remarks to banking legislation. We must, he said, be willing to work for *all* types of legislation "which is good for the people of Alabama."

Another speaker, Charles S. Snell, president of Citizens National, Shawmut, suggested ways that bankers might be of assistance to candidates they want elected in local campaigns.

Bankers, said Mr. Snell, might help with contributions, loan of a car, in speech writing, through introduction of the candidate to influential people in the community, by acting as campaign treasurer, "block" working, by arranging a speech by the candidate or by speaking on behalf of a candidate.

Mr. Snell, who is an elected representative to the legislature in Montgomery, agreed that it is proper for bankers to work for the election of good candidates to the legislature. But, he observed, any candidate needs help and bankers should offer that help to the proper candidate.



GROUPS 7 & 8 met at Montgomery and brought these Alabama bankers together. From left: J. M. Barrett, 1st Nat'l, Wetumpka, ch. of Groups 7 & 8; Alabama Representative Charles Snell, Citizens Nat'l, Shawmut; AlaBA President C. Logan Taylor, First State, Oxford; and Albert E. Byrne, 1st Nat'l, Montgomery.

The Alabama Bankers Association has elected the following officers for 1970-71:

Groups 1 & 2: chairman, Joe H. Williams, president, Bank of Moulton; vice chairman, Charles W. Edwards Jr., president, Shoals National, Florence.

Group 3: chairman, Joe R. Chitwood, vice president, Fort Payne Bank; vice chairman, Jerry Roberts, vice president, First City National, Gadsden.

Group 4: chairman, W. T. Jackson, vice president & cashier, First National, Jasper; vice chairman, Lynn H. Mosley, president, City National, Birmingham.

Group 5: chairman, John P. Wheeler, president, Anniston National; vice chairman, A. F. Whitman, president, Peoples Bank, Sylacauga.

Group 6: chairman, Fred O. Braswell Jr., president, Robertson Banking Co., Demopolis; vice chairman, J. N. Thomas, vice president, Selma National.

Groups 7 & 8: chairman, Robert S. Gaddis, president, Peoples Bank, Montgomery; vice chairman, E. M. Jones Jr., executive vice president, Farmers National, Opelika.

Group 9: chairman, Robert I. Gullede, president, Baldwin National, Robertsdale; vice chairman, Thomas A. Black, president, Peoples Exchange, Beatrice.

Group 10: chairman, Willie F. Warren, vice president, First National, Dothan; vice chairman, Leon Hilyer, vice president and cashier, First Farmers & Merchants National, Troy.

First Nat'l of Birmingham Makes Promotions, Reassignments

BIRMINGHAM—First National has transferred Albert P. Finch Jr., vice president and manager, West End Branch, to the Main Office as a senior lending officer. Mr. Finch succeeds John Clark, who has resigned to become president of City National, Selma. C. Pratt Rather Jr., assistant vice president and manager, Southside Branch, has been promoted to vice president and transferred to the national accounts division. Assistant vice



COLLINS ERDREICH RATHER FINCH

presidents promoted to vice presidents were Allen D. Collins and Stanley M. Erdreich Jr.

James F. Beall has been promoted to assistant vice president and manager, Southside Branch. He had been assistant vice president, installment loans, Main Office. The following assistant vice presidents and managers, who will retain their titles, have received reassignments: Robert H. G. Waudby, Irondale, to West End Branch, and Clarence L. Moss, Fulntondale, to Irondale Branch.

J. Maurice Yarbrough, assistant cashier and assistant manager, Southside Branch, has been promoted to assistant cashier and manager, Fulntondale Branch. Ronald G. Hollis has been elected assistant cashier and manager, Leeds Branch.

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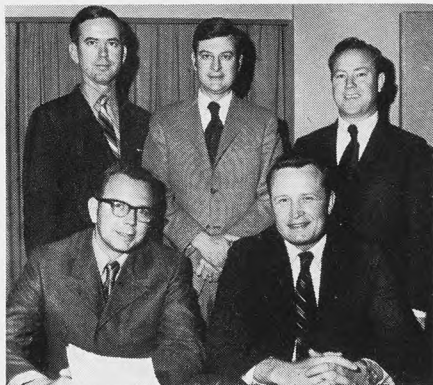
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Mississippi News

MJBA Elects New Officers



Newly elected officers of the Mississippi Junior Bankers Association include (standing, from left) William B. Gurley, assistant vice president, National Bank of Commerce, Corinth, MJBA vice president; Wilmer H. Whittle, president, Newton County Bank, MJBA treasurer; and Barney H. Jacks, vice president, Deposit Guaranty National, Jackson, MJBA secretary. Seated at left is Lawrence Y. Foote Jr., executive vice president, First National, Hattiesburg, MJBA president, and C. Willis Connell Jr., executive vice president and senior trust officer, Bank of Clarksdale, MJBA retiring president.

■ ROBERT M. MADDOX has been named state development chairman for the Bank Public Relations & Marketing Association. Mr. Maddox is senior vice president at State Bank in Brookhaven.

■ CLARENCE B. DAVIS, president of Southern National, has been selected as one of Hattiesburg's "10 most outstanding men" in 1969. Nominations were made by citizens of Hattiesburg.

■ COMMERCIAL NATIONAL, Laurel, has elected Melton H. Vincent assistant cashier, installment loans. His experience in credit and installment loans includes automobile financing, farm equipment, property investments and mobile homes, among other areas.

■ R. E. KENNINGTON II has been elected president and chief executive officer at Grenada Bank. Mr. Kennington succeeds G. M. Moore, who is chairman in an advisory capacity. Mr. Kennington had been vice president and manager at the Bank of Louisville Branch.

■ MECHANICS BANK, McComb, has named James W. Bell assistant vice president in charge of installment lending. He had been with Deposit Guaranty National, Jackson, in the installment loan department.

■ MERCHANTS BANK, Bay St. Louis, is constructing a branch in the Hardy Court Shopping Center in Gulfport. With construction slated for completion this summer, the new branch presently is operating in temporary quarters.

■ CITIZENS BANK, Louisville, has named Frank Stanton to the board and executive committee. Mr. Stanton is vice president.

■ AN APPLICATION to the state banking board to establish a bank in Corinth has been denied. A group of Corinth businessmen had submitted an application for the proposed Corinth State Bank.

■ FIRST NATIONAL Bank of Bolivar County in Cleveland has opened a new drive-in facility. Mosler Pneuvista system equipment has been installed.

■ GRENADA TRUST has opened its new Whitehaven Branch. The new facility offers drive-in units and a night depository.

Chase Elects Berry 2nd VP, Area Includes Mississippi



BERRY

NEW YORK—Chase Manhattan has promoted Richard B. Berry to second vice president in District 10 of the United States department. The department handles correspondent bank business in Alabama, Mississippi and

Tennessee, among other states.

Mr. Berry's area of responsibility encompasses Mississippi, Georgia and South Carolina. An employee of Chase Manhattan since 1937, Mr. Berry's experience includes domestic branches, special development programs, branch administration and assistant management at the Madison Square Branch.

■ R. B. LAMPTON, president of First National in Jackson, has been named vice chairman of the Mississippi Baptist Hospital drive to construct a new building. In addition, Robert R. Swittenberg, senior vice president, has been elected president of the 1970 Jackson United Givers Fund.

Bank Gives Zinnia Seeds

GULFPORT—A packet of zinnia seeds accompanied each customer's statement last month as part of the Hancock Bank's goal to beautify the Gulf Coast. The back of each packet read: "For your garden, to help make the Gulf Coast bloom again."

More than 25,000 packets of seeds were sent to customers in time for spring planting. Officials hope that the bank's plan, in conjunction with other planting projects on the Gulf Coast, will add beauty to the area, which was devastated by Hurricane Camille last August.

■ CITIZENS NATIONAL, Meridian, has promoted Larry Taylor, assistant vice president, to cashier and has named Lamar Moore assistant cashier. Mr. Taylor is in charge of the bookkeeping department, Main Office. Mr. Moore is assigned to the data processing department.

■ HUGH S. POTTS has been named president of Merchants & Farmers, Kosciusko. Mr. Potts, formerly a vice president and director, succeeds Clarence E. Morgan Jr., who has sold his stock in the bank.

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Arkansas News

Webster, Barlow, Bridgers Among Newly Elected at Union of Little Rock

LITTLE ROCK—William H. Webster has been elected senior vice president and trust officer at Union National. He formerly was president of the Trust Co. of Florida in Orlando. O. G. Barlow has been promoted to vice president and trust investment officer. An employee for 11 years with the bank, Mr. Barlow formerly was a trust officer.



Staff changes at Union National of Little Rock include the elections of: (back row, l. to r.) Claibourne Patty Jr., to trust officer; William H. Webster, senior vice president and trust officer; and O. G. Barlow, vice president and trust investment officer. J. H. Bowen, front, is senior trust counsel and head of trust committee.

Also elected vice president was E. Thomas Bridgers. Mr. Bridgers, formerly assistant vice president, also has been named director of data processing. He has been with Union National four years. Claibourne Patty Jr. has been named a trust officer. He had been assistant insurance commissioner and chief attorney of the Arkansas Insurance Department.

Five assistant cashiers have been promoted to assistant vice presidents. They are: J. Morris Jackson, manager, note department; Leslie B. Wilfong, commercial lending; Bill Matthews, national accounts; Carl A. Roberts, manager, credit department; and Elton Ray Pennington, manager, teller operations.

Ben D. Moore was promoted from controller to cashier. He succeeds B. J. Daugherty, who has resigned to become executive vice president of First State, Conway. Vertis Daugherty has been elected assistant auditor.

Promoted to assistant cashiers were:

Allen R. Partridge, Ron N. Hearon, Ronald R. Tullos, Ben C. Vaughan, L. Thomas Chapman, David K. Dober, George A. Loftus Jr., James Edward Calvert, Douglas L. Hardin, Richard Hay McKinney Jr., Coy Wayne Bullington and James Neal Pierce.

Kirke Couch has been elected a director to fill the vacancy created by the resignation of Sam M. Vogel. Mr. Couch is chairman of the executive committee, Commercial National, and chairman, Tri-States Distributing Co., both in Shreveport, La. Mr. Couch also is president of Couch Truck Leasing, Inc., and vice president of City Finance Corp.

■ **FIRST NATIONAL**, Stuttgart, has completed a six-year, \$1,000,000 building program with the opening of a new, two-story building. The new building has a community room and employees' lounge. The first phase of the expansion program began in 1964 when a branch was opened at 20th and Main streets. The second stage of construction was completed last June when another drive-in, walk-up facility was opened on Maple Street. The bank's name was changed from Peoples National to First National in 1967.

Lane Sells Controlling Interest in Bank of Montgomery County

MOUNT IDA—Controlling interest in the Bank of Montgomery County has been sold by Harlan Lane, formerly chairman and chief executive officer at Union National of Little Rock, to R. W. Butler, Hot Springs; Avis Fuller, Lewisville; and Jim T. Butler, Harrisburg.

R. W. Butler has been elected chairman. Messrs. Fuller, J. T. Butler and John Beavers, president of the Bank of Montgomery County since 1963, were named directors.

■ **FRED GARLINGTON**, president of Bank of Cabot, has observed his 50th year in the banking profession. Forty-eight years of Mr. Garlington's career have been spent with Bank of Cabot. He has been president since 1955.

■ **FIDELITY NATIONAL**, West Memphis, has opened its new branch at 1598 East Broadway. The East Broadway Branch has three drive-up and two walk-up windows, night depository and parking area. The new facility is Fidelity National's second branch.

Daugherty Made Exec. VP at First State of Conway

CONWAY—First State has elected B. J. Daugherty executive vice president. He had been vice president and cashier at Union National in Little Rock. Other posts held by Mr. Daugherty at Union National were commercial loan officer and secretary to the board.



DAUGHERTY

Mr. Daugherty was assistant vice president and assistant trust officer at First National, Magnolia, from 1947 to 1952. From 1953 to 1954 he was plant accountant at Republic Steel Corp., Magnolia.

Mr. Daugherty is a former president of the Little Rock Clearing House Association and the Junior Bankers Section of the Arkansas Bankers Association.

Worthen Names Burrow VP, Manager of Trust Division



BURROW

LITTLE ROCK—Worthen Bank has elected Lawrence B. Burrow vice president, trust officer and manager of the trust division.

Since 1954, Mr. Burrow has been a partner in the Little Rock law firm of Chowning, Mitchell, Hamilton and Burrow, where he specialized in chancery and probate jurisdiction.

■ **UNION BANK**, Benton, has named Hugh Bragg to the board. He owns the Hugh Bragg Poultry Farm.

■ **McGEHEE BANK** has named W. W. Williams Jr. a trust officer. He has been an assistant vice president.

Bank Co-Sponsors Boat Show



The seventh annual boat show was held recently by Arkansas First National, Hot Springs, and the Hot Springs marine dealers. Several of the boats exhibited are shown above. The U. S. Coast Guard provided films on water safety, and the U. S. Forest Service sponsored an educational booth. Arkansas First National awarded \$100 in cash prizes, and the marine dealers gave prizes.

New impetus for an old tradition of progress

LOUIS L. RAMSAY, JR. . . . has received the Arkansas Bar Foundation's Outstanding Attorney Award, and has served in key positions of countless professional, civic and educational groups. Has been a bank director for 17 years.

Simmons First set a progressive pace during the past decade . . . growing in assets, personnel and facilities. And we look forward to more of the same for the Seventies. Especially with this one-two punch going for us: Chairman of the board and chief executive Wayne A. Stone (right) and new president Louis L. Ramsay, Jr. Their combined skills, backed by the strong Simmons First team, greatly strengthen our 67-year old tradition of progress. Join us. Progress is a continuing project at Simmons First.

WAYNE A. STONE . . . has been active in banking, civic and economic development in Arkansas for more than 40 years—including terms as president of Arkansas State Chamber of Commerce and Arkansas Bankers Association.



SIMMONS FIRST NATIONAL BANK

MEMBER F D I C

PINE BLUFF

New Mexico News

Security Bank Opens; Ruidoso's 2nd Bank

RUIDOSO—Security Bank of Ruidoso, the city's second bank, opened last month with \$120,000 in capital, \$120,000 in surplus and \$60,000 in undivided profits. Security is a member of the FDIC.

Security's staff includes: Robert Scribner, chairman; C. J. Wood, president; Robert Stearns, cashier; and Ralph Petty Jr., assistant cashier. The new bank has an informal connection with Bank Securities, Inc., New Mexico's only registered bank holding company. Bank Securities plans to apply to the Federal Reserve for approval to make Security Bank a member of the holding company.

■ NEW MEXICO BANK, Hobbs, has elected Lawrence L. Willcut vice president in charge of marketing. Mr. Willcut had been vice president at First National, Albuquerque, where he was responsible for correspondent banking relationships, business development, national accounts, public relations and BankAmericard.

■ GRANTS STATE has opened its remodeled quarters, which include a community room, kitchen and special lighting and equipment for displays of paintings by local artists.

■ CITIZENS STATE, Albuquerque, has increased surplus from \$350,000 to \$400,000.

■ AMERICAN NATIONAL, Silver City, has promoted J. A. Wilson from president to chairman and has named Leroy Marek, cashier, secretary to the board. Named to the board was Howard R. Miller, division comptroller, Chino Mines division of Kennecott Copper Corp., Hurley.

■ TED A. BONNELL has resigned as chairman of Security Bank, Alamogordo, but will continue as a director of the bank and as an officer of Bank Securities, Inc. Kenneth C. Bonnell, formerly president, has been elected chairman. Other promotions are: Dan W. King, senior vice president and director of public relations, to president; Maurice Hobson, cashier, to executive vice president; Fred O. Bonnell and John S. Hawkes, vice presidents, to senior vice presidents; and Mrs. Margaret I. White, assistant vice president, to vice president and cashier.

■ LOS ALAMOS NATIONAL has received approval from the Comptroller of Currency to establish a branch in White Rock. A location for the branch has not been selected, but a bank official said that construction is slated for completion late this year or early 1971.

■ VALLEY NATIONAL, Espanola, has promoted Delton Norris from assistant cashier to vice president. An employee of the bank since last June, Mr. Norris had been manager at Santa Fe Book and Stationery Co.

■ FIRST NATIONAL, Tucumcari, has boosted capital from \$300,000 to \$500,000 through sale of new stock.

■ FARMINGTON NATIONAL has named James R. Rayburn vice president. An employee since February 1, Mr. Rayburn formerly had been a national bank examiner in Albuquerque.

Branch Banking Bill Killed

SANTA FE—The House has killed a bill to allow for state-wide branch banking operations. The Senate Rules Committee ruled the bill not germane to the 30-day session.

Senator Anthony Lucero, D-Bernalillo, sponsored the bill and said it was the same proposal introduced during the 1969 legislative session. Presently, branches must be located in the same county as the home bank or in an adjoining county if there is no bank in operation there.

■ CITIZENS BANK, Farmington, has promoted Dennis E. Peterson from assistant cashier to assistant vice president. He will have responsibilities in operations and in Master Charge.

■ FIRST NATIONAL, Albuquerque, has promoted Richard Zulka, vice president, to commercial loan officer. Eugene Huffstutler, assistant vice president, has been named to succeed Mr. Zulka as manager of installment loans.

■ FIRST NATIONAL of Dona Ana County, Las Cruces, has named three assistant vice presidents. They are: John A. Papen III and Lee H. Offutt, installment loans, and Herbert H. Lett, manager, Anthony Office. Anthony J. Wagner, auditor, has been promoted to assistant vice president and auditor.

S. L. Sanders Appointed Commissioner of Banking

SANTA FE—S. L. "Sandy" Sanders has been appointed New Mexico commissioner of banking. Mr. Sanders, a banker for 26 years, succeeds former Commissioner Grant Brumlow, who resigned.



S. L. Sanders takes oath of office after being appointed New Mexico commissioner of banking. Miss Ernestine Evans, New Mexico secretary of state, administers oath.

During his banking career, Mr. Sanders has been associated with Citizens Bank of Clovis; Interstate National, Kansas City; Clovis National; First National of Melrose; and Citizens National, Lubbock, Tex. In 1966 and 1967, Mr. Sanders was president of Peoples Bank, Wilcox, Ariz.

■ INTERNATIONAL State, Raton, will be relocated in the former Yucca Hotel. The former hotel is being remodeled and the bank has opened in temporary quarters until remodeling is completed. The renovated building will have walk-up windows, night depository and coffee bar and will give the bank twice the space of its former building.

■ FIRST NATIONAL, Grants, has elected James H. Kommers vice president. An employee since 1964, Mr. Kommers had been assistant vice president.

■ ALBUQUERQUE NATIONAL has elected Lloyd L. Leger a director. Mr. Leger is vice president and general manager of Mountain Bell Telephone Co.

■ BANK OF NEW MEXICO, Albuquerque, has promoted two vice presidents to senior vice presidents. They are: Chester A. Loe, who has been assigned to the newly created major accounts, metropolitan division, and Michael N. Callahan, who has been given added duties in marketing and business development. Promoted to assistant vice presidents were: Weldon A. Gray, real estate loans; Van W. Tillotson, commercial loans; and Melvin Amerson, manager, Coronado Center Office.



Victor Emmanuel Monument, Piazza di Venezia, Rome, Italy.

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You'll find him at Banca d'America e d'Italia. It's our affiliate—and one of the largest privately owned banks in Italy. With more than 85 offices all over the country. So our man-on-the-spot really knows the economic conditions. The trade regulations. The local businessmen, bankers and government officials. Knows everything there is to know

about handling your banking transactions in Italy. Quickly. Efficiently. And profitably. This kind of complete banking service is available throughout Europe. And Africa. And Asia. And the Americas. Because Bank of America has a man where you need him most—on the spot. Bank of America—first in banking.



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MID-CONTINENT BANKER for April, 1970

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Federal Reserve Bank of St. Louis

Oklahoma News

■ GLENN E. BRUMBAUGH JR. has been elected senior vice president at National Bank of Commerce, Tulsa. Mr. Brumbaugh will be in charge of the installment loan department. He had been assistant vice president at First National in Tulsa.

Truth-in-Lending Film Offered by Federal Reserve Banks

The Federal Reserve is offering a color filmstrip designed to acquaint consumers with the major provisions of the Truth-in-Lending Act. The filmstrip and its accompanying phonograph record explain such terms as "finance charge" and "annual percentage rate" and the recision and advertising provisions.

Bankers interested in borrowing the 15-minute filmstrip may contact a Federal Reserve Bank, head office or branch. To purchase a copy of the film and record, write the Board of Governors, Federal Reserve System, Washington, D. C. 20551.

Tulsa Banks Get 'Addy' Awards

TULSA—A total of 22 awards for outstanding advertising were given to Tulsa banks in the third annual Addy Awards Competition sponsored by the Ad Club of Tulsa. Receiving first-place awards or an "Addy" were National Bank of Tulsa, First National and Peoples State. Citations of excellence were presented to Fourth National, Farmers & Merchants, Mercantile National, Sand Springs State and NBT.

NBT Boosts Surplus

TULSA—National Bank of Tulsa has increased surplus to \$17,235,500 by transferring \$2,760,000 from undivided profits. Capital is \$7,764,500.

■ MAY AVENUE BANK, Oklahoma City, has added two windows to its drive-in facility at 49th and North May Ave. The additional windows increase the total number of drive-in windows to six and space is available for a seventh.

State Banking Department Moves

The Oklahoma State Banking Department has moved to the Lincoln Office Plaza, 4545 North Lincoln, suite 12. The zip code for mailing is Oklahoma City 73105.

■ FIRST NATIONAL, Rush Springs, has increased capital from \$50,000 to \$100,000 by a 100% stock dividend.

■ MERCANTILE NATIONAL, Tulsa, has elected David A. Wheeler vice president and cashier. Mr. Wheeler had been assistant cashier at Central National in Enid, where he had been employed seven years.

■ SECURITY NATIONAL, Norman, has promoted Floyd Reid from assistant vice president to vice president; Ted Creger from cashier to vice president and cashier; and Charles Hollingsworth from assistant cashier to assistant vice president. Tom Paris, manager of computer operations, has been promoted to assistant cashier in charge of data processing.

Oklahoma Death

WALTER H. NOEL, 71, recently retired vice president and cashier at First National in Hominy. He had been in banking 50 years.

PROBLEM EXTINGUISHER...

Located strategically throughout each National Hotel... convention experts armed with the industry's finest meeting facilities and plenty of experience.

Personal attention, outstanding convention facilities and perfect locations have made National Hotels the favorite convention host.

Count on a great meeting
at a National Hotel...



IN CASE OF
TROUBLE,
OPEN DOOR

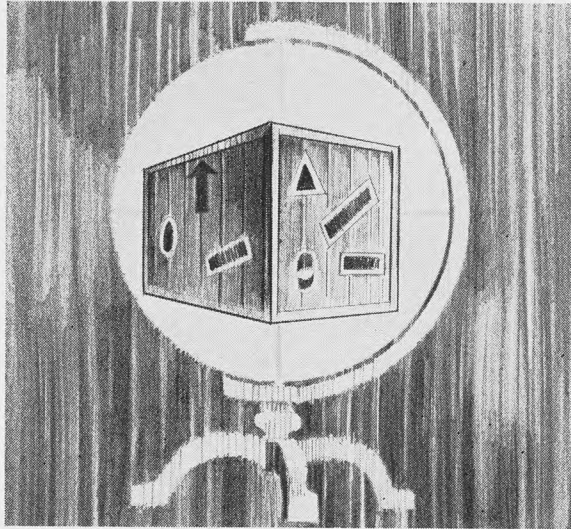
National Hotels feature downtown locations, most with swimming pools.

Parking facilities, reasonable rates, expert catering, and professional concern add to the success of your meeting.

- MOBILE, ALABAMA Admiral Semmes Hotel & Motor Hotel/ 250 rooms/ Six meeting rooms with capacities from 50 to 400 persons
- NEW ORLEANS, LOUISIANA Jung Hotel/ 1200 rooms/ Twenty-five meeting rooms with capacities from 25 to 3400 persons
- COLUMBIA, SOUTH CAROLINA Wade Hampton Hotel/ 325 rooms/ Fifteen meeting rooms with capacities from 20 to 1000 persons
- DALLAS, TEXAS Baker Hotel/ 600 rooms/ Eleven meeting rooms with capacities from 40 to 1200 persons
- GALVESTON, TEXAS Galvez Hotel & Villa/ 300 rooms/ Seven meeting rooms with capacities from 40 to 700 persons
- SAN ANTONIO, TEXAS Menger Hotel & Motor Inn/ 350 rooms/ Eight meeting rooms with capacities from 20 to 350 persons

MID-CONTINENT BANKER for April, 1970

Need a Port-of-Entry Correspondent?



Go Forth with Tulsa

*...gateway
to the world!*

Tulsa's Port of Catoosa, permitting direct access to the world's sea lanes, won't be in full operation till early 1971. But even *now*, Tulsa is making rapid strides toward becoming an international trade city. In May, 1969 our U. S. Customs office was opened, earning us official designation as a Port of Entry. Application has been made for recognition as a Port of Origin for air-shipment exports. Total exports shipments from the Tulsa area reached 62.8 million pounds in 1968 — valued at more than \$45 million. That's an increase of 60% in the past two years alone!

The financial community in Tulsa has been preparing for this development for many years. The specialized financial know-how involved in import-export transactions (collections, letters of credit, foreign exchange rates and all the rest) are at your disposal in booming, bustling Tulsa. When the barges start shuttling in and out of Tulsa's port on a regular basis, it will affect depositors in *your* community. So why not get in touch with a Port of Entry Correspondent now? Just call Glenn "Red" Ward, or drop in and see us next time you're in Tulsa. We're easy to find . . . Fourth National is that big tall bank which dominates the downtown Tulsa skyline!



MEMBER F.D.I.C.

515 SOUTH BOULDER, TULSA, OKLAHOMA 74119 PHONE: AC 918 587-9171

MID-CONTINENT BANKER for April, 1970

Kansas News

■ **METCALF STATE**, Overland Park, has made the following promotions: Norman E. Herrington, vice president and cashier, to senior vice president and chief administrative officer; Paul R. Stainbrook, assistant cashier, to cashier; Mrs. Julia Saunders, assistant vice president, to assistant trust officer; and Glen E. Hamons to assistant vice president.

New Bank Sought in Salina

Salina's first suburban bank is being sought by four residents and J. Rex Duwe, president of three banks: Farmers State, Lucas; Sylvan State, Sylvan Grove; and Traders State, Glen Elder. The group has applied for a charter to the Kansas State Banking Board and expects the board's decision this spring. The proposed bank's location and name have not been determined, but organizers hope to open it this fall with Mr. Duwe as chief executive officer.

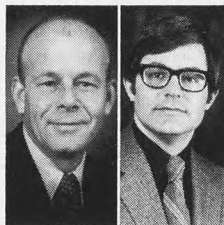
■ **HOME STATE**, Lewis, has begun constructing a new building after a fire last December destroyed the former structure. The new quarters will have a storage room, kitchen and employees' lounge, directors' room and a drive-up window. Construction is expected to be completed this summer.

■ **SILVER LAKE STATE** has increased capital from \$100,000 to \$150,000 by stock dividend.

■ **CENTRAL STATE**, Wichita, has named Stephen T. King assistant cashier and assistant auditor. He had been manager of the transit department.

■ **VICTORY STATE**, Kansas City, has elected Hal L. Cozine an assistant cashier and Leslie H. Rollin a director. Mr. Cozine has been in the banking field approximately 22 years and has been with Victory State since 1968. Mr. Rollin owns dry cleaning and launderette businesses.

R. W. Bruner Elected President of Twin Lakes State, Wichita



BRUNER WEST

WICHITA—Richard W. Bruner has been elected president of Twin Lakes State Bank. Mr. Bruner, formerly executive vice president, succeeds the late Russell W. Woolley. John M. West, vice president, has been named a director to fill the vacancy created by the death of Mr. Woolley.

Mr. Bruner, who recently joined Twin Lakes, had been employed 20 years with Union National, Wichita. He left Union National as executive vice president. Mr. West will continue to coordinate marketing, business developments and commercial lending.

■ **CAPITAL CITY STATE**, Topeka, has elected Edwin Jenkins Jr. vice president, consumer loans. He also was named a director. Mr. Jenkins had been vice president at Exchange State in Kansas City. At Capital City State, he succeeds James P. Long, who resigned to become president of a bank in Nebraska.

■ **SAM I. CHESTNUT** has been promoted from assistant cashier to assistant vice president and a director at First National, Quinter. Mrs. Edwin Eberly has been named assistant cashier.

■ **FIRST NATIONAL**, Smith Center, has remodeled its offices and added new carpeting.

■ **FIDELITY STATE**, Concordia, has increased capital from \$100,000 to \$200,000 through a stock dividend.

■ **PEOPLES BANK**, Pratt, has increased capital from \$200,000 to \$400,000 by a stock dividend.

John E. French Elected VP at Commercial National

KANSAS CITY—Commercial National has elected John E. French vice president, electronic data processing department. Mr. French will be responsible for operations in data processing, plus development of new marketing and expanded computer services for commercial and correspondent banking customers.



FRENCH


Before joining Commercial National, Mr. French had been vice president of Vaughan Computer Systems, Inc., of Kansas City, Mo., with primary responsibilities in marketing and consultation services for banks. He also has been employed as a financial systems engineer for IBM in Kansas City, Mo.

100th-Anniversary Milestone Reached by 1st of Troy

TROY—First National is observing its 100th year. The bank was founded February 4, 1870, by Henry Boder Jr. and Louis Boder, under the name of Boder Brothers. After the Boder brothers' 17-year partnership was discontinued, Henry Boder Jr. operated the bank until it was reorganized in 1890 under state law and the name was changed to Bank of Troy.


In 1906, control of the bank was transferred to John S. and Charles V. Norman. In 1922, Bank of Troy secured a national charter. The bank was in the same location for 98 years, but in 1967 two buildings were purchased and remodeled by the bank. First National is located in one of these remodeled buildings, and the second structure was razed to make way for a drive-up facility.


■ **V. E. GAGELMAN** has resigned as a director and inactive president of Hays National to devote full time to other interests. Mr. Gagelman is one of the organizers of the bank, which was founded six years ago.



PROFESSIONAL

ELECTRONIC DATA PROCESSING SERVICE!





COMMERCIAL NATIONAL BANK

6th & Minnesota Avenue 371-0035 Kansas City, Kansas Member F.D.I.C.

JOHN FRENCH
Vice President

MAX DICKERSON
Senior Vice President

Promoted at Union National



GEARY HENSCH HOPSON GILLENWATER

Union National in Wichita has promoted Edward V. Geary from executive vice president to first executive vice president; Richard E. Hensch from assistant vice president to vice president and comptroller; Ray C. Hopson from vice president to vice president and cashier; and C. W. Gillenwater from assistant vice president to vice president. Elected assistant vice presidents were: W. A. Andrews, James M. Moffat and Richard J. Custine. Richard Norris was named assistant cashier; Donald J. Sodowsky and Robert D. Hoffman data processing officers; Robert A. Phillips investment officer; and Richard Buchanan trust officer.

■ NATIONAL BANK of Pittsburg has promoted Donald E. Webber from vice president and trust officer to senior vice president and trust officer; Robert S. Herman and Leonard L. Burke from assistant vice presidents to vice presidents.

■ FIRST STATE, Salina, has elected J. Robert Trimble an assistant cashier.

■ SOUTHWEST STATE, Topeka, has begun an expansion project that will double the size of the present building. With completion scheduled for this summer, the new 5,000-square-foot addition will include a new lobby, offices and storage area.

Charter Refused for Harper Bank

HARPER—The State Banking Commission has rejected a charter for the proposed Peoples State Bank. An insufficient need for a second banking institution in Harper was given as the reason for rejecting the charter.

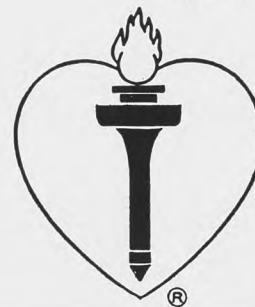
KABAR Elects 1970 Officers

The Kansas Association of Bank Agricultural Representatives (KABAR) has elected its officers for 1970. They are: president, John C. Umbach, president, Bank of Whitewater; vice president, Jim Cunningham, Federal Intermediate Credit Bank, Wichita; secretary-treasurer, Ronald J. Sweat, assistant vice president and farm director, Guaranty State, Beloit.

New directors for KABAR are: Don L. Farmer, vice president and cashier, First State, Leoti; Wilbur Levering, vice president, Merchants National, Topeka; and Melvin Hubbell, agricultural representative, First National, Winfield.

Your Heart Fund Fights

- HEART ATTACK
- STROKE
- HIGH BLOOD PRESSURE
- INBORN HEART DEFECTS



special.

Our correspondent bank customers are something special at American National. That's why Everett Crume and Donald Folks work so hard to give them the kind of fast, accurate service they want. If you have a problem that requires special understanding and know-how, call our specialists. A lot of Midland Empire banks do.

Correspondent Department
Everett L. Crume, Vice Pres.
Donald D. Folks, Vice Pres.

Agricultural Department
Ronald R. Loudon, Vice Pres.
Vernon Whisler, Vice Pres.

American National Bank



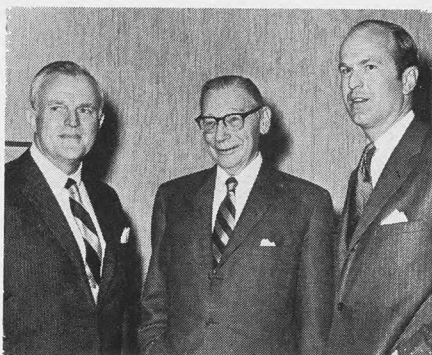
Sixth and Francis Sts., St. Joseph, Mo., Phone 816-233-6141

Member Federal Deposit Insurance Corporation

Missouri News

Hickok, Jones, Barksdale Named to New Posts at 1st Nat'l, St. Louis

ST. LOUIS—First National has made three major management changes. James P. Hickok, chairman and chief executive officer, has been elected chairman of the executive committee. Former President Edwin S. Jones has been named chairman and chief executive officer to succeed Mr. Hickok. Clarence C. Barksdale, executive vice president, has been promoted to president and elected to the board.



New senior management changes at First National in St. Louis include, left to right: Edwin S. Jones, formerly president, advanced to chairman and chief executive officer; James P. Hickok, board chairman and chief executive officer, to chairman, executive committee; and Clarence C. Barksdale, executive vice president, to president and director.

Other members of First National's senior-management team are William H. Harrison, executive vice president, and William J. Chapman and Jefferson L. Miller, senior vice presidents.

Mr. Hickok, who joined the bank as executive vice president in 1950, was elected president in 1957 and chairman and chief executive officer in 1962. An employee of First National since 1946, Mr. Jones was named president and a director in 1968. Mr. Barksdale joined the bank's executive training program in 1958 and was elected executive vice president in 1968.

Manchester Bank Sets Record

ST. LOUIS—Manchester Bank's N.O.E. after taxes last year passed the million-dollar mark for the first time in the bank's history. Earnings totaled \$1.1 million, or \$4.93 a share, compared to \$4.32 a share, in 1968—an increase of 14%.

Two Banks in St. Louis County Announce Changes in Names

South County Bank, Mehlville, and Northland Bank, Jennings, have changed their names to Mark Twain South County Bank and Mark Twain North County Bank. Both banks are members of Mark Twain Bancshares, Inc., a registered multi-bank holding company. The name of the third member of the holding company, Mark Twain State Bank in Bridgeton, remains the same.

In other action, Mark Twain Bancshares, Inc., and several St. Louis-area businessmen have applied for a charter to organize the proposed Mark Twain Woodsmill Bank. If the charter is approved, the bank will be located at Clayton and Woods Mill roads and will have a capitalization of \$1 million.

Boone County Nat'l Announces Promotions of Price, Bates

COLUMBIA—Albert M. Price has been promoted from executive vice president to senior vice president at Boone County National. Also promoted from vice president to executive vice president was William H. Bates.

Boone County National has advanced Justin A. John from loan officer to assistant cashier.

Mr. Price began his employment with the bank in 1951. He is a graduate of the University of Missouri. Mr. Bates, who has been with the bank since 1956, previously had been with Lexington Savings. An employee since last September, Mr. John had been an agent for MFA Insurance Companies.

Boonville Bank Affiliation Pact

National Bank of Boonville and First National Charter Corp. of Kansas City, a registered bank holding company, have signed an affiliation agreement. The transaction is subject to approval of the Federal Reserve System and will be consummated through an exchange of stock. First National Charter has controlling interest in First National and Leawood National banks, both in Kansas City.

Butler, Minton Named to New Posts

ST. LOUIS—Jack G. Butler has been elected chairman of General Bancshares Corp., St. Louis-based holding company, and its principal subsidiary, Bank of St. Louis. Jack W. Minton has been elected president of both concerns.



BUTLER



MINTON

Mr. Butler had been president of both the holding company and the bank. Mr. Minton had been vice president of General Bancshares, and executive vice president of Bank of St. Louis. Mr. Butler continues as chief executive officer and succeeds the late Preston Estep as chairman.

General Bancshares, the first registered bank holding company in Missouri, owns six banks in the St. Louis area, three in Illinois and one in Memphis.

Predator-Control Display at Bank



H. T. Harlin (l.), president of the Bank of Gainesville, and W. F. Hailey, conservation agent, discuss an exhibit on predator control in the bank's lobby. The predator-control program is available to Missouri landowners through the state's Department of Conservation.

■ BANK OF HOUSE SPRINGS has declared its first quarterly cash dividend of 1970—25¢ a share, which was payable March 15 to shareholders of record March 1.

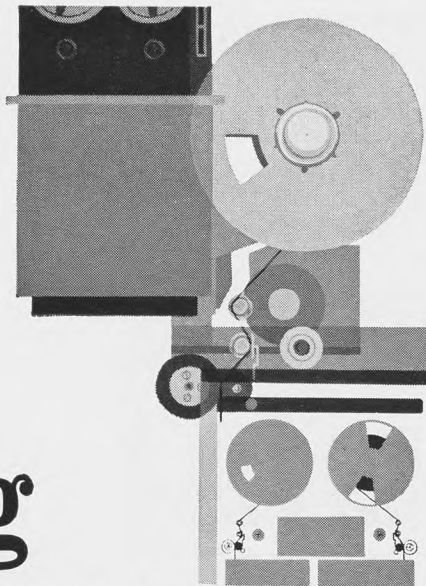
Missouri Death

GERALD E. MULLIGAN, 65, assistant vice president at Farmers Trust in Lee's Summit. He had been with the bank since 1958.

Boatmen's Computerized

Demand Deposit Accounting

for fast, accurate, off-premise bookkeeping at low cost



There's nothing new about off-premise DDA via computer. But if you're considering it, we'd like to talk with you about the Boatmen's service. It's a flexible service that can be tailored to meet your needs, giving you the efficiency and economy of off-premise, computerized demand deposit bookkeeping at modest cost.

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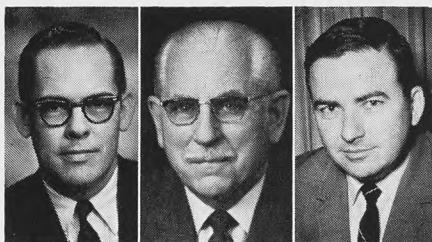
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Four Promotions Announced by Tower Grove Bank

ST. LOUIS—Tower Grove Bank has promoted Raymond R. Kaercher to vice president and treasurer; L. Dale Loveall to vice president of operations; and G. Wayne Thomas to assistant vice president handling correspondent banks and business development.



LOVEALL KAERCHER THOMAS

Mr. Kaercher, who has been with the bank more than 41 years, had been assistant vice president and treasurer. Mr. Loveall had been an assistant vice president and Mr. Thomas had been a commercial banking officer.

Tower Grove Bank also has promoted Ronald G. Sherrill to assistant commercial banking officer.

William E. Peterson Dies; Retired VP of Fed Reserve

ST. LOUIS—William E. Peterson, 78, a retired vice president of the Federal Reserve Bank, died March 15, following surgery. He had resided in Clearwater, Fla., since his retirement in 1956.

Mr. Peterson joined the Federal Reserve Bank of St. Louis in 1918. In 1934 he was appointed chief examiner and in 1944 vice president, the post he held until his retirement. Mr. Peterson's son, William E. Peterson Jr., is president of Chippewa Trust, and the late Mr. Peterson's grandson, Richard W., is a senior special assistant at the Federal Reserve Bank.

Boonville, Warrensburg Banks Sign Pacts With Holding Co.

KANSAS CITY—Missouri Bancshares, Inc., has signed agreements in principle with two banks: Kemper State of Boonville and Peoples National of Warrensburg. An exchange of stock between the banks and Missouri Bancshares is subject to approval from the Federal Reserve System and other regulatory authorities.

Missouri Bancshares also has agreements in principle with Central National of Carthage and Security National of Joplin. Acquisition of all four banks will change the present status of Missouri Bancshares from a one-bank holding company to a registered multi-bank holding company.

Melvin H. Klingler Dies

WELLSTON—Melvin H. Klingler, president of First National, died March 17. He was 63. Mr. Klingler joined First National in 1923, was elected assistant cashier in 1939, vice president in 1951 and president in 1960. He was a former president of the Associate Bankers of St. Louis and St. Louis County.

Johnston, Retired President of Mercantile Trust, Dies

ST. LOUIS—Gale F. Johnston, 71, former president of Mercantile Trust, died March 7 of a heart ailment.

Mr. Johnston was president of Mercantile-Commerce Bank & Trust Co. when it was merged in 1951 with Mississippi Valley Trust. He continued as president of the merged bank (Mercantile Trust) for seven years before retiring in 1958.

Prior to his retirement, Mr. Johnston was treasurer of the Jefferson National Expansion Memorial Association and finance chairman, executive committee, Citizens Committee For Slum Clearance and Housing.

Mr. Johnston's son, Gale F. Johnston Jr., is a trust officer at Mercantile Trust.

■ FARMERS TRUST, Lee's Summit, has elected George W. Brown to the board. Mr. Brown has been with the Missouri Public Service Co. 28 years and is presently director of creative planning and evaluation.

■ FIRST NATIONAL, Montgomery City, has elected Robert H. Boehmler a director. He is owner and operator of Bob's Variety Store in Montgomery City.

■ BURTON HUGHES has been promoted from cashier to executive vice president at First National of Salem. Also promoted was Charles Whitmire from assistant cashier to cashier.

■ NORTH COUNTY BANK, Jennings, has changed its name to First North County Bank & Trust Co.

Eugene Bach Named President of Installment Credit Assn.

ST. LOUIS—The Bankers' Installment Credit Association has elected Eugene T. Bach president. Mr. Bach is assistant vice president at First National.

Other officers elected were: vice president, John M. Headrick, director of time finance, Mark Twain Bancshares; treasurer, Thomas L. Haley, assistant vice president, First National, East St. Louis, Ill.; and secretary, C. James Spinale, assistant vice president, Manchester Bank.

Six Promotions Are Announced by Empire Bank, Springfield

SPRINGFIELD—Empire Bank has promoted Floyd Tucker from cashier to vice president and cashier, operations, and Ron Meade from data processing officer to vice president. Mr. Meade continues to have charge of the data processing division.



BEAMAN TUCKER CONSOLVO

Mrs. Bessie Beaman, formerly assistant cashier, was elected assistant vice president, operations and customer services, and Mrs. Louise Consolvo, formerly executive secretary of the bank, was advanced to assistant vice president. She was assigned to the newly created training and special services division. Also elected assistant vice presidents were Joe Robinson and Emry Dilday, both in commercial loans.

Gibson, Lawellin and Pate Promoted at 1st of Joplin

JOPLIN—R. D. Gibson, Duane Lawellin and H. Preston Pate have been promoted from vice presidents to senior vice presidents at First National. Bob Livingston, formerly second vice president, was elected vice president.



GIBSON LAWELLIN PATE

The following assistant cashiers were promoted to second vice presidents: Russell G. Cochran, Mrs. Marcella DeAlmeida, William B. Johnson, Daniel W. Carr, Harry A. Greninger and John L. Pendleton. James Sours and Steve Williams were named assistant cashiers.

Robert Gaddy Named Chairman

ST. LOUIS—Robert J. Gaddy has been elected chairman of Tower Grove Bank. He also continues as president. Mr. Gaddy is president of the Missouri Bankers Association.

■ MIDLAND BANK, Lee's Summit, has named Wayne Brooke assistant cashier.



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Missouri Banks' History Is Interesting Account by Dr. Davids, Hubbard

BANKING IN MID-AMERICA: A History of Missouri's Banks by Timothy W. Hubbard and Lewis E. Davids; 232 pp., Public Affairs Press, 419 New Jersey Ave., S. E., Washington, D. C. 20003; \$8.

Although this book is obviously along the line of Mr. Hubbard's usual writing, it represents somewhat of a change of pace for Dr. Davids, who is well-known to MID-CONTINENT BANKER readers as a result of his erudite and technical monthly articles in this magazine. Mr. Hubbard, on the other hand, has been a professional editor on various newspapers and on the magazines, *Newsweek* and *Business Week*. He is presently chairman of the magazine department at the School of Journalism of Syracuse University. Dr. Davids has been the Robert E. Lee Hill professor of bank management at the University of Missouri since 1961.

The volume is at once interesting and informative, technical enough to be worthy of a banker's time, yet not so technical that it will be found difficult by the casual reader. It is history at its best.

An astonishing amount of time must have been spent on research for the book is replete with stories that bring out the *romance* of banking and anecdotes and thumbnail biographies of men prominent in Missouri banking.

The early part of the narrative is of necessity sketchy, because of the scarcity of records about early Missouri banking. Nonetheless, the authors have put together a fascinating account of early days. The early banks did not always publish statements of condition and when they did, frequently assets and liabilities did not balance! However, here Dr. Davids has drawn upon his banking expertise and put together some early statements of condition that make sense to a banker of today. For instance, the book contains a balance sheet for the Bank of Missouri (1818-1820) both for its opening day and the day it closed. This bank, together with an early Bank of St. Louis, shares the distinction of being the first bank west of the Mississippi.

Of particular interest to St. Louis old-timers will be the charts detailing the family trees of the Mercantile Trust Co. and of the First National Bank in St. Louis. Other charts show numbers and deposits of Missouri banks at various dates, while an appendix contains the complete act of incorporation of the first Bank of St.

Louis whose organization was led by Auguste Chouteau on August 21, 1813.

In telling the story of Missouri banking, the authors necessarily had to tell the story of United States banking as well. Thus, one of the most interesting chapters in the book details the formation of the Federal Reserve System. Of equal interest is the chapter titled "The Great Depression," which tells of the travails of Missouri bankers and of how and why so many banks failed to survive.

The volume has an excellent and detailed bibliography and a good index that will make it valuable as an aid to research students.

Boushelle Named Exec. VP

SANTA FE—First National has promoted J. Paul Boushelle from vice president and controller to executive vice president. He has been with the bank since 1963.

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