

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

MID-YEAR STATEMENT ISSUE

AUGUST, 1971

Responsibilities of a Bank Director (see page 25)



New Home for Citizens Union Bank, Lexington, Ky.

(see page 46)

BANK BUILDING CORPORATION

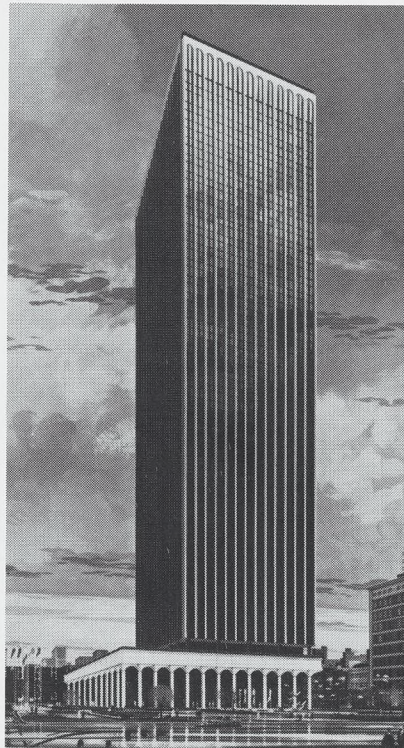
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FIRST NATIONAL BANK OF COMMERCE

NEW ORLEANS, LOUISIANA

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Chairman of the Board

JAMES H. JONES
President and
Chief Executive Officer

EUGENE M. MCCARROLL
Vice Chairman of the Board

THOMAS S. DAVIDSON
Executive Vice President

FRANCIS C. DOYLE
Executive Vice President

WALTER B. STUART III
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Senior Vice President

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Senior Vice President

THEODORE J. MOSES III
Senior Vice President

MICHAEL J. RAPIER
Senior Vice President

FRED M. SMITH
Senior Vice President

COMPARATIVE CONSOLIDATED STATEMENT OF CONDITION

RESOURCES

Cash and Due from Banks	.....
U.S. Treasury Securities	.....
State and Municipal Bonds	.....
Federal Reserve Bank Stock and Other Securities	.....
Federal Funds Sold	.....
Loans	.....
Buildings, Furniture and Equipment	.....
Other Real Estate	.....
Customers' Acceptance Liability	.....
Accrued Interest on Bonds and Loans and Other Assets	.....

June 30, 1971

June 30, 1970

\$108,498,377	\$ 78,627,609
27,521,150	28,940,363
64,414,481	45,253,316
942,000	827,957
16,475,000	16,300,000
296,701,107	255,298,115
11,343,448	8,273,301
83,931	941,466
939,942	949,927
<u>5,900,547</u>	<u>5,549,024</u>
<u>\$532,819,983</u>	<u>\$440,961,078</u>

TOTAL RESOURCES

LIABILITIES

Demand Deposits:	
Individual and Business Banks	.....
U.S. Government and Other Public Funds	.....
Total Demand Deposits	.....
Time Deposits:	
Savings	.....
Foreign Branches	.....
Other time deposits	.....
Total Time Deposits	.....
Total Deposits	.....
Funds Purchased	.....
Mortgages Payable	.....
Acceptances Outstanding	.....
Other Liabilities	.....
Total Liabilities	.....
Loan Valuation Reserve	.....

\$195,097,380	\$183,701,083
69,457,391	49,231,009
13,285,500	11,501,988
<u>\$277,840,271</u>	<u>\$244,434,080</u>
70,399,857	62,372,627
1,200,000	-0-
97,289,092	57,102,829
<u>\$168,888,949</u>	<u>\$119,475,456</u>
<u>\$446,729,220</u>	<u>\$363,909,536</u>
26,611,846	19,334,417
2,811,000	3,099,500
939,942	949,927
7,134,908	6,951,539
<u>\$484,226,916</u>	<u>\$394,244,919</u>
\$ 3,452,101	\$ 4,323,308

CAPITAL ACCOUNTS

4% Convertible Capital Notes	...	\$7,083,000	
Less: Obligation Assumed by First Commerce Corporation		<u>7,083,000</u>	
Equity Capital			
Capital Stock			
Common Stock (\$10 Par)			
Surplus			
Undivided Profits			
Surplus Representing Convertible Capital Notes Assumed by First Commerce Corporation			
Total Capital Accounts		<u>7,083,000</u>	<u>-0-</u>
TOTAL LIABILITIES AND CAPITAL ACCOUNTS		<u>\$532,819,983</u>	<u>\$440,961,078</u>

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MID-CONTINENT BANKER for August, 1971



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THE BANKING SCENE



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

AIB's Management by Objectives

MBO, AS THE initiates to scientific management telescope the phrase Management by Objectives, is going to be a more familiar subject to bankers throughout the nation. The reason? The American Institute of Banking (AIB), the education arm of the American Bankers Association (ABA), in a newly released series titled *Bank Management Seminars*, has provided bankers throughout the nation with a long-needed aid to bank administration.

ABA's President Clifford C. Sommer has this to say about the academic venture: "Nothing that has been sponsored by the American Institute of Banking in recent years has been more practical or progressive than these new bank management seminars. I commend them for your attention."

It was with these accolades in mind that I looked forward to my teaching stint this summer at the School of Banking of the South at Louisiana State University. I had learned previously that the school had decided to introduce this new subject area into the curriculum. It would be interesting to see if the program lived up to its prior billing.

The School of Banking of the South has been a leader in curriculum innovation. The adoption of the "AIB Seminar Management by Objectives" by the school represented a wholesome attempt at educational cooperation between the AIB and what are termed the advanced schools of banking. This was an area that in the past was simply overlooked—bypassed.

Perhaps at this point some background on MBO is appropriate. While there are a number of academic authorities on that topic, probably the most widely known in the field of banking is Dr. George S. Odioyne, dean and professor of management at the University of Utah. He previously had been director of the Bureau of Industrial Relations at the University of Michigan. Some bankers will remember him as a long-time faculty member

of the Stonier Graduate School of Banking at Rutgers University. He is author of the book, "How Managers Make Things Happen."

Dr. Odioyne was commissioned by AIB to provide a basic orientation in the methods of effectively planning and developing management personnel with consideration to the future needs of the bank.

The level of the seminar was designed for middle management bank personnel. It is now obvious that top management of many banks would also benefit from the seminar. The goal of MBO was to translate bank problems into realistic goals so that the individual student banker and his bank could accomplish these goals by use of a strategy that is called "management by objectives."

Perhaps at this point some broad generalization of the MBO concept will be helpful.

Basically, MBO is a way of thinking, an attitude to get management and subordinate staff to identify by a form of consensus what the bank's common goals are, both long term and short term; and then, after agreement on these goals (which involves education and compromise), to work out a means of identification so that each banker-executive and subordinate knows his agreed-upon area of responsibility and the accepted target results which he, himself, has identified as being attainable. There then involves some group dynamics and interrelationship of understanding and communication. Senior management, of course, must help set the stage of the broad and general objectives of the bank. All subordinates should have some feeling of identification with these goals, and agree and want to reach them. Needless to say, in this phase of MBO there is a need for communication, both upward and downward, until any conflicts are resolved.

Stated in writing, MBO seems so simple that many bankers will either

feel they were already doing it—or they will wonder just how they could have avoided doing it.

Since first there must be a general agreement on what the bank's broad goals are—and a common bond of acceptance—then there is the need to subcategorize the broad goals into segments or units so that each bank officer, each department and function of the bank can be part of the decision-making process in which the general goals are tied down to objectified specifics, such as actual dollars of loans, or deposits, or profits.

It is not sufficient, however, to simply set dollar or percentage-of-growth targets. The stimulating and probably the most challenging part is the strategy that each party to MBO intends to utilize to achieve those specific goals, recognizing that in a bank one function is interrelated with another. Thus, loans cannot be expanded by a specific percentage or rate unless deposits—or excess reserves—are available to accomplish this. In effect, one department or function of the bank then recognizes that it is dependent on other departments of the bank and the progress of the bank as a whole is contingent on all the departments or functions of the bank. This recognition is an eye-opener for many bankers. It also provides a motivation to force departments to rise to the needed level.

If MBO is on course, the bank is progressing toward its objectives. If not, then remedial action and adjustment are called for. By focusing attention on how each department is progressing toward its specific—and the bank's overall—objectives, then any downward, or at times upward, deviation becomes an opportunity for corrective action. Thus, control of the progress of each component of the bank is related to the time frames of the objectives.

(Continued on page 69)

Bond Portfolio.

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MID-CONTINENT BANKER for August, 1971

Arthur Kincade Retires As Active Banker; Career Spanned 50 Years

WICHITA—A Kansas banker who became a legend in his time—Arthur W. Kincade—has retired as chairman of the board of Fourth Financial Corp., thus ending more than a half century of banking and financial activity in the Southwest. His decision to step down as head of the holding company of which the Fourth National Bank & Trust Co. is the leading subsidiary,



KINCADE

became effective August 1, upon his reaching the age of 75. Mr. Kincade was named chairman emeritus of the holding company.

Arthur Kincade joined the Fourth National Bank as executive vice president in 1937 and in 1940 was named president and chairman of the board. At that time—when the bank had less than \$30 million in resources—Mr. Kincade envisioned greater days for the bank and his adopted city of Wichita. When the buildup for our nation's possible participation in World War II began, Mr. Kincade played a leading role in helping finance industries related to defense. Assuming a bold position in the financing, he helped bring new industries to Wichita, causing both the city and the bank to grow rapidly.

Old-time bankers still recall the days when Art Kincade engineered mammoth V-loans and invited leading banks throughout the nation to participate. Until then the usual practice was for large city banks to instigate such large credit and invite other banks such as those in Wichita or larger centers to participate.

As additional thousands of workers moved to Wichita to work for "war industries" and found themselves getting pay checks from Fourth National, the bank gained many new depositors from the ranks of workers. In recent years, new emphasis in developing trust business caused Fourth National to change its name to Fourth National Bank & Trust Co. Today, from its position as the largest bank in Kansas, it is the principal subsidiary of Fourth Financial Corp., which includes Fourth Financial Insurance Co.

Although relinquishing his duties as chairman of the holding company and Fourth Financial Insurance Co., and
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MID-CONTINENT BANKER

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August, 1971

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MID-CONTINENT BANKER for August, 1971

First Place.



New Financial Center For America's Newest Port City.

Our new \$20 million First Place is already going up on 4th street between Boston and Main. We're building the largest single commercial development in the history of downtown Tulsa — to fill a need.

The 41-story Tower (tallest in Oklahoma) will increase Tulsa's total "Class A" office space by almost 30 percent. The new structure will connect to our existing 20-story bank building at every level, making on-the-spot financial services available to every occupant. A plaza and pedestrian area will connect at street level with a landscaped shopping arcade. First Place is our expression of faith in Tulsa's fantastic future. We're honored to have a hand in providing for its progress.

you deserve more...Think First!

The First National Bank & Trust Company of Tulsa



MID-CONTINENT BANKER for August, 1971

NEWS OF THE BANKING WORLD

• **Kenneth F. Valentine** has retired as president of American Fletcher Corp., Indianapolis, one-bank holding company of American Fletcher National.

Mr. Valentine joined American Fletcher National in 1963 after more than 30 years in the pharmaceutical industry.

When he joined the bank, he was made vice president and advisory board member. In 1964, he was elected vice chairman, director and member of the executive committee and was named president of the bank in 1969. He was appointed president and director of American Fletcher Corp. in 1970.



VALENTINE

• **John J. Cross Jr.** has been promoted to senior vice president in charge of corporate development at Citizens Fidelity, Louisville. H. Clifford Churchill has replaced Mr. Cross as vice president in charge of the operations division.



CROSS

Mr. Cross joined the bank in 1961 as manager of data processing. He was transferred to the operations division in 1967 as vice president and manager.

Mr. Churchill went to Citizens Fidelity in 1952 as a trust security teller. He joined the operations division as an assistant vice president in 1962 and later became a vice president. In 1969 he was named manager of the BankAmericard department.

• **Private Export Funding Corp.** (PEFCO) recently was founded by 53 banks throughout the United States to provide assistance for the financing of U. S. exports to foreign countries.

PEFCO has an initial capitalization of \$12.7 million, all of which has been subscribed by the banks supporting the program. The corporation will work in cooperation with the Export-Import Bank of the United States, which has

agreed to extend a \$50-million short-term revolving credit to the new corporation.

Mid-Continent-area banks included in the list of founding shareholders are:

American National, Chicago; Continental Illinois National, Chicago; First City National, Houston; First National, Chicago; First National Bank of Commerce, New Orleans; First National, Dallas; Fort Worth National; Harris Trust, Chicago; Houston National; Indiana National, Indianapolis; Mercantile Trust, St. Louis; Merchants National, Mobile; National Bank of Commerce, Memphis; Northern Trust, Chicago; and Republic National, Dallas.

• **Edwin S. Jones**, chairman and chief executive officer, First National, St. Louis, was elected president of Civic Progress, Inc., an organization of business and civic leaders. The active membership of Civic Progress is composed of chief executive officers of large companies with headquarters in St. Louis.



JONES

Mr. Jones has been with First National since 1946. He became executive vice president in 1960, was elected president and a director in 1968 and chairman and chief executive officer in 1970. He also is president and chief operating officer of First Union, Inc.

• **Donald E. Seese** has joined Wells Fargo Bank, San Francisco, as senior vice president and controller. He will serve as the bank's chief financial officer in charge of accounting, profit planning, cost analysis and financial and tax reporting.

From 1956 to 1961, Mr. Seese was associated with a San Francisco public accounting firm and joined Wells Fargo from Bank of California, where he also served as chief financial officer.

• **First American National**, Nashville, has completed plans for formation of a holding company to be named First American National Corp. Approval for the action has been received from bank shareholders and the Federal Reserve. The holding company will own the outstanding stock of First American National.



HUBER

• **Roger L. Huber** has joined the Lincoln Trail Bank, Fairview Heights, Ill., as a vice president. He comes from First National, St. Louis, where he was a correspondent banking officer in Illinois, Indiana, Kentucky and Iowa.

Mr. Huber was in the U. S. Marine Corps and with St. Clair National, Belleville, Ill., before going to First of St. Louis in 1962. A Belleville native, he holds an associate science degree from Belleville Area College.

• **John Alexander Jr.** has been elected president and chief executive officer of City National, Birmingham, Ala. Previously, he had been executive vice president of Exchange Security, also in Birmingham.



ALEXANDER

Mr. Alexander holds a degree from the University of the South in Sewanee, Tenn.

He also attended the Graduate School of Banking at Louisiana State University. He has served as president of the Birmingham chapters of both the American Institute of Banking and of Bank Administration Institute.



BLIXEN

• **John Henry Blixen II** last month was elected vice president of St. Louis' Mercantile Trust. Mrs. Janice Barkley Rennie was promoted to investment officer and Marcus A. Hirsch Jr. to assistant investment officer.

Mr. Blixen joined the bank's trust department in 1964. He is a chartered financial analyst. Mrs. Rennie went to the bank in 1962 and Mr. Hirsch in 1966.

News of the Banking World

• **First National of Birmingham, Ala.**, has established a new department for all government-related business. It will be headed by James E. Vance, senior vice president, who also will have other duties in the commercial department.



VANCE

John A. Hand, chief executive officer, said the new department will increase services to customers in state, city and county offices and to those in universities and colleges.

He commented, "In creating a department to specifically serve these institutions, we hope to deepen our understanding of their banking needs and to strengthen our liaison with their people."

Mr. Vance joined the bank in 1936 and in 1949 was commissioned to set up the correspondent bank department. He was elected assistant vice president in 1951 and vice president in 1953. Mr. Vance has headed the new business division and until his new appointment was head of advertising and public relations.

• **Billy Joe Hall**, president, Mt. Sterling (Ky.) National, has been elected president of Recreating Enterprises, a public corporation formed to promote a recreation complex at Cave Run Reservoir in the Gateway Area Development District. The corporation consists of representatives of six counties—Fleming, Rowan, Morgan, Menifee, Bath and Montgomery. County-seat towns are Flemingsburg, Morehead, West Liberty, Frenchburg, Owingsville and Mt. Sterling.



HALL

The corporation's board is composed of an appointee from each county and one from each city, making a 12-man board.

The objective is to lease as concessionaire property owned by the U. S. Forestry Service, Department of Agriculture, and to develop on such land a multimillion-dollar recreation complex.

Included will be all types of recreational facilities and various types of housing units. The leasing of the land from the Forestry Service will be completed by next January 1, Mr. Hall told MID-CONTINENT BANKER.

The firm is now compiling necessary data for obtaining grants and loans from several government agencies.

The corporation is public, according to Mr. Hall, because of the advantages inherent in the public rather than the private sector. Profits realized from the endeavor will be divided proportionately among the cities and counties involved.

Mr. Hall envisions the overall complex, when completed, as exceeding major U. S. developments such as the Greenbrier at White Sulphur Springs, West Va.

• **Clyde O. Draughon**, vice president in the marketing department of Merchants National, Mobile, has retired. He had been with the bank 51 years.

Mr. Draughon joined the bank as a bookkeeper in 1920. He was elected assistant cashier in 1939, assistant vice president in 1944 and vice president in 1951. At various times, he had been head of the advertising, savings and business development departments.

• **W. L. Webber** has returned to full-time supervision of the correspondent division of Security National, Kansas City, Kan. For the past 2½ years, he had been Kansas bank commissioner.

R. R. Domer, who was vice president in charge of the correspondent division, has been promoted to senior vice president and head of the commercial loan department with supervision of all loan department units. He also has been elected to the bank's board. Mr. Domer, a 35-year banker, joined the bank in 1965 after having been a banker in Tulsa and Centralia, Kan.

Mr. Webber is senior vice president and a director of Security National. In banking nearly 50 years, Mr. Web-



WEBBER



DOMER

ber has been an assistant state bank examiner, a national bank receiver, a Farm Credit administrator and a senior examiner for the FDIC. He also has been an assistant bank commissioner for Kansas as well as commissioner and once was cashier and a director of Bush City (Kan.) State.

In another change at Security National, F. Dwight Coburn, executive vice president, who was senior loan officer and head of the commercial loan department, has been named head of the investment department. In his new assignment, Mr. Coburn will concentrate on the bank's investment portfolio, customer-owned safekeeping activities and customer investment counseling. Mr. Coburn has been in banking since 1918, serving with Riverview State until its merger with Security National in 1962. At that time, he was elected executive vice president. He also is a director of the bank.

• **George L. Gatten** has been elected vice president and trust operations



GATTEN

officer at City National, Kansas City. In the trust department, Gary W. Richards was made general trust officer and E. Frank Ware assistant pension trust officer. In operations, Carl R. Ford was named assistant operations officer.

Mr. Gatten joined City National in 1964. He was named trust operations officer in 1970. Mr. Richards went to the bank in mid-1970, Mr. Ware in 1969 and Mr. Ford in 1962.

• **Sam Hoover** has been named manager of the new leasing and equipment financing department of Boatmen's National, St. Louis.



HOOVER

Mr. Hoover joined Boatmen's in May and has a background of 10 years' experience in the leasing and financing business in St. Louis. Before that, he had been in the leasing business in Cleveland.

• **First American Bank**, Memphis, elected Taylor McGown vice president of the newly established investment department. The division will be responsible for underwriting and trading in municipal bonds, trust services, real estate management, mortgage loans and general investments.

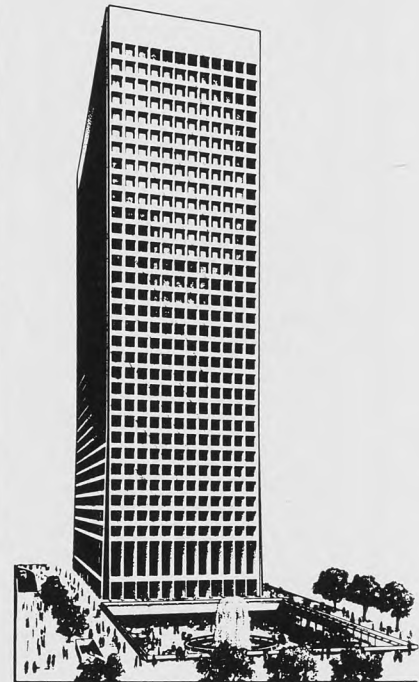
Mr. McGown has been active in the investment business since 1961.

Comparative Balance Sheet As of June 30, 1971 and 1970



The Texas Bank One Main Place

DALLAS, TEXAS



TEXAS BANK & TRUST COMPANY
OF DALLAS

	1971	1970
Assets		
Cash and due from banks	\$ 50,410,580	\$ 41,712,880
Investment securities:		
U. S. Treasury securities	22,072,760	8,390,868
Federal agencies securities	3,913,172	10,012,826
Obligations of State and political subdivisions	24,158,612	23,995,672
Other securities	765,900	415,900
Total investment securities	\$ 50,910,444	\$ 42,815,266
Trading account securities (Note 1)	171,115	9,445,167
Federal funds sold	9,400,000	6,850,000
Other loans	155,570,566	181,375,210
Bank premises and equipment	4,608,184	5,199,460
Other real estate owned	23,839	42,339
Customers' acceptance liability	152,051	45,967
Other assets	7,144,430	8,224,926
Total Assets	<u>\$278,391,209</u>	<u>\$295,711,215</u>
Liabilities		
Deposits:		
Demand deposits — Due to banks	\$ 43,907,012	\$ 46,961,622
Demand deposits — Other	76,733,051	76,392,110
Savings deposits	13,453,317	12,383,717
Time deposits — Other	110,855,002	93,334,009
Total deposits	\$244,948,382	\$229,071,458
Federal funds purchased and security repurchase agreements	7,622,177	39,700,000
Other liabilities for borrowed money	1,800,000	1,800,000
Accrued taxes and expenses	1,323,566	1,374,666
Bank's acceptances outstanding	152,051	45,967
Other liabilities	2,876,899	4,586,450
Reserves		
Allowance for possible loan losses	819,694	839,853
Capital Accounts		
Capital notes (4 3/4 % due 1989)	3,000,000	3,000,000
Equity capital:		
Capital stock common (\$10 par value) (617,400 shares authorized and outstanding)	6,174,000	6,174,000
Surplus	6,174,000	6,174,000
Undivided profits	3,500,440	2,944,821
Total capital accounts	\$ 18,848,440	\$ 18,292,821
Total Liabilities, Reserves, and Capital	<u>\$278,391,209</u>	<u>\$295,711,215</u>

Note 1. Trading account securities are valued at lower of cost or market in 1971 and at cost in 1970.

Directors

***R. W. Baxter**
Industrialist

John S. Brown
President, Brown Aero Corporation

H. Glenn Butler
H. Glenn Butler Investments

Sanders H. Campbell
Chairman of the Board,
Sanders Campbell & Co.

C. W. Cassidy, Jr.
Chairman of the Board,
Richardson Savings & Loan Assn.

L. E. Cranston
President and Director,
Mobil Pipe Line Company

P. B. (Jack) Garrett
Former Vice Chairman of the Board,
Texas Bank & Trust Company

J. M. Hagggar, Jr.
President, The Hagggar Co.

John T. Higginbotham, Jr.
Investments

John R. Hill, Jr.
President, Gifford-Hill & Co., Inc.

***Mark L. Lemmon**
Physician and Surgeon

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Chairman of the Board,
President and Chief Executive Officer,
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Lane Wood Inc.

Claude R. McClennahan
Chairman of the Board,
Claude R. McClennahan, Inc.

Henry S. Miller, Jr.
Chairman of the Board, Henry S. Miller Co.

William F. Neale, Jr.
President, Southwestern Contracting Co.

Thomas N. Overton
Senior Vice President,
Texas Bank & Trust Company

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Texas Bank & Trust Company

***R. I. Payne**
Investments

Roland L. Pelt
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& Trust Company

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Cleaning & Laundry Co.

Peter P. Stewart
President, The Stewart Company

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Vice President, The Southland Corporation

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Chairman of the Board,
Sam P. Wallace Co., Inc.

William E. Weatherford
Partner, Weatherford Smith Thomas
Insurance

John D. Williamson, Sr.
Investments

*(Indicates Advisory Board Members)

Officers

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Chairman of the Board, President
and Chief Executive Officer

W. W. Overton, Jr.
Chairman of the Executive Committee

Thomas N. Overton
Senior Vice President-Operations Group

P. B. (Jack) Garrett
Consultant

NATIONAL ACCOUNTS DEPARTMENT

Wilfred B. Kirk
Senior Vice President

CORRESPONDENT BANK DEPARTMENT

Hugh K. Frederick, Jr.
Senior Vice President, Manager

Charles W. Baker
Vice President

Rex B. House
Vice President

Newell Johnston
Vice President

T. Ray Powell
Vice President

Selling Bank Services

Great Consumer Recognition Gained With New Citizens Fidelity Symbol

ALMOST UNPRECEDENTED consumer recognition was won for the new trademark of Citizens Fidelity, Louisville, within six months after the symbol was introduced. This was learned in a study conducted for the bank last March.

According to the study, with one exception the new trademark ran ahead of all other local firms' symbols, most of which had been in use for many years.

The new visual corporate identification for the bank is a tree-like form, based on the initials "C" and "F." The "C" is drawn almost full circle to symbolize the bank's full range of services. The "F" bears three leaf-like shapes, which bank officials say are expressive of Citizens Fidelity's concern with the preservation of nature—clean air, clear water and health growth in general.

The symbol was created by Gianninoto Associates, Inc., New York. John DiGianni, vice president and creative director of the industrial design firm, had charge of the Louisville bank's project.

The study showed that the bank's slogan, "Come Grow With Us," benefited from its association with the new corporate mark. Except for two national companies, each of which spends millions of dollars annually in advertising, the Citizens Fidelity slogan leads all the others, the study indicated. When the mark and slogan were presented simultaneously, two out of three respondents recognized both as being related to a bank. Practically all respondents identified Citizens Fidelity as the bank.

In addition to adaptation of the new symbol to all Citizens Fidelity printed material and to signage for the 30-odd branches, Gianninoto Associates also prepared a complete program for implementing the trademark in advertising, on billboards, in displays and in a variety of other uses.

The trademark also will appear on the facade of the new headquarters building now being erected for Citizens Fidelity.

In less than six months, this new Citizens Fidelity trademark is better recognized than older symbols of other Louisville firms, according to study conducted for bank.



Citizens Fidelity Bank & Trust Company

Before the design work was begun, the New York firm interviewed bank officers and personnel, representative customers and business and community leaders. The branch banks' exteriors were photographed, and a library of other bank symbols was established. Finally, a "profile" of the bank was worked up as a basic preliminary to actual development of the symbol.

"A trademark for a bank," said Mr. DiGianni, "like a mark for consumer products, should communicate to present and potential customers, establish loyalty and reinforce an effective overall marketing program." • •

Shannon Evans Elected AVP At Columbia Union National



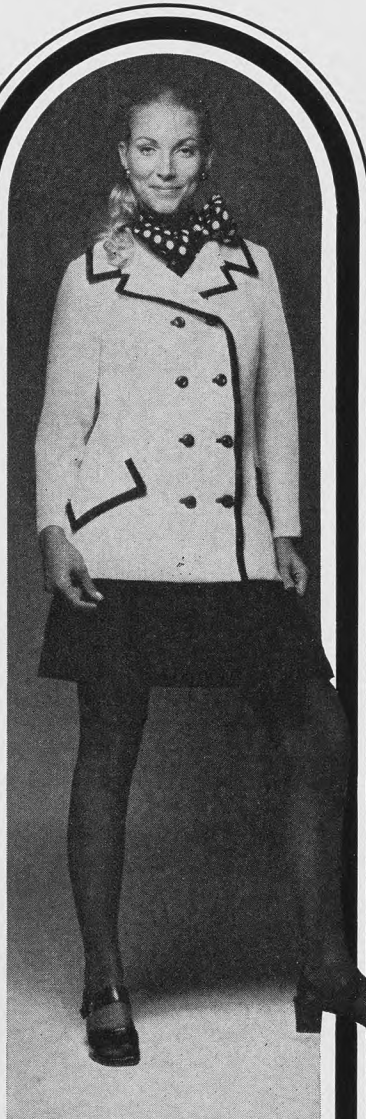
EVANS

KANSAS CITY—Columbia Union National has elected Shannon Evans an assistant vice president. He has been associated with the bank's correspondent bank department for the last year.

Mr. Evans has served in various management positions with Swift & Co. and for three years was director of Kansas City Live Stock Market Foundation.

A Trust Company Appointment

ST. LOUIS—Clarence C. Barksdale, president, First National, has been elected to the advisory board of St. Louis Union Trust.



YOU CAN TELL A COMPANY BY THE CLOTHES IT KEEPS

Creative Image career apparel does something terrific for an organization. It creates instant identification, improves customer confidence, strengthens employee morale. First impressions count! Let us show you how to shed that ho-hum look for one that says professional-efficient-well-organized. Put us on and see the difference!

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Tradition and progress meet

. . . in this view of the classically designed Bizzell Memorial Library on the main campus of the University of Oklahoma . . . and the first unit of the modern Physical Sciences Center, under construction at upper left. A happy combination of tradition and progress at The First is the resourceful and imaginative service of the Correspondent Bank Department. Traditional services have been broadened and refined . . . and new services are continually added to meet the challenging needs of modern banking.



HASKELL Mc CLAIN
Senior Vice President



HAROLD HOPKINS
Vice President



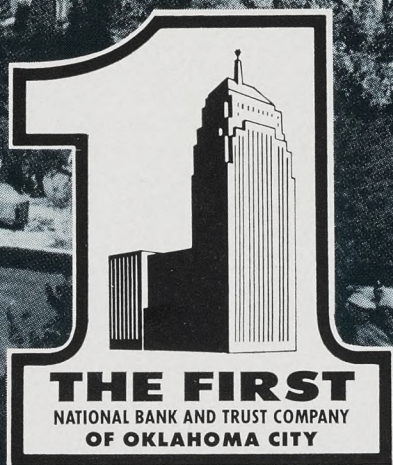
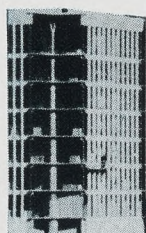
CHARLES HILL, JR.
Vice President



RON MURRAY
Vice President



JOHN M. PARRISH III
Vice President



OVER \$55,000,000 CAPITAL STRUCTURE/LARGEST IN OKLAHOMA/MEMBER F.D.I.C.

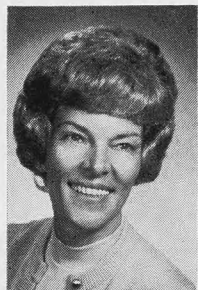
Personnel

Equal Opportunity for Women Bankers? They Still Have a Long Way to Go!

By MARCELLA DeALMEIDA

Second Vice President
First National Bank
Joplin, Mo.

ACCORDING to available records, the first woman to get real pushy with the menfolk was peddling apples—and history tells us that although she was a successful apple vendor, she ended up losing the lease on the fruit stand. The 1970 outbreak of the hot-and-cold running battle of the sexes was apparently staged by a gaggle of noisy suffragettes who uncrossed their hearts and defiantly burned their hidden assets in a frenzied fire of (pardon the expression, girls) man-made materials. The news media dutifully reported the quotes and unquotes of this vocal minority, and we were meant to interpret this little fracas as a “very meaningful” experience.



Now that the smoke has cleared away, the noise has quieted to an occasional rumble heard only in the powder room, and the undeniable pressure of economic necessity has effectively dispersed the crowd of rowdy protesters. Having had their “say,” the disenchanting have reaped their empty victory—and have shown a surprising lack of initiative in pressing for their alleged “rights” within the framework of the law.

There was a noticeable absence of women bankers in the wailing crowd of radicals, attesting to the inherent dignity of the profession. Nurtured in a climate of public relations, the serious woman banker still prefers that

In submitting this article to MID-CONTINENT BANKER, Mrs. DeAlmeida emphasized that she does not consider herself a “woman’s lib” advocate per se because she has “witnessed too many walls being built where bridges should be standing.” She joined her bank in 1953.

equality of opportunity be based on ability, talent and motivation—and clings somewhat tenaciously to the hope that job discrimination ultimately will be buried with its own shovel. Failing to be hauled into court to defend the relative rungs of the opportunity ladder that appear to be clearly labeled “his” and “hers,” many banks hold steadily to the familiar policy-as-usual. Surprising? Not at all. The pattern has been long established—and if we have learned anything in the past decade, we must surely have been convinced that true equality can neither be shouted into being nor legislated into fact.

The persuasion of the present law has been indicated in some very real progress in the recent past, but a study of officer rosters in banks across the country does not point toward a noticeable trend favoring equality of opportunity for women in the banking field. If we were to assume that an industry espousing absolute integrity has honestly arrived at the present status quo, then we would also have to assume that women have failed to demonstrate the qualifications necessary for upper-level managerial performance. In any case, women bankers are not buying these assumptions—they believe their performance credentials have become a matter of record and are not to be disputed.

An alarming aura of frustration and bitterness is becoming evident among many experienced women bankers today, and it might be described as the resulting tragedy of closed communication lines within some banks. The sometimes thinly disguised maneuvers by management designed to eliminate women from any role that might be construed as a justified stance for equal status has long been a common topic of conversation among women bankers. Only the most naive have accepted this play-acting as an honest intent on the part of management. When a woman feels confident that she has earned the necessary requisites for consideration, it is not too difficult to understand why she gets a little uptight on learning that the door to a particular job level is labeled “gentlemen” in actual practice. Generally speaking, her qualifications

are not as readily acceptable as those of her male counterparts. The reasons and/or excuses given are usually a generalization of the known or suspected feminine trespasses in the business world . . . loosely identified under the heading of “unstable emotionalism.”

In addition, women are rarely recognized monetarily to the same degree as men performing particular functions—the law notwithstanding. On the other hand, the case against “Taking Women Seriously” in the career fields has been vigorously prosecuted by women whose behavior patterns exemplify every offense against management with which the female worker has been charged. A woman elevated to a supervisory or executive position may learn that her recognition by management is cause enough for some of her sister workers to light up the baptismal fire and zero in on the object of their envy—once again proving men were right when they said women were petty. All too often, the woman who makes the most noise about “opportunity” does not consider it inconsistent to flatly state that she “wouldn’t want to work for a woman.” The woman waiting hopefully in line may find the real deterrent up the success ladder is the instant recall ability of her employer who has learned through experience that the shortest distance between an uneasy peace and putting pandemonium is one promotion in the ranks of female employees.

When the judgment of management is evidenced by the promotion of a qualified female employee, the reaction to such a move is not always limited to other women. Sadly enough, there are a number of men who are unwilling to share equal status with any woman, and they may be first in line to make their complaints known. In an attempt to keep the peace, it is sometimes easier for management to exercise restraint, even though the bank may be the real loser in the long run. Qualified personnel sometimes are denied elevation of status because of the political environment within the ranks, and management may consider it less hazardous to bend with the tide of popular opinion expressed at the upper executive level.

When women are asked why they do not discuss job opportunity with their superiors, some will reply that “it wouldn’t do any good.” And they might be right since it is rare that a woman employee will experience a receptive audience with her superior if the objective is a frank discussion of her career status. In some banks women have learned that any deviation they may make from their role of complacent

(Continued on page 40)

He proved that one bank is better than twelve. If it's the right bank.

A multinational manufacturer shipping products to eighteen different countries had a problem. Payments for goods sold took too long to arrive. And because he was dealing with twelve different international banks he never knew his total cash position at any one time. A solution was suggested by our man-on-the-spot in Antwerp: a global Cash Management Program tailored to the manufacturer's needs.

Today, a Bank of America cash management system speeds the corporation's receipts and provides improved controls and more current information. Results: reduction of

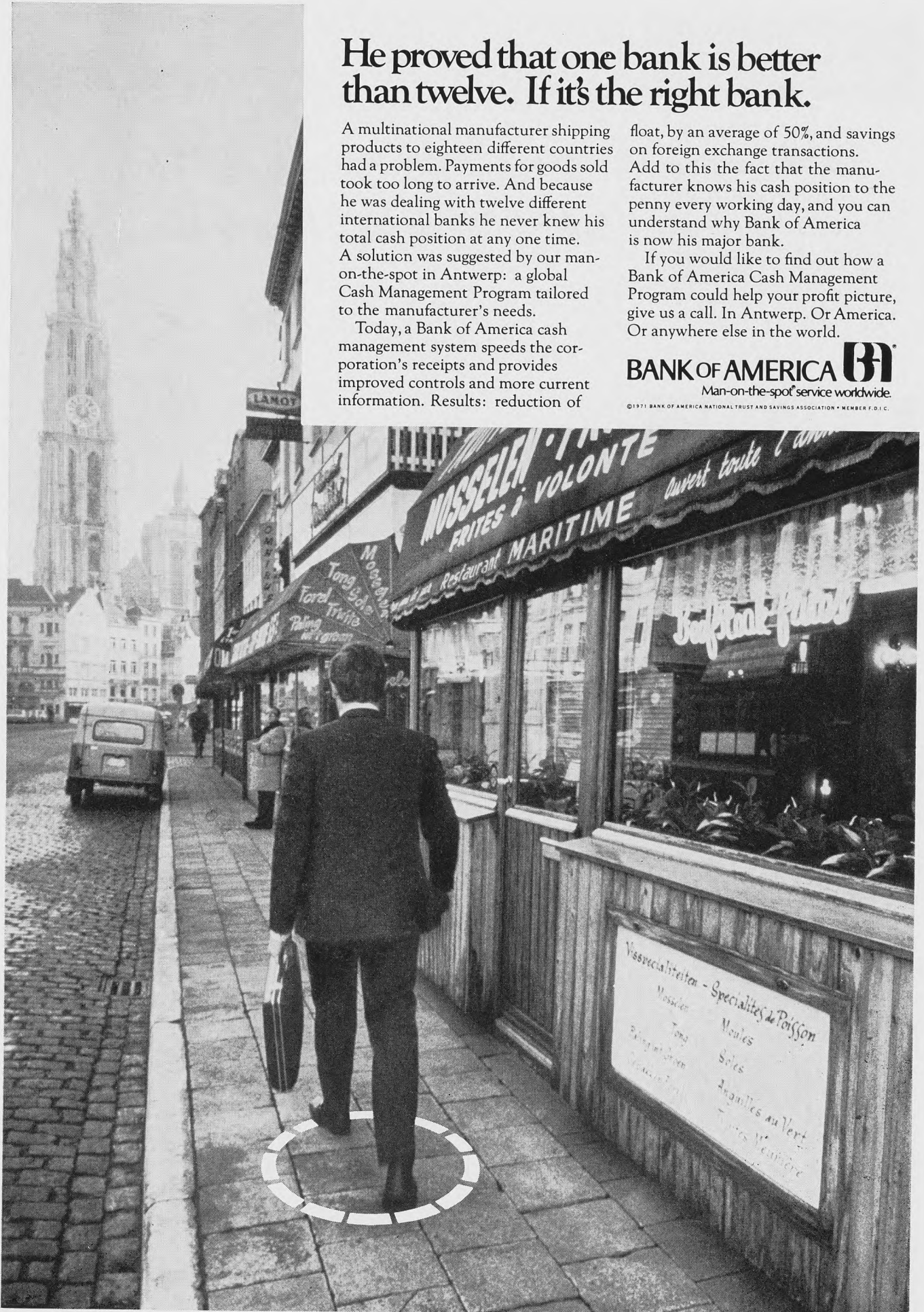
float, by an average of 50%, and savings on foreign exchange transactions.

Add to this the fact that the manufacturer knows his cash position to the penny every working day, and you can understand why Bank of America is now his major bank.

If you would like to find out how a Bank of America Cash Management Program could help your profit picture, give us a call. In Antwerp. Or America. Or anywhere else in the world.

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MID-CONTINENT BANKER for August, 1971

Quote from one farm lender to another:

“ It has served to strengthen our correspondent banking program. ”

(Ralph L. Brown, Assistant Vice President Midland National Bank Minneapolis, Minn.)

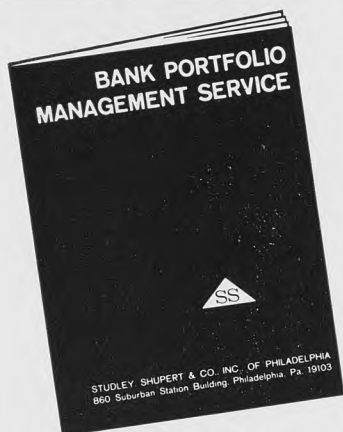


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Bank Security

FBI Agent Lists Steps to Be Taken Before, During and After Robbery

FBI AGENTS were called in to investigate a bank robbery that had been covered by two lobby cameras. One camera had no film and the other had been aimed toward the floor.

“We got a beautiful picture of the robber’s feet,” FBI Special Agent Joseph M. Burke told bankers at a recent seminar on bank security held at Northern Trust, Chicago.

As featured speaker at the seminar, one of a series conducted by the Chicago bank, Mr. Burke cautioned the audience to establish and maintain tight security procedures to reduce the possibility of a holdup and to help authorities solve the case if one occurs.

Need for Procedures

Mr. Burke emphasized to the group of 37 correspondent bankers the need for security procedures covering what is to be done before, during and after a robbery. The 1968 Bank Protection Act defines what is required of banks, Mr. Burke noted.

Among the precautions to be taken before a robbery occurs, Mr. Burke cited the following:

- Train and retrain the bank’s staff in security procedures.
- Designate responsibilities and procedures for opening and closing the bank, as well as turning on and testing security devices.
- Check employees’ backgrounds, including cleanup people hired on contract.
- Train employees to be alert to anyone who looks as though he might be casing the bank, including writing down a description of the person, his car and license number.

List the following information on bait money: type of note, denomination, serial number and series year (the series year is most often missed, according to Mr. Burke, but is important because it differentiates among bills with the same serial number issued in other years).

- Keep bait money lists in a safe place; update the bait money straps periodically, and use \$20 and \$50 bills because they’re easier to trace.

The FBI agent noted the following measures to be taken by employees during a robbery:

- Follow the robber’s instructions, but do it slowly.
- Don’t do any more than is demanded.
- If the robber gives you a note, set it aside—don’t give it back to him.
- Hit the silent alarm twice if it’s safe to do so; if it’s not safe, touch off the alarm as soon as the robber leaves.
- Give the robber the bait money, and no more, unless he demands it.
- Take a good look at the robber so you can describe him later, noting facial features, height and size, hair color and unusual marks like tattoos. Observe clothing last because it is easily changed.

Many important actions must be taken after a holdup, according to Mr. Burke:

- The robber’s note should be isolated for later handwriting and fingerprint examination.
- Witnesses should not talk to one another—first impressions are best.
- Witnesses should immediately fill out robbery report forms.
- Customers should not be overlooked as witnesses.
- The crime scene should be protected for fingerprint examination.
- The direction of flight should be observed, as well as the car description and license number—not by chasing the robber, but by looking through a window.
- The police should be called first, then the FBI.
- The police should be met at the bank door, so they will know what they’re walking into.

Mr. Burke concluded that well-established procedures and well-trained employees are vital factors in the quick solution of crimes against banks and recovery of stolen cash. • •

■ NEW YORK—George C. Deecken has been named vice president and controller of Chemical Bank. He had been senior vice president, chief financial officer and a director of the Wickes Co., Saginaw, Mich.



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Yes indeed! Under the Lawrence collateral control plan for feeder cattle financing...

- You are protected at the feedlot by a \$10 million legal liability bond underwritten by Lloyd's of London.
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A Lawrence warehouse receipt can help you gain correspondent bank participation. And it also helps meet the Federal Reserve's requirements for creating a banker's acceptance that is readily marketable or eligible for rediscounting.

More than 100 feedlots in the United States have been financed by lenders coast to coast using this Lawrence service. If you know of a commercial feedlot that needs working capital, Lawrence can help you solve the financing of both cattle and feed. For details, call your local Lawrence man—or mail coupon:

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Please send information on

- Bankers Acceptance by Lawrence
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your name _____

name of bank _____

address _____

city, state, zip _____

telephone _____

CORPORATE NEWS ROUNDUP

• **James Talcott, Inc.** A new business finance division with headquarters in Chicago has been established by James Talcott, Inc.

Russell B. Donahue has been elected president of the new division and executive vice president of Talcott. Previously, he was senior vice president and manager of the Atlanta-headquartered southern region.

Russell R. Campbell will act as a consultant to the business finance division. Mr. Campbell, who since 1960 has headed the Chicago-headquartered



DONAHUE



CAMPBELL

News of Firms Serving Banks

central region, will continue his corporate duties as senior executive vice president of both James Talcott, Inc., and the Talcott National Corp. parent company.

• **Financial Resource Development Corp.** A new company, to be known as Financial Resource Development Corp., has been formed to market products and services to banks throughout the country. The new firm, headquartered in Worcester, Mass., is headed by Alden W. Hammond and Richard C. Lesperance, who previously were associated with Financial Marketing Corp. of America.

One of the company's principal products is a copyrighted motivation and sales training course known as "Human Resource Development," that was previewed this spring in Boston by leading northeastern banks.

Related programs deal with teller training, measurement of officer call results, staff incentives and involvement of directors and senior management in banks' sales efforts.

• **Koret of California.** Mrs. Joyce Bickel has been appointed vice president and director of special sales for Koret of California, a subsidiary of Koracorp Industries, San Francisco.



BICKEL

Mrs. Bickel joined Koret in 1952 as personnel director and later headed fashion and sales promotion, advertising and publicity. Since 1967 she has been director of special sales, responsible for the development of new markets.

As head of the newly created Identity Designs division, Mrs. Bickel also is responsible for the designs, merchandising and sales direction of career apparel.

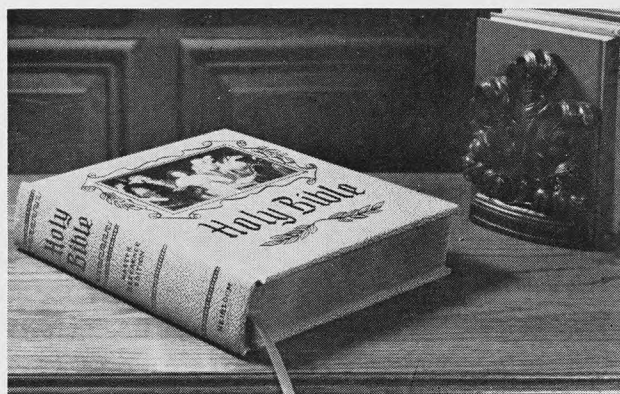
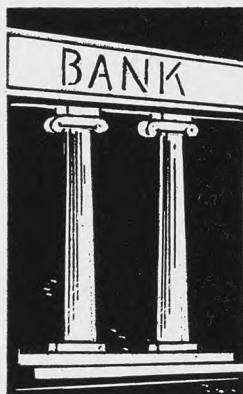
• **Combank Mortgage Funding, Ltd.** A group of Chicago executives have announced formation of Combank Mortgage Funding, Ltd., a mortgage banking firm. The new firm will offer interim and long-term loans to builders, developers, investors and owners and will provide full-service mortgage investment facilities for medium-sized banks.

Lawrence R. Knoble heads the new mortgage firm as president and chief executive officer. He currently serves as secretary-treasurer and director of the Chicago Mortgage Bankers Association. Elected chairman was Richard L. Curtis, president, Michigan Avenue National.

• **Electronic Traffic Control, Inc.** A new illuminated "Open" sign made of brushed stainless steel is being offered by Electronic Traffic Control, Inc., Chicago. The sign eliminates confusion and congestion since bank customers will no longer be in doubt about which drive-in station to use.



The 12-inch, high-intensity sign is internally illuminated to traffic industry specifications. When the sign is turned off, it is completely blanked out so there is no question that it is off.



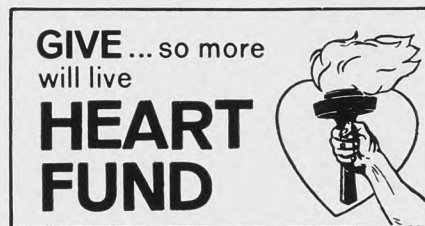
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Your bank can attract new checking and savings accounts when you offer the Heirloom Family Bible to depositors for less than \$10. It normally sells for much, much more. Your cost is only \$7.95 each direct from the publisher. We provide promotional materials free of charge, including display stands, newspaper ad mats, glossy photos and radio and television scripts. In addition, we supply statement stuffers, brochures, filmed TV spots and taped radio commercials at cost.

It's a proven promotional program with guaranteed sale arrangement — and it's a program that will not compete with your present bank customers. Write us for complete details and a sample copy on approval.

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**CONSOLIDATED STATEMENT
OF CONDITION**

June 30, 1971



RESOURCES

Cash and Due from Banks	\$ 365,796,857
U.S. Government Securities	192,241,126
Public Housing Authority Securities	50,682,403
State and Municipal Securities	235,786,531
Other Securities	6,123,922
Total Securities	<u>484,833,982</u>
Commercial Loans	552,505,186
Instalment Loans	133,389,155
Real Estate Mortgage Loans:	
Insured or Guaranteed	214,630,759
Other	311,850,407
Total Loans	<u>1,212,375,507</u>
Bank Properties and Equipment	43,776,400
Accrued Income and Other Resources	25,507,656
Total Resources	<u>\$2,132,290,402</u>

LIABILITIES AND CAPITAL FUNDS

Demand Deposits	\$ 686,929,505
Personal Time and Savings Deposits	1,025,261,995
Other Time Deposits	183,355,825
Total Deposits	<u>1,895,547,325</u>
Federal Funds Purchased	38,950,000
Accrued Expenses and Other Liabilities	31,399,993
Total Liabilities	<u>1,965,897,318</u>
Reserve for Possible Loan Losses	22,889,830
Capital Funds:	
Capital Notes—4.65%, Due 1989	24,000,000
Convertible Capital Notes—5%, Due 1994	14,857,000
Common Stock—\$10.00 par value (authorized 2,400,000 shares; outstanding 2,053,819)	20,538,190
Surplus	59,604,810
Undivided Profits	24,503,254
Total Stockholders' Equity	<u>104,646,254</u>
Total Capital Funds	<u>143,503,254</u>
Total Liabilities and Capital Funds	<u>\$2,132,290,402</u>

NOTE: Securities carried at approximately \$147,000,000 were pledged at June 30, 1971 to secure public deposits, including deposits of the Treasurer, State of Michigan of \$13,113,610, and for other purposes required by law.

Member Federal Deposit
Insurance Corporation

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OF DETROIT**

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WENDELL W. ANDERSON JR.
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Bundy Corporation

ALBERT J. BERDIS
Vice President and Director,
National Steel

H. GLENN BIXBY
Chairman of the Board,
Ex-Cell-O Corporation

E. PAUL CASEY
President, McCord Corporation

LEROY W. DAHLBERG
Partner, Dahlberg, Mallender & Gawne

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Fisher-New Center Co.

SHERMAN J. FITZSIMONS JR.
Chairman, FitzSimons
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WILLIAM CLAY FORD
Vice President and Director,
Ford Motor Company

MERVYN G. GASKIN
Chairman of the Board,
Taylor & Gaskin, Inc.

PIERRE V. HEFTLER
Partner, Bodman, Longley, Bogle,
Armstrong & Dahling

GEORGE M. HOLLEY JR.
Director, Holley Inc. Carburetor

HARRY J. LOYND
Director

WILFRED D. MACDONNELL
President and Chief Executive Officer,
Kelsey-Hayes Company

WILBER H. MACK
President,
American Natural Gas Company

WILLIAM A. MAYBERRY
Director

WILLIAM G. MEESE
President, The Detroit Edison Company

ROLAND A. MEWHORT
Chairman of the Board

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Chairman of the Board,
The Mitchell-Bentley Corporation

DEAN E. RICHARDSON
President

ROBERT P. SCHERER JR.
Chairman and President,
R. P. Scherer Corporation

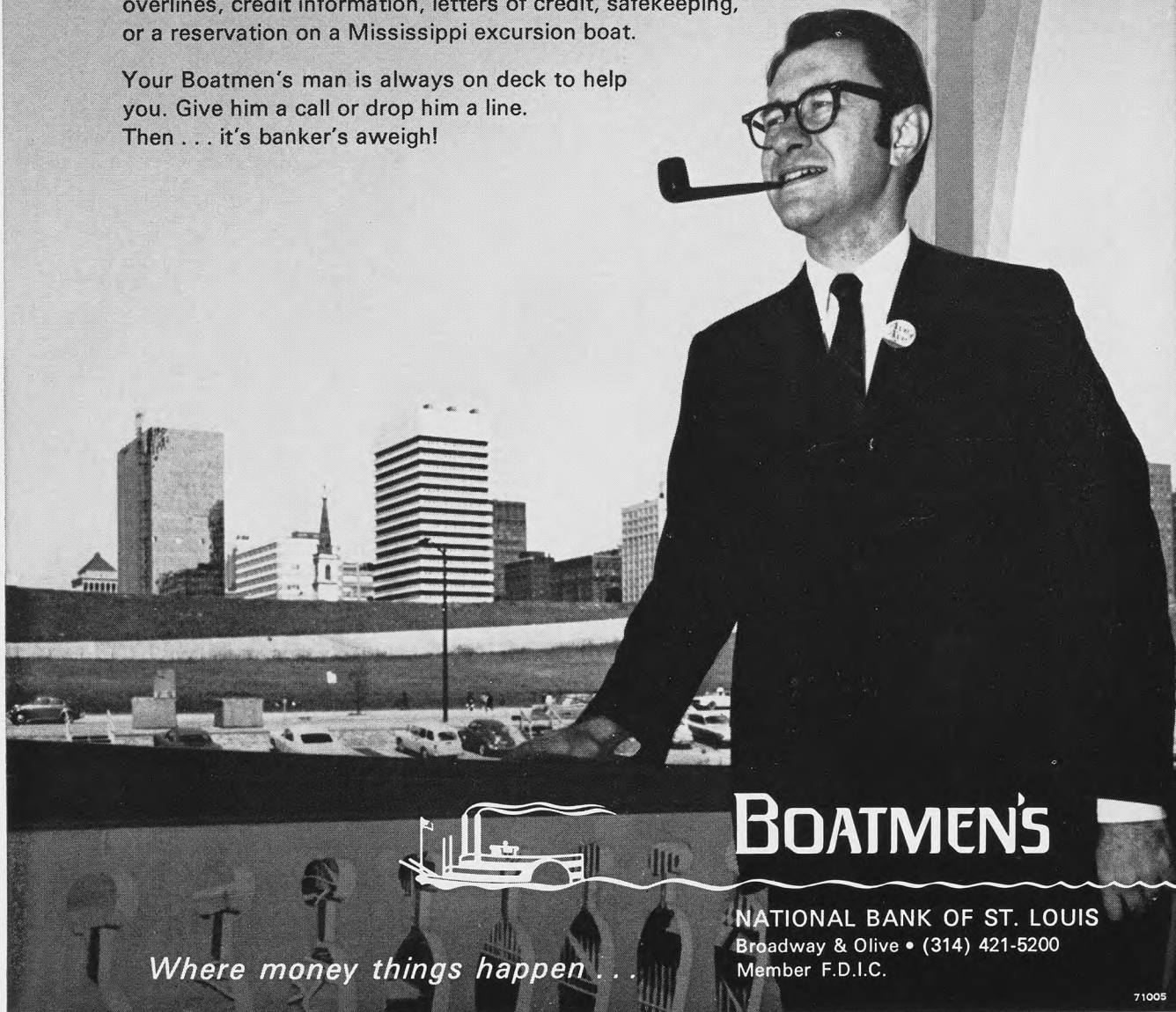
MID-CONTINENT BANKER for August, 1971

'Shore' thing—Howard Piper's correspondent service!

There's nothing more certain than the prompt, personal correspondent service you'll get from Howard Piper, if he's your man from the "River Bank." Or, if he's not, from Bob Toburen or Lee McNorton or Harold Smith and the entire crew at Boatmen's.

That "Aye, Aye!" button on Howard's lapel indicates the "yes" attitude you can expect from Boatmen's, whether you need advice or assistance with fast collections, data processing, investment counseling, overlines, credit information, letters of credit, safekeeping, or a reservation on a Mississippi excursion boat.

Your Boatmen's man is always on deck to help you. Give him a call or drop him a line. Then . . . it's banker's aweigh!



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71005

MID-CONTINENT BANKER NEWS ROUNDUP

News From Around the Nation

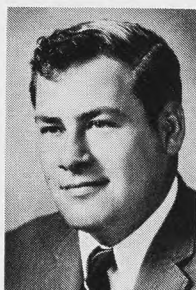
PEOPLE

• MILLS B. LANE last month left the post of president of Citizens & Southern National, Atlanta, to become vice chairman. He was succeeded as president by RICHARD L. KATTEL, 35. BENNETT A. BROWN was named assistant president.

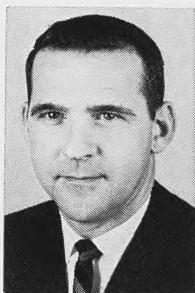
Mr. Lane, president 25 years, joined C&S in 1934. Mr. Kattel was formerly executive vice president of C&S in Savannah. Mr. Brown was executive vice president over all C&S activities in Augusta.



LANE



KATTEL



BROWN



KOLB

• RAYMOND C. KOLB, senior vice president and cashier, Mellon National, Pittsburgh, has been elected president of the Bank Administration Institute. He succeeded CHARLES A. AGEMIAN, chairman, Garden State National, Hackensack, N. J. CHARLES E. ARNER, senior vice president, First National, St. Paul, moved up from BAI second vice president to first vice president; and ROBERT L. KEMPER, executive vice president, Wells Fargo, San Francisco, was made second vice president. BAI treasurer is FRANK D. RADANO, vice president and auditor, Chemical Bank, New York City.

MID-CONTINENT BANKER for August, 1971

Fed Drops Membership in ABA

The Federal Reserve System has quietly dropped its memberships in the ABA, Robert Morris Associates, Bank Administration Institute, Independent Bankers Association of America, National Association of Bank-Women Inc. and other banking organizations. The action followed years of urging to take this action from Congress, most notably from Representative Wright Patman (D.,Tex.).

Mr. Patman had often asked Fed Chairman William McChesney Martin Jr. to sever FRS ties with all banking trade groups, but Mr. Martin steadfastly refused. When Arthur Burns succeeded Mr. Martin in the Fed post, Representative Patman asked him to make the withdrawals. Chairman Burns promised to make a thorough search of all Fed ties with the banking groups. He did so, and the result is the dropping of Fed memberships in the various banking organizations.

The Fed will continue to pay for AIB and Stonier Graduate School of Banking courses taken by Fed staff members.

More Construction Loans for Banks?

Representative John C. Watts (D.,Ky.) has introduced a bill in the House of Representatives that, if passed, will encourage banks to make more mortgage funds available for housing, according to Arthur P. Roth. Mr. Roth is chairman and L. Shirley Tark co-chairman of the Bankers Committee for Tax Equality, Washington, D. C., which is backing the Watts bill.

The bill, HR 9113, would amend the Internal Revenue Code of 1954 to provide for reasonable additions to bad-debt reserves for qualifying real property loans by banks, comparable to such additions by certain other financial institutions.

African Visitor Lauds U. S. Banks

An African banking official is impressed with the independence and competitiveness of the U. S. banking system. In an interview published last month in the *St. Louis Post-Dispatch*, Ahmad Abdallah, deputy governor of the Central Bank of Kenya, gave his views based on a State Department-sponsored tour of banks in this country.

"Unlike the system in Kenya, where interbank agreement regulates and controls everything," he said, "every effort is being made by individual American banks to obtain new customers and hold the old ones." Mr. Abdallah said that the philosophy of the Federal Reserve Bank of St. Louis had been tried with success in his country. He pointed out that the St. Louis Fed has acquired a name for itself as the leading monetary school in the world, and it emphasizes money supply as the sole criterion for monetary policy.

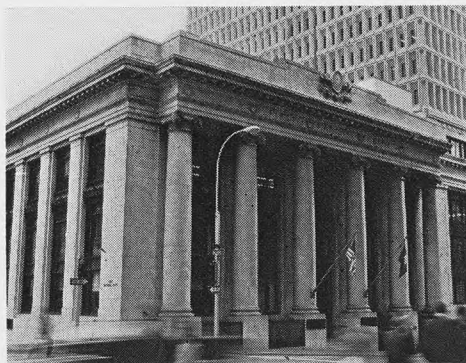
Public Vetoes Electronic Payments

The banking industry may favor changing the nation's method of handling funds to some form of an electronics system but an overwhelming majority of the public—individuals and businesses—are very much against it. So said the Federal Reserve Bank of Atlanta after completing a comprehensive study. The study actually was made by Georgia Tech Research Institute, and its results appear in a 500-page, three-volume, copy-righted report.

According to the study, those interviewed not only do not want a general shifting to an electronics payment system, they also oppose specific changes—direct deposit of payroll, preauthorized payments and descriptive billing.

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MID-CONTINENT BANKER for August, 1971

Responsibilities Of a Bank Director

By JOHN J. SLOCUM

Chief, Division of Liquidation
Federal Deposit Insurance Corp.
Washington, D. C.



SLOCUM

MOST bank directors are aware of the safeguards suggested by various banking organizations for establishing a successful loss prevention program in banks. As bankers, you know the value of maintaining a variety of internal controls and the use of outside audit firms and you are aware of the importance of direct verification of accounts with customers and correspondent banks. You also know the prime requisites for maintaining a sound loan policy and establishing a profitable but secure investment program. Recently, we have all become aware of the hazards of brokered deposits when these funds are used in making unsafe or self-serving loans.

Being a part of the Liquidation Division of the FDIC, we become quite aware of where bank losses are likely to occur and the importance of a loss prevention program in every bank. As bank liquidators, we are often faced with the question of what responsibilities a bank director has for preventing losses. Being elected a director of a commercial bank means that you have been elected to a position of honor, but it does carry with it certain legal responsibilities. After an insured bank has been closed by either the state banking authority, if it is a state bank, or the Comptroller of the Currency, in the event it is a national bank, the FDIC, because of the fiduciary duties imposed upon it in its capacity as receiver of the closed institution, must of necessity consider whether any legal

liability has been incurred by the directors of the particular bank.

When a bank director takes his oath of office, he swears he will do his best to manage his bank in such a way that the statutory law applicable to it will not be violated. It is, therefore, important that the director become familiar with the statutes applicable to his particular bank, and not violate them. If he conducts the affairs of his bank within the statutory framework, heeds all *warnings* that may come to him from whatever source concerning things that may be going wrong in the bank by making the proper checkup in connection with any warnings from bank examiners, the state banking authority, or anyone else, and if a director does not *abandon* his duties and functions, the chances are extremely remote that he will find himself a defendant in a directors' liability suit. If nothing else is remembered from my remarks, remember these three phrases:

- A director should make sure the bank abides by the statutes applicable to it.
- He should not abandon his very important duties and functions.
- He should heed any warnings he may receive as to any improprieties that may or may not be occurring in connection with the bank's operations.

In general, the directors and other corporate officers of a bank may be held personally liable for a breach of trust; negligence, the proximate cause of losses; acts in excess of their powers;

fraud; and misappropriation or conversion of the bank's assets.

The liability of directors and other officers of a bank is determined substantially by the same principles which determine liability of any agent to a principal for failure to perform his duties. From the standpoint of imposing directors' liability in the case of a closed bank where the facts are such that fraud, misappropriation, conversion, or breach of trust may be clearly shown, a relatively simple situation presents itself where it is obvious to everyone that liability exists.

The difficulties usually arise in cases involving negligence which falls short of breach of trust or fraud. While the applicable principles in these cases are easy enough to state, their application to factual situations presents difficulties, in that courts from time to time, after stating the principles, have either found liability or no liability, with no real criterion set out for the difference in the result.

There are generally two bases of liability of a director, one for failure to exercise that degree of care which ordinarily diligent and prudent men would exercise under the circumstances, and one which provides that directors who shall knowingly violate—or knowingly permit any of the officers or agents of the bank to violate—any of the provisions of banking regulations shall be personally liable for all damages which the bank, its shareholders, or any other person shall have sustained as a result of such violation.

An example of a breach of official duty occurs when a president and director of a bank causes his bank to accept and approve the notes of his son, which otherwise would not have been accepted, through his assurances to other officers of the bank that he per-

sonally would be responsible for the indebtedness in question. The directors of a bank are guilty of a plain breach of duty if they retain in a responsible position a man who has shown himself to be unworthy of trust.

It is well settled that bank directors or other officers may render themselves personally liable for negligence in the making of loans which result in loss to the corporation, and this liability may result either from making of the loan, from renewing it, or in failing to collect it, if they are guilty of any want of ordinary care in the making of loans on behalf of the bank which causes it loss. They are, of course, liable where they have either wilfully or negligently made bad loans resulting in loss to the corporation.

If directors of a bank make loans to persons known to be insolvent, the directors are liable to the bank for the loss. Directors of a bank who own a majority of the capital stock can be held liable if they permit improvident and excessive loans to be made by the bank officers to the original directors

themselves and their interests, causing the bank to become insolvent.

There have been cases where officials of a bank permitted large overdrafts by a corporation known to be financially embarrassed, and they were held liable by the court for the amount so lost.

When reviewing directors' liability, it is essential that consideration be given to negligence of directors. It perhaps would be most helpful to you to have a brief review of particular acts with respect to whether or not they constitute negligence. The following are some examples:

1. A president who has willingly, by culpable negligence, received forged municipal bonds is personally liable for the loss.

2. Acceptance by the president, a director of the bank, of doubtful securities in payment of good debts is negligence.

3. Authorization for the purchase of a large amount of commercial paper affected with a patent infirmity creates liability.

4. Directors of banks are negligent

and liable when they fail to heed the warning of the bank commissioner.

5. Directors have been held clearly negligent in failing to hold meetings, as required by the bylaws of the bank, and failing to obtain a statement of the financial condition of the bank.

6. Directors have been held negligent and liable for refusing or omitting to proceed against their predecessors in office to recover losses sustained by the latter's negligence.

7. Bank directors have been held guilty of negligence in paying dividends when the capital had been impaired and when reserves were deficient.

8. It has been held that a director who never makes, or causes to be made, any examination whatever of the books and papers of the bank to determine its condition and the way in which it is being conducted does not exercise ordinary care and prudence in the management of the bank and cannot be shielded from liability because of his alleged want of knowledge of wrongdoing, as his ignorance was the result of gross inattention in the discharge of his voluntary and sworn duty.

9. Bank directors have been held negligent for failure to appoint a committee to audit the affairs of the bank, and for relying on the integrity of the president of the bank without causing an examination to be made of the bank's books and papers.

10. The mere failure of a director to attend a specific meeting of the board is not necessarily negligence. On the other hand, it is not open to doubt, that a wilful and continued failure on the part of a director to attend meetings of the board at which the business of the bank is conducted, and to familiarize himself, to some extent, with the bank's affairs, is a violation of the duty which the common law imposes upon directors and, if loss results therefrom, that he is liable, because such action is, in itself, a failure to exercise the ordinary care and prudence in the administration of affairs of the bank which the law imposes upon directors.

Considering the numerous duties with which a bank director is charged and the penalties for their neglect, it may seem strange that enough public spirited individuals can be found in a community to undertake the job when considering that the remuneration is relatively nominal. The answer to this is that the director who exercises reasonable and ordinary care does not expose himself to the penalties of the law.

This does not mean that the board of directors can safely rely on the

(Continued on page 48)

Bank Helps Police Teach Bicycle Safety With 'Mike, the Talking Bike'

YOUNGSTERS in the Elkhart, Ind., grade schools are learning rules for safe bicycle riding—and are enjoying the lessons, thanks to "Mike, the Talking Bike." (See accompanying photo.) "Mike's" sponsor is the St. Joseph Valley Bank.

The bicycle "speaks" through a box beneath the seat that houses Mike's vocal chords (a tape recorder), speaker and other electronic gear. The Elkhart Police Department takes Mike to the various schools, and the presentation begins when Mike chases each school's

principal into the auditorium with siren screaming and red lights flashing. As Mike explains, "I wanted to get everyone's attention before I begin." Ostensibly, the principal has violated some rule of bicycle safety, and Mike is ready to catch the culprit, much to the children's delight.

Mike begins by saying, "Hi, boys and girls! My name is Mike, Mike the Talking Bike. I work for the Elkhart Police Department as its official safety bike. I hope I didn't scare any of you with my loud siren, noisy horn and flashing light."

Mike then explains the difference between a bicycle *rider* and a bicycle *driver* because his job is "teaching bicycle riders to become bicycle drivers." A slide presentation accompanies Mike's talk, which lasts about 10 minutes.

Mike's creation was financed by the St. Joseph Valley Bank as part of a recent bicycle safety campaign conducted by the community relations department of the Elkhart Police Department. More programs will be created for Mike's return to each school in the future.

The talking bike was originated by the Minnesota Highway Patrol, which gave the Elkhart police the information to create their own Mike. Mike's success in reducing bicycle accidents in Minnesota made the St. Joe Bank confident that its investment would be of real benefit to Elkhart. • •



How to Overcome Resistance To Polygraph Examinations

By **STANLEY M. SLOWIK**

**John E. Reid & Associates
Chicago**

ALL TOO OFTEN, the management of a given bank has resolved to utilize the Polygraph (lie-detector) technique to investigate specific losses or continual shortages only to be stymied by what appears to be an insoluble obstacle—negative employee reaction to the institution of such a program. Anticipating a break in morale or an unfavorable reflection on bank policy, management subsequently holds off any investigation of losses, hoping “things will just work themselves out.”

In our experience, nearly all objections to the use of the Polygraph are based upon second-hand misconceptions of the technique and incomplete knowledge of the procedures involved. Management, therefore, should first obtain information regarding the Polygraph technique. Specific details can be obtained from a reliable Polygraph firm in the area or by contacting the American Polygraph Association. In situations where time and locale permit, the examiner himself may introduce the prospect of Polygraph examinations as an insurance or bonding company request.

The following is meant as a guideline for management when notifying personnel that an investigation of losses, with the aid of the Polygraph, is about to be undertaken.

When dealing with large groups of employees—e.g., 20 or more—the employees to be tested should be gathered in an appropriate conference room. The employees should be collectively informed that they will be asked to *volun-*

tarily submit to a Polygraph examination. Such notification should be given as soon as possible to prevent the formation of a “behind-our-backs” atmosphere. Management should be completely open and honest in explaining its intentions.

A positive approach should be used, in a sense, enlisting the aid of the employees to solve a common bank problem and remove any doubts or suspicions regarding the individuals involved. There should be no impression given that the program is a witch hunt based upon hastily conceived assumptions.

When necessary, employees can be given a list of specific test questions prior to the examination date. It should be explained with the subjects that each and every question will be reviewed individually by the Polygraph examiner immediately prior to the actual test. It should be explained that questions will be confined only to the matter under investigation and will not deteriorate into an inquisition about the personal lives and habits of employees. It is unnecessary to use any element of surprise or trickery when introducing the concept of taking a Polygraph examination.

After all explanations have been made, it should be suggested to employees that they sign a written agreement volunteering to take the Polygraph test.

The same basic procedure should be used when introducing the Polygraph to small groups of employees—e.g., the three members of the currency cage—but it should be done privately and in-

dividually. This will prevent a guilty party from enlisting the aid of the other members of the group to resist an investigation. These employees should be approached in the order of most trusted first. Once they have signed an agreement to take the test, the less trusted employees should be asked to do so also. Such individual notification might motivate the responsible employee to admit his involvement in the issue and resolve the entire problem privately, eliminating the need for Polygraph examinations.

Often an employee, while in general agreement to take the test, may voice concern regarding such testing, based upon a particular personal question he may wish answered before signing a written consent. The following is a list of the more common concerns management may encounter, with a suitable reply for each.

Nervousness. It must be explained that nearly all people are nervous when presented with the prospect of a Polygraph test and that a nervous response or reaction *per se* can never be misinterpreted as deception, since deception and nervousness are separate and distinct reactions.

High Blood Pressure. This has been found to have little or no detrimental effect in determining the subject's truthfulness or non-truthfulness with the Polygraph technique.

Medication. The majority of medications prescribed for non-incapacitating ailments are a help rather than a hindrance to the Polygraph examination, in that they help to establish a physiological normal. As a rule, however, each individual's case must be evaluated personally by the Polygraph examiner at the time of the test.

Invasion of Privacy. Occasionally an employee might protest the use of the

Mr. Slowik is vice president in charge of security consulting at John E. Reid & Associates. He is a member of the American Polygraph Association and the Illinois Polygraph Society.

Polygraph because he believes the tests are a violation of his civil rights or an invasion of his privacy. Once again, the positive, rational and voluntary nature of the tests should be emphasized. It may also be pointed out that the alternate means of investigation—e.g., background checks, private detectives, etc.—many times results in personal embarrassment in that investigators must utilize contacts with individuals of the employee's family, neighborhood or social organizations without the employee himself present to clarify or explain any information released. Oftentimes jealous or resentful relatives or friends may submit false information which may circumstantially incriminate an employee unjustly.

Legal Aspects. Since 1923, Poly-

graph test results have been admitted as evidence in courts and other legal situations. The most common practice followed by most courts calls for stipulations between the prosecution and the defense.

Professionalization. Nine states have passed positive laws regulating and licensing Polygraph examiners and several others have declared their intention to do so. The State of Illinois, for example, requires a college degree at the baccalaureate level, six months of internship and passage of a state board examination of the examiner's competency.

Once an employee's fears and concerns about a Polygraph examination are allayed, resistance to such testing should cease. ••

Louisiana National Advances Addington to Vice President

BATON ROUGE—Louisiana National has promoted David L. Addington from assistant vice president to vice president. He is manager of the bank's Republic Tower Office.



ADDINGTON

With the bank since 1965, Mr. Addington was promoted to assistant cashier and manager of the Zachary Office in 1966 and later that year to assistant vice president. In 1968, he was named manager of the North Baton Rouge Office and earlier this year manager at Republic Tower.

Other promotions at the bank included: Mrs. Lynn B. Gueymard, from assistant vice president to controller; Terry A. Tregre, from administrative assistant to assistant controller; Gerald A. Caillet, from administrative assistant to administrative officer; and Mrs. Carleen P. Day, from administrative assistant to accounting officer.

Oklahoma Bankers Present Grant To Economic Education Council

The Oklahoma Bankers Association has presented a \$5,000 grant to the Oklahoma Council on Economic Education. The presentation was made during the annual economics education conference for clergymen on the campus of Oklahoma State University.

The objective of the council is to bring about better understanding of the economic system, personal economics and money management for Oklahoma citizens. The council works primarily to develop economic education programs in cooperation with local school systems.

Nat'l Boulevard Names Weeks Head of Bond Department

CHICAGO—Charles B. F. Weeks, vice president, National Boulevard Bank, has been appointed head of the bond department and chairman of the investment committee. He replaces Charles A. Schoeneberger, vice president, who recently retired after 14 years with the bank.



WEEKS

Mr. Weeks has been with National Boulevard since 1959.

\$2-Million Name Change Carried Out At Crocker-Citizens Nat'l Bank

SAN FRANCISCO—What's in a name? A lot, apparently, if it is a bank with a fine old family name that is over 100 years old and also wants to develop a nickname that is easy to say.

At least that was part of the rationale of the Crocker-Citizens National Bank, which on July 1, 1971, shortened its name to Crocker Bank while adopting the legal name of Crocker National Bank.

A number of the bank's customers today undoubtedly remember Crocker Bank as Crocker-First National, then as Crocker-Anglo National, and more recently, after the merger with Citizens National in Los Angeles—which put Crocker-Anglo into Southern California and made it a state-wide bank—the relatively new name of Crocker-Citizens National Bank.

A reporter from the Middle West who happened to be in California on the name-change day, as was this reporter from MID-CONTINENT BANKER, could not help being impressed with the logistics involved in a bank name-change which involved switching signs on the bank's 283 California offices—not to mention the innumerable changes in decals, billboards, business forms, business cards and the like.

The name Crocker-Citizens has existed since 1963, the date of Crocker-Anglo's merger with Citizens National in Los Angeles.

Emmett G. Solomon, chairman of the board and chief executive officer, said that a new corporate symbol and specially created alphabet to complement the shorter name had been created to simplify the identification of



Emmett G. Solomon, ch., Crocker Bank, is shown at top of administrative headquarters at 1 Montgomery St. in San Francisco as new Crocker ensign waves behind him.

the bank and to strengthen its image.

Crocker Bank's new symbol is described as nonrepresentational and has been interpreted as representing diversification, money in action and progressiveness.

At a press interview the day of the name changeover, Mr. Solomon estimated the cost of the name change at \$2 million. Seeing old bronze plaques being replaced in granite walls and in the massive columns at 1 Montgomery Street, San Francisco, and thousands of other old signs being replaced by brand new ones with the Crocker Bank's distinctive lettering and the new corporate symbol made it easy to believe that Mr. Solomon's estimate might be conservative—but an investment that will pay off handsomely in the years ahead.—HRC

Fundamental Auditing Safeguards Foil Potential Embezzlers

By OSCAR W. JONES

Special Representative
Scarborough & Co.
Chicago

THE BANKING industry is concerned with combating the sophisticated bank embezzler of today, and so much is published in this connection of a technical nature, that sometimes we are prone to forget the simple and fundamental approach to the ever-present need for basic, down-to-earth effective internal controls and audit procedures in banks.



JONES

The methods which bank employees have been known to employ to misappropriate money and other property belonging to the bank have been limited only by their own ingenuity. Such thefts have ranged from the simple pocketing of a bank-owned fountain pen to the most intricate of accounting manipulations resulting in embezzlements reaching into the millions of dollars. The methods used in these embezzlements often defy the imagination.

And while volumes could be filled in compiling the most common methods utilized, new and unique ones are dreamed up—and detected and exposed—almost daily. While some of these methods might possibly be described by some as being ingenious, the fact remains that the basic element of *theft* is present in them all, and that the perpetrators have succumbed to the age-old temptation to steal, a human weakness dating back to the beginning of recorded history.

It is against this human weakness

that banks must guard themselves. The best way to accomplish this is through the effective use of good internal controls and audit procedures; good internal controls to help deter embezzlements and effective audit procedures to assist in their detection before they become catastrophic in size.

At this point it is only fair to point out that the employment of good internal controls and audit procedures cannot stop all embezzlements. What they can do, however, is make the continued concealment of embezzlements extremely difficult, if not impossible.

Also, bear in mind that all of this is a *prevention* measure, not a *protection* program. Banks, of course, require both prevention *and* protection, in case a catastrophic loss does occur. It is for this reason that banks secure the *protection* that only their bankers blanket bond can provide.

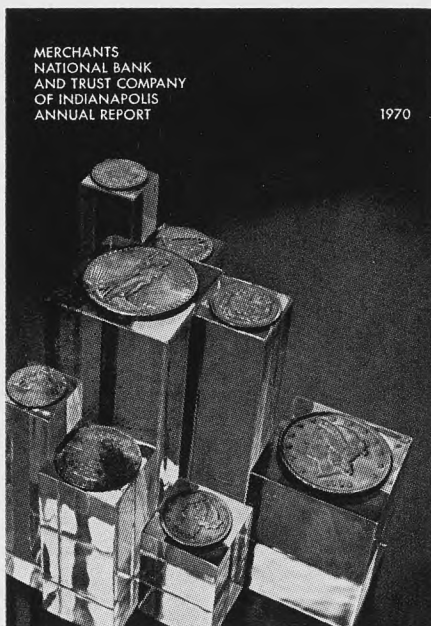
However, most bankers have long ago become aware that the bankers blanket bond should never be considered as a substitute for good internal controls and audit procedures, but that each necessarily supplements the other. It is not only incumbent upon today's progressive bankers that they have ample coverage under their blanket bonds, but also that it makes good sense to have adequate internal controls and audit procedures in order to reduce the risk of losses.

And the banks of today definitely are exposed to these risks of losses. Experts in the fields of behavioral sciences, law and police administration and in the analysis of our population's honesty—especially that part of it with less-than-ideal scruples—have estimated that the general American population falls into three categories: (1) 30% that are absolutely trustworthy, (2) 40% that are trustworthy if they

(Continued on page 62)

Annual Reports Gain Usage as Sales Tools For Nation's Banks

By KATHY FLOOD
Assistant Editor



AN ANNUAL REPORT today tells more about a bank than its financial condition. While its main purpose is to present a financial statement, banks are finding that an annual report can do more.

Who sees a bank's annual report? Stockholders, of course. But, maybe more importantly, employees, bank customers, potential customers and the community at large also see it. Thus, the report provides an opportunity for bank advertising as effective as any billboard.

A quick look at annual reports from banks around the country shows that banks are using the yearly reports as a display for ads, to recount community service activities, to observe anniversaries and openings of new buildings and to introduce officers and directors.

One theme popular in 1970 annual reports was ecology and what's being done to fight pollution. Joining the struggle to preserve natural resources, BankAmerica Corp., San Francisco, produced its annual reports and envelopes on paper 100% recycled from waste materials. The report stated that the volume of paper that would have been used otherwise "would be the equivalent of between 600 and 1,000 trees."

In its annual report, Zion (Ill.) State introduced an Ecology Data Bank. In an effort to educate customers in environmental matters, the bank has set up an ecology library in its lobby consisting of more than 128 books. Customers are encouraged to take books home to read over a 14-day period at no charge.

Zion State also is giving away ecology flag decals and pamphlets and provides ecology information for all

Lake County schools. In addition, the bank has set aside a quarter of a million dollars for anti-pollution loans.

Also stressing the inauguration of an anti-pollution loan program was the year-end report of First Union, Inc., St. Louis. Described was a \$5-million special fund to be used to aid businesses in developing, producing and supplying anti-pollution equipment, products or services.

The report mentioned that individuals have an opportunity to participate in the program through the purchase of specially created Good Earth Savings Certificates. These certificates earn interest rates for a two-year period and proceeds are added to the loan fund. Each certificate dollar is matched by one from the bank as a means of increasing this special loan fund.

Community involvement and service was another concern expressed in annual reports. Involvement going beyond banking services, directly affecting the people in a bank's area, was expressed in pictures, statements of purpose and the announcements of loans.

Northwest Bancorp., Minneapolis, devoted part of its report to a special section on housing. Last year, Northwest Bancorp. banks pledged \$30 million in loans to help low- and middle-income families in the Upper Midwest to obtain better housing.

The special section showed pictures of deteriorating housing projects and of newly renovated homes. It featured interviews with the people who had been able to move to the new homes and apartments where "for a change we don't mind inviting people over."

In its annual report entitled "Challenge and Response," Hancock Bank, Gulfport, Miss., illustrated concern for



its community in the aftermath of Hurricane Camille. Pictures showed devastation and wreckage caused by the hurricane and the rebuilding and clean-up process. The report also featured pictures and praise of Gulf Coast businesses that have rebuilt and met the "challenge."

With "Banking Serves the Economy" as its theme, Chemical Bank, New York, explored how all commercial banks in the nation meet the needs of industries, governments, communities and people. Divided into five parts in the report's middle section, photographs and narrative portrayed banking's role in urban affairs programs, educational programs and ecological commitments. To ensure that more people than the bank's stockholders would see "Banking Serves the Economy," the bank had its report appear as a Sunday supplement in the *New York Times*.

Some banks celebrated their anniversaries on the pages of their annual reports. National Boulevard Bank of Chicago, observing its 50th year in 1970, combined its financial statement with a brief history of the bank. Gold pages of the report showed pictures of the bank 50 years ago and recounted highlights of the 1920s. The report's white pages gave information about National Boulevard today.

Merchants National focused on the sesquicentennial observance of the city of Indianapolis. Using pictures of rare gold coins on the cover and throughout the book, the report recalled important local and national events happening over the years.

Lake Shore National, Chicago, cele-

brating its 50th anniversary, devoted one page of its annual report to "A Half-Century Glance Backward Through 'The Lake Shore Years.'" Besides giving highlights of the bank, the "backward glance" observed the opening of King Tut's tomb (1922), the first Academy Awards (1929) and the first night baseball game (1936).

New Orleans Bancshares (parent company for Bank of New Orleans) used its 1970 annual report to introduce its new 31-story office building then under construction. The pictures throughout the booklet showed members of the bank's departments in the approximate areas they would occupy in the then unfinished building.

On the cover of the Liberty National of Oklahoma City report were pictures of the new Liberty Tower in its various stages of construction during the past year. The theme of the report was "The Constructive '70s."

Other changes announced in annual reports were the new corporate identification symbol of Citizens Fidelity, Louisville; National Bank of Commerce of New Orleans becoming First National Bank of Commerce; and a new check picturing Madison, Wis., introduced by First Wisconsin National.

The formats and physical appearances of 1970 reports were as diverse as their themes. Instead of presenting bank policy and goals in narrative form, Union Planters National, Memphis, presented question-and-answer interviews with President James C. Merkle and the heads of the bank's departments.

Physically separating the commentary of the annual report from the actual statement of condition was popu-

lar with several banks. National Bank of Commerce, Memphis, and Trust Company of Georgia, Atlanta, both put the financial statement in an extra booklet held in a pocket on the report's back cover. Indiana National Corp., Indianapolis, showed its statement in a smaller booklet bound to the report's center section.

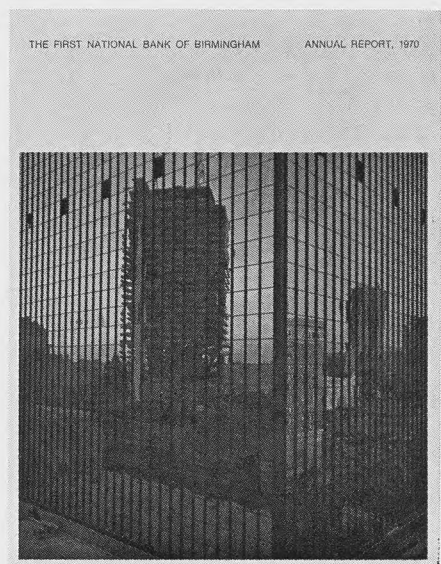
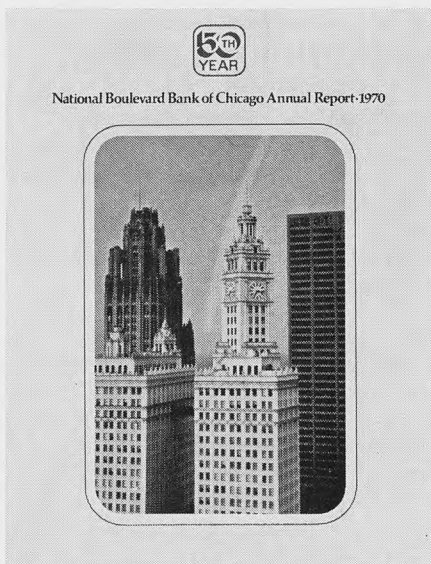
Instead of using the standard 8½ by 11-inch size, Irwin Union of Columbus, Ind., made its report 6 by 11 inches for a striking vertical effect.

Central Bank, Birmingham, Ala., made use of imaginative black and white photography to convey the image of a bank "Eyeing the '70s With Confidence." The first photo in the report showed a close-up of an eye with a picture of the bank's building superimposed over it. Other photographs showed a man's and a child's hands symbolizing "Solidity, strength and reliability." Three senior vice presidents were pictured in profile in a mixture of shadow and light.

An award-winner was the 1969 annual report of Third National, Nashville. It won first place in the 1971 national "Addy" awards competition of the American Advertising Federation.

The winning report focused on the bank's "people side." Pictures on the cover and throughout the book showed smiling employees and officers on the job. The cover headline read "The Big Difference Is Friendly People."

By including more than statistical information in their annual reports, banks are taking advantage of a direct means of communication with the public. And they're finding that selling the "people side" of a bank is as important to an image as a sound financial statement. • •



The Importance of Proper Contracting For Hardware and Software Systems

THERE IS a crisis in contracting for computers and related services. The rash of litigation indicates that the process just isn't working well. Banks are not immune to the serious impact of that crisis. On the contrary, as major computer users, banks are particularly vulnerable to the expense and inconvenience resulting from fractured contractual relations in that area. This article, within its extremely small compass, undertakes to suggest how the recurrence of contractual frictions can be minimized.

The Contracting Problem. The problem exists because customers have failed to use the care in acquiring computers they generally devote to procurements of lesser importance monetarily and in their impact on customers' operations. In contrast, suppliers deluded themselves into seeing merit in loose contracts that gave them lots of room to maneuver. There is no mystery to the cause or secret to the solution. It simply is indispensable to identify clearly the nature of the transaction in each case and to negotiate a contract that protects the legitimate interests of both parties.

The problem seems to have arisen largely from the apparent difficulty of defining the goods and services to be provided. Many customers seem to have responded to the challenge by putting themselves into the hands of their suppliers rather than by facing up to it. If that approach ever was necessary or advisable in the past, it has not been so for some time.

Goal Definition Necessary. The cus-

ROY N. FREED

**Attorney
Widett & Kruger
Boston**

tomers must, at the very least, take the time and incur the expense to state precisely what he is trying to achieve by computerizing. The procurement agreement must cover specifically and clearly what the customer expects to get and what the supplier expects to deliver. It is remarkable what oversights in negotiations are uncovered

“The (contracting) problem exists because customers have failed to use the care in acquiring computers they generally devote to procurements of lesser importance monetarily and in their impact on customer operations.”

when a real effort is made to create that statement. It will include, at a minimum, design or performance specifications. Preferably, it also will cover an acceptance test routine.

The customer also must identify what can occur to prevent him from achieving that goal, such as supplier defaults, maintenance problems, catastrophes and patent-infringement suits, and provide in advance, by contract, for the surmounting of those obstacles.

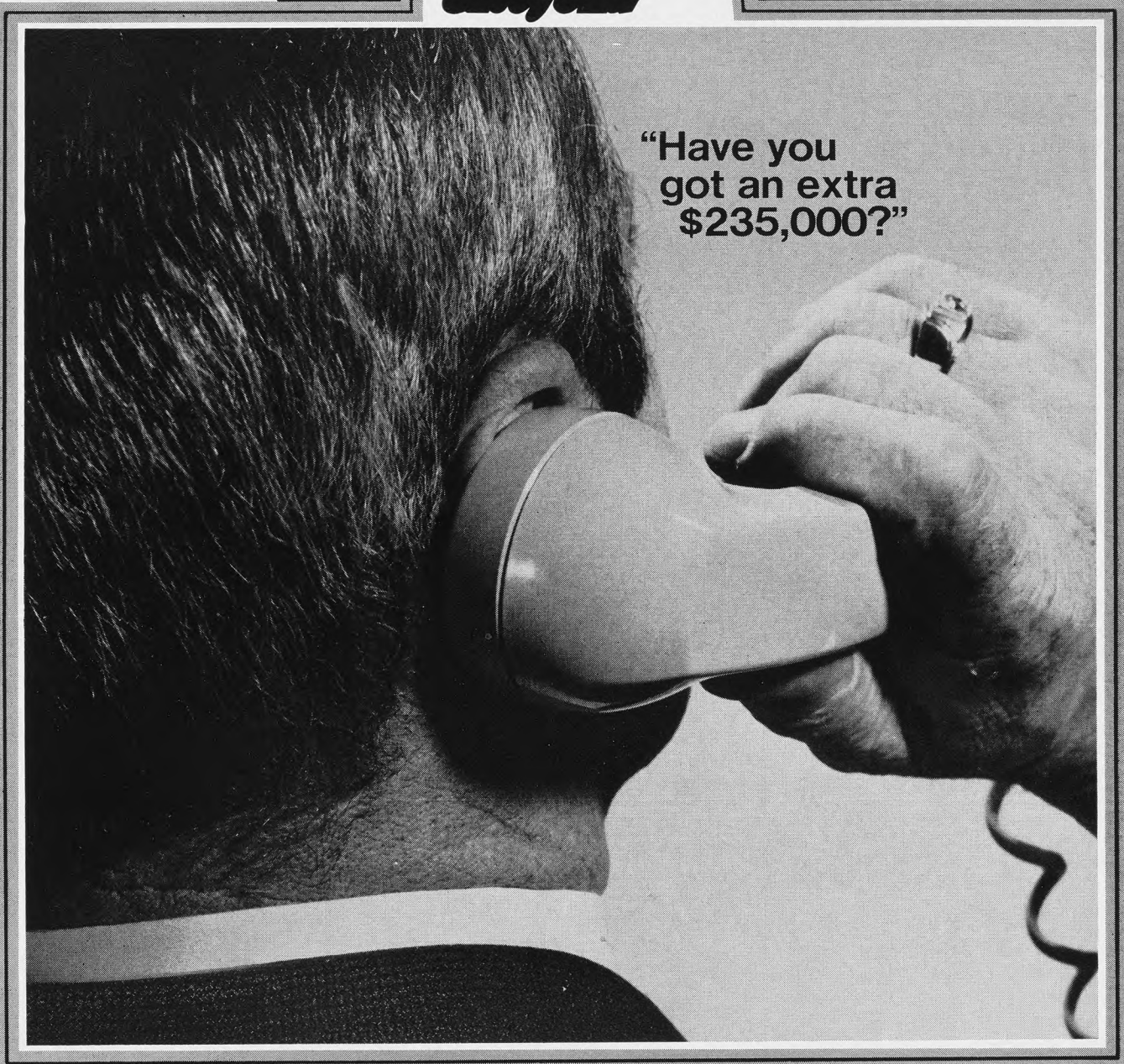
Essentially, it is necessary to identify worst-case situations and to provide escape routes that have some reason-

able chance of providing a real opportunity to recover. For example, the potential user quickly becomes dependent on a particular supplier and thereby loses his bargaining power to overcome supplier defaults. Damage claims in court are no alternative to having a working system available. To achieve performance rather than lawsuits, it is important to set up performance milestones that reflect significant action of the supplier from the earliest stages of production. The earlier a breach of those milestones, the more likely it is that the customer can call off the bad contract and go elsewhere with a chance of meeting timing requirements. It frequently is a mistake merely to set an ultimate delivery date and work solely toward that. When that date is missed, the customer very likely has no recovery power.

Handling Split Responsibilities. Because computer systems are made up of numerous elements, such as main frames, peripheral equipment, software and maintenance, and it can be difficult to identify which is causing a problem, there can be real difficulties in using multiple sources. Yet, “unbundling” offers the skillful customer opportunities to achieve lower costs and greater efficiency and hence will encourage shopping around. It thus becomes essential to devise contractual ways to minimize the cost, delay and annoyance of false-alarm calls to the wrong suppliers. Reliance on a single source of maintenance for the entire system might provide the answer.

Also, along the same lines, it should be recognized that software programs are essential elements of computer sys-

*Only a
Pacesetter
Bank
goes above
& beyond*



**“Have you
got an extra
\$235,000?”**

What would you do if you needed \$235,000? Cash. Right now.

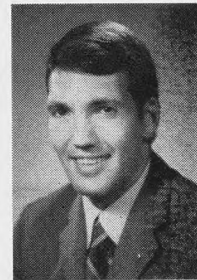
You might call National Bank of Tulsa, as one of our area correspondents did, not too long ago. It seems their vault could not be opened and they needed the cash to begin their business day.

So, they called NBT and, with the help of the Highway Patrol and the local Sheriff's Department, the money was delivered at a convenient crossroads rendezvous to representatives of the correspondent bank. And the bank opened on schedule.

Maybe your needs aren't quite that pressing. But, whatever your particular problem, chances are NBT can help you. We've got a full roster of correspondent banking services, plus a few more that go above and beyond what you'd normally expect. Just call Art Troll or Curt Cook of our Correspondent Bank Department at (918) 584-3411. We'd like to help.



ART TROLL

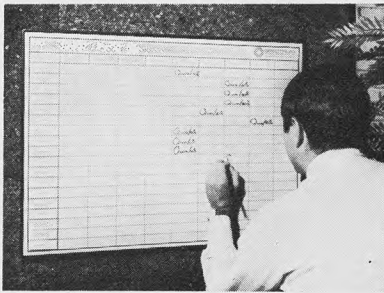


CURT COOK

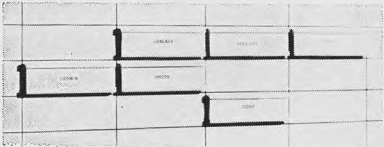


NATIONAL BANK OF TULSA
MEMBER F.O.I.C.
THE PACESETTER® BANK THAT HELPS YOU GET THINGS DONE

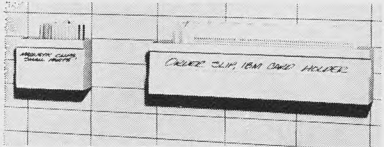
the BANKBOARD



WRITE ON



MAG CLIPS



MAG CARDHOLDER

It organizes your ideas and plans for greater efficiency and economy. It displays and even spotlights your information where it can be seen and understood at a glance. Control means economy.

A tough Mylar writing surface takes crayons, non-permanent felt pens, commercial transfer lettering, etc. The steel backing lets you use Magnetic Clips or any other magnetic devices. This is the only Chartboard in its price class to offer a printed grid, Mylar surface, and magnetic backing.

The Chartboard comes with a permanent printed grid, 19 spaces high by 10 spaces wide plus title space. Overall dimensions are 24 $\frac{3}{8}$ " x 33".

PART NO.	DESCRIPTION	QTY.	PRICE
122470	Chartboard	1	\$39.95
122485	Mag Clips	50	12.00
122500	Card Holder (9" x 2" x 1")	2	8.00
122515	Card Holder (6" x 2" x 1")	3	8.00
122530	Card Holder (3" x 2" x 1")	6	8.00



SPECTRUM

60916 TERMINAL ANNEX,
LOS ANGELES, CA 90054
PHONE (213) 483-9984

tems. Where bundled systems are procured, it is advisable to provide for the programs expressly in the contracts. However, such an approach represents a major departure from general practice in the commercial market, as distinguished from the government market. That common contractual deficiency introduces many serious uncertainties into the contractual relations. Reference only to machines might raise the question, for example, whether warranty limitations apply as well to software programs. In some transactions, it might be held in court that the software actually is covered by the implied or other warranties provided for in the Sales Article of the Uniform Commercial Code.

Read the "Warranties." Speaking of "warranties," it is important to recognize exactly what a particular agreement achieves. Frequently, the clauses entitled "warranty" actually are designed to minimize the supplier's responsibility for deficiencies in delivered goods or services. As a response to the rash of lawsuits by disgruntled customers, suppliers seem to be attempting to exculpate themselves from liability almost completely.

No Standard Forms. In evaluating contract documents submitted by suppliers, it is essential to recognize that there really are no standard industry practices that must be followed and that no forms should be used blindly. In fact, some contract forms reflect unique historical factors, such as IBM's equipment lease, which originated with the leasing of punched-card machines to which the punched cards were tied and which was altered to comply with the consent judgment by which the antitrust suit against it was settled in 1956. Similarly, there is little true boilerplate in contracts. Practically all provisions must be read carefully and taken seriously.

Use of form contracts by suppliers raises the question whether the customer has any opportunity to secure changes by negotiation. Customers probably have more bargaining power than they realize. Where they encounter resistance to changing form contracts, they still should negotiate thoroughly and document the conclusions reached, using confirming letters to the supplier and memoranda to their own files. Along these lines, contract files should be built from this material. That material will be helpful in securing voluntary compliance with negotiated obligations and well might be critical if litigation eventuates.

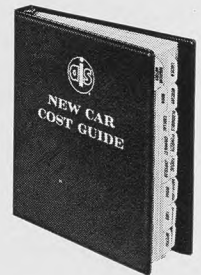
The Ideal Contract. Where a contract can be negotiated and drafted freely, it should have a number of

qualities. Ideally, there should be neither "computerese" nor "legalese." Computerese usually is like slang and lacks true meaning. It certainly will elude the understanding of a judge, if not all others. Legalese is difficult for non-lawyers to follow. The contract really should serve much as the equivalent of a program to guide the people who will be working with contract performance on both sides, by providing answers to questions that might arise. This suggests that practically all understandings reached in negotiation be reduced to writing.

Proper Contracting. This brief review should indicate to the realistic person that computer-acquisition processes handled properly will take longer and cost more than users have felt they should. The right approach takes considerable time to work out the project definitions and to negotiate terms and conditions and entails the expense of using qualified legal and technical specialists. Experience indicates that poorly conducted procurements can end up in costly litigation in which neither party really wins. It probably is wiser to make an investment in a constructive approach from the outset rather than eventually try to salvage a transaction gone wrong. • • •

New Car Cost Guide Available From Firm in Chicago

Information on prices and models of new cars has been put together in the AIS New Car Cost Guide. The guide provides dealer costs, excise taxes and freight to specific areas and suggested retail prices for all new cars, as well as excise, dealer cost and retail on all factory options.



When a price change develops or a new model is introduced during the year, completely new pages covering these changes are rushed by first-class mail to each subscriber.

The guide, described as easy to handle and read, can produce—in a matter of seconds—any figure or combination of figures on any new car. The 1972 edition will cover more than 800 models of domestic passenger vehicles, leading light trucks and all popular imports.

Information on individual and quantity prices of the New Car Cost Guide is available from Automobile Invoice Service, 222 West Adams Street, Chicago, Ill. 60606.

NATIONAL BANK OF DETROIT

CONSOLIDATED BALANCE SHEET—JUNE 30, 1971

ASSETS

Cash and Due from Banks.....	\$1,708,693,083
Securities—At Amortized Cost:	
U.S. Treasury.....	589,114,477
States and Political Subdivisions...	690,123,733
Other Securities.....	48,257,969
	<u>1,327,496,179</u>
Federal Funds Sold and Securities Purchased Under Agreements to Resell.....	<u>76,000,000</u>
Loans:	
Commercial and Consumer.....	1,610,488,393
Real Estate Mortgage.....	578,080,972
	<u>2,188,569,365</u>
Bank Premises and Equipment (at cost less accumulated depreciation of \$24,476,252).....	46,201,827
Other Assets.....	49,885,636
Total Assets.....	<u>\$5,396,846,090</u>

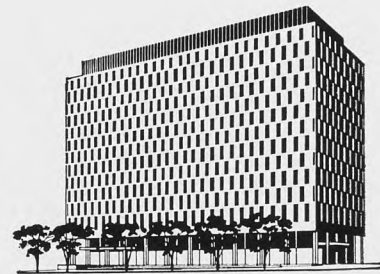
LIABILITIES, RESERVE AND CAPITAL FUNDS

Deposits:		
Demand.....	\$1,742,715,341	
Individual Savings and Time.....	1,526,770,735	
Other Savings and Time.....	406,828,577	
London Office.....	554,594,006	
	<u>4,230,908,659</u>	
Other Liabilities:		
Federal Funds Purchased and Securities Sold Under Agree- ments to Repurchase.....	\$229,100,000	
Other Funds Borrowed.....	8,200,000	
Unearned Income and Sundry Liabilities.....	521,446,158	758,746,158
Total Liabilities.....		<u>4,989,654,817</u>
Reserve for Possible Loan Losses....		<u>53,123,291</u>
Capital Funds:		
Convertible Capital Notes (5% Due 1993).....	50,000,000	
Shareholders' Equity:		
Common Stock—Par \$12.50 (Authorized 7,000,000 Shares; Outstanding 6,000,000 Shares)	75,000,000	
Surplus.....	150,000,000	
Undivided Profits.....	79,067,982	354,067,982
Total Liabilities, Reserve and Capital Funds.....		<u>\$5,396,846,090</u>

Assets carried at approximately \$340,000,000 (including U.S. Treasury Securities carried at \$55,000,000) were pledged at June 30, 1971 to secure public deposits (including deposits of \$63,943,733 of the Treasurer, State of Michigan) and for other purposes required by law.

Michigan's Leading Bank

MID-CONTINENT BANKER for August, 1971



Main Office, Woodward at Fort

Board of Directors

A. H. Aymond
Chairman—Consumers Power Company
Henry T. Bodman
Detroit, Michigan
Ivor Bryn
Chairman—McLouth Steel Corporation
Harry B. Cunningham
Chairman—S. S. Kresge Company
William M. Day
Former Chairman—The Michigan Bell
Telephone Company
Leland I. Doan
Director—
The Dow Chemical Company
Charles T. Fisher III
Executive Vice President
A. P. Fontaine
Chairman—
The Bendix Corporation
John B. Ford
Detroit, Michigan
John F. Gordon
Director—General Motors Corporation
Joseph L. Hudson, Jr.
President—The J. L. Hudson Company
Vice Chairman—Dayton Hudson Corporation
Ralph T. McElvenny
Chairman—American Natural Gas Company
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Campbell & Cramer
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Chairman—BASF Wyandotte Corporation
Nate S. Shapero
Honorary Chairman and Director—
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Austin Smith, M.D.
Chairman and Chief Executive Officer—
Parke, Davis & Company
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President—National Steel Corporation
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Kalamazoo, Michigan
Peter W. Stroh
President—The Stroh Brewery Company
Robert M. Surdam
President
Donald F. Valley
Detroit, Michigan



Member Federal Deposit Insurance Corporation

Bank Credit Card Plans Updated By Point-of-Sale Systems

By **PETER A. HALMOS**
President
SafeCard Services, Inc.
New York City

THE CASH register is dead! Point-of-sale systems are not only replacing the cash register function, they are bringing new levels of automation to credit authorization, transaction processing, inventory management and billing procedures. Banks face a unique opportunity to implement retailing automation in their communities and, simultaneously, acquire a captive market for credit cards and other retailing/operational functions.

In the last decade, major changes have occurred in the retailing industry, causing a continued squeeze on profit margins. The underlying causes of this trend appear to be embodied in five general areas: inventory management, the credit explosion, the discounter phenomenon, declining labor productivity and the proliferation of branch stores. The need for a low-cost, high-performance, data input system in the retailing environment to capture inventory, sales, credit and billing information at the time and point of sale can only be characterized as acute.

By way of introduction, there are two basic point-of-sale system configurations. On-line systems utilize tele-

phone-like devices at the point of sale which connect to the bank's computer via telephone lines. Off-line systems utilize a free standing, self contained point-of-sale terminal that has the internal capability to perform all required functions.

Historically, on-line systems have received the major focus of attention since the installation of telephone-like devices connected to a computer via the telephone network is a rather straightforward concept. However, these systems suffer from the high cost of telephone communications and computers, while total system efficiency is at the mercy of a common carrier. Furthermore, hearings are currently being held in Illinois concerning the possibility of a tariff increase for telephone lines used in conjunction with information systems devices. The initial tariff increases average 350%.

Whereas some on-line systems are

being designed so as to have limited off-line functions, the real innovations are occurring in totally off-line systems. As the name implies, off-line systems are not connected to a computer and, through internal logic, perform the required functions autonomously. The developing off-line systems represent the state-of-the-art in the electronic point-of-sale industry.

VALCOMETRIX Corporation, jointly owned by the United States Banknote Corp. and SafeCard Services, Inc., has developed a totally off-line system designed, through modularity, to provide functions and security tailored to the needs of bank credit card plans and, through them, the single retail store environment.

Implementation of the VALCOMETRIX system assumes a bank desires to become the cornerstone of merchant activity in the community, offering a full range of credit card, transaction processing, inventory management and billing services to retailers.

The VALCOMETRIX system was designed in conjunction with extensive consultation with the banking industry and the data processing services offered

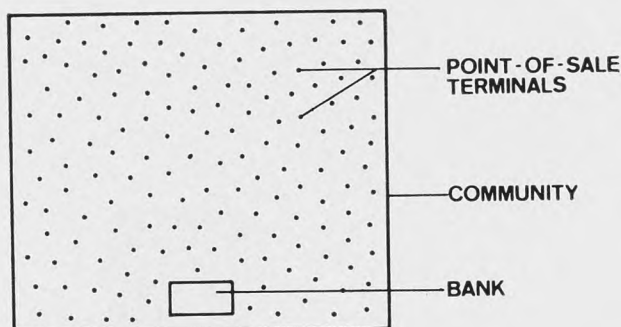


Figure 1

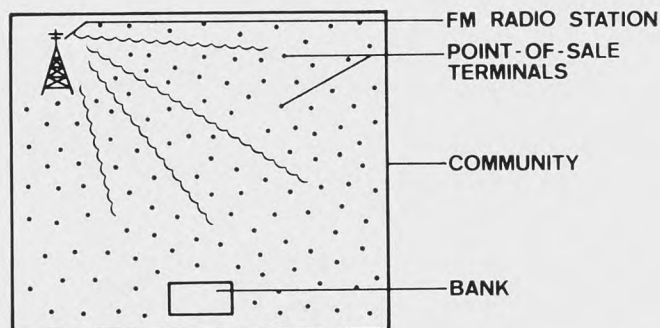


Figure 2



THIRD NATIONAL BANK IN NASHVILLE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Statement of Condition June 30, 1971

Assets

Cash and Due From Banks	\$134,491,863.79
Investment Securities	
U.S. Treasury Securities	\$30,374,223.62
Securities Guaranteed by U.S. Government	31,015,845.78
Obligations of States and Political Subdivisions	56,789,962.95
Other Securities	<u>3,778,861.11</u>
Total Investment Securities	121,958,893.46
Federal Funds Sold	6,050,000.00
Loans	350,768,428.76
Bank Premises and Equipment	14,254,042.02
Income Earned — Not Collected	5,265,183.93
Other Assets	<u>1,027,537.79</u>
TOTAL ASSETS	\$633,815,949.75

Liabilities

Deposits	\$505,044,017.12
Federal Funds Purchased and Securities Sold Under Agreement to Repurchase	42,750,000.00
Acceptances Outstanding	991,074.33
Income Collected — Not Earned	10,461,942.50
Reserve for Taxes, Interest, etc.	4,864,215.38
Dividends Declared — Unpaid	500,000.00
Other Liabilities	<u>209,850.00</u>
TOTAL LIABILITIES	\$564,821,099.33
RESERVE ON LOANS	
Reserve for Possible Loan Losses	\$5,156,593.96
CAPITAL ACCOUNTS	
Capital Notes (4-¾% due 1991)	\$7,500,000.00
Equity Capital:	
Capital Stock	\$20,000,000.00
Surplus	25,000,000.00
Undivided Profits	7,620,862.86
Reserve for Contingencies	<u>3,717,393.60</u>
Total Equity Capital	<u>56,338,256.46</u>
Total Reserves and Capital Accounts	<u>\$68,994,850.42</u>
TOTAL LIABILITIES, RESERVES AND CAPITAL ACCOUNTS	\$633,815,949.75

MID-CONTINENT BANKER for August, 1971

are listed as one of the activities proposed under the Federal Reserve System's interpretation of the One-Bank Holding Company Act.

The basic VALCOMETRIX terminal is self contained, requires no installation (just plugs into a socket) and performs a variety of functions:

- **Credit Checking**—An internal memory stores derogatory credit card accounts and accounts having credit limits. The memory is searched at the rate of 320,000 account numbers of 12 digit length in a maximum 30 seconds.

- **Transaction, inventory and other data recording** is accomplished automatically and stored in the memory unit. A transaction receipt is generated.

- **Recorded transaction, inventory and other data** are relayed to the bank in a computer compatible format directly from the terminal, thus eliminating the need for keypunching and optical scanning.

- A cash drawer provides all cash register functions and cash transaction data are automatically recorded.

- A variable input device allows visual verification of transaction data and a lockable imprinter prevents the continuance of fraudulent transactions.

- Automatic sequencing of instructions allows for simplicity of operation.

The terminals are deployed in retailing establishments throughout the community. They are feasible for all sizes of retailing establishments, from one-register specialty stores to department stores and supermarkets. The total system, however, is oriented to the single-store environment and provides the retailing automation heretofore available only to large retailing operations. The terminals, requiring no installation, cost less than \$1,000 each, in quantity.

Figure 1 is a hypothetical portrayal of a bank deployed off-line point-of-sale system.

Whether 1,000 or 100,000 point-of-sale terminals are deployed throughout the community, the crucial link is the bank's communication with each terminal. To fully capitalize on the efficiency of the off-line concept, each terminal memory unit must contain current data. The telephone network link of on-line systems must be replaced with a fast, low-cost method of mass terminal communication.

In the VALCOMETRIX system, terminal updating is accomplished via FM radio data transmission. As often as desired, FM radio data transmission simultaneously updates all terminals in the community within seconds. The

FM radio update is automatic, requiring no personnel supervision and low in cost. The FM signal does not interfere with other radio programs and special coding assures data security. Patent applications for the process, as well as for the entire system, have been filed. Figure 2 represents a hypothetical updating situation.

In the early morning hours, the latest derogatory list data are transmitted via FM radio to all point-of-sale terminals in the community. At the start of business, a customer makes a credit card purchase. The sales clerk:

- Activates the terminal's derogatory list search for credit checking.

- Inputs transaction data, plus other desired information, which is automatically recorded in the terminal's transaction memory unit.

- An imprinted sales receipt is generated for the customer and a copy retained by the merchant.

The transaction memory unit, containing both credit and cash sales data, is removable, being the size of an ordinary magnetic tape cassette. At the close of business, the transaction data cassette is removed and either mailed or delivered to bank-designated pickup

(Continued on page 40)

Multi-Layer-Magnetics Termed 'New Concept' in Credit Cards

THE EMERGENCE of the cashless society, once a nebulous concept, is the formative reality of today, according to Peter Halmos, president, SafeCard Services, Inc., New York City.

This is true, he says, not so much due to a lack of cash, but because the proliferation of credit cards is doing away with most needs for it.

According to Mr. Halmos, money is a social institution; the status of money is conferred upon things by social acceptability. Credit cards, like money, function both as a store of value and a medium of exchange because of their widespread acceptance. Since credit cards are a form of monetary substitution, they have become documents of fiscal value. Yet, the poor quality, nondescript appearance and antiquated technology characterizing credit card manufacture tends of itself to invite the fraud and abuse now plaguing the industry.

VALCOMETRIX Corp., jointly owned by U. S. Banknote Corp. and SafeCard Services, Inc., brings to the credit card industry technological expertise in the fields of securities printing and electronic information systems which combine to provide innovative

solutions to the problems of credit card security, says Mr. Halmos.

Multi-Layer-Magnetics (MLM) is a new process protected by patents and trade secrets. It was developed by U. S. Banknote for the authentication of securities and other documents of fiscal value. Its purpose is to prevent counterfeiting, Mr. Halmos says.

What is to prevent an organized crime ring from duplicating an unsuspecting cardholder's card a thousandfold, mailing the card to a thousand waiting accomplices who immediately run up a mere \$100 on each card? The answer is multi-layer-magnetics, the new credit-money card, Mr. Halmos says.

Mr. Halmos describes the MLM credit-money card as employing both visual and electronic authentication techniques. Art work, in the form of an intaglio vignette, enhances the aesthetic appearance of the card while, simultaneously, allowing for visual authentication. The intaglio printing process entails the same technique as used for the printing of currency, thus imparting to the credit card a monied appearance. A counterfeit card will be much easier to spot than counterfeit

currency. The vignette (art work) may be of any design, thus providing the issuer with a means of promoting the uniqueness and identity of the card. Instead of mere plastic, the credit card will become an impressive fiscal document.

For long range security, the MLM credit-money card provides unique electronic authentication, Mr. Halmos says. During the intaglio printing process, an electronic code is impregnated within the credit card. An MLM sensor module, located at the point-of-sale, immediately detects the code. If the MLM credit-money card is tampered with for the purpose of fraudulent use, the MLM code is invariably altered and will self destruct. The MLM sensor module will immediately indicate such a card. However, accidental exposure of the card to magnetic fields and other common occurrences will not alter the MLM code, he says.

According to Mr. Halmos, the MLM credit-money card provides both visual and electronic authentication in a program of maximum fiscal responsibility. It represents the credit card of the future, where function and security are combined to allow for an orderly transition to the cashless society. • •

VALCOMETRIX CORPORATION

Innovations In Point-of-Sale Technology And Credit Card Manufacture

For Information Please Call:

800 - 241 - 0205

Peter Halmos

President

VALCOMETRIX CORPORATION

1472 Broadway

New York, New York 10036

VALCOMETRIX CORPORATION A Jointly-Owned Company Of

United States Banknote Corporation

SafeCard Services, Incorporated

Cashless, Checkless Experiment With Shoppers Planned by Ohio Bank

THE CASHLESS, checkless society is coming to a suburb of Columbus, O. In a six-month experiment set to begin October 11, City National and National BankAmericard, Inc., will begin jointly sponsoring the electronic transfer of funds among consumers, merchants and the bank. The experiment will be undertaken in the upper-middle-class Columbus suburb of Upper Arlington.

The project will involve 50 retailers in two shopping centers, the 20,000

Upper Arlington residents who are BankAmericard users and City National. A bank official said the bank hopes to attract about 15,000 additional users of BankAmericard through the experiment.

Here's how the program will work: The funds transfer will take place through computer terminals at each of the participating retailers. When a purchase is made with a BankAmericard at one of the stores, the consumer's account will be debited and

the merchant's account credited almost instantaneously through the computer terminal. Thus, no actual money or paper checks will be used.

As another aspect of this experiment, City National will install a "total teller"—a 24-hour-a-day, seven-day-a-week banking machine—at one of its Upper Arlington branches. According to the bank, by using the machine, customers will be able to deposit, withdraw and transfer funds. • •

Point-of-Sale Systems

(Continued from page 38)

stations. Or, a modular unit may be installed which permits the bank's computer to automatically poll the terminal memory unit over standard telephone lines. The recorded transaction data are electronically read by the bank's computer and billing information is obtained—without keypunching or optical scanning—directly from each memory unit. Other recorded data are compiled directly into inventory and management reports.

If desired, radio updating may be

performed at selected intervals throughout the day. The frequency of updating is left to the bank's discretion.

In addition to modular terminal components, such as an automatic credit card reader, the system offers a modular security package with varying degrees of capability. The basis for credit card security is the MLM (multi-layer-magnetics) credit card, which is a patented method for preventing counterfeiting. The MLM credit card offers both visual and electronic authentication. Added security functions, such as voice authentication or positive photo identification, may be added, thus

assuring both document and cardholder authenticity.

The bank becomes involved not only with credit cards, but also with credit authorization, transaction processing, billing, inventory management and other retailing management reports. It becomes the center for merchant activity and operations, providing the retailing automation needed for the competitive future. The bank gains a captive market for its credit card and truly capitalizes on the concept of full-service banking. • •

Women Bankers

(Continued from page 16)

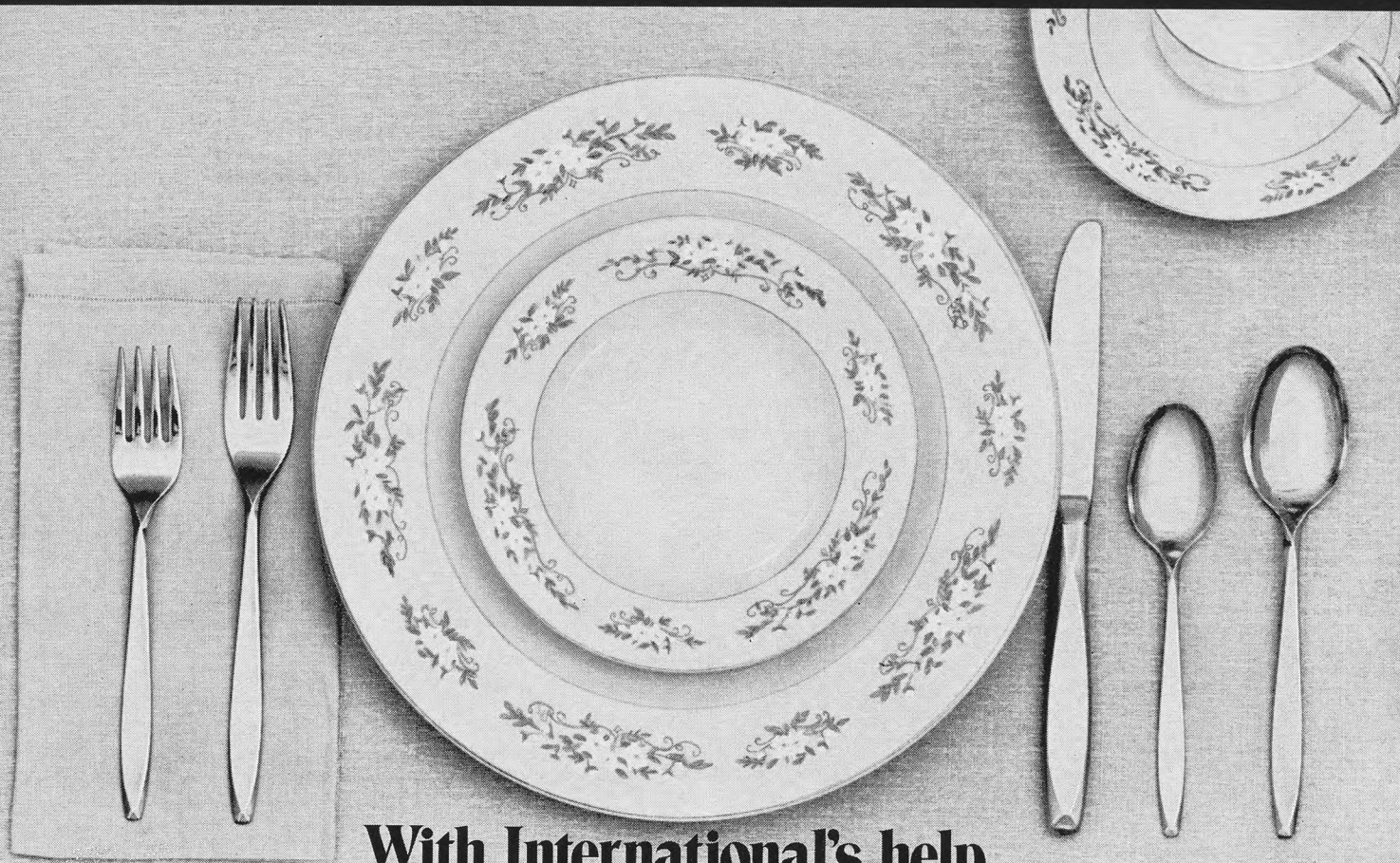
acceptance may be viewed as an attempt to coerce their employers and such encounters may well result in embarrassing attempts by management to explain that which may not logically be explainable. She may be reassured of her "importance" to the bank. However, the qualified woman finds it difficult to equate a policy of management that relegates her to the important task of supporting and/or training a male executive, but denies her access to that plateau that historically has been reserved for men only. It is doubtful that the premise of male superiority in all fields of banking can be substantiated since relatively few women have been given the opportunity to prove or disprove the validity of management's position.

There is an occasional stirring of hope in the attitude of the younger male executive who has learned through scholastic competition that his position is not necessarily endangered by the female presence, but his unbiased opinion has little chance of survival unless top management shares his view. Just as he learned that the shortest distance to a grade-point average was an analysis of the professor's expectations, so will he emulate those

Bank Float Wins Trophy in Ohio River Regatta Parade



The Madison (Ind.) Bank proudly displayed this float (and the ladies are bank employees) in the parade that precedes the annual hydroplane racing regatta held at Madison. The float won the judge's trophy for excellence in design. Phil McCauley, pres. of Madison Bank, even more proudly announced that "Miss Madison," a community-owned racing craft, won first place and the Regatta Cup, which is known as the nation's No. 1 prize in boat racing. The July 4 event, seen this year by 110,000 spectators, is held annually at Madison on the Ohio River, located approximately midway between Louisville and Cincinnati. Mr. McCauley and his bank are avid promoters of the event. At this year's Indiana Bankers' convention, Mr. McCauley distributed drinking glasses on which were imprinted illustrations of the Miss Madison boat. Because of Miss Madison's Gold Cup win, these glasses are now a collector's item as well as a fine souvenir.



With International's help, you too might boast this kind of success story.


(Regardless of the size of your bank.)

We are a bank with... "approximately 25,000 checking accounts and 14,000 savings accounts. Our total assets are \$60,000,000.

In our china program... in 6 months of operation, we have brought in 1,750 new customers with \$1,137,000 in new money. We have had 6,600 of our present customers join the program, for \$522,000 in add ons. We are planning to end our promotion on... At that time we feel very confident that it will have liquidated itself."

The International Silver Company, one of America's oldest and largest suppliers of flatware and holloware, has many such stories to tell. But the story you really want to know is how we can put both our reputation and years of experience to work for you in continuity programs aimed at deposit services. We have information available with regard to continuity programs in stainless, silver, gold and china. We will be happy to send it to you upon request.

International Silver Company

Meriden, Connecticut 06450 

Mr. Jack Morley, Sales Manager
Incentives Division
International Silver Company
500 South Broad Street
Meriden, Connecticut 06450

Dear Mr. Morley:

I am interested in finding out how your company can help us in stimulating deposit services. I will look forward to receiving your material.

Name _____

Bank _____

Address _____

City _____ State _____ Zip _____

Women Bankers (Continued)

who hold the key to his career success. It is the "monkey see, monkey do" theory in discreet practice.

Fifteen years ago, bank management was frankly telling the female hopeful that ". . . it is not our policy to promote women . . . it might stifle the initiative of our young men." This policy has proved to be without justification since large numbers of those unstifled young men have taken their initiative elsewhere, and the potential for which they were paid has become a reality for another employer. For many years women were told that they were notoriously undependable and that the bank's best interests must be served by insuring stable continuity of those entrusted with officer status. It is ironic in 1971 to learn that a long record of established loyalty is largely irrelevant. The once-touted attribute of tenure has been replaced with a philosophy of "performance only" . . . and we are right back to the assumption that women do not meet the performance standard desired. Being the emotional creatures they are, most women develop a strong personal attachment to "their" banks and they tend to accumulate impressive length-of-service awards, often retiring from the banks where they began their careers. Those failing to achieve status dispensed by management in the form of salary level and promotional equity still must face the cold facts of discrimination in the dollar figure of their retirement benefits.

In the light of prevailing circumstances, it would seem that the hour is very late in approaching a reasonable solution to an old problem that decidedly affects our industry. The woman banker today who might be justified in making a "case" for herself probably will not be the one to take her grievance to the courts. However, management might well consider that a new generation of women who have reached maturity within the past decade will be far less reluctant to have their fate decided at the hands of an impartial judge. It would be tragic indeed for our industry to suffer the stigma and embarrassment of defending its conduct in court. While the option to make voluntary adjustments is still theirs, perhaps there are those at the management level who should re-evaluate bank policy in realistic terms. There actually may be few, if any, existing inequities in any number of banks, and it is reasonable to assume that the majority of employers have

already taken carefully studied surveys of their staffs and have acted with prudent expediency where and when their educated judgments deemed it advisable. While all employees are understandably selfish in their desire for achievement, they should keep in mind that management has an obligation to succeed and that obligation does not begin nor end with any single employee—or groups of employees—regardless of sex.

Women bankers in particular are not without obligation to assess their own motives in seeking more attractive jobs and should seriously consider the degree of professional responsibility necessary to perform effectively at the levels to which they aspire. Professed ambition should be underwritten with an honest self-judgment of ability to succeed, and every woman seeking equal opportunity for job status should also decide whether or not she can pay the price of fair competition in what has been termed a "man's world." It is no time to play games at the expense of management, or, for that matter, other women who might conceivably be denied the opportunity to compete if job failure should become a feminine trait at the management level.

Younger women today should profit by the 20/20 hindsight of their older counterparts and should keep in mind the trend that is emerging with the influx of younger men at the managerial

Shorter Bank Work Week

A four-day work week is being offered employees of Mark Twain Bancshares, Inc., St. Louis-based multi-bank holding company, and of the firm's member banks. The latter are Mark Twain South County Bank, Mehlville; Mark Twain State, Bridgeton; and Mark Twain Northland Bank, Jennings.

The short work-week concept is being introduced in connection with a major personnel development program designed to maximize employee flexibility, cross training and promotion option. Employees are taking part in development of the program, which will operate on an experimental basis for the balance of this year.

The decision was based on current trends in all types of industry toward the shorter work week, according to Mrs. Virginia Kirkpatrick, personnel director.

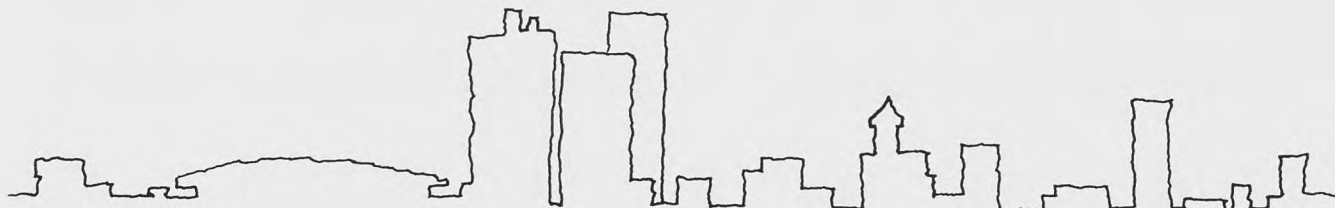
level. The stated importance of education over practical experience is not to be denied in today's sophisticated banking world, and the decided advantage of a bank-related education will become increasingly standardized as a prerequisite for banking. While the practice of educating the young banker at bank expense was once generally restricted to men at the executive-entry level, more and more banks are opening this avenue to women who demonstrate an adaptation to the banking field. Hopefully, the young women of today will not adopt the old "wait and see" philosophy since the long wait rarely justifies the end. The challenge of the banking world today is more exciting than ever before in history, and for those who have the foresight to prepare themselves to meet the challenge, the banking world can indeed become their oyster.

Women today may dare aspire to careers marked with proud advances and personal fulfillment if the will to achieve is coupled with practical planning and an attitude consistent with reality. For management to deny the importance of women in banking is to fail to recognize one of the most important resources available to them. The characteristic feminine trait of personal involvement usually will generate a remarkable zeal for protective concern for "her" bank, and given the opportunity, any woman worth her title will contribute this intangible without reservation. Women have enjoyed preferential treatment in most areas of their lives, but the business world is not the place to command this byproduct of our society. If management is to grant equal opportunity to the female employee, then it should also demand equal performance. There can be little disagreement about fair play.

For the benefit of all concerned, it would seem that now is the time for all of us to restructure our thinking to coincide with the progress we have made in all other areas of the banking world. When we finally lay to rest the old theory that all women were born knowing how to type and all men were automatically endowed with executive ability, we will have made a giant step forward in maturity of judgment which will favorably accommodate both management and the labor forces. If we ever manage to bring this miracle to life, perhaps then we can also lay to rest the equation most commonly practiced in the banking world today.

Briefly summed up, it means that, generally speaking, today's woman banker must still look like a woman . . . think like a man . . . and work like a horse . . . for twice as long to get half as far as any fellow she knows! ••

**Fresh air
capital—
We have it.**



STATEMENT OF CONDITION / JUNE 30, 1971

ASSETS

Cash and Due From Banks	\$ 49,817,165.07
U. S. Government Securities	18,825,648.40
Public Housing Authority Securities	9,484,969.73
Municipal Securities	30,666,549.27
Trading Account and Other Securities	19,502,697.70
Stock in Federal Reserve Bank	660,000.00
Securities Purchased Under Agreements to Resell	2,475,000.00
Federal Funds Sold	13,000,000.00
Loans and Discounts	145,564,537.54
Credit Card Receivables	7,546,130.40
Bank Premises and Equipment	5,991,100.31
Other Assets	554,930.37
Total Assets	\$304,088,728.79

LIABILITIES

Demand Deposits	\$167,228,367.39
Time Deposits	98,221,301.22
Total Deposits	\$265,449,668.61
Federal Funds Purchased	4,150,000.00
Securities Sold Under Agreements to Repurchase	2,241,117.75
Reserve for Taxes, Interest, etc.	1,203,792.57
Income Received — Unearned	818,480.03
Total Liabilities	\$273,863,058.96

RESERVES

Reserve for Loan Losses	\$ 2,509,853.76
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CAPITAL ACCOUNTS

Capital Stock — \$5.00 Par Value	\$ 11,000,000.00
2,500,000 Shares Authorized	
2,200,000 Shares Issued	
Surplus	11,000,000.00
Undivided Profits	5,715,816.07
Total Capital Accounts	\$ 27,715,816.07
Total Liabilities, Reserves, and Capital Accounts	\$304,088,728.79

In Kansas. Where smog is only a dirty word, and downtown Wichita is growing again. Where hundreds of banks thrive over the state, not one of them a branch. Where the state's largest bank has capital *on hand*, and an eye toward expansion of the Kansas economy — a breath of fresh air in a climate that's looking up.

Need a little Kansas location or relocation advice? We're saturated with facts, and what we don't know right off, we'll ask other Kansas bankers for you. Dial direct to Jim Boyd at the Fresh Air Capital: (316) 268-4306. You'll breathe a little easier.

the bank

THE FOURTH NATIONAL BANK & TRUST CO., WICHITA

Member FDIC

THE FOURTH NATIONAL BANK & TRUST COMPANY, WICHITA / MARKET & DOUGLAS, WICHITA, KANSAS 67202 / MEMBER FDIC

MID-CONTINENT BANKER for August, 1971



Banks Cater to Client Publicity Wishes With Community Information Centers

HOW MANY banks have considered themselves forced to display a poster advertising a local event, a crudely lettered sign, perhaps with misspelled words that they felt detracted from the bank's image?

How many bankers have sought—many times unsuccessfully—for a graceful way of saying “no” without offending a customer?

Now comes Universal Bankers Service Corp. with a program that provides a means of getting off both horns of the dilemma. The company is an advertising and public relations agency that supplies and maintains a neat, uniform and attractive “community information center.” Through its service it offers a solution to the often difficult problem of how to help local organizations promote their events without cluttering the bank with undesirable display material.

Here's how the program works:

When a representative of an organization asks permission to place an announcement of an event in the bank's window or lobby, the representative is given a card headed “Organization Poster Information.” On the card space is provided for the bank's name and address, the name of the organization, and the name, type, date and place of the event. This card is then mailed to Universal Bankers Service in Rosemont, Ill. There an artist—at no cost to the customer—prepares an attractive poster which is mailed to the bank.

As part of its program, Universal Bankers Service provides the bank with

an aluminum and laminated display board as a message center. The prepared poster is then placed on this display board.

Universal Bankers Service offers an added feature to cope with requests to permit the display of cards or notes asking about lost articles, seeking employment, such as baby sitting, or trying to sell some unwanted article. Frequently scribbled on scraps of paper, such notices can be unsightly. To avoid this problem, the service provides a card measuring four inches by four inches. One side bears instructions for filling out the card. The other provides eight ruled lines on which to write or print the type of service wanted or offered and space for the date, name, address, phone number and the best time to call. The message center board bears slots into which these cards fit. To obtain uniformity, the bank insists that only the cards provided may be used.

Banks—as well as other businesses—have learned that if one poster is permitted in the bank, just about all others must be permitted also. Through uniformity, the Universal Bankers Service avoids a proliferation of posters that would quickly play havoc with the bank's decor. Thus the bank is not placed in the position of refusing a worthy organization in order to protect itself against undesirable posters.

Banks that have used this new service have had favorable comments on its effectiveness.

“Response has been most rewarding,”

comments Carl L. Gubitz, senior vice president, Bank of Lincolnwood, Ill. “The information center has performed a much needed community relations service and comments from our customers are gratifying.”

“Our customers have actively used the board,” reports C. Earl Bailey, assistant cashier, Suburban Trust, Oak Park, Ill., “and many have reported success. Merchandise has been sold, jobs have been obtained and a variety of other positive results have been indicated. The board has provided a perfect public relations tool.”

Douglas C. Hurley, assistant cashier, Elgin (Ill.) National, points out that, through its cards, the communication center provides both commercial and non-commercial customers with space to advertise tastefully. The bank's interests are protected because the bank retains the right of final approval. By providing community organizations with posters of uniform size, the bank keeps posters out of windows.

“The value or benefit that this service has to us,” says Mr. Hurley, “is to attract more customers and lobby traffic and to provide a community communications medium.”

Delvin W. Johnston, executive vice president, First Bank, Palatine, Ill., emphasizes that the community appreciates the service offered by the message center, while R. E. Winninger, executive vice president, Bank of Hickory Hills, Ill., indicates that customers are interested in reading the notices displayed. • •

Expect a little more in factoring, when you're dealing with Chase.

Sure, our Shapiro Factors Division has decades of experience in this business. But that's not the only reason correspondents and their customers expect a little more from us.

Our experience has shown a growing awareness of the need for alternatives to conventional short-term financing. In addition to our factoring capabilities, we have the know-how to work up a variety of flexible, innovative short-term financing plans uniquely tailored to meet your customers' specific needs. Whatever their industry.

Shapiro Factors can arrange participation with you on either a factoring or financing basis. And whenever, in your opinion, your customers' financing requirements again become "bankable," our participation can easily and quickly be rearranged. For further information, contact your Chase representative or call Tom Brown at our Shapiro Factors Division—(212) 244-5500.

Chances are, you'll wind up getting a lot more when you deal with Chase.

You have a friend at

THE CHASE MANHATTAN BANK

1 Chase Manhattan Plaza, New York, N.Y. 10015/Member F.D.I.C.





Interior of new building of Citizens Union National will provide maximum operational efficiency. Tellers station will be focal point of first floor, with customer service areas located conveniently nearby. Two installment loan teller stations will be situated at end of lobby in area that can be closed off from rest of bank. This arrangement will make installment loan department accessible to customers after regular banking hours.

New Building in Downtown Mall Planned by Kentucky Bank

*Citizens Union National to Erect Structure
In Heart of Lexington's Development Area*

COVER PHOTO: This is artist's sketch of future home of Citizens Union National, Lexington, Ky.

THE CITIZENS Union National Bank of Lexington, Ky., recently announced plans for a striking new eight-story building. Approximately two blocks from the current site and one block from the County Courthouse, the mirror-like structure will be located in the heart of Lexington's new downtown Vine Street Mall development area. Ben P. Bransom, chairman, and A. G. Mainous Jr., president, said, "The bank will occupy the first, second and fourth floors and the remaining floors will be available to tenants."

Bank Building Corp. is consultant and construction manager for the project, and Wilburn "C" McCormick, an associate of Bank Building, is the architect.

Mr. Mainous said, "The community normally looks to its bank for leadership and we feel that this new building will be a way of expressing our leadership and service to the Lexington community as well as to our customers and stockholders."

To coordinate the appearance of the new building with the new downtown development area, the brick pavers used in the mall will extend into the building as the lobby floor, and tree planters have been located to blend

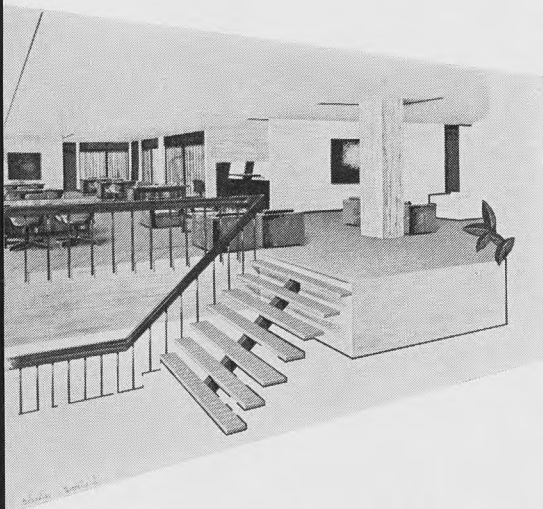
with the structural columns of the building.

Citizens Union National officers believe the new bank location will make it the nucleus of the financial and legal center in downtown Lexington. Due to the slope of the new site, the first floor will be on street level on Vine Street and the third floor will be at street level on High Street. The architect pointed out, "This arrangement is convenient to the customer because it puts the entrance on the same level."

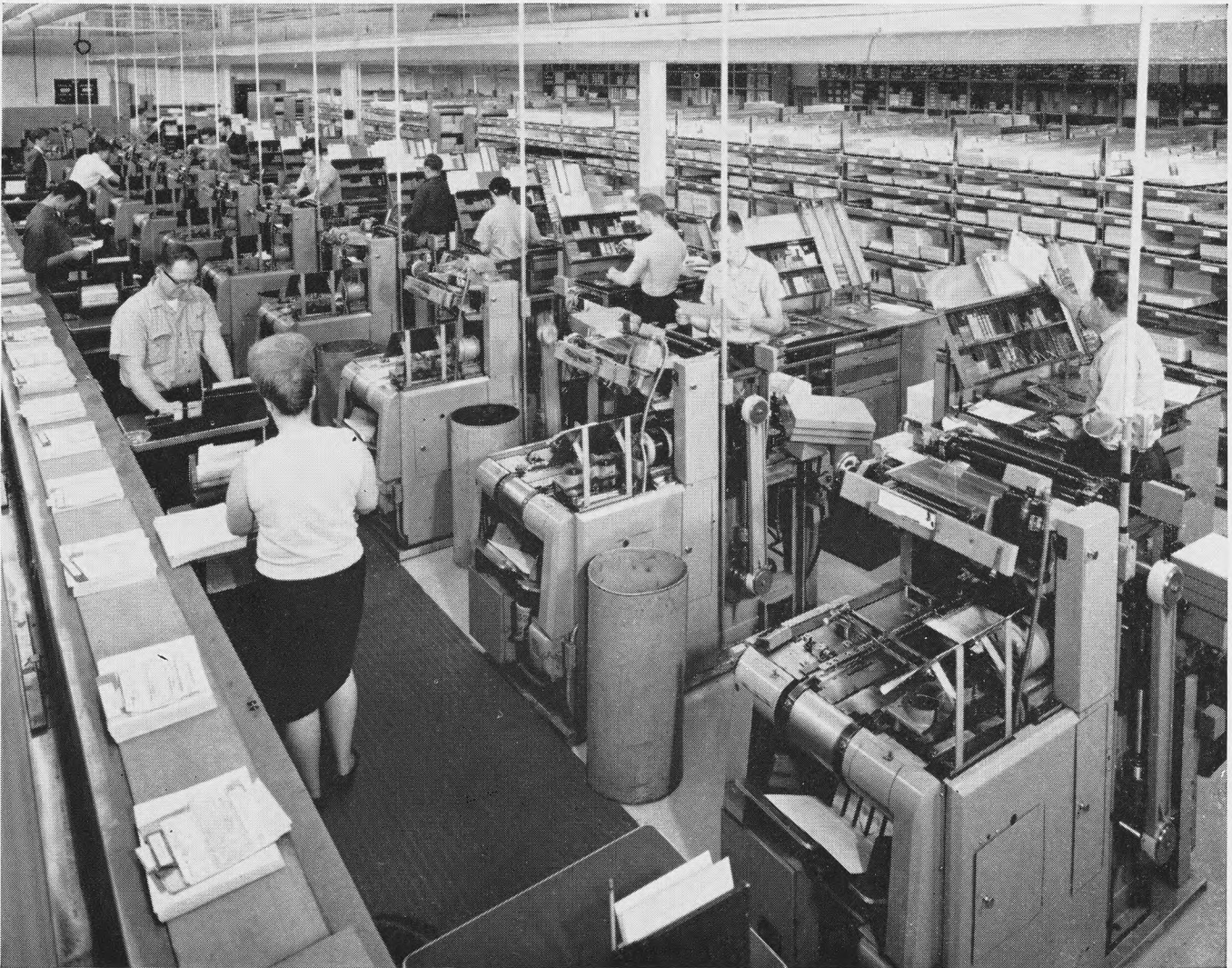
The multi-story building will be contemporary in design. Bronze heat-absorbing glass will be used in the first two stories and the top six stories will feature gold mirror insulating glass. Mr. Mainous said, "The use of this insulated-type mirror glass is a fine example of the quality built into the building which also serves an economic purpose by cutting down on the cost of utility bills."

A parking garage at the south end of the building will accommodate 223 cars, and an adjacent surface lot will handle 25 cars. The vertical core will feature a granite mosaic, adding a decorative touch to the exterior.

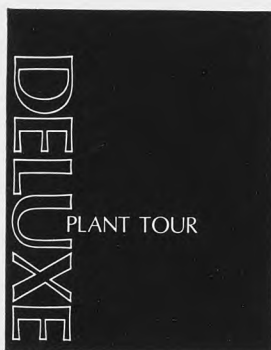
There will be four audio-visual drive-up units with provision for two addi-



Decorative stairway with open risers will lead to trust department on second floor of new Citizens Union National building. Contemporary office furniture will highlight area, which will be completely carpeted. Comfortable chairs will be provided for customers.



A Look Inside Deluxe...



Bankers—Ask for your copy of our Plant Tour Booklet.

We'd like every banker in the country to visit one of our plants. We know it isn't possible, but to the extent that it is, it does the banker, and us, a lot of good. For example, the banker is undoubtedly spending a lot of money for checks and relying on us or someone else for reliable service on a day to day basis. He should know his supplier—not just the sales representative—but the operating people in the plant. He should know how checks are made, see the equipment that is utilized and observe it in operation. He should brief himself on the business philosophy and the financial standing of the company that is getting his money. And the only way to do this is through a plant visit.

So please visit us. We'll enjoy showing you around and you may spend as long a time as you care to. We've just published an attractive four color booklet, illustrating our various operations. If you can't make the visit just yet, we'll be happy to send you one—or just ask your representative for a "Plant Tour" booklet.

There is a difference...

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

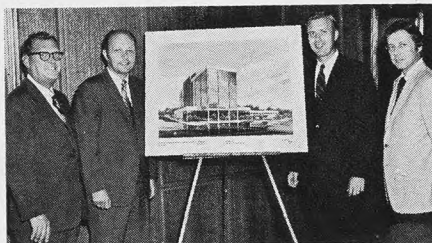
MID-CONTINENT BANKER for August, 1971

tional stations. Also included for added customer convenience will be a night depository, a walk-up window in the lobby, and a special entrance for use of armored cars.

The interior of the new bank building will feature a conservative contemporary decor with extensive use of neutral colortones and walnut wood. These shades will be enlivened with accent colors. The 12-station main teller fixture will be travertine marble and colored ceramic tile. Located at the opposite end of the lobby, the two installment loan teller stations may be accessible after regular banking hours for added customer convenience.



Inspecting model of new Citizens Union National quarters are BBC Real Estate Services employees (l. to r.): Dennis Kelleher, director of real estate analysis and valuation; Ed Bender, job captain; George Agnacion, director of sales; and Richard Henderson, manager of architecture.



Pictured with artist's sketch of future home of Citizens Union National are (l. to r.): Ben Bransom, chairman of bank; H. Berny Engel, president, BBC Real Estate Services Corp.; Arch G. Mainous Jr., president of bank; and Paul Kleiner, managing architect, BBC Real Estate Services Corp.

Carpeting and vinyl wall coverings in natural tones will be used throughout the bank interior and will be accentuated by the upholsteries of the contemporary office furniture. The architect said, "One interesting feature of the interior is an ornamental staircase with open risers and a walnut rail that will connect the first and second floors. Free-standing planters in an area of white marble chips will grace the foot of the stairway."

The second floor will house the commercial loan, trust department and executive offices. The executive offices will be traditional in decor. The president's office will be paneled in deeply scored oak and will feature a fireplace of native Kentucky limestone. A conference room will be adjacent to the

president's office and will contain a specially designed table with a matched grain marble top.

The chairman's office will have distressed cherry office furniture with beige carpeting and natural-toned upholstery. A low wainscot with applied moldings will emphasize the traditional design of the office.

The executive vice president's office will have a Macassar ebony paneled feature wall, with copper-colored carpeting and coordinated upholsteries. The fourth floor will contain operations space, a data processing wing, several offices for retired bank officers and bookkeeping department and employees lounge.

Mr. Mainous said, "We are very proud of this new building and feel it is a good investment for our stockholders. It represents a quality building that the citizens of Lexington can be proud of and one that will hold its value for many years." He also explained, "We have a building committee that studied the building program from all angles, and the chairman of the committee is an architect himself. We also sought the expert consulting services of Bank Building Corp., which has been in this business for over 58 years. The firm will be handling the entire project through its subsidiary, BBC Real Estate Services Corp." • •

Responsibilities

(Continued from page 26)

bank's officers and the reports of the bank examiners of the Comptroller, Federal Reserve Board, FDIC, or state authorities. For the board of directors and its committees to do their duty with reasonable care requires more than just regular attendance at meetings. Much careful work must be done by or for the board. Here let me emphasize that we do not assert a claim for directors' liability because of the failure of the directors to uncover an embezzlement or a misapplication of funds. The claim for directors' liability is asserted when the directors fail to perform the functions which are required by law or under the bylaws of the particular bank.

In our efforts to determine whether a claim exists against the directors in a closed bank, we examine the following:

1. The functioning of the examination committee during the decade preceding the closing of the bank.

2. The pertinent bylaw provisions governing the duties of such committees.

3. The dates of its meetings, showing their regularity.

4. The extent to which its reports were referred to and considered by the board, like information on the loan and discount committee.

5. The regularity with which board meetings were held and the pattern of attendance at those meetings, and the nature of the business acted upon thereat as reflecting the degree of attention being given to the affairs of the bank.

6. The extent to which the board considered and acted upon correspondence from, and reports of examination by, the supervisory authorities, particularly where criticisms are contained in those communications.

7. The extent to which there were red flags or irregularities—that is, abnormal fluctuations in savings and checking account totals—in the volume and nature of the loan portfolio.

8. In the amount of holdings of U. S. and other public securities and in the totals of correspondent bank balances, all as shown by the records and books of the bank.

9. Any knowledge of irregular acts on the part of officers and employees and action taken as a result of such

knowledge. Many other areas, such as notoriety in high living on the part of relatively low-salaried officers, normally are sifted with care to see whether a directors' liability action is justified.

In a bank, the director's duty is to direct and not to be led. The officers are charged with carrying out the director's policies, but it is not enough for the directors to lay down the policies. They must be ever alert to insure that the policies are being faithfully, ably and honestly executed by bank personnel.

Assume Responsibilities

While it may be distasteful at times to assert a director's liability claim, it is mandatory that a liquidator do so if the basis for a claim is discovered. The supervisory authorities must accept their responsibilities and the officers of banks, as well as directors, must also assume their responsibilities if our system of banking is to survive and prosper.

In conclusion, I would like to stress one thought. If a director always remembers he is a manager of other people's money, he is ready to accept the responsibilities of being a director.

Jim McKenzie can give you as much help as 180 other men put together.

That's really not as crazy as it sounds.

When you bring a banking problem to Firstbank's Jim McKenzie, he can call on our staff of 180 *specialists* in customer service, trusts, investments, and operations to help work out a solution.

With that kind of talent pool, Jim has to be sort of a banking jack-of-all-trades. A man with enough banking insight to know in which direction the right answer lies. And enough experience to know how to get there.

Jim's spent 20 years getting that kind of experience.

Working with our leasing people to help banks develop leasing business with customers in their market areas. Working with our computer people to process a bank's customer data. Working with our loan people to arrange participations.

It takes a real banker's banker to handle the kind of problems that Jim McKenzie handles. If you need a banker like that, the place to call is

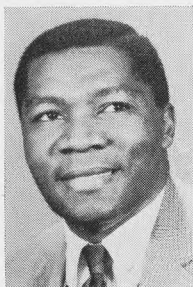
Firstbank
1ST FIRST NATIONAL BANK
OF LOUISVILLE

Jim McKenzie is vice president of our Correspondent Bank Marketing Department. If he's out, ask for Leonard Kernen or Bill Luckett or Henry Ormsby or Doug Steele.



Let's Give Black People A Fair Shake

A WASHINGTON, D. C., newspaper recently ran an ad placed by a banking institution there which began "Loan a black some money and you'll be lucky if you get it back." Of course the ad followed up with a strong denunciation of this myth, in effect saying "that's what a lot of people think . . . it's not true." The savings institution finished its ad by pointing out that it had not had a single home mortgage foreclosure in more than two years, although over 90% of its loans were concentrated in Washington's inner city.



BLOCKER

It is a matter of history—banking was one of the last industries to make any efforts to respond to the needs of the black minority. Public relations aside, we still have a long, long way to go, in almost every area of banking activity.

I want to give an overview of how banks are responding to the needs of the black minority and what the effect has been.

In an economy which last year produced a gross national product of \$930-odd billion, black Americans contributed, at best, no more than \$46 billion. If these other Americans do, indeed, represent 10-12% of the American population, they are underproducers in every aspect of the word. You and I know that no one respects an underproducer. A number of big city banks have had special loan programs for five or six years. Chase Manhattan, First Pennsylvania, Continental, Bank of America, Citizens & Southern in Atlanta, to name just a few. Yet, in the case of First Pennsylvania's efforts, we have not been able to follow through with the kind of supportive services that are desperately needed. Sure, these loans are more costly to put on the books, more costly to service; but I honestly believe that the history of repayment will not differ materially from other

By J. LESTER BLOCKER

Assistant Vice President
First Pennsylvania Bank
Philadelphia

small business term loans.

Why, you will ask, is it necessary to provide all of these supportive services for the black man? I answer, because he has never been given the support that other men have accepted as a matter of right. Land is the basis of wealth in this world. Do you understand what I'm trying to say? Land is where it all begins. Minerals from the land, property rights over the land, farm lands for cash crops, building rights from our wealth structure. In 1862, when our government passed the Homestead Act, who do you think benefited from that Act? Lands were sold to settlers for 50¢ and \$1 per acre. In 1895, when the Cherokee Territory was settled (after we had promised the Indians that they would not be moved *again*), who do you think bought those lands for \$1 per acre?

How can you tell me to pull myself up by my bootstraps, when the right to own boots was never given to me? Black people in this nation are not a *social* problem; we are an *economic* problem. If our nation could spend over \$100 billion in a six-year period after World War II to help Western Europe regain its independence and self-respect, how in God's name could we dare to do less to solve our own domestic economic problems?

Our problems relate to few resources and fewer opportunities over the history of our existence in this nation. To be sure, George Washington Carver created wonders with the peanut, Norbert Rilleau invented the process of refining sugar cane juice into sugar. Granville Wood invented the airbrake, Dr. Daniel Williams performed the first open heart surgery; but think of all the possibilities which could have occurred in an open society where black people felt they were wanted!

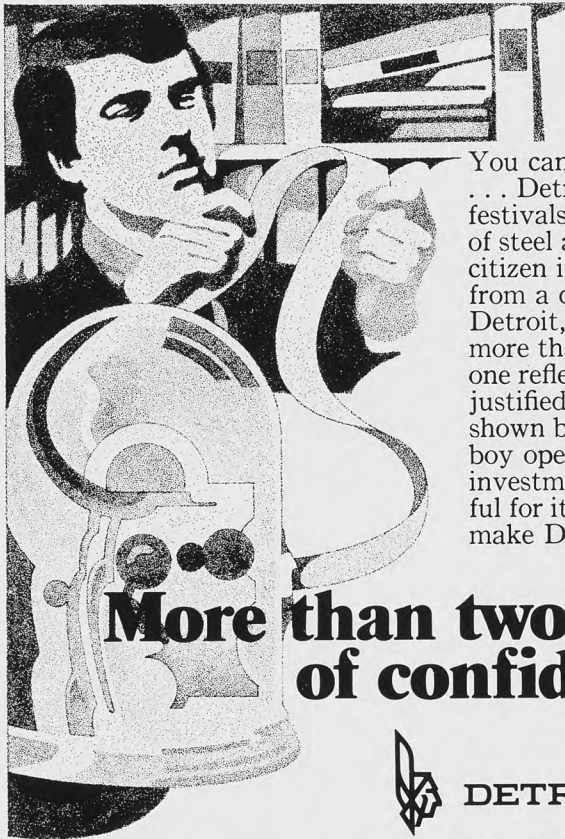
I think you see the point. Banks, because they have refused to really

look at a black loan applicant, refused to grant loans on normal credit terms and in many instances refused to consider him a man, enjoy a very unfavorable image among minority people! The ABA has indicated that upwards of \$200 million yearly could be invested over a five-year period in minority businesses. Most black people have taken the position, "We'll wait and see what happens."

A number of banks have tried programmatic concepts in relating to the educational crisis in our country. We find that several of the New York banks have tried work-school programs, such as Chase Manhattan's BET program for high school boys. Our bank has a BEEP for boys from six high schools and STEP for high school girls from four high schools. What we're talking about is getting involved with the educational process, so that we can create new methods to educate young people. Out of 26 boys who were included in our pilot BEEP program in the fall of 1967, only one had fallen by the wayside in June, 1968.

The BEEP program is being used by over 100 companies in the nation. Our experience has been extremely good and we believe such programs offer hope for the future. For by whatever methods necessary we must find a way to teach 15- and 16-year olds. Why can't they learn to draw straight lines in school, when they can make a zip gun that works? Why can't we teach boys to repair automobiles in school shops, when they can strip cars at night under the worst of conditions? So, businesses and banks must look at the educational crisis facing most American cities. Work-study programs similar to those started by the banks I have mentioned could be a vital force in helping to reshape our educational system.

A few banks—again Chase Manhattan and the First Pennsylvania Bank among them—have tried to relate to the problem of higher educational opportunities for minority youth. It was my pleasure to create "Motivation Now" in 1967 to provide young high school minority boys (a few whites



You can't define the nation's 5th largest market . . . Detroit . . . in terms of its riverfront festivals, ethnic restaurants and new towers of steel alone. There's a special kind of citizen interaction and a spirit that springs from a deep well of confidence that's part of Detroit, too. At Detroit Bank & Trust more than two billion dollars in assets is just one reflection of that confidence. It's a justified faith in our city and in our bank shown by all our customers . . . from the paper boy opening his first savings account to the investments of the corporate giants. We are grateful for it . . . and we pledge to do our part to make Detroit continue to grow and thrive.

More than two billion dollars' worth of confidence in Detroit.



DETROIT BANK & TRUST

Consolidated Statement of Condition, June 30, 1971

ASSETS		LIABILITIES	
Cash and Due from Banks.	\$ 296,150,321	Demand Deposits.	\$ 649,043,965
United States Treasury Securities.	247,453,870	Savings and Personal Time Deposits.	1,173,532,068
United States Government Agency Securities	13,294,393	Other Time Deposits.	231,932,358
State and Municipal Securities	436,396,695	Total Deposits.	2,054,508,391
Other Securities.	4,250,405	Funds Borrowed.	56,150,000
Total Securities.	701,395,363	Unearned Income.	14,620,091
Federal Funds Loaned.	60,200,000	Accrued Expenses and Other Liabilities.	23,984,658
Commercial and Consumer Loans.	749,669,179	Total Liabilities.	2,149,263,140
Real Estate Mortgage Loans.	465,788,553	RESERVE	
Total Loans.	1,275,657,732	Reserve for Loan Losses.	23,317,078
Bank Premises and Equipment.	28,049,725	CAPITAL ACCOUNTS	
Accrued Income Receivable and Other Assets.	26,464,332	Capital Stock — \$10 par value.	30,641,700
TOTAL.	\$2,327,717,473	Shares authorized and outstanding — 3,064,170	
		Surplus.	104,000,000
		Undivided Profits.	20,495,555
		Total Capital.	155,137,255
		TOTAL.	\$2,327,717,473

On June 30, 1971, securities having a par value of \$130,717,000 were pledged where permitted or required by law to secure liabilities and public and other deposits totaling \$85,070,460 including deposits of the State of Michigan of \$7,696,400.

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MID-CONTINENT BANKER for August, 1971

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were included) with a chance to visit a college campus while they still had a chance to improve in their studies.

For the past three years—first boys and now both boys and girls in the 10th grade—groups from several Philadelphia high schools have been spending a weekend on a college campus, living on a one-to-one relationship with an undergraduate. What are the results? In one school where traditionally 62 out of every 100 ninth graders fail to reach 12th grade, out of 38 boys who made the May, 1967, trip, 36 were graduated in June, 1970. I can't tell you that spending a weekend on the Penn State campus made the difference! I am sure, however, that the trip didn't hurt their chances—along with the supportive counseling we provided as a follow-up.

We should say something about banks reaching out to the community in which they serve. I applaud the motives of the large bank that lends resources to help a small minority group get a bank started, but the bank that does this kind of thing at the expense of bringing in minority personnel is just fooling itself. In my opinion, there is no bank in the country that has done most of what it could do, with a real *sense of purpose*. Our bank has discussed placing representatives of the poor on its board of directors. Chase recently elected a black man to its board; several small banks have also done so. Yet, in the executive suite, as Federal Reserve Governor Andrew Brimmer points out, the wall is still high, wide and deep. In the matter of budgetary function, blacks in banks are very much in left field, or nonexistent.

I am simply suggesting a realistic

look at your black management trainee and low-level executives. I want to create a career with advancement tied into it. Realize that if given the same opportunities as others, I am likely to produce better results for you, because I have had to utilize every facet of my being to survive—to just survive. I realize that some of you will think I make too much of a case and I can understand your reaction. The facts are that in spite of the hurrahs and publicity which have attended the activities of our nation's banks, for the most part, banking is still the white man's thing to the exclusion of most others. This is not an indictment, just an observation.

If this were not so, I am suggesting that more banks would have black senior banking officers and directors at this point. Now, these are observations that we can make because we are sensitive to the needs and aspirations of our people. The masses of black people still believe that there will be more opportunity for them and their children than there was for their fathers. But it is important that you bankers put more effort into providing a fair shake for black people at all levels of employment!

A few years ago, the "thing" was hiring the so-called hard core unemployed. I was on a discussion panel in New York City with a gentleman who had an elaborate plan for hiring the hard core. In the exchange, we found out how few qualified minority people his company had hired. Here, you see, was a so-called expert on hard core hiring who had not even implemented a fair employment program for those ready to be productive from the start. This was a farce, a sham.

Black people are far more perceptive than we ever let be known. We have had to be able to perceive the slight changes of attitude on the part of the master, the driver (slave, that is), the foreman, the boss, the sheriff, the law, the Lord and a thousand other people just to survive. And I want to go on record today on a state of fact! I am *not* going back to anywhere. I'll leave America in the boat after the last Pilgrim leaves! So, you and I will have to—we simply must—learn to live together for the future prosperity and security of our nation.

As I sit down to assess my own life and goals, I often ask myself about my role and whether I am deluding myself into believing that things can and are changing. Then I get a phone call from Atlanta that a corporation or a bank has started a nonprofit housing corporation based on our bank's HOPE housing effort and I can smile. Another day, I get a letter asking about Project 35 and the system involved in getting hopeless people into productive jobs and roles in life, and I smile. Some of these kinds of experiences tell me that some of you really do want to change—not just attitudes, but how you and your institution will relate to those "others." If we don't begin to change now, who will and when?

Most black people have not the educational exposure that our modern, complex, dehumanizing society requires to get through life with a minimum of trauma. With a minimum of resources and no full-time staff, we have been running a family financial planning seminar for the past two years at First Pennsylvania Bank. What has been the results of these efforts? Branch managers tell me that new accounts for retail savings, retail loans, checking accounts and other services often mention that they have attended a family financial planning seminar. If you show the interest, then the black customer is the most loyal of any available to you; show him you don't care or that you hold him in disdain and you have a problem on your hands.

What all of this amounts to is taking a new look at these people called black Americans. Try to see yourself in their places for a few minutes. Recognize that, for the most part, they want the same avenues and options open to them that you take for granted. Who are these people who would dare want to be Americans? They are a people as old as peoplehood. A people who enjoyed a civilization long before the birth of Christ, with a system of law, commerce and culture to rival any in history. They are a people who lived the life that Frederick Douglas

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Statement of Condition as of June 30, 1971



Hibernia National Bank IN NEW ORLEANS



RESOURCES

Cash on Hand and Due from Banks	\$ 71,169,385.01
Federal Funds Sold	19,000,000.00
U. S. Government Bills, Notes and Bonds	105,656,676.72
Obligations of Farm Credit Banks	2,829,465.00
Municipal Bonds	36,450,493.69
Stock in Federal Reserve Bank	720,000.00
Loans and Discounts	195,080,408.59
Interest Earned	3,179,187.33
Customers' Liability on Acceptances	104,753.75
Stock, Hibernia Building Corp.	1,000.00
Bank Buildings, Furniture and Equipment	4,313,563.52
Other Assets	698,598.78
TOTAL	\$439,203,532.39

LIABILITIES AND CAPITAL ACCOUNTS

Deposits	\$393,743,132.32
Federal Funds Purchased	8,650,000.00
Liability on Acceptances	\$703,354.93
Less: In Portfolio	<u>598,601.18</u>
Quarterly Dividend, Payable July 1, 1971	360,000.00
Reserve for Interest, Taxes and Expenses	2,675,971.02
Discount Collected but not Earned	2,594,235.22
Common Capital Stock (800,000 shares @ \$10. par)	\$ 8,000,000.00
Surplus	16,000,000.00
Undivided Profits	<u>7,075,440.08</u>
Total Capital Funds	<u>31,075,440.08</u>
TOTAL	\$439,203,532.39

Summary comparison of earnings and dividends for the six months period ended

	June 30, 1971	June 30, 1970	June 30, 1969
Net Income	\$2,087,850.30	\$1,766,161.13	\$1,440,547.50
*Net Income per Share	2.61	2.21	1.80
Percentage Increase in Net Income over that of Prior Year	18.2%	22.6%	14.9%
Cash Dividends	720,000.00	640,000.00	600,000.00
*Cash Dividend per Share .....	.90¢	.80¢	.75¢

(*—Based on the 800,000 shares presently outstanding.)

wrote about in his autobiography ("Narrative of the Life of Frederick Douglas"). Let me quote a short passage for you:

"My mother and I were separated when I was but an infant—before I knew her as my mother. It is a common custom, in the part of Maryland from which I ran away, to part children from their mothers at a very early age. Frequently, before the child has reached its 12th month, its mother is taken from it and hired out on some farm a considerable distance off, and the child is placed under the care of an old woman, too old for field labor. For what this separation is done, I do not know unless it be to hinder the development of the child's affection toward its mother and to blunt and destroy the natural affection of the mother for the child. This is the inevitable result.

"I never saw my mother, to know her as such, more than four or five times in my life; and each of these times was very short in duration, and at night. She was hired by a Mr. Stewart, who lived about 12 miles from my home. She made her journey to see me in the night, traveling the whole distance on foot, after the perform-

ance of her day's work. She was a field hand, and a whipping is the penalty of not being in the field at sunrise, unless a slave has special permission from his or her master to the contrary—a permission which they seldom get, and one that gives to him that gives it the proud name of being a kind master.

"I do not recollect of ever seeing my mother by the light of day. She was with me in the night. She would lie down with me, and get me to sleep, but long before I waked she was gone. Very little communication ever took place between us. Death soon ended what little we could have while she lived, and with it her hardships and suffering. She died when I was about seven years old, on one of my master's farms, near Lee's Mill. I was not allowed to be present during her illness, at her death, or burial. She was gone long before I knew anything about it. Never having enjoyed, to any considerable extent, her soothing presence, her tender and watchful care, I received the tidings of her death with much the same emotions I should have probably felt at the death of a stranger."

Can any other American, white, red

or yellow, say that his life springs from such a background? Yes, you will have problems hiring the under-educated, the diseducated, the discouraged; but the challenge—the opportunity—to try some new concepts should spur you to new heights, to a much more prominent place in your company's organizational structure.

And by the way, you might feel better as an American, knowing that you are carrying your share of this responsibility to see that all Americans get a better break. • •

■ GERALD B. NELSON, assistant vice president, National Bank of Tulsa, has been installed as president of the Tulsa Chapter of the American Institute of Banking. Mr. Nelson is in charge of the bank's collections and exchange department.

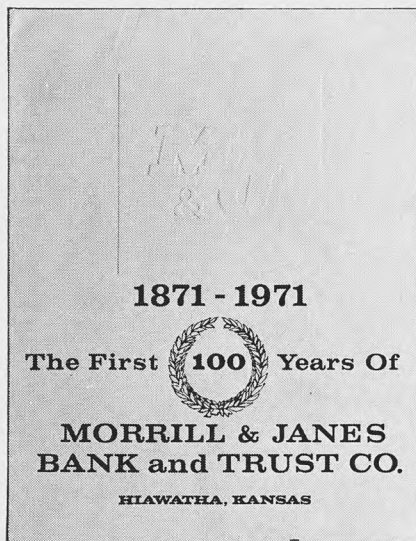
■ JOHN V. ANDERSON, vice president, Liberty National, Oklahoma City, and assistant secretary, Liberty National Corp., was elected district eight director for Bank Administration Institute. District eight includes Oklahoma, Texas, Louisiana and Arkansas. Mr. Anderson has been with Liberty since 1947.

Morrill & Janes Bank of Hiawatha, Kan., Observes 100th Anniversary

AN ALL-DAY barbecue, with entertainment by two barbershop quartets and hostesses dressed in Kansas "prairie dresses," was a feature of the centennial celebration of the Morrill & Janes Bank, Hiawatha, Kan. The general public was invited to the barbecue. Children received balloons, and there was a display of antique coins.

Two days before the barbecue, the bank was host to 400 persons at an open house at the bank and steak dinner at the Hiawatha Elks Lodge. Guests included A. J. Collins, president, Kansas Bankers Association, and president, Hutchinson National; two past KBA presidents, Dan J. Dreiling, president, Citizens State, Seneca, and Burton L. Lohmuller, chairman, First National, Centralia; and Mrs. Georgia Neese Gray, former U. S. treasurer and now president, Capital City State, Topeka. The banks distributed souvenir gifts and brochures detailing the bank's history (the brochure's cover is illustrated on this page).

The bank was founded by E. N. Morrill, W. B. Barnett and Lorenzo Janes. Mr. Morrill, a native of Maine, had organized a group known as the Maine Colony in 1857 to settle in Kansas, which had just been opened to settlement by white men. Mr. Morrill later became a U. S. congressman and a



governor of Kansas. He also was a major on the Union side in the Civil War. Mr. Barnett arrived in Hiawatha in 1858 and bought a store. Mr. Janes had been a merchant and a director of First National, St. Albans, Vt.

The bank opened as the banking house of Barnett, Morrill & Janes in a room over a drug store. A year later, a bank building was erected on the site of the first house in Hiawatha. In 1877, Messrs. Barnett and Janes retired from the firm, with Mr. Barnett going to

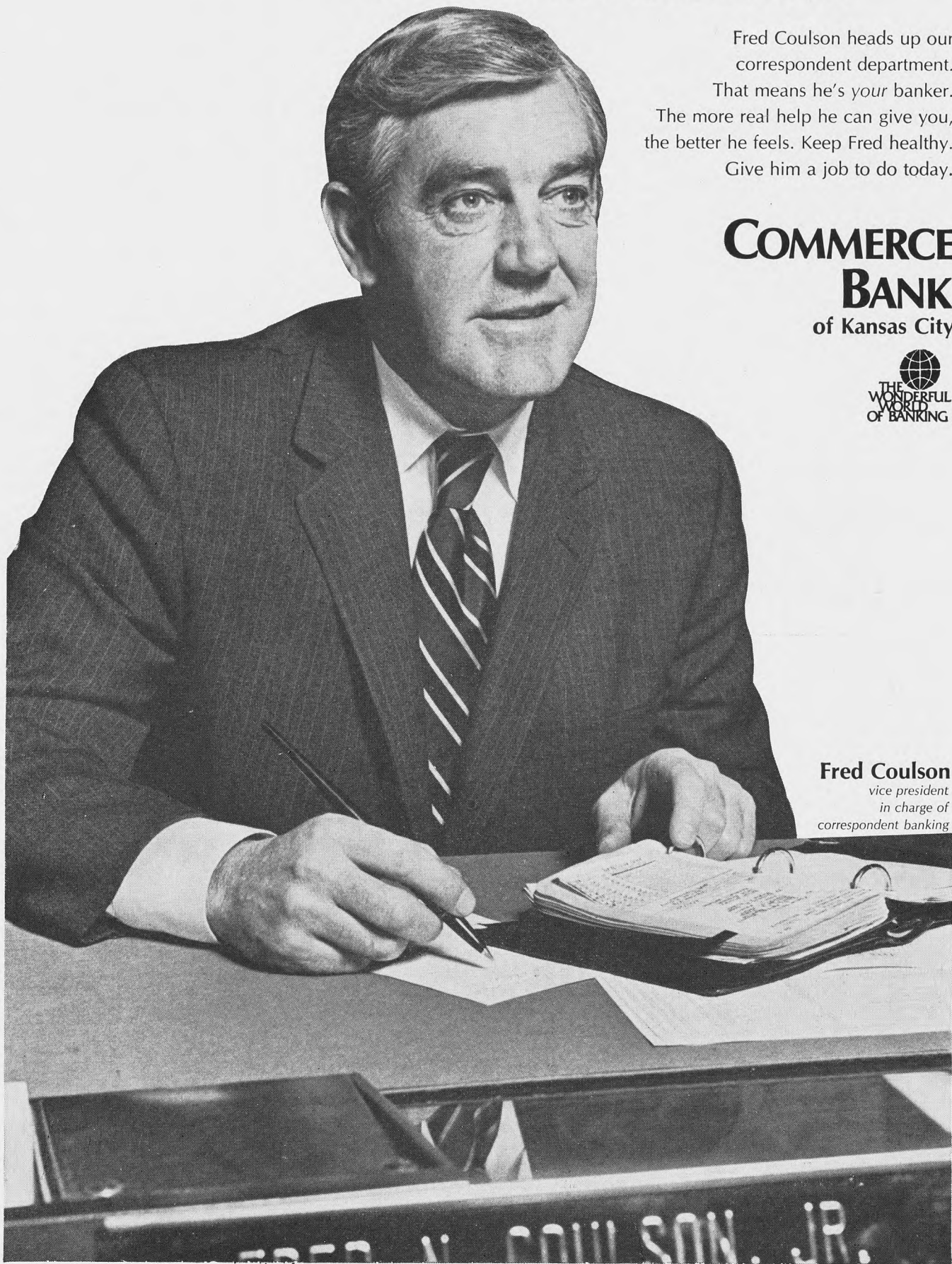
Jacksonville, Fla., to organize Barnett National. Mr. Janes sold his interest in the Hiawatha bank to his son, Charles Janes. In 1887 the new firm of Morrill & Janes received a state bank charter, under which the bank continues to operate.

Harlin L. Schram became president of the Morrill & Janes Bank in 1954 after having had 26 years' banking experience in Burchard, Neb., and with Citizens State, Hiawatha. In 1962, the bank moved into its present quarters, located a block and a half away from the bank's original site. The new building stands on the spot where Lorenzo Janes built his home when he went to Hiawatha 120 years ago.

The bank offers full banking service, a complete trust department, electronic data processing, drive-in and night depository, surveillance cameras, time-and-temperature service, Master Charge credit cards, free parking and a community room for use for meetings of various groups.

For 14 years, Mr. Schram has headed the Hiawatha Industrial Development, Inc., which established Hiawatha's industrial park. This is served by a spur of the Union Pacific Railroad for intercontinental transportation. • •

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CHARGES ranging from violation of consumer-lending standards to failing in its role as a corporate citizen were made against First National City, New York City, in a 586-page report issued in mid-June by a team of consumer advocate Ralph Nader's investigators. The report was released after a year of research and writing by the group, which had a grant of about \$30,000 from the Stern Family Fund. The research included 53 interviews with the bank's officers.

Citibank's chairman, Walter B. Wriston, came immediately to the defense of his bank with a nine-page rebuttal to the Nader charges. Portions of Mr. Wriston's remarks appear elsewhere on this page.

The Nader report focuses mainly on the bank's impact on its retail customers, but it also strongly criticized FNCB and other New York banks as corporate citizens and said that regulatory agencies don't have the will or the means to properly oversee the nation's banking system.

The high points of the Nader group's report are:

- The bank's overcommitment to growth has led it to violate even its own consumer-lending standards, resulting in Citibank becoming New York City's "No. 1 plaintiff" as it prosecutes consumer-loan defaults.

- The bank "virtually ignores the credit-starved residential mortgage market," and its ghetto lending efforts are "paltry."

- Because of competitive alternatives for corporations to get financing, profit margins have shrunk and increased volume is the main route open to boost profits. This has led Citibank and other major banks to surrender some of their independence with large corporate customers in order to keep their business. Moreover, the increasing number of director interlocks among banks and other corporations reinforces the close relationships among banks and large firms at the expense of smaller companies.

- The bank's approximately 5,000

lower-level employees, mainly blacks and Puerto Ricans, suffer from low pay, poor working conditions and little opportunity for advancement.

- The financial crisis plaguing New York City has been aggravated by Citibank and other large banks. This occurs because of preferential tax treatment for the banks, their abandonment of the municipal bond market, terms of their loans to the city and their involvement in public spending decisions.

The report contends that, by some measures, Citibank is the nation's fastest-growing bank as deposits have doubled in the seven years through 1970, loans and assets in six years, profits in nine years and employees in 10 years.

"This growth, however, has been achieved at substantial cost to the people of the communities in which the bank operates," said David Leinsdorf, Nader project director. "Residential mortgage loans, except for employees of corporate customers, are

(Continued on page 58)

Nader's Group Flails First Nat'l City; Bank Charges Report Is Distorted

FIRST NATIONAL City Bank, New York City, has characterized the Nader report on the bank as a "pains-takingly detailed and wide-ranging study which is unfortunately based on serious misconceptions about the proper role of the banking system and a frightening cynicism about other people's ethics.

"Nevertheless, the report will be given careful consideration in our continuing reappraisal of Citibank's policies and practices," Chairman Walter B. Wriston said.

"Indeed, a great deal of information was taken directly from selected parts of two surveys commissioned by Citibank to audit the level of service to customers and employees' working conditions and compensation. The results of both surveys were used to make improvements that were already underway at the time the Nader men were interviewing bank personnel. A preliminary reading of the Nader report suggests some additional points which appear to have merit and which we will carefully consider.

"We are surprised, however, that important sections of the report cover areas the student investigators never

discussed with bank officials during two months of interviews, especially in view of the charge of our failure to cooperate.

"We find it hard to understand why the law students failed to question us on these subjects, but relied instead on incomplete and incorrect information obtained from sources that are in many cases questionable.

"It is difficult to know how to respond to a 500-page report which is on both sides of many issues. For example, we are alleged to have abandoned the tax-exempt bond market on one page, while our preference for tax-exempt securities is given as our reason for supporting the World Trade Center on another page.

"We are told that our record of credit extension is very good in one breath, but that our craving for growth has led us to condone sloppy credit procedures in another.

"We are accused of shoveling funds to our corporate customers at the expense of the small consumer, while at the same time we are supposed to be foisting unwanted credit on the poor.

"We are blamed in one breath for failing to help the city of New York

deal with its massive problems and in the next castigated for permitting our officers to serve on municipal and regional groups attempting to work on those problems.

"One page cites the inability of a senior officer who sat on a company's board to get that company's business for FNCB, while on another page there is an allegation that directors control business.

"We will be glad to respond to either position, but it is impossible to respond to both.

"It is difficult to react to a report which affects concern for the privacy of individuals because Citibank administers New York City tax collections under a contract forbidding use of the information for any other purpose, and at the same time demands information about the private affairs of Citibank's depositors and borrowers; which flogs the bank as a laggard in the areas of black and female employment in which it has, in fact, been a leader by quoting at length from a study that the bank itself commissioned precisely to inform itself about personnel policy problems in order to solve them.

(Continued on page 58)

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Nader's Group

(Continued from page 56)

avoided whenever possible. Citibank's branches and 'products' have proliferated so quickly that the quality of service has deteriorated dramatically.

"In fact, the bank has such marginal control over some of its branches that thousands of loans are made to people who cannot repay in violation of the bank's credit-granting standards. Accordingly, Citibank files five times as many lawsuits as any other New York City bank. Citibank's holdings of state and municipal bonds are lower than any other of the 100 largest banks."

According to the Nader group's report, in 1969 Citibank filed more than 10,000 suits—more than all other New York City banks combined and more than the New York Telephone Co. or Consolidated Edison Co. Adjusted for the amount of credit outstanding, the rate of suit for FNCB "is way out of proportion to the amount of retail credit it extends," the report maintains.

Master-Charge Program

The report strongly criticizes Citibank's Master Charge credit card program and flatly asserts that the billing statement "violates the Truth-in-Lending Act and Regulation Z of the Federal Reserve Board." According to the report, the bank's billing statement violates the basic purpose of the law by overemphasizing the minimum payment required each month and thereby obscuring the additional finance charges that are incurred if the full balance is not paid.

Citibank is taken to task by the Nader group for allegedly investing a small percentage of its approximately \$2 billion of savings deposits in residential mortgages and also for being neither an innovator nor a leader in the field of black capitalism. In fact, says the report, the bank is "not even a follower."

The report laughs at the bank's explanation that it accomplishes most of its ghetto lending in the course of its everyday business at its ghetto branches. The report says the highest loan-to-deposit ratios are in New York City business districts and the suburbs, not in lower-income, declining neighborhoods. Moreover, continues the report, no one at Citibank headquarters can say definitely how much money the branches are putting into loans to minority businesses.

The bank, however, "is not so oblivious to corporate needs," says the report.

"With a board of directors composed almost exclusively of top executives from its large corporate customers," says the report, Citibank's "sensitivity to corporate wants contrasts sharply with its contempt for human needs." According to the study, in 1970 FNCB had director interlocks with 40 of the 300 largest industrial firms in the country, including seven of the top 10, plus six of the 15 largest life insurance companies, two of the four largest retailers and the two largest utilities.

The report concedes that Citibank has a program for training hard-core unemployed, but it maintains the bank "has done little to deal with the most important bank personnel problem: upgrading entry-level employees." Although the federal JOBS (Job Opportunity in the Business Sector) program, which subsidizes the training, provides funds for upgrading, Citibank has not utilized this option, according to the report.

Turning to Citibank's role as a corporate citizen, the Nader report—in a chapter headed "First National City Hall"—says Citibank and the other major banks benefit from holding New York City deposits, lending money to the city and also by influencing city spending decisions. The report contends that FNCB gave preference to corporate customers over states and municipalities, including New York City. At the end of the first quarter of 1971, says the report, Citibank's ownership of municipal bonds dropped \$270 million, or 3.1% of assets, the lowest percentage among the largest 100 banks in the country.

Several Recommendations

The report contains several recommendations or requests, including the following:

- It asks the Federal Reserve Board to require that commercial banks maintain residential mortgage loan portfolios equal to two-thirds of their passbook-savings deposits and require that bank holding companies allow cumulative voting.

- It requests the Justice Department to file a class-action suit against Citibank on behalf of default debtors of the bank who were improperly served with summonses and to investigate prime rate changes, exchanges of customer information and price fixing through syndicate-loan arrangements.

- It recommends legislation to expand the right of consumers to file class-action lawsuits, amend city and state corporate tax rates to treat banks the same as other firms and reorganize the federal bank regulatory agencies to provide for more uniform enforcement of banking laws. • •

First Nat'l City

(Continued from page 56)

"The law students make some definitive legal judgments with which more experienced lawyers disagree.

"Although in the short run, we may have some difficulty in catching up with the report's distortions, over the long run we hope to improve our performance as a result of learning how we look to outsiders who certainly gave us no quarter."

* * *

In response to the Nader report, Citibank highlighted what it believes to be a number of major Nader distortions and inconsistencies:

Cooperation with the investigators—Mr. Nader charges that Citibank gave his task force "very limited" cooperation. This "very limited" cooperation included the participation of Citibank officers in the areas selected by the investigators themselves in 53 interviews lasting hundreds of hours, providing the task force with mountains of documents bearing on every facet of bank operations and policy and giving them tape recordings of every interview so that the facts about the bank would be readily available to the student investigators.

At the outset, Citibank offered to provide the law students with the same information it regularly furnishes to interested stockholders and responsible members of the press, subject to the bank's obligation to protect the confidentiality of customer relationships and the necessity for withholding information of value to Citibank's competitors.

Bank customers' right to privacy and their expectation that it will be respected is protected by fundamental legal and constitutional safeguards. The U. S. government itself may not violate this right and private investigators, however highly motivated, have no privileges greater than the law prescribes.

Project director David Leinsdorf agreed to abide by these rules, yet the report flays the bank because it withheld information Citibank is prohibited by law from revealing and which would obviously jeopardize the bank's position opposite its competitors.

Citibank's collection methods—The report criticizes FNCB for bringing more suits to collect on delinquent personal loans than any other New York City bank—"adjusted for the volume of consumer credit outstanding," says Mr. Leinsdorf, "more than double the rate of suit of any other bank."

Despite its seeming precision, this

Batting Champion Stan Musial's statue stands on the plaza outside Busch Stadium, home of the Cardinals.



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MID-CONTINENT BANKER for August, 1971

statement is a gross distortion of the facts. Citibank makes almost as many personal loans as all four of its major competitors put together and nearly three times as many personal loans as its nearest competitor. It follows logically, therefore, that we do sue more than any other bank because, in addition to having such an enormous volume, Citibank's personal-loan portfolio differs significantly from those of its major competitors in that it contains a much larger number of unsecured loans. On these loans, unlike those secured by collateral which can be liquidated without resort to the courts, if a borrower (on an unsecured note) defaults and declines to make alternative arrangements, the bank's only recourse is to institute suit.

On the question of so-called "sewer service," Citibank rejects the allegation that it is careless about notifying delinquent borrowers that legal action has been started and resents the name-calling comparison to a firm which the report identifies as "one of the most notorious default judgment creditors in New York City." Citibank deals with one process serving company, the Aetna Judicial Service. Citibank's policy is to require Aetna to make four attempts at varying hours to serve the borrower personally before resort to indirect or substitute service.

In each and every case where a borrower or co-signer disputes the server's affidavit that the summons was delivered, Citibank requires a detailed report from the company. If the report is not entirely satisfactory, service is vacated and the legal proceedings abandoned. In addition, if a number of complaints are received involving a particular process server, Aetna is instructed never to use that person for Citibank business.

In 1970, charges or complaints of improper service were made a total of 35 times. While Citibank is not content with any complaints at all, the facts simply do not sustain the lurid picture painted in the Nader report.

Response to monetary restraint—The table on this page indicates loan-deposit ratios for New York City and country banks for 1969, the restraint year when FNCB and other large banks allegedly failed to cooperate with the objectives of the Federal Reserve. As the year 1969 progressed and the Fed persistently accelerated its efforts to restrain growth of bank loans, Citibank steadily reduced the rate of growth of its loans—indeed, just about keeping in step with the "average" countrywide bank, and slightly faster than the average of all New York banks.

Loan-to-Deposit Ratios, Commercial Banks, 1969

	New York City	Country Banks
December, 1968	67.2%	57.6%
January, 1969	73.1	59.2
February	75.7	59.9
March	76.1	60.3
April	72.3	60.2
May	76.8	61.4
June	73.9	61.6
July	84.9	63.3
August	82.4	63.6
September	84.4	63.7
October	80.7	63.2
November	79.8	63.5
December	77.3	62.2

Note: Data for last Wednesday of each month, except for June and December for which the dates are end-of-month call report dates. Loans include interbank (federal funds) loans and liquid money market loans. Deposits are gross, without adjustment for bank float. Country banks include only those that are members of the Federal Reserve System. New York City banks are those classified as Reserve city banks (11 out of about 40 banks doing a fairly full commercial banking business in the city).

Personnel Policy—The report's contention that the vast majority of our clerical staff earn less than \$6,500 is grossly in error. The average salary for our nonofficial staff, which includes many young and unmarried employees, significantly exceeds that figure. Also the report's estimates as to the wage levels of various officer groups are greatly exaggerated.

Moreover, allegations that wage levels in banks are not competitive with other industries conflict with a Department of Labor's study completed in August, 1970.

In contradiction of the report's contention that opportunities for advancement are limited, last year the 15,900 nonofficial employees in New York received 16,512 merit salary increases in addition to 7,400 promotional increases.

As to the report's comments regarding Citibank's participation in the JOBS program, we will merely point out that Citibank is the nation's single largest participant in the training of office clerical employees under this program and that, beyond the reimbursement Citibank receives from the Department of Labor, this program costs the bank nearly three times the normal hiring and training costs for each employee. • •

Arthur Kincade

(Continued from page 9)

as a director and member of committees of these firms, Mr. Kincade will remain as a consultant to these companies.

A. Dwight Button, who has served as a member of the board and president of Fourth Financial Corp. since

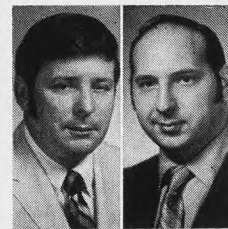
1968, has been named chairman. He also is chairman of the Fourth National Bank.

Jordan L. Haines has been advanced from vice president of the holding company to president. He continues to be president of the Fourth National Bank, a position he has held since 1969. James R. Boyd, president of Fourth Financial Insurance Co. and senior vice president and head of the mortgage banking division of the bank, was elected vice president of the holding company.

The 12-fold increase in deposits and resources to over \$300 million and the gain in capital funds from \$2 million to over \$27 million since 1937 stand as a monument to Art Kincade, an imaginative, confident banker with sound judgment and faith in the future.—HRC

Rafferty and Bevon Promoted At National American Bank

NEW ORLEANS—National American Bank has promoted Thomas J. Rafferty to vice president and manager of the data processing division and V. Bernard Bevon Jr. to auditor.



RAFFERTY BEVON

Mr. Rafferty joined the bank's transit department in 1954. He became assistant manager of that department in 1957 and was elected auditor in 1963.

Mr. Bevon, with the bank since 1960, has served as assistant manager of the Chef Menteur Branch and of the Lee Circle Branch. He became assistant auditor in 1967.

Growing with Arizona and Sun Country, U.S.A.

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS JUNE 30, 1971

(Compared with June 30, 1970)

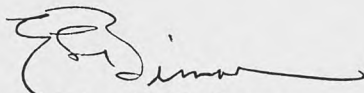
RESOURCES	
CASH	
Cash on Hand and Collection Items	\$ 113,436,418
On Deposit in Federal Reserve and Other Banks	95,022,454
TOTAL	\$ 208,458,872
BONDS AND INVESTMENTS	
U. S. Government	\$ 92,083,204
States and Political Subdivision	254,298,208
Corporates and Federal Agencies	20,001,529
Money Market Investments	95,068,000
TOTAL	\$ 461,450,941
LOANS	
Agricultural and Livestock	\$ 160,625,290
Commercial and Industrial	382,423,176
Instalment Loans	316,711,744
Credit Card Loans	46,493,455
Mortgage Loans	283,436,148
TOTAL	\$1,189,689,813
OTHER	
Accrued Interest Receivable	\$ 14,860,828
Bank Premises and Equipment (Net of Depreciation)	47,055,127
Customer's Acceptance Liability	19,850,596
Other Assets	8,053,375
TOTAL	\$ 89,819,926
TOTAL RESOURCES	\$1,949,419,552
LIABILITIES	
DEPOSITS	
Demand Deposits:	
Individuals, Businesses and Banks	\$ 623,169,353
U. S. Govt. and Other Public Funds	67,528,596
Total Demand Deposits	\$ 690,697,949
Time Deposits	
Savings Accounts	\$ 389,763,039
Certificates of Deposit — Regular	552,130,922
Certificates of Deposit — Public Funds	78,846,150
Total Time Deposits	\$1,020,740,111
TOTAL DEPOSITS	\$1,711,438,060
OTHER LIABILITIES	
Funds Borrowed	\$ 31,800,000
Unearned Income	37,214,581
Acceptances Outstanding	19,850,596
Accrued Expenses and Reserves	8,124,871
Accrued Income Taxes	1,613,692
Other Liabilities	1,137,366
TOTAL OTHER LIABILITIES	\$ 99,741,106
RESERVES ON LOANS	
Reserve for Possible Loan Losses (Under Treasury Tax Formula)	\$ 17,242,385
CAPITAL ACCOUNTS	
Convertible Capital Notes	\$ 13,317,600
Equity Capital	
Capital Stock (\$2.50 Par Value)	22,137,080
Surplus	51,833,761
Undivided Profits	33,709,560
Total Equity Capital	\$ 107,680,401
TOTAL CAPITAL ACCOUNTS	\$ 120,998,001
TOTAL LIABILITIES AND CAPITAL	\$1,949,419,552
Number of Shares Outstanding	8,854,832

Loans up \$80,517,000

Resources up \$297,360,000

Deposits up \$246,716,000

Capital up \$7,983,000

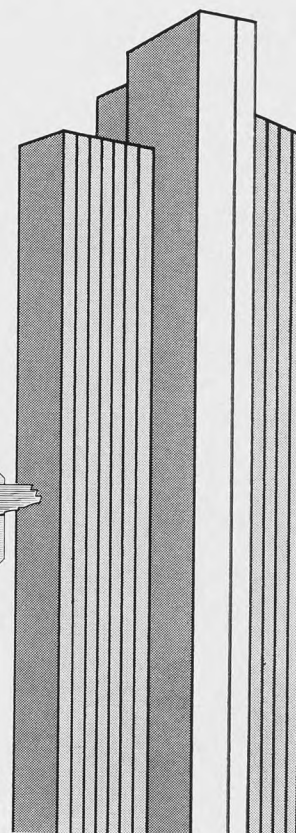


Earl L. Bimson
President



MEMBER F. D. I. C.

VNB's new 40-story headquarters complex in Phoenix will be completed in the fall of 1972.



Auditing Safeguards

(Continued from page 29)

are not unduly tempted, and (3) 30% that are not trustworthy at all.

Where does this leave the bank employee? It means that a possible 30% of all bank personnel are extremely high risks for becoming the perpetrators of embezzlements, and that an additional 40% should not be exposed to temptation lest they, too, become participants in tapping the till.

These estimates are extremely alarming to us, but we have only to read and listen to our news reports to realize that they aren't far off. For crime reports fill a large part of the front pages of today's newspapers and make up an alarming part of our television news. And remember that we are made aware only of the most sensational of these embezzlement crimes, the majority of them having ceased to make good news material, unless they occurred locally.

Now, while bankers the length and breadth of the land will agree that these conditions undoubtedly exist, there seems to be an inherent reluctance on the part of many bankers to take that necessary initial step to estab-

lish adequate programs of internal controls and audit procedures in their banks. The fact that they have not yet taken this initial step to provide the necessary controls is evident from the alarming number of bank embezzlements taking place on every hand.

While this proposed definition of the problem will no doubt apply more often in the smaller banks throughout the country—those most often laboring under the problem itself—a certain amount of apathy can be found to exist even in the atmosphere of many large banks; the feeling that it can't happen to us so there's no need to do anything about it!

Why are bankers failing to establish the necessary prevention programs in their banks, the programs necessary to prevent these bank-breaking losses from occurring?

Let's get to the heart of the matter: All too often today's banker—sometimes the same personage as *yesterday's* banker—is hesitant to risk offending his employees by exposing them to some of the restrictions required by most generally accepted internal control measures and audit procedures. "Innocent until proved guilty" is a time-worn statement. But, while this trite phrase is a meaningful and deep-

rooted American principle, it certainly doesn't preclude the need for today's banker to install effective theft deterrents and to take measures to detect dishonesty.

For instance: "Why, Joe wouldn't take anything that doesn't belong to him. He's been with us here at the bank for over 20 years."

So Joe continues to handle, single-handedly, the bank's securities, rather than those valuables having been placed under dual control, and Joe is tempted beyond his moral endurance limit and eventually embezzles from the bank. An isolated example? Definitely not. It happens every day.

And, while we must admit that this involves the social problem of Joe's moral guilt, is the bank president or the board of directors—who failed to set in motion some kind of deterrent—completely guiltless? Cause and effect are obvious here and cannot be completely ignored.

Bank personnel can easily be made aware that most dual controls are for their own protection as well as for the protection of the bank. Generally overlooked by so many of the nation's bankers is the fact that bank internal controls and audit procedures, properly and effectively utilized, possess great



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INVESTMENT DIVISION

FIRST NATIONAL BANK
OF MEMPHIS

MEMPHIS, TENNESSEE / MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Where the focus is on you

value in clearing the innocent as well as sometimes pointing a finger at the guilty. Many a suspected employee, surrounded by convincing circumstantial evidence of guilt, has had his innocence thoroughly established by means of the techniques of built-in internal controls and audit procedures which, within themselves, completely eliminated the suspect as being the perpetrator of the embezzlement. Case after case has occurred to illustrate the value of internal controls and audit procedures in establishing the innocence of suspected persons.

But again, the establishment of effective measures of embezzlement prevention and detection is often resisted on the grounds that it is too much trouble. However, a realistic appraisal of the loss exposure will convince the fair-minded banker that effective internal controls and audit procedures constitute the only answer to adequately protect today's bank against embezzlement.

Some bankers have the mistaken belief that they are obtaining audit protection as a result of periodic examinations by supervisory authorities. However, the customary scope of these examinations usually includes only (1) asset valuation, (2) management appraisal and (3) ascertainment of compliance with applicable banking laws and regulations. While some auditing procedures might be employed in the pursuit of these objectives, supervisory examiners do not make an audit of the bank's financial statements. Bank directors have a common law responsibility to audit the affairs and condition of their institutions periodically, and to instigate effective internal controls. Directors have many times been held personally and jointly liable for losses attributed to their failure to exercise these functions. As the supervisory examination cannot discharge these responsibilities, the directors must meet these obligations.

In order to meet these obligations, the directors should arrange for an annual audit of the bank by a firm of certified public accountants and, additionally—if the size of the bank is compatible to the feasibility of such—they should hire a full-time internal auditor to perform a continuous internal audit function of the bank. Also, even if the bank is too small for the engagement of a full-time internal auditor, the directors should designate an officer or employee to be primarily responsible for the establishment and maintenance of effective internal controls. For a program of internal controls cannot function effectively unless someone is charged with the responsibility for its execution. This individual can be an officer or an experienced employee, but

FIRST NATIONAL BANK

EL DORADO, ARK.

OF EL DORADO

Condensed Statement of Condition June 30, 1971

OFFICERS

H. C. McKINNEY, JR.
President
W. D. MEACHAM
Exec. Vice-President
JAMES Y. CAMERON
Vice-President
JOE W. MILLER
Vice-President
R. G. DUDLEY
Vice-Pres. & Cashier
CHARLES HANKINS
Vice-President
E. PERRY SCHIEFFER
Auditor
CHARLES AINSWORTH
Asst. Vice-President
ROBERT BLACKWOOD
Assistant Cashier
MILAS REYNOLDS
Assistant Cashier
PETER M. O'CONNOR
Assistant Cashier
MRS. BETTY A. BALLARD
Assistant Cashier
TRUST DEPARTMENT
ARLEN WALDRUP
Vice-President &
Trust Officer
ARLEY KNIGHT
Trust Officer
TIMEPAY
DEPARTMENT
E. L. ADAMS, JR.
Vice-President &
Manager
D. E. CANADY
Vice-President
& Asst. Manager
BILL GIVENS
Asst. Vice President
DATA PROCESSING
DEPT.
JOE T. TAYLOR
Data Processing Officer

RESOURCES

Cash on Hand and Due from Banks	\$10,474,320.06	
United States Securities	10,863,896.25	
		\$21,338,216.31
State, County and Municipal Bonds		6,838,010.12
Stock in Federal Reserve Bank		135,000.00
Loans and Discounts		23,427,260.21
Federal Funds Sold		1,500,000.00
Income Earned, Not Collected		384,292.57
Bank Premises and Equipment		753,206.89
Other Resources		59,350.99
Customer Liability—Letters of Credit		9,000.00
TOTAL		\$54,444,337.09

LIABILITIES AND CAPITAL

Deposits		
Demand	\$31,664,060.60	
Savings and Time	16,172,743.61	
Total Deposits		\$47,836,804.21
Reserve for Taxes, Interest, Etc.		781,713.92
Income Collected, Not Earned		301,358.17
Outstanding Letters of Credit		9,000.00
Other Liabilities		42,283.57
LIABILITIES		\$48,971,159.87
Capital Stock	\$1,400,000.00	
Surplus	3,100,000.00	
Undivided Profits	773,177.22	
Reserve for Contingencies	200,000.00	
CAPITAL ACCOUNTS		\$5,473,177.22
TOTAL		\$54,444,337.09

Member of Federal Reserve System
Member of Federal Deposit Insurance Corporation

THE FIRST NATIONAL BANK

JACKSON, TENNESSEE

Statement of Condition June 30, 1971

RESOURCES

Cash and Due from Banks	\$5,762,032.66
U. S. Bonds and Securities	7,113,940.55
Other Bonds	5,878,685.91
Loans & Discounts	26,392,207.84
Federal Funds Sold	2,400,000.00
Stock in Fed. Reserve Bank	54,000.00
Bank Premises	607,786.65
Furniture & Fixtures	188,514.75
Other Real Estate	50,000.00
Interest Accrued—Not Collected	495,138.39
Other Assets	19,792.21
LIABILITIES	\$48,962,098.96

Capital Stock	\$800,000.00*
Surplus	1,000,000.00
Undivided Profits	1,942,521.80*
Reserve for Loan Losses	509,600.27
Interest Collected but Not Earned	196,896.10
Accrued Payables	169,154.43
Dividend Payable July 1, 1971	32,000.00
Deposits	44,311,926.36
	\$48,962,098.96

* Capital Stock increased \$50,000.00 by a Stock Dividend transferred from Undivided Profits.

OFFICERS

W. E. TERRY Vice Chairman & Senior Trust Officer	LILLIAN J. CASON Vice President & Trust Officer	RAYMOND MOTT Comptroller Vice Presidents	WALTER BARNES President
J. HOUSTON COCHRAN WM. A. GUNTER, JR.	JAMES FREEMAN JOE GOBELET MARY L. HAMILTON	BURNS L. HICKS Assistant Vice Presidents	WILL H. FOSTER Vice President & Cashier
JOHN P. GAFFNEY MARGUERITE L. HOLDER K. GERALD LONGMIRE	JAMES L. ELLIS Auditor	J. RAY HIGHT Assistant Cashiers	FRANCES L. MEEKS EARL WILLIAMSON
			ANNIE LEE LASLEY J. BENJAMIN SHELTON, JR. GEORGE SHELTON
			CHARLES W. (BUTCH) MADDOX TOM PHELAN FLOYD T. WATKINS, JR.
			WILLIAM P. MOSS Attorney

Member of Federal Deposit Insurance Corporation

in any event he must be granted sufficient authority to perform the duties of the position, and he must have the active support of management. His supervisory responsibility will consist of the selection of other bank officers and employees to participate in the internal control function, the maintenance of adequate records of the controls installed and effected and the preparation and submission of periodic reports to the board of directors, or applicable committee thereof, setting forth the controls so installed and their functioning.

The principal function of this "control officer" is to safeguard the bank's assets. If he is assigned other duties, they should not be in conflict with this function. When he engages in operations and initiates accounting entries, signs official checks, etc., his dual capacity might tempt him to take advantage of the situation. Accordingly, to the maximum extent practicable, he should be removed from these operating duties. If the bank is so small, and the bank personnel so limited in number as to make this not feasible, a plan of rotation of internal control duties and responsibilities should be considered.

Simply stated, there should be some program initiated utilizing a method of checks and balances accomplished by a

sensible division of duties, with all operations passing through two or more individuals.

So, let the words used here be few and simple, and let this age-old problem and its obvious solution stand out by themselves in their own significance. Before the banker says, "Oh, Joe wouldn't embezzle the bank!" or, "It's too much trouble!" or, "After all, the bank examiners cleared us," he should make a realistic appraisal of the bank's exposure to losses, and then immediately set himself to the task of establishing a program of adequate internal controls and effective audit procedures.

Today's banker must realize that, while it is impossible to make a bank absolutely impregnable to the hazards of embezzlement, a preventative program is his only means of improving upon the bank's exposure to these risks. • •

Your Bank Reach a Milestone? Why Not Capitalize on It?

When a bank reaches some kind of milestone, such as a certain amount of deposits or resources or its 100,000th drive-in customer, it should try to get publicity. Perhaps the bank could arrange to take an appropriate photo that local newspapers would publish. County Bank, Blue Island, Ill., is a



good example of capitalizing on an event. When that bank reached \$50 million in total resources, two of the bank's officers and three directors were photographed discussing the milestone, and the two officers—Donald O'Toole and Richard T. Wojcik—were shown holding the numeral "50" to symbolize the bank's \$50 million in resources. Mr. O'Toole (second from right) is chairman of the bank, and Mr. Wojcik (center) is president. The directors pictured, left to right, are Lawrence J. Dougherty, Frank J. Fisher and Dominick J. Velo.

American Fletcher Installs Five Money Machines

INDIANPOLIS—American Fletcher National has installed automatic money-dispensing machines in the outside walls of five of its banking centers. Cash will be dispensed in either \$25 or \$50 amounts seven days a week at any time day or night.

The machines, which are manufactured by the Docutel Corp., Dallas, under the brand name, "Cash Machine," are activated by specially encoded AFNB Master Charge cards or by special AFNB Cashcards.

Jack Bloomer, AFNB vice president, said that the machines would be in operation August 16 and commented on their simple operation and reliability.



American Fletcher National installed a Cash Machine in a truck van so that the machine could be transported to various branches and shopping centers for demonstrations. Here Jack Bloomer, v.p., shows how simple the machine is to operate.

STATEMENT OF CONDITION FIRST PASADENA

State Bank

PASADENA, TEXAS

AT THE CLOSE OF BUSINESS JUNE 30, 1971

RESOURCES

Cash and Due from Banks	\$13,696,835.01	
Securities	26,478,922.86	
		\$40,175,757.87
Loans		43,876,680.88
Real Estate, Furniture and Fixtures		2,505,680.44
Other Resources		1,134,580.67
TOTAL		\$87,692,699.86

LIABILITIES

Capital Stock	\$ 2,000,000.00
Certified Surplus	2,250,000.00
Undivided Profits and Reserves	4,725,247.04
Deposits	78,717,452.82
TOTAL	\$87,692,699.86

MRS. MARCELLA D. PERRY
Chairman of the Board

J. W. ANDERSON
*Chairman of the Executive Committee
and Vice Chairman of the Board*

HOWARD T. TELLEPSEN
Vice Chairman of the Board

S. R. JONES, JR.
President and Chief Executive Officer

J. O. KIRK
Executive Vice President

Senior Vice Presidents

GENE ALEXANDER
G. M. MAGEE

JAMES B. CLARY
W. E. MARSH

B. F. HOLCOMB
WENDELL F. WALLACE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Your bank needs a bank that knows where to pick up a fast buck.



And when.

The New York Post Office sometimes seems like just another part of our Lock Box Department. It should: Chemical messengers are there to pick up right around the clock, 24 hours a day. Just to make sure that Lock Box items get fast, special handling all the way, from the post office to Chemical Bank.

Of course, you already know everything there is to know about the advantages of a Lock Box—after all, you review them every time you sell this service to one of your customers.

But how about yourself? Are you also cashing in on the same advantages you offer to your customers?

A Chemical Lock Box for your Trust Department makes funds from dividend and interest checks mailed from New York—usually a hefty part of total income on trust accounts—available to you at least one day sooner. And possibly even faster, depending on your location.

To set up a Lock Box plan designed to your Trust Department's specific needs, talk it over with Henry Weidenbusch at (212) 770-2797, or write to him at 20 Pine Street, New York 10015, or just mention your interest to your National Division Representative.

CHEMICAL BANK

We do more for your money.

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Liberty Tower, new 36-story home for Oklahoma City's Liberty National, was occupied by bank August 2.

New Bank Building Appears on Skyline Of Oklahoma City

LIBERTY NATIONAL of Oklahoma City began operating from its new building at 100 Broadway August 2 and thus occupied its third home in its 53-year history. The \$22-million skyscraper, on which construction began in July, 1969, is said to be Oklahoma's tallest building and bellwether project of Oklahoma City's \$200-million downtown-redevelopment program.

Ground-breaking for the building had been held in September, 1968, when Liberty National celebrated its 50th anniversary.

The official opening of the structure was preceded by a preview of bank facilities for local news media representatives July 30. During the week of August 2, all-day tours were conducted for customers and were climaxed August 7 with a public open house.

The bank occupies the lower nine floors of the Liberty Tower, a portion of the 10th and the concourse, the first floor below street level, for a total of 126,000 square feet. There are 515,000 square feet of space in the building.

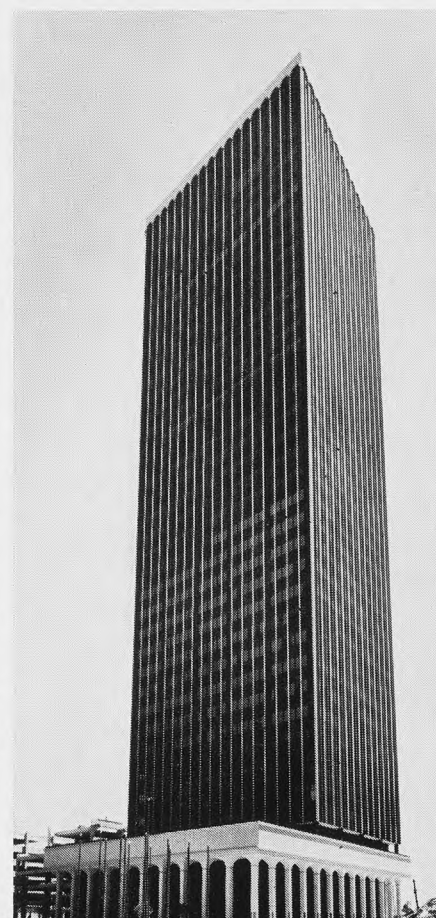
Departmental moves to the new building began about 10 days before the opening date. Teller operations are now at street level for the first time since Liberty National last moved 20

years ago. Also in the street-level main banking room are installment loans, new account and customer service divisions.

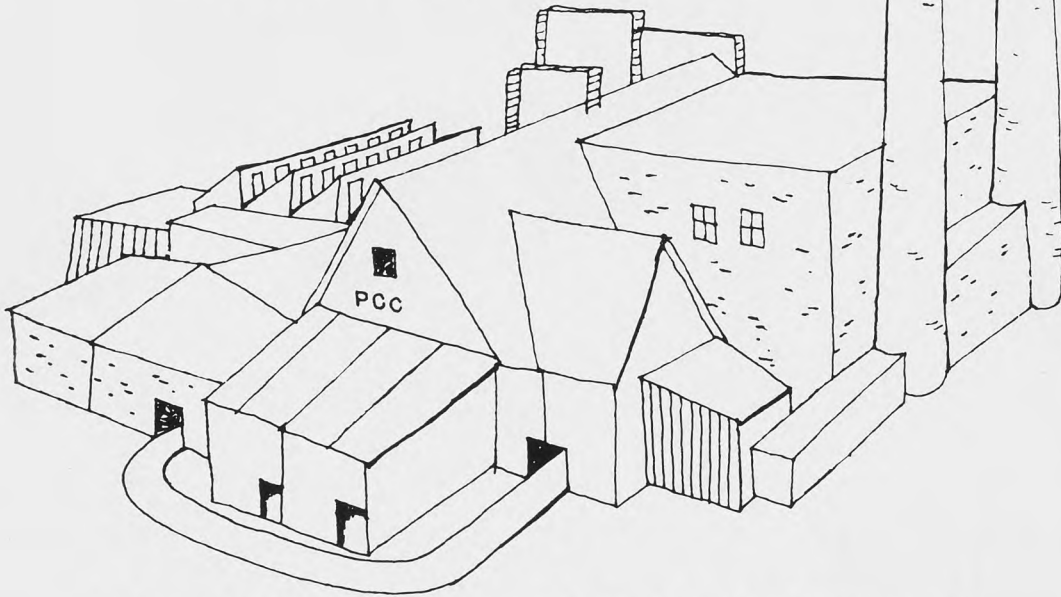
On the concourse underlying the banking room, the safe deposit, checking and savings account, coin and currency and international divisions, the Executive and 2135 clubs and a 10,000-square-foot employee and public cafeteria are located.

Commercial banking and bond departments are situated on the mezza-

New Liberty National building features 14 Flags Plaza (left foreground), displaying flags that have flown over Oklahoma. At far lower left is 1,575-car parking structure being erected by Central Oklahoma Traffic and Parking Authority. At far lower right is rubble remaining from low-yield-explosive demolition of 63-year-old Huckins Hotel, one-time gathering place for Oklahoma politicians.



Pennypacker Cracker Company, We can help you out.



Pennypacker Cracker . . . you're that big company that just put a plant in our territory. Congratulations. It looks great. You've hired lots of people, got your tools set up. But how are you fixed for crackers? We mean inventory or receivables. Flour, eggs, milk—all the good things that go into your crackers. Our inventory is money. We'll be glad to lend you some. Just call Accounts Receivable Inventory Financing Division, 534-1008.



**FIRST NATIONAL BANK
OF MEMPHIS**

MEMPHIS, TENNESSEE / MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

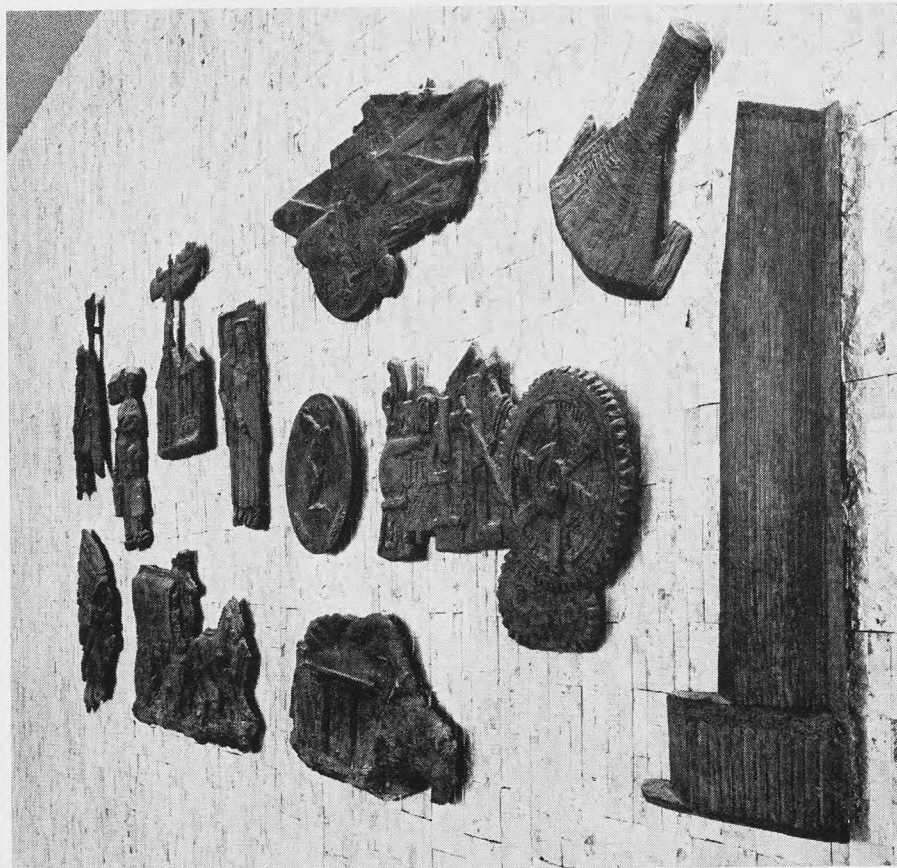
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If you need help with this question, ask it of a 100 year old, \$225 million bank. We have the facts and the desire to help you. Call 1-800-392-5795 and correspond with us.

**The First National Bank
of Montgomery, Alabama**

Member F.D.I.C.



Sculptures symbolic of Oklahoma's Indian and pioneer culture decorate interior wall of Liberty National's new building. Sculptor's rendition of Liberty Tower (at right) dominates scene.

nine and fourth floors of the tower. The mezzanine is accessible from the main banking room by escalators. The southwestern, or correspondent, division also is on the fourth floor.

Senior executives' offices are on the third floor, which also contains the board room and the executive and customer dining facilities. The real estate department occupies the fifth floor; operations, the sixth; trust and legal departments, the seventh; Liberty BankAmericard, the eighth; and other operational functions and Liberty-Heller Factors, the ninth. Liberty Tower management offices are on the 10th floor.

Only National Sharedata Corp., Liberty National's data processing arm, and the transit division remain outside the tower in their old quarters on the second, third, 10th and 11th floors of the Petroleum Club Building.

Hopefully, the Petroleum Club will move to Liberty Tower's 34th, 35th and 36th floors before the end of this year.

The new Liberty building is about 70% leased, and the first two tenants moved into their offices July 1.

Liberty National, founded in 1918, remained at its original location, Main and Robinson in downtown Oklahoma City, until 1951. That year, the bank acquired and moved into a 33-story

structure one block north at Park Avenue and Robinson and—until the last move—had remained there ever since.

Peoples Bank, Ft. Wayne, Offers 'Unidex Report'

Peoples Bank, Ft. Wayne, Ind., is offering subscriptions to the Unidex Report to banks through its Marketing Enterprises subsidiary.

The report is designed to provide the banking industry with indepth reports on the attitudes of the fastest growing sector of the banking public—the young married family.

Every 60 days, Unidex Corp., Bloomington, Ind., publisher of the Unidex Report, surveys 1,200 young married families between the ages of 21 and 30. Results of the survey are published in the Unidex Report in two consecutive monthly issues. Each survey deals with subjects of interest to bankers, such as borrowing, the use of premiums as motivators, etc.

Chemical Bank Promotion

NEW YORK—Chemical Bank has elected William H. Curtis senior vice president of the mortgage and real estate department. He joined the bank in 1925 and has been in the mortgage loan department since 1948.

MID-CONTINENT BANKER for August, 1971

Management by Objectives

(Continued from page 6)

Continually along the way the administration of the bank is evaluating the specific progress of individuals and departments and the overall synchronization of the strategic plan.

Now that MBO has been briefly described, it is interesting to relate just how it was received and evaluated by the School of Banking of the South.

At the faculty meeting of banks and educators *prior* to the introduction of the seminar, there was a good deal of skepticism whether the seminar would be an effective learning tool. A majority of the faculty assigned to conducting the MBO Seminar indicated serious misgivings as to a number of facets of the AIB cases and text material. One nationally known banker, who was assigned as part of the MBO teaching team, said, "Oh, no, you can't be serious in having me teach some of those MBO cases." Similar sentiments of doubt also were expressed by other faculty. Yet at each faculty meeting after the several segments of MBO were taught, there was a decided change. By the end of the MBO segment, the faculty had swung over from opposition and skepticism to acceptance and enthusiastic endorsement of the seminar.

Conclusion: There have been in the past, though there should not have been, some psychological constraints on advanced schools of banking in using the educational material from AIB.

In my opinion, this is a hangover from a period in which AIB was considered to be primarily a training faculty for bank clerks and lower bank management. This may have had some validity in the past, but if the remainder of the new series of seminars has the challenge and intellectual stimulation of MBO, there should be increased coordination of educational resources between the advanced schools of banking and AIB.

For those many bankers who have already received their certificates from AIB, seminars such as MBO should prove a valuable device for updating themselves on current educational matters in banking and management.

AIB, in my opinion, has substantially upgraded the level of its educational material. This is all to the good—because banking today is far more complex than it was only a decade ago.

The banker students at the School of Banking of the South subscribe with ABA's President Sommer that the Seminar on MBO is both practical and progressive. • •

If we could, we'd mail you Santa Claus.

Rand McNally knows banking problems almost as well as bankers do.

So, when we offer a complete Christmas Club program, you know we mean it.

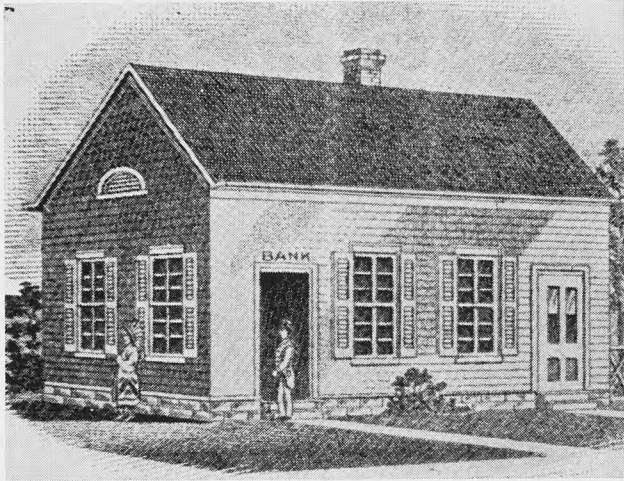
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ABOVE: This small frame building was first home of First National of Fort Smith, which will observe its centennial next February 29. When it opened in 1872, bank was called National Bank of Western Arkansas.



RIGHT: Present quarters of bank, erected in 1909 and occupied in 1910, have been expanded and renovated during past six decades to keep pace with bank's growth.

Centennial Celebration Begun By First Nat'l of Ft. Smith

FIRST NATIONAL of Fort Smith, Ark., will be 100 years old next February 29, but the bank already has embarked on an ambitious centennial celebration. Plans were announced May 31 at a press conference and luncheon, for which the entire front portion of the bank building's fifth floor was transformed into a saloon of the late 1800s.

Because May 31 also was the opening day of the Arkansas-Oklahoma Rodeo, press representatives were invited to view the big rodeo parade

from the fifth-floor "saloon" and then were given complimentary tickets to a special reserved block of seats for opening night at the rodeo.

At the conference, First National officers announced plans for a small museum dedicated to the history of the bank and of Fort Smith, a special centennial certificate and a hardbound edition of the city's history.

The museum will be located on the bank building's second floor. Called the First Collection, the museum will be open during banking hours. First Na-

tional is making the first donation in the form of many items relating to the history of the bank and of banking. Other exhibits will be developed as public interest dictates. Contributors to the First Collection will be individuals and firms in and around Fort Smith. An offer of numerous pictures depicting early street cars, Electric Park and other scenes in the city's development have come from a representative of the Oklahoma Gas & Electric Co. in Fort Smith. Also, several private scrapbooks have been offered for copying of interesting articles and pictures.

First Collection items will be donated or placed on loan by contributors, and a curator will be on hand during the hours the museum is open.

The centennial certificate is being offered (beginning last June) as a certificate of deposit in the amount of \$100. The bank said this amount will make the certificate available to many persons who heretofore had been unable to purchase CDs because of the \$500 minimum. The centennial certificate, which will never be available after the centennial is over, is beautifully designed and printed on parchment. It can be canceled and then returned to its owner to become a col-

This was interior and staff of First National on November 17, 1917. Note poster advertising that Liberty bonds may be left in bank's vault free of charge. This is just one example of patriotism and community spirit First National has shown through the years.



110%

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LOUISVILLE, KENTUCKY

MID-CONTINENT BANKER for August, 1971

lector's item. Interest of 5% will be paid on one year only (the certificate is nonrenewable), and no interest is paid if it is redeemed before maturity.

First National decided to put together a history of Fort Smith in bound-volume form because at present there is no complete history of the city. Because its history goes back before De Soto camped there in the winter of 1541-42, even back to pre-historic Indian tribes, the bank believes a printed account of the city's past would be appropriate for its own centennial. The book, to be full of pictures and carefully documented, will be ready for distribution next February in time for the bank's actual anniversary.

As still another promotion of its centennial, First National has adopted a new logo that is appearing on outdoor billboards, in newspaper ads and on TV commercials and bank letterheads—in every means of communication about the bank's 100th anniversary.

The logo features a screened photo of the word "FIRST" as it is carved into the namestone above the bank entrance. This word is framed by the "100" in contemporary style. This design is meant to convey both the bank's pride in its history and its modern approach to banking.

The Bank's Story. First National was organized February 29, 1872, with paid-up capital of \$55,000. The first president was Bernard Baer, a native of Germany and founder of B. Baer & Co., Wholesale Grocers. Vice president was Logan H. Roots, whose colorful career included service with the Federal Army in Arkansas during the Civil War, as a congressman (at age 27) and a U. S. marshal in western Arkansas. He organized the now-defunct Merchants National Bank in Little Rock in 1866. A director, R. C. Kerens, served as ambassador to Austria under President William McKinley. He also operated overland stage lines and became involved in railroad construction

in St. Louis.

First National began as the National Bank of Western Arkansas. In 1888, it took the name First National, which also had belonged to an earlier bank. The latter was chartered in 1866, but was later dissolved because it proved to be unprofitable.

The only other national bank chartered in Arkansas before the present First National of Fort Smith in 1872 was Colonel Roots' Merchants National of Little Rock.

The bank's first home was a small, one-story frame building on the corner of Garrison Avenue and what is now Court Street, on the site later occupied for many years by a hotel first called the Main and then the Milner. The site is now used as parking facilities for First National. The bank occupied its present building in 1910, a year after it was built. In the past 60 years, the structure has been expanded and renovated to keep pace with First National's growth. ••

MERCANTILE NATIONAL BANK OF INDIANA

Hammond, Indiana
Statement of Condition

June 30, 1971

RESOURCES

Cash and Due from Banks	\$ 14,946,801.63
Federal Funds Sold	1,100,000.00
United States Government Securities	11,858,152.17
State and Municipal Bonds	30,230,256.92
Loans and Discounts	53,223,485.36
Federal Reserve Bank Stock	135,000.00
Banking Premises and Equipment	490,544.88
Interest Earned, But Not Collected	592,570.64
Other Resources	299,434.78
TOTAL RESOURCES	\$112,876,246.38

LIABILITIES

Deposits:		
Demand	\$51,361,720.99	
Time	51,457,451.40	\$102,819,172.39
Reserves for Taxes and Interest, etc.		705,573.73
Interest Collected, But Not Earned		1,203,499.12
Other Liabilities		272,384.00
Capital Funds:		
Capital Stock	\$ 2,250,000.00	
Surplus	2,250,000.00	
Retained Earnings and Reserves	3,375,617.14	7,875,617.14
TOTAL LIABILITIES		\$112,876,246.38

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Credit Systems Marks One Year Of Master Charge Operation

Business volume generated by the Master Charge credit card since its introduction one year ago in the trade area served by Credit Systems, Inc., St. Louis, has grown to \$150 million. Credit Systems, Inc., is the bank charge card association that operates the Master Charge program in the four-state trade area of Missouri, eastern Kansas, southern Illinois and southwestern Kentucky.



Richard P. Tennant (l.), pres., Credit Systems, Inc., and Charles A. Elfrank, v.p., Mercantile Trust, St. Louis, and ch., Credit Systems, display an anniversary cake symbolizing the first full year of the association's Master Charge operation.

The regional Bankmark card was converted to the national Master Charge program last year. Master Charge's first-year volume is an increase of \$61 million over the business volume recorded during the previous 12-month period with the original Bankmark card.

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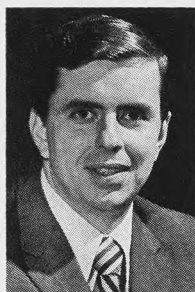
Keidel, Davis Promoted At American of Chicago

CHICAGO—Gerard E. Keidel has been promoted from vice president to senior vice president of American National. William J. Davis, second vice president in the correspondent banking division, has been advanced to vice president and head of that division.

Also advanced from second vice presidents to vice presidents were James A. Carlson, general services; and Thomas A. Sporer, installment loans.



KEIDEL



DAVIS

Named second vice presidents were: Gregory T. Buenzli, commercial banking officer; Mario N. DiFlavio, installment loans; Nathan J. Fisher, personal trust; Gerald C. Hines, machinery and equipment loans; Harold R. Pehlke, accounts receivable loans; and David A. Rubin, estate administration.

Robert J. Buskas was named systems officer, EDP operations; Phillip M. Firrek, loan officer; Richard Y. Guthrie and Alan C. Newman, trust officers; and Bruce E. Seelig, correspondent banking officer. Mr. Seelig will travel in Indiana and Michigan, areas formerly handled by Mr. Davis, who now heads the correspondent division.

Convention Calendar

MID-CONTINENT AREA (1971)

Kentucky, Sept. 12-14, Louisville, Brown Hotel

MID-CONTINENT AREA (1972)

Alabama, May 17-19, Birmingham

Arkansas, May 7-9, Hot Springs, Arlington Hotel

Illinois, May 21-23, St. Louis, Sheraton-Jefferson Hotel

Indiana, June 14-15, French Lick, French Lick-Sheraton Hotel

Kansas, May 17-19, Topeka

Louisiana, April 29-May 2, New Orleans

Mississippi, May 22-24, Biloxi, Buena Vista Hotel

Missouri, May 14-16, St. Louis, Stouffer's Riverfront Inn

New Mexico, June 8-10, Las Cruces, Palms Motor Hotel

MID-CONTINENT BANKER for August, 1971

Oklahoma, May 10-11, Oklahoma City
Tennessee, May 14-17, Knoxville, Hyatt House

Texas, May 7-9, San Antonio

NATIONAL (1971)

ABA Agricultural Credit Conference, Nov. 14-16, Kansas City, Hotel Muehlebach

ABA Convention, Oct. 16-20, San Francisco

ABA Credit Card Conference, Oct. 25-27, New Orleans, Roosevelt Hotel

ABA Personnel Conference, Sept. 26-29, Los Angeles, Century Plaza Hotel

ABA Trust Conference, Sept. 23-25, Denver Bank Administration Institute, Nov. 7-10, Miami Beach

Bank Marketing Assn., Sept. 26-29, New York City, Americana Hotel

Consumer Bankers Assn., Oct. 24-28, Phoenix, Arizona-Biltmore Hotel

Nat'l Assn. of Bank-Women Inc., Oct. 6-10, New Orleans, Fairmont-Roosevelt Hotel

Robert Morris Associates, Oct. 23-27, Los Angeles, Century Plaza Hotel

NATIONAL (1972)

ABA, Oct. 7-11, Dallas

ABA Marketing Conference, March 21-24, San Francisco, St. Francis Hotel

AIB, May 29-31, San Francisco

■ SOUTHWEST NATIONAL, El Paso, has promoted Mrs. Virginia Tarr to assistant cashier. She has been with the bank since 1962 and is supervisor of the proof department.

THE FEDERAL LAND BANK OF WICHITA

in Wichita, Kansas

Serving Kansas, Oklahoma, Colorado and New Mexico

Statement of Condition

June 30, 1971

ASSETS

Mortgage loans, purchase money, mortgages, and contracts (unmatured balance)	\$678,266,853.87	
Unmatured extensions, delinquent instalments, etc.	1,277,549.37	
Accrued interest receivable on mortgage loans, purchase money mortgages, and contracts	20,745,359.66	
Total	700,289,762.90	
Less reserve for losses	5,573,557.41	\$694,716,205.49
Cash		1,895,323.28
Loans in process of closing		55,189.10
Accounts receivable		457.30
Other securities		.00
U. S. Government securities, at amortized cost (par \$10,843,000.00)		10,773,492.77
Real estate owned	\$.00	
Loans called for foreclosure, judgments, etc.	229,771.89	
Total	229,771.89	
Less reserve	.00	229,771.89
Banking house (cost)	697,678.74	
Less accumulated depreciation	.00	697,678.74
Furniture, fixtures, and equipment	\$ 197,287.82	
Less accumulated depreciation	156,600.85	40,686.97
Other assets		989,614.89
TOTAL ASSETS		\$709,398,420.43

LIABILITIES

Unmatured consolidated Federal farm loan bonds outstanding	\$613,000,000.00	
Less bonds owned	10,000,000.00	\$603,000,000.00
Notes payable:		
Commercial banks	\$ 4,500,000.00	
Federal Land Bank Associations	5,732,103.67	
Other Farm Credit Banks	4,000,000.00	14,232,103.67
Accrued interest payable		13,700,050.02
Future payment funds from borrowers and others		5,368,042.16
Trust accounts		1,476,571.00
Payments received on unamortized indebtedness		598,899.58
Other liabilities and deferred income		426,357.03
Capital stock owned by Federal Land Bank Associations		39,567,565.00
Legal reserve		17,432,850.00
Surplus reserve		13,590,000.00
Earned surplus		5,981.97
TOTAL LIABILITIES		\$709,398,420.43

NOTES:

- Of the mortgage loans \$651,165,059.07 are assigned as collateral for unamortized consolidated Federal farm loan bonds; also, \$27,399.36 are assigned as collateral for individual farm loan bonds called (face amount) of this land bank.
- Of the U. S. Government securities owned \$1,700,000.00 par amount are assigned as collateral for notes payable to commercial banks.
- The twelve land banks are jointly and severally liable for consolidated Federal farm loan bonds outstanding in the total amount of \$6,796,885,000.00.

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Ben Swigart, Mooreland, Oklahoma
Lyle L. Hague, Cherokee, Oklahoma
James R. Isleib, Shawnee Mission, Kansas
Leo Paulsen, Concordia, Kansas
E. L. Hatcher, Lamar, Colorado

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G. A. Wiles, Vice President and Treasurer
Orval R. Dill, Assistant Vice President
Robert F. Randle, Assistant Vice President
Wm. S. May, Vice President and Secretary
Harold B. Wolfe, Assistant Vice President
James H. Hazelton, Asst. Treasurer and Chief Accountant
Donald I. Mitchell, Principal Attorney

Fed Proposes Bank-Control Criteria Under HC Act

PROPOSALS spelling out what constitutes control of a bank under the new bank holding company legislation were made public last month by the Federal Reserve Board. The FRB also clarified its conditions for acquisitions of nonbank firms by conglomerate bank holding companies.

After passing the Bank Holding Company Act of 1970, Congress authorized the Fed to establish guidelines on bank control. Previously, a 25% interest was considered control, but last year's legislation said the FRB could find control existing at any point down to 5% ownership.

Also under the legislation, one-bank holding companies must confine their activities to banking and "closely related" functions. Before the act was passed, this applied only to holding companies that controlled 25% or more of at least two banks.

In proposed revisions to its Regulation Y governing bank holding firms, the FRB listed two sets of circumstances to determine control. If any conditions of the first were met, it would prove conclusive control, said the board. The FRB listed a second set of conditions under which control would be presumed but could be ap-

pealed by the banks and possibly overturned.

Comments on these proposals were to be made to the FRB by August 6, after which the board will issue its rules in final form.

According to the FRB's proposals, conclusive control would be found whenever:

- A company directly or indirectly owns, controls or has the power to vote 25% or more of any class of voting shares of another firm or bank.

- A company in any manner controls the election of a majority of the directors of a company or bank.

- Shares relevant to control are owned by any subsidiary of a bank holding company.

- Shares relevant to control are held by trustees for the benefit of a firm or of its shareholders, members or employees or—

- Under any agreement 25% or more of the voting shares of one firm are stapled or otherwise joined to at least 25% of the voting shares of another company.

The following are conditions that could be appealed to the board:

- A company that owns at least 10% of the voting shares of two banks is presumed to control both institutions.

- A firm controlling at least 5% of the voting shares of each of three or more banks is presumed to control all such banks.

- A company that enters into an agreement restricting the rights of a shareholder of a bank or other firm is presumed to control the shares involved.

- A company or any of its subsidiaries that exercise "significant influence" on the overall operations or management of a bank or other company is presumably in control.

- Shares that may be obtained by immediate conversion of securities owned by a firm are considered controlled by that company.

- Where a bank is controlled by a partnership and one of the partners is presumed to be under common control.

- A firm that owns more than 5% of the voting shares of a bank is presumed to have control if that concern has certain relationships with the bank's directors, officers or employees that seemingly give it a greater interest.

Along with these proposals, the FRB issued a clarification of control for conglomerate bank holding companies that qualify for an extended divestiture

Fed Reverses Earlier Decision, Gives Approval To Arkansas' FABCO to Acquire Stephens Bank

WASHINGTON—The Federal Reserve Board last month reversed an earlier decision and approved the application of First Arkansas Bankstock Corp. (FABCO), Little Rock, to acquire the Stephens (Ark.) Security Bank.

In an order dated last February 22, the FRB denied FABCO's first application to buy the Stephens bank. The board cited recent Arkansas legislation prohibiting formation and expansion of multi-bank holding companies. At that time, the Fed noted that it had not considered the application's merits, but had based its decision to disapprove the application solely on the legislation restricting holding companies in Arkansas.

Subsequent to the original legislation banning HCs, however, Arkansas' lawmakers enacted legislation that exempted those applications in process before the FRB prior to passage of the first statute. Thus, the Fed agreed to reconsider FABCO's application.

The board's latest decision notes that FABCO, the only bank holding company in Arkansas and the state's largest banking organization, controls two banks (Worthen Bank, Little Rock, and Arkansas First National, Hot Springs), which have about \$266.7 million in deposits. Stephens Security, said the Fed, is next to the smallest of seven banks in the Stephens market area, controlling about 4% of area deposits.

The Fed further pointed out that Worthen Bank and Arkansas First National are both located more than 100

miles from the Stephens bank, "and consummation of the proposal would eliminate neither present nor potential competition."

The Fed added that there is no evidence that the acquisition would adversely affect other banks in the area.

When FABCO acquires Stephens Security, according to the Fed, the holding company's present 8% share of total deposits in Arkansas will be increased by only 0.1%, "which would not significantly increase state-wide concentration of banking resources."

The FRB's opinion acknowledged that under present state law, FABCO will continue to be Arkansas' only multi-bank holding company and that approval of the Stephens Security acquisition will add a third subsidiary to the organization. However, the Fed added that the Arkansas legislature has exempted this acquisition from the general prohibition relating to HC acquisitions and there would be no adverse competitive effects from consummation of the proposal.

In addition, said the FRB, financial and managerial resources and prospects of the Stephens bank support approval of the application "in that application would provide an assured source of management succession." The Fed also pointed out that the addition of the Stephens bank to the FABCO group will make trust investment and computer services available to the Stephens community.

According to Robert Taylor, FABCO executive vice president, management of Stephens Security will remain unchanged, with Charles T. Reveley staying as president.

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BANK OF KENNETT

KENNETT, MISSOURI

Statement of Condition as of June 30, 1971

RESOURCES

Cash and Due from Banks		\$ 1,714,308.70	
Federal Funds Sold		1,800,000.00	
U. S. Government Obligations	\$2,018,467.28		
Obligations of U. S. Government Agencies	3,373,659.23		
Municipal Bonds and Other Obligations	4,413,488.97		
Other Bonds and Securities	353,638.65	10,159,254.13	
Loans Insured or Guaranteed by a Federal Agency	1,958,459.59		
Conventional Real Estate First Mortgages	2,521,438.36		
Commercial and Finance Company Paper	310,000.00		
Other Loans to Firms, Corporations and Individuals	5,204,505.85	9,994,403.80	
Overdrafts		11,740.56	
Bank Building, Leases, Drive-In Facilities and Parking Lots		116,944.81	
Furniture, Fixtures and Equipment		39,256.81	
Other Real Estate		1.00	
Accrued Interest Receivable		288,483.19	
Prepaid Expenses		19,892.50	
Other Assets		4,012.11	

TOTAL RESOURCES

LIABILITIES

Capital Stock	\$1,000,000.00		
Surplus	400,000.00		
Undivided Profits	636,254.80	2,036,254.80	
Reserve for Interest Received in Advance		149,505.07	
Other Reserves		389,164.18	
Accrued Interest Payable, Taxes, Expense and Dividends		307,178.50	
Other Liabilities		8,157.64	
Deposits		21,258,037.42	

TOTAL LIABILITIES

OFFICERS

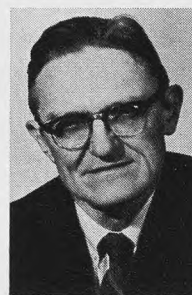
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period under Section C-12 of the Bank Holding Company Act. Originally, the Fed said that any of these firms that were given special rules for divestiture could keep a business that was prohibited by the act up to 10 years, providing they filed irrevocable declarations with the board promising to leave the banking business by then. The actual date is January 1, 1981. In line with the new proposals on control, the FRB said the test for these firms complying with their promise will be evidence that they do not have control over banks as defined in the new rules. • •

Former St. Louis Fed Officer Joins First of Louisville

LOUISVILLE—Homer Jones, who retired last month as senior vice president in charge of the research department of the Federal Reserve Bank of St. Louis, has joined First National here.



JONES

At First National, he will consult with the directors and advise the investment committee, commercial

lending officers and marketing specialists on economic trends and associated matters.

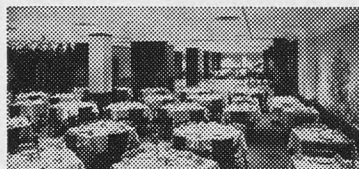
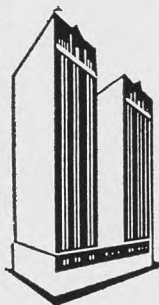
Mr. Jones joined the St. Louis Fed 13 years ago after having been chief of the consumer credit and finances section for the Board of Governors of the Federal Reserve System since 1949. Earlier, he had held key posts with the Committee for Economic Development, FDIC and Office of Alien Property Custodian.

A regular contributor to economic bulletins and Journals, Mr. Jones belongs to the American Statistical Association and is a former president of chapters in Washington, D. C., and St. Louis, American Economic Association, American Finance Association and Royal Economic Society.

■ NEW OFFICERS at First National, Oklahoma City, are Wayne A. Patterson, trust officer; and Kenneth L. Delashaw and Carl L. Shortt Jr., assistant trust officers. Edward C. Joullian III, president and chairman of Mustang Fuel Corp. and First National director, was elected a director of First Oklahoma Bancorp.

■ HUDSON D. MEAD and Hance W. Burrow were elected vice presidents of Lakewood Bank, Dallas. Mr. Mead is in the installment loan division and Mr. Burrow is in charge of data processing.

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Task Force to Study, Suggest Changes Appointed by Missouri Bankers Assn.

A SPECIAL 16-member task force has been appointed to study and recommend structural changes in the Missouri Bankers Association. Announcement of the new group was made by MBA President Larry E. Lumpe, executive vice president, State Bank, Poplar Bluff.

Chairman of the task force is James J. Lanning, president, Red Bridge Bank, Kansas City; and vice chairman is A. R. "Bo" Naunheim, chairman and president, North Side Bank, Jennings.



LANNING



NAUNHEIM

Mr. Naunheim also was on the special ABA task force that developed the new organizational structure of the ABA.

In announcing the task force, Mr. Lumpe said that with the rapid changes taking place in banking and the growing need for additional association services and activities, "The goal of this task force is to make certain that we have a state association that will continue to be as responsive as it can possibly be to the needs of its members."

To assure this type of organization, continued Mr. Lumpe, the MBA's elected officers and Executive Manager Felix LeGrand believed a cross-section of Missouri bankers "should study the structure of the MBA and recommend changes that they feel are essential for the future." Mr. Lumpe said it seemed particularly appropriate that this study be done on the heels of the realignment of the ABA and coincident with the MBA's scheduled move from Columbia to Jefferson City next winter.

Among areas to be studied are group sizes and geographical boundaries for the seven association groups; changes in titles to more clearly define responsibilities of individuals and governing bodies and the committee structure of the organization.

Some committees may be dropped or merged with others, and perhaps some new committees should be formed, said Mr. Lumpe. However, he

continued, under any circumstance, the MBA should have the flexibility to add, to eliminate or change committees in the future to meet varying needs, and its bylaws should reflect this flexibility.

The task force will set its own schedule. However, it's hoped that the group will complete its study in time to report to the MBA's council of adminis-

tration at its meeting next February and to the entire membership at the MBA convention in May.

Lenexa State Motor Facility Gets New Money Machine

LENEXA, KAN.—Lenexa State announced it has installed a money machine at its motor bank facilities. The computer-like unit operates every day of the week, 24 hours a day. Any customer with a bank checking account can place a specially coded card in the machine and receive \$50 in cash.

The bank also announced it is constructing new quarters in a three-level building across from the motor bank.

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Mail to: Bob Drake, Vice President
3327 D'Amico, Houston, Texas 77019

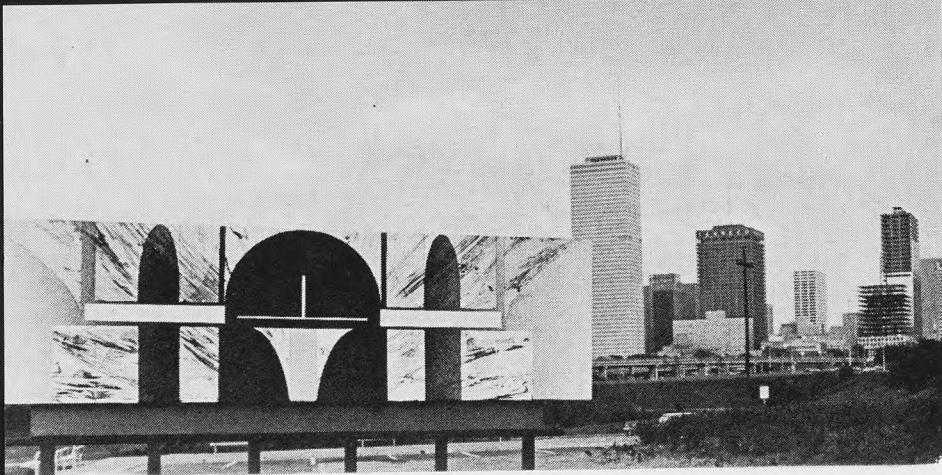
Houston
529-5901

Dallas
748-3411

Fort Worth
738-3581

Phoenix
955-6050

Atlanta
261-5550



ONE OF FIVE art works included in Houston National's "Larger Canvas," this painting by Richard Stout is located on the West Freeway at Studemont.

Houston National Brings 'Larger Canvas' To Billboards on City's Major Freeways

"THE LARGER CANVAS" has come to Houston. Through the efforts of Houston National Bank, Houstonians driving down the city's major freeways now can see art works on five billboards that previously held bank advertisements.

The art project began several months ago when the bank commissioned five nationally recognized Houston artists to provide works, of whatever medium or subject they chose, to become part of a gallery showing that would have the whole city of Houston as its audience.

Contributing artists were selected by Dr. Peter Guenther, assistant professor of art history and chairman of the art department, University of Houston. They are William Anzalone, James Boynton, David Hickman, Dorothy Hood and Richard Stout. The bank decided to confine the choices of artists to local people so Houstonians would know and appreciate what is being done in their own cultural environment.

When the artists' works were completed, the conversion to "The Larger Canvas" began. Outdoor company craftsmen worked with the artists in transferring the five paintings to five 14-foot by 48-foot billboards.

A negative of the original art was made and projected on the aluminum panels of each billboard. Using this as a guide, the pictorial painter blended the colors as seen in the original paintings and then painted the billboards by hand. The painted boards have no commercial message, neither the bank's name nor that of the outdoor advertising company.

The art works, "hung" on major freeways, will rotate around the city for 12 months, so that every two

months there will be a new canvas in each location. The artists' original paintings are on exhibit in the lobby of Houston National.

There is a sixth board that will rotate with the other five. It is black and white and has a simple explanatory message that reads "The Larger Canvas—five Houston artists commissioned by Houston National Bank."

To introduce the traveling art exhibit to the people of Houston, the bank ran full-page newspaper ads that explained the project and showed pictures of the paintings and of the artists.

Part of the ad's message read, "We feel Houston has an obligation to innovate, to 'set the pace' on every front. Particularly in the arts. As a good corporate citizen, Houston National wants to contribute to the awareness and appreciation of fine art by Houstonians. And in a unique medium. By putting our 'canvases' on Houston's freeways, we take art to you and beautify our city in the process." The bank emphasized that it would not attempt to explain the paintings themselves.

To further encourage interest in the exhibit, the bank sponsored a 30-minute television special called "The Creators." It dealt with cultural Houston and introduced "The Larger Canvas."

H. G. Symonds Jr., Houston National president, said about the art project, "Through use of this new art medium we at Houston National are making what we feel is a valuable contribution to the appreciation and awareness of fine art by Houstonians.

"It would be easy enough to make a cultural gift such as this to our city and place it in or near the bank," Mr. Symonds continued, "But we feel taking the art where the people are is more effective." • •

Morgan Guaranty Trust Company

OF NEW YORK

Consolidated statement of condition

June 30, 1971

Assets

Cash and due from banks	\$ 4,386,066,348
U. S. Treasury securities	804,671,608
Obligations of U. S. government agencies	136,829,718
Obligations of states and political subdivisions	638,918,325
Other investment securities	191,299,599
Trading account securities	256,726,100
Federal funds sold and securities purchased under agreements to resell	21,875,000
Loans	6,067,103,726
Bank premises and equipment	75,791,701
Investments in subsidiaries not consolidated	6,192,170
Customers' acceptance liability	287,915,506
Other assets	412,793,836
Total assets	\$13,286,183,637

Liabilities

Demand deposits	\$ 5,490,440,716
Time deposits	2,148,974,658
Foreign branch deposits	3,048,722,668
Total deposits	10,688,138,042
Federal funds purchased and securities sold under agreements to repurchase	612,006,389
Other liabilities for borrowed money	143,956,272
Accrued taxes and expenses	111,693,323
Liability on acceptances	299,400,572
Dividend payable	13,320,164
Mortgage payable	17,340,242
Other liabilities	311,745,739
Total liabilities	\$12,197,600,743

Reserve

For possible loan losses	\$ 117,811,515
------------------------------------	----------------

Capital accounts

Capital notes (6 $\frac{3}{8}$ % , due 1978)	\$ 100,000,000
Capital notes (5% , due 1992)	97,000,000
Equity capital:	
Capital stock, \$25 par value (9,123,400 shares)	228,085,000
Surplus	336,500,000
Undivided profits	209,186,379
Total equity capital	773,771,379
Total capital accounts	970,771,379
Total liabilities, reserve, and capital accounts	\$13,286,183,637

Assets carried at \$1,002,337,694 in the above statement were pledged as collateral for borrowings, to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

Member, Federal Reserve System, Federal Deposit Insurance Corporation

New York 23 Wall Street, Fifth Avenue at 44th Street
Madison Avenue at 58th Street, 40 Rockefeller Plaza
Park Avenue at 48th Street

Abroad London, Paris, Brussels, Antwerp, Frankfurt,
Düsseldorf, Zurich, Milan and Rome (Banca
Morgan Vonwüller S.p.A.), Tokyo, Nassau

Representative offices in Madrid, Beirut, Sydney,
Hong Kong, São Paulo, Caracas

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ELLMORE C. PATTERSON President
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R. MANNING BROWN JR. President, New York Life Insurance Company
CARTER L. BURGESS Chairman, National Corporation for Housing Partnerships
FRANK T. CARY President International Business Machines Corporation
W. GRAHAM CLAYTOR JR. President, Southern Railway System
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Illinois News

Richard T. Ummach Retires From Central National Bank

CHICAGO—Richard T. Ummach, senior vice president, Central National, has retired after 49 years in banking.



UMMACH

Mr. Ummach joined Central National in 1964 when the bank merged with National Bank of Commerce, where he had been a vice president. He was elected a senior vice president in 1968.

In other action, Central National elected Michael J. Murphy an assistant cashier. He is responsible for the corporate resources group, a branch of the commercial lending department.

Central National, Rockford, Plans New Office Building

ROCKFORD—Central National has announced plans, subject to regulatory approval, for a new bank and office building to be part of a two-block urban renewal project in the downtown area.

The building will have 15 to 25 stories with about 10,000 square feet of space per floor. It will feature a riverfront plaza and indoor parking for building tenants and bank customers. A restaurant is planned for the top floor. Construction is scheduled to begin in the spring of 1972.

Commercial Nat'l Names Wasem Head of New Department

PEORIA—George M. Wasem has been appointed to the newly created position of senior vice president in charge of corporate development at Commercial National. Responsibilities of the new department will include special emphasis on the bank's growth possibilities as a one-bank holding company.

Mr. Wasem has been with the bank since 1941. He was elected a vice president in 1953 and was promoted to senior vice president in 1968.

Succeeding Mr. Wasem as head marketing officer is Robert T. Stevenson Jr., assistant vice president. Mr. Stevenson joined the bank in 1968 as a

business development officer and was named an assistant vice president in 1969.

Wallace Succeeds Engelhard As Union National President

EAST ST. LOUIS—Ronald W. Wallace, executive vice president, Union National, has been elected president of the bank. He succeeds Louis A. Engelhard, who is retiring after 45 years of service.



WALLACE

Mr. Wallace was a bank examiner for the Federal Reserve Bank of St. Louis before joining Union National in 1966. A graduate of Illinois College at Jacksonville, he started his banking career at Farmers State in that city.

Springfield Marine Bank Installs New Picturephone Equipment

SPRINGFIELD—Springfield Marine Bank is said to be the first bank in Illinois and the second in the nation to install Bell System Picturephone equipment.

Officials said the bank is preparing for the future when data processing equipment will make vital banking information visually available on the desks of executives at the touch of a button.

Currently, the bank will use the system in its lobby and lower level entrances so the public may view it in operation. The equipment is not to be connected to the nationwide network for Picturephone transmission until a later date.



Willard Bunn Jr. (seated), pres., Springfield Marine Bank, signs order for the bank's new Picturephone system. Looking on are representatives from the Illinois Bell System.

New Sign for Millikin

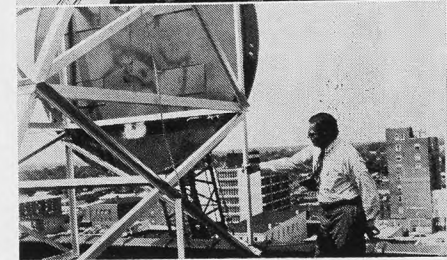
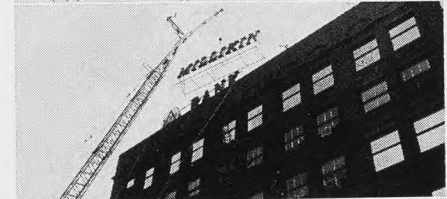


Photo sequence shows new illuminated sign, with letters five feet in height, being installed atop Millikin National's new quarters in Decatur. Lower photo shows bank President Ray G. Livasy inspecting circular logo portion of sign, which measures eight feet in diameter. The sign was hoisted by a 150-foot boom.

■ FIRST NATIONAL, Mattoon, has announced Gary J. Boske has joined the bank as administrative assistant to specialize in farm management.

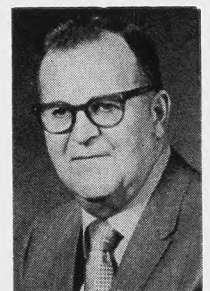
■ FRED H. SPEECE has been appointed trust investment officer at Illinois National, Springfield.

Storme Retires as President Of First National, Carbondale

CARBONDALE—Glenn W. Storme, president of First National, retired July 1 on his 65th birthday after 30 years in banking. He will remain a director. Mr. Storme was treasurer of the Illinois Bankers Association in 1970-71.

Succeeding Mr. Storme as president is Charles D. Renfro, former vice president and cashier. He is a great grandson of the bank's first president, F. A. Prickett.

In other action, Harold I. Dycus, vice president, was named executive vice president and Gordon L. Watson, assistant cashier, was promoted to cashier.



STORME

He who learns by the book shall walk in darkness.



You can learn a lot from books.

But there's a different wisdom that comes only with experience. It's the kind of wisdom that lets a man know when it's possible to do the impossible. That tells him when it's time to expect something unexpected.

In life, and in business, that kind of wisdom often makes all the difference.

That's why at the Idea Bank we believe it's essential that our men acquire an understanding of their work not just by the book, but through first-hand experience as well.

That's especially true of our Correspondent men. To make sure they understand and know

how to use all the resources of our bank, we select men for our Correspondent Division who have experience in many areas of banking, such as commercial loans, asset management, operations, and international banking.

In addition, we encourage our men to spend some time with their correspondent customers when there's no particular problem to pre-occupy them. They have time to talk with bank personnel and get some first-hand insight into the problems and opportunities of banking in a small town, or a small city.

As a result, our Correspondent men have a unique practical understanding of the

problems they're asked to solve. And of the tools they have to use to solve them. And that means they're able to offer faster and more effective service than anyone else we know of.

The next time you've got a difficult correspondent problem you need solved quickly and creatively, consider calling our man Bill Aldrich at (312) 661-5050.

If he isn't available, one of our other men will help you.

No matter who it is, you'll be speaking with a very learned man indeed.

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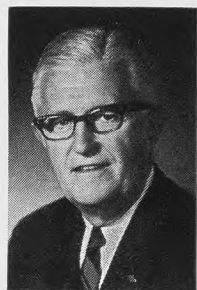
MID-CONTINENT BANKER for August, 1971

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Indiana News

Risk Succeeds Mahrtd As Chairman and CEO Of Indiana Nat'l Bank

INDIANAPOLIS—J. Fred Risk last month succeeded J. Kurt Mahrtd, who retired, as chairman and chief executive officer of Indiana National. Cornelius O. Alig Jr. was made vice chairman and John R. Benbow president and chief operating officer. The latter two, both directors of the bank, had been executive vice presidents.



MAHRDT

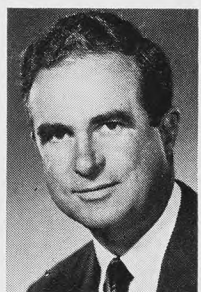


RISK

Mr. Risk went to INB in 1956 after having been with Chicago's Harris Trust and the investment banking firm of W. T. Grimm & Co., also in Chicago. He became an assistant vice president in 1958, vice president in 1960, senior vice president in 1964, executive vice president in 1965 and president in 1968.

Mr. Mahrtd joined the bank in 1928 after graduating from DePauw University, Greencastle. He became president in 1963 and chairman and CEO in 1970. During his presidency, INB became the first bank in Indiana to exceed \$1 billion in total resources.

Mr. Alig, associated with INB more than 25 years, became executive vice president in 1968, as did Mr. Benbow. The latter joined the bank in 1954.



ALIG



BENBOW

■ **FIRST NATIONAL**, Anderson, has appointed Bruce Kiser an assistant vice president in the loan department and Charles Micheals an assistant cashier in operations. David L. Bates has been named an assistant vice president and manager of the Elwood Office.

■ **S. GENE DULIN** has been elected executive vice president and cashier at Bank of Henry County, Shirley. He had been serving as vice president and cashier at Twin City State, Gas City. Mr. Dulin previously was with Bank of Henry County in 1966 as vice president and manager of the Kennard Branch.

■ **IRVING A. PRATT** has joined Irwin Union, Columbus, as vice president and trust officer. Mr. Pratt, who will head the trust department, has had 13 years' trust experience. Before joining Irwin Union, he was with Northern City National, Duluth, Minn.

Indiana Bankers Association Announces Regional Meetings

The Indiana Bankers Association has announced dates and locations of the 1971 regional meetings.

REGION 1: September 15, Cutter's Chalet, Fort Wayne.

REGION 2: September 14, St. Joseph's College, Rensselaer.

REGION 3: September 16, Green Hills Country Club, Muncie.

REGION 4: September 28, location undecided.

REGION 5: September 23, American Legion Home, Liberty.

REGION 6: September 29, Terre Haute Country Club.

REGION 7: September 22, Elks Club, Jeffersonville.

REGION 8: September 30, Executive Inn, Evansville.

REGION 9: September 21, Indianapolis Athletic Club.

■ **CENTRAL STATE**, Connersville, has elected Robert E. Price president, chief executive officer and trust officer. Mr. Price succeeds A. Henry Rieman, who died in May. In other action, Lloyd L. Marsh was promoted to senior vice president, Miss Fern E. Ingram to vice president, cashier and assistant trust officer and B. Reid Jones to vice president.

■ **FARMERS & MERCHANTS BANK**, Rochester, will open a drive-in facility this summer. The facility will have two drive-in windows, walk-in service and a parking area.

R. J. Brunton Named President Of Citizens of Evansville

EVANSVILLE—R. J. "Jack" Brunton has been named president and chief administrative officer of Citizens National M. C. Oberhelman, chairman and chief executive officer, formerly held the title of both chairman and president.



BRUNTON

Mr. Brunton joined the bank as a vice president in 1960 and was a consultant to customers. He was elected a director in 1964 and assumed leadership in management of bank operations. He advanced to senior vice president in 1967 and to executive vice president in 1969. He is on the boards of Posey County National, Mt. Vernon, and Farmers State, Rockport.

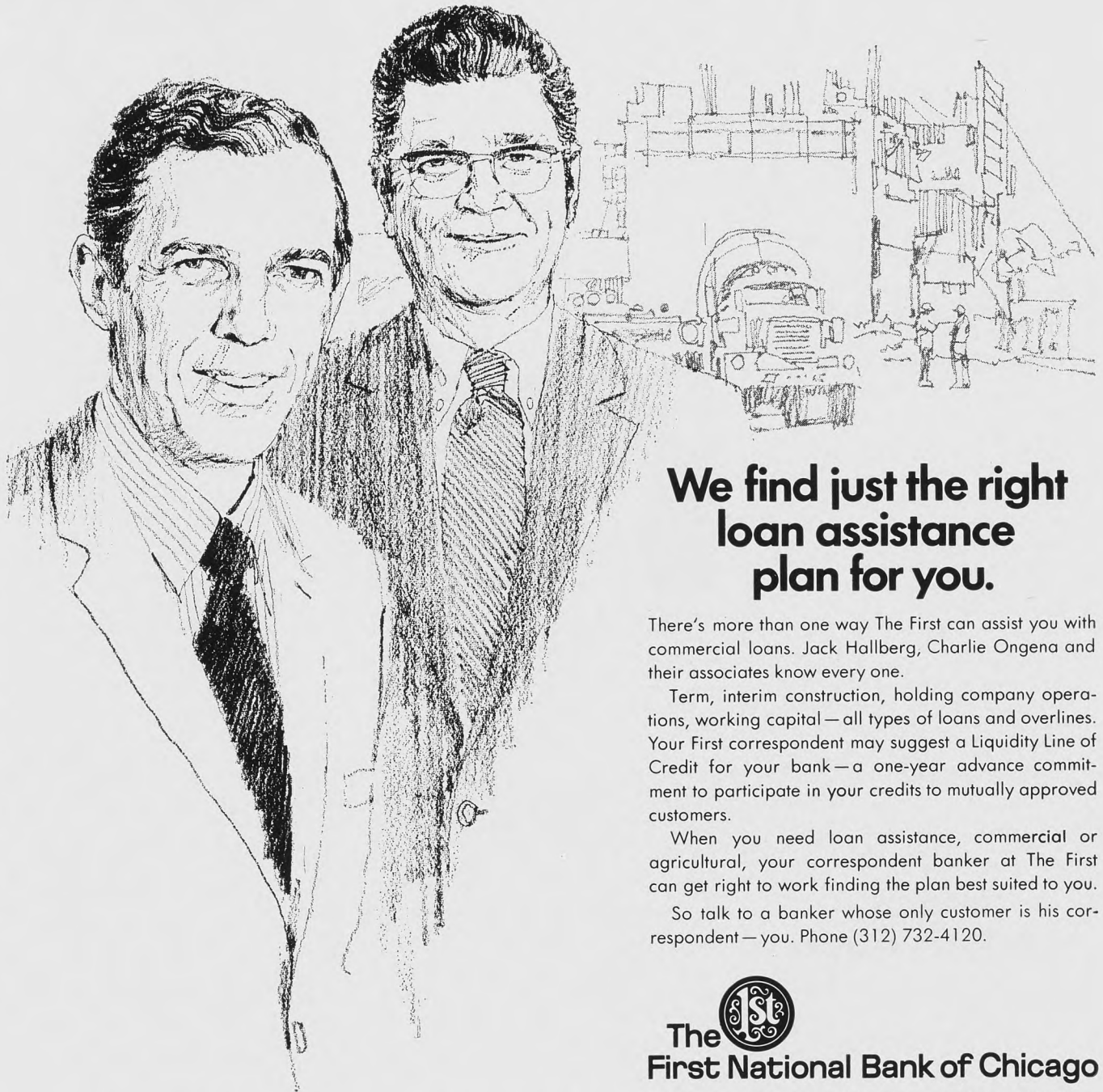
Before going to Citizens National, Mr. Brunton was a Treasury special agent and later a managing partner with the Geo. S. Olive accounting firm.

■ **GEORGE N. LANE**, president, Citizens Bank, Jeffersonville, also has been named chairman, and Ronald R. Carroll has been elected executive vice president. Mr. Lane joined the bank in 1957 as executive vice president and became president in 1962. Mr. Carroll, also elected to the board, has been with Citizens Bank since 1969, joining as cashier. He was made vice president and cashier in January, 1970.

■ **AMERICAN FLETCHER**, Indianapolis, moved its 21st and Post Road Banking Center into new quarters July 12. The center's expanded facilities include safe deposit boxes, larger vault and new drive-in service. The grand opening will be held August 19-20, with refreshments for everyone and a drawing for a color TV set, toaster oven or blender. Customers opening new savings or checking accounts of \$100 or more will have their choices of Cannon thermal blankets or beverage trays with four insulated glasses. Morris R. Clifton continues to manage this office.

■ **W. W. BRUMMITT** retired July 1 from St. Joseph Bank, South Bend, where he was vice president. He headed the mortgage loan department. Mr. Brummitt joined the bank in 1936 as a teller after having spent eight years with another bank. He had been head of the St. Joe Bank's mortgage loan department since 1947.

THE FIRST TEAM



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MID-CONTINENT BANKER for August, 1971

A 'MUST'

for Directors of
State-Chartered
Banks!



"Bank Shareholders' Meeting Manual"

A 60-page book designed to enable directors of state-chartered banks to bring their operations up-to-date. It was developed in recognition of several new trends in business and society—trends involving an increased sensitivity of the public regarding conflicts-of-interest; greater concern for minority rights; greater demand for fuller disclosure; data on control and ownership and of related business interests, including voting of trust-held securities.

The book also provides a means for state bank directors to modify procedures to bring their banks into compliance with current state banking statutes and regulations. Its use can result in economies and efficiencies for banks.

**Can Your Bank Afford to be
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Kentucky News

Centennial and Remodeling Completion Observed at Mt. Sterling National

MT. STERLING—Mt. Sterling National held a dual celebration late in June—the observance of its centennial and completion of a remodeling program that virtually razed the former bank building and then rebuilt it.

At a Sunday afternoon open house, about 1,500 persons toured the new facilities and were served refreshments. Directors, officers, employees and their wives were hosts and hostesses. Among the guests were Howard Gosney, president-elect, Kentucky Bankers Association, and president, West Side Savings Bank, Newport; and Willis Moremen, KBA secretary, as well as bank officials and directors from central and eastern Kentucky, Louisville and Cincinnati.



Frank Barker, a.v.p. and head of correspondent department, First Security National, Lexington, holds his five-year-old son, Brian, so that child can get good look at centennial birthday cake at open house at Mt. Sterling National.



Among hundreds who attended 100th-anniversary open house at Mt. Sterling National were (l. to r.) Howard Gosney, pres.-elect, KBA, and pres., West Side Savings Bank, Newport; Mrs. Gosney; Willis Moremen, KBA sec.; Mrs. C. P. Killpatrick and Mr. Killpatrick, former KBA treas. and also former pres. of Mt. Sterling Nat'l. He had been with bank from 1917 to 1968.

Visitors received a 15-page brochure detailing the bank's 100-year history and illustrated with many photos taken through the years.

In its remodeling project, Mt. Sterling National expanded into an adjacent area formerly occupied by a store. The bank building, erected in 1913, originally had two two-story Doric columns, one on each side of the entrance. In its just-completed rebuilding program, the bank added two more Doric columns and placed the entrance between the two sets of columns. However, although the exterior of the remodeled and enlarged structure retains the old architectural style, the interior was completely renovated to include larger

working areas than formerly, a library and coupon rooms, a kitchen-lounge for employees and community room. There also is a new directors' room. In addition, the bank installed a drive-in facility that features a LeFebure Tel-Air pneumatic-tube installation.

Bank's History. Mt. Sterling began in 1871 as the Mt. Sterling Deposit Bank on the same site it has occupied the entire 100 years. County Judge Calvin Brock was the first president. When the bank adopted a national charter and became Mt. Sterling National in 1874, William Stofer became president. In 1878, Judge Brock again was elected president, but again was succeeded by Mr. Stofer two years later. When the latter died in 1889, Lewis Apperson assumed the presidency. In the intervening years, several men, all civic and business leaders, have held the post. The current president, Billy Joe Hall, was elected to succeed C. P. Killpatrick in 1968. Mr. Killpatrick joined Mt. Sterling National in 1917 and became president in 1962.

Mr. Hall joined the bank in 1967 after having been executive assistant to the commissioner of the Kentucky Department of Highways. Before that, he had spent five years on the administrative staff of Morehead State University, from which he had graduated at age 19.



Condensed Statement


June 30, 1971

ASSETS

Cash and Due from Banks	\$145,604,075
U. S. Government Securities	54,780,504
Municipal Bonds	39,109,262
Federal Reserve Bank Stock	1,050,000
Bond Department Inventory	12,255,664
Federal Funds Sold	67,600,000
Loans	335,458,184
Banking Premises and Equipment	6,474,893
Investment in Subsidiary	75,000
Customer Liability—Letter of Credit	6,712,694
Interest Earned But Not Collected	3,359,413
Other Assets	1,554,147
TOTAL ASSETS	\$674,033,836

LIABILITIES

Deposits	\$554,346,650
Federal Funds Purchased	42,057,200
Loans Sold Under Repurchase Agreement	1,100,000
Dividend Payable July 1, 1971	550,000
Reserved for Taxes, Interest and Expense	5,223,154
Interest Collected But Not Earned	7,524,024
Letters of Credit Issued	6,712,694
TOTAL LIABILITIES	\$617,513,722
Reserve for Loan Losses	\$ 5,352,040
Capital Accounts:	
Capital Stock	\$ 10,000,000
Surplus	25,000,000
Undivided Profits	11,514,296
General and Other Contingent Reserves	4,653,778
Total Capital Accounts	\$ 51,168,074
TOTAL LIABILITIES, LOAN LOSS RESERVE AND CAPITAL ACCOUNTS	\$674,033,836


Citizens Fidelity Bank & Trust Company
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Former Chairman of the Board
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Doll, Matthews and Boone
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Frederick J. Johnson,
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Transit Co.
Maurice D. S. Johnson,
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Chief Executive Officer
Charles J. Kane,
President
William H. Kendall,
President, Louisville &
Nashville Railroad Company

Dinwiddie Lampton, Jr.,
President, American Life &
Accident Insurance of
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Joseph A. Engelhard
John E. Tarrant,
Tarrant, Combs, Blackwell
& Bullitt
Lee B. Thomas,
Chairman of the Board,
Thomas Industries, Inc.

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Joe L. Hamilton,
First Vice President—
Correspondent Banking
Edwin L. Tomppert,
First Vice President and
Chairman, Officers
Discount Committee
Houston F. Zettel,
First Vice President and
Senior Trust Officer

MID-CONTINENT BANKER for August, 1971

Tennessee News

First of Memphis Promotes Six; Names Henderson White VP

MEMPHIS—First National has promoted Henderson M. White to vice president. He joined the bank in 1961. Mr. White has served in the credit department and currently is assigned to the properties management division.



WHITE

Elected an assistant vice president was Lyman D. Aldrich. He came to First National in 1967 in the metropolitan division and in 1969 was made a metropolitan division officer.

Also promoted were Paul Q. Croom, national division officer; and David W. Jones, Lloyd T. Jones and T. Michael McCutcheon, branch officers.

First American National Promotes R. O. Franklin

NASHVILLE—First American National has promoted Robert O. Franklin from vice president to senior vice president. With the bank since 1959, he was named assistant trust officer in 1964 and trust officer in 1965. He was promoted to vice president in charge of corporate planning last year.

Advanced from assistant vice presidents to vice presidents were Edwin Brown, John E. Sloan Jr. and James T. Walker. William H. McLean Jr. was promoted from assistant cashier to assistant vice president and Henry P. Staley Jr. from assistant trust officer to trust officer.

In other action, the bank reported that construction of the new First American National bank building is proceeding on schedule with 75% of the excavation now completed. Steel erection is expected to begin in late September.

■ JAMES R. (PETE) AUSTIN has been elected president of Peoples National, Shelbyville. He succeeds Kennedy Maupin, who was named interim president upon the death of his brother, Edward B. Maupin Jr. Previously, Mr. Austin had been vice president of National Bank, Charlottesville, Va.

■ JEFFERY T. BRANNON was promoted to assistant cashier and manager of the Brainerd Branch, Hamilton National, Chattanooga, recently.

■ NATIONAL BANK OF COMMERCE, Jackson, has elected E. Evan Davis Jr. a trust officer. He was vice president and trust officer at Commercial National, Greenville, Miss.

Million Dollar Round Table Honored by American Nat'l

CHATTANOOGA—Local members of the 1971 Million Dollar Round Table of the Association of Life Underwriters recently were honored at a luncheon given by American National.

Membership in the Million Dollar Round Table is awarded to life underwriters who have met the one-million-dollar yearly production standard and have served as outstanding and responsible leaders in their community.

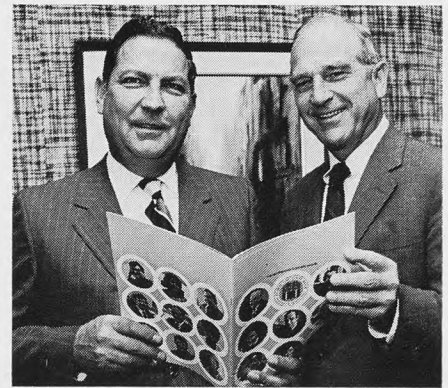
Principal speaker at the luncheon was American National Vice Chairman S. L. Probasco Jr. He commented, "The life underwriter plays an important role in the financial affairs of the community. A large percentage of the money used to finance construction of homes and to finance business operations is generated by the life insurance industry. Without these funds we would be unable to continue the tremendous growth which our economy has experienced."

■ FRANK N. SEAL, attorney, has been elected a director of United Bank, Chattanooga. He has served as assistant city attorney for Chattanooga and as attorney for Sequatchie County.

■ HAMILTON NATIONAL, Chattanooga, has elected Ronald K. Baldwin, Victor A. Lombardo and Robert S. Richardson assistant cashiers. Mr. Baldwin is assigned to the North Chattanooga Branch, Mr. Lombardo to the Brainerd Branch and Mr. Richardson to the South Broad Street Branch.

■ R. G. BROWN, senior vice president and chairman of the trust committee, National Bank of Commerce, Memphis, has retired after 44 years with the bank. He was elected trust officer in 1942, vice president in 1946 and senior trust officer in 1969.

Third Nat'l Report Awarded



The 1969 annual report of Third National, Nashville, recently won first place in the 1971 national "Addy" awards competition of the American Advertising Federation. (See page 30.) The winning report is held by Gayle Gupton (l.), v.p. in charge of advertising and public relations, and John W. Clay, pres.

Hamilton National Names Davis Director of Advertising and PR

CHATTANOOGA—B. Franklin Davis, vice president, Hamilton National, has been appointed director of advertising and public relations. He succeeds Warren Herring, assistant vice president, who has resigned. Mr. Davis also will continue to serve in the new business department.

With the bank on a full-time basis since 1961, Mr. Davis was elected an assistant cashier in 1963. He was promoted to assistant vice president in 1965 and to vice president in 1969.

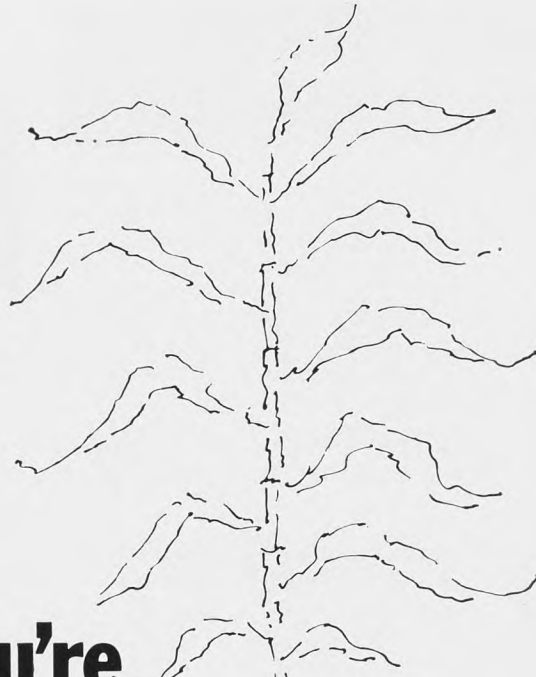
■ JOHN A. HILL, president of Hospital Corp. of America, has been named an advisory director of Third National, Nashville.

Holding Co. Plans Affiliation With White's Creek Bank

MEMPHIS—First National Holding Corp., registered bank holding company, has announced an affiliation agreement with White's Creek Bank.

The affiliation is subject to approval by White's Creek Bank shareholders and state and federal regulatory agencies. The bank will continue to operate with its present officers, board and employees.

First National Holding Corp. owns First National Bank of Memphis and has pending affiliations with Banking & Trust Co., Jonesboro, and Kingsport National.



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Hamilton Bancshares, Inc.



Alabama News

Union Bank, Montgomery, Receives Five Awards For Advertising Campaign

MONTGOMERY—The Advertising Club of Montgomery has presented Union Bank with five awards, including the "Best of Show" top honor. The bank was recognized for its coordinated advertising campaign that focused on the new 15-story downtown office building.



Accepting Advertising Club of Montgomery awards are Union Bank officers (from l.) John Neill, pres.; John Maples, exec. v.p.; and Gentry Martin, v.p. of marketing and public relations.

The opening newspaper ad in the campaign was entitled "Tops in Montgomery" and featured a full-length photograph of the building. The slogan has become a regular part of the bank's advertising.

The next five newspaper segments showed photographs of the city taken from the top of the building. They included a sunrise, the Alabama River, the state capitol complex, the central downtown area and a sunset scene.

Television spots, radio and billboard

coverage also carried out the theme of the building's height. In addition, the bank developed a brochure tracing its history from its start in 1901.

■ CITIZENS NATIONAL, Opp, has named Charles L. Nelson to its board. Mr. Nelson is owner of Charles L. Nelson Insurance & Realty Co.

■ PHENIX NATIONAL has applied for a second branch, to be located in Hurtsboro.

Marketing Division Established At First Nat'l, Birmingham

BIRMINGHAM—First National has announced formation of a marketing division, headed by Vice President Allen D. Collins.

The new division encompasses three major areas of bank operations: new business department, where Mr. Collins retains his post as head; advertising and media relations under Mrs. Diane Pearson, assistant cashier; and women's division under Mrs. Sarah Brengelman, assistant vice president.

Mr. Collins joined the bank in 1963 and was made head of new business in 1969 and vice president last year.

Birmingham Trust National Has New Message Center

BIRMINGHAM—Birmingham Trust National recently introduced its new message center to the city. The center towers 43 feet above the roof of the Bank for Savings Building and is said to be the world's largest and most versatile activated sign.

Messages appearing on the 24 by 176-foot message center include bank information, civic announcements and information of community concern.



The new Birmingham Trust National message center is said to be the largest and most versatile activated electric sign in the world. The Center, 24 feet high and 176 feet long, towers 43 feet above the Bank for Savings Building in downtown Birmingham.

Controlled by a computer, messages may be taped and programmed for appearance at a given time or may appear simultaneously via a special direct-entry system.

About 100 civic, business and political leaders attended lighting ceremonies where the first message to the new center was delivered by Miss Ceil Jenkins, Miss Alabama 1971.



Miss Ceil Jenkins, Miss Alabama 1971, makes phone call officially lighting the Birmingham Trust National message center. With her is W. T. Cothran, ch.

■ SILVER CLOVER awards have been presented to the officials of three Opelika banks by the 4-H Clubs. Accepting awards recently were Robert McCullough, president, Opelika National; J. Z. Fuller, president, Farmers National; and Forney Renfro, executive vice president, First National.

Alabama's First Multi-Bank HC Approved by Affiliated Banks' Stockholders

ALABAMA'S first multi-bank holding company—First Alabama Bancshares, Inc.—is now a reality. Last month more than 80% of the stockholders of each of the three affiliating banks exchanged their stock. The three banks are First National, Montgomery; First National, Huntsville, and Exchange Security, Birmingham. The holding company application was approved by the Federal Reserve Board, April 20.

The affiliating banks will continue to

operate as individual entities in their respective cities with local boards determining policies.

Frank A. Plummer is president and chief executive of First Alabama Bancshares. He is president and CEO of First of Montgomery. Robert Lowry, chairman, First of Huntsville, is chairman of the HC. Norman Pless, president, Exchange Security, is vice chairman of the HC, and Walter Kennedy is vice president, secretary and treasurer. Mr. Kennedy is former president of the Montgomery bank.

The HC formation comes during the centennial year of First of Montgomery. First of Huntsville dates back to 1866, and Exchange Security was founded in 1928.

According to Mr. Plummer, the holding company will provide a coordinated credit program that should enable the firm to provide new competition at all levels of banking and enable Alabama to regain and retain deposits that have been drained off to neighboring states and money market centers. • •

Behind every good man, there are other good men at First American.



DON PACE, Assistant Vice President

Our correspondent representatives can help you with everything. But if for some reason you can't reach your man when you need him, don't worry. There is a team behind the team.

INDUSTRIAL DEVELOPMENT

For your specific need, you can go directly to an expert. Our industrial development pro can help you plan industrial parks in your community, consult with industrial development groups and encourage such expansion in your trade area.

In Tennessee use WATS line 1-800-342-8392,
bordering states use WATS 1-800-251-8514.

FIRST AMERICAN NATIONAL BANK

Nashville, Tennessee / Member F.D.I.C.

MID-CONTINENT BANKER for August, 1971

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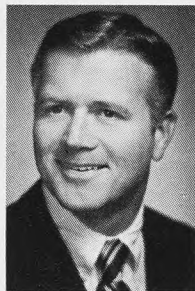
Federal Reserve Bank of St. Louis

Mississippi News

McMillan to Become Head Of Correspondent Dept. At Deposit Guaranty

JACKSON—Howard L. McMillan Jr., vice president of Deposit Guaranty National, will succeed Hamp Jones Sr., senior vice president, as head of the correspondent bank department when Mr. Jones retires next January 1. On September 1, Barney H. Jacks, vice president, will assume senior lending responsibilities within the loan division.

Mr. McMillan joined the bank in 1959 while attending the University of Mississippi, where he received a BBA degree in finance and bank man-



McMILLAN



JACKS

agement. He also attended the Jackson School of Law. He was assigned to the correspondent bank department in 1963.

Mr. Jacks went to the bank in 1965 as agricultural representative, coming from the Prudential Insurance Co. of America.

Mr. Jones had been in the municipal securities business more than 30 years under the name, Hamp Jones & Co., in Jackson, when he joined Deposit Guaranty in 1966 as a vice president in the investment department. He was made head of the correspondent bank division in 1967 and was promoted to senior vice president in 1968.

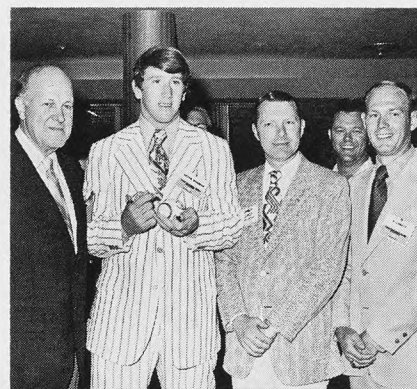
■ PEOPLES BANK, Starkville, has promoted Mrs. Elizabeth Williams to assistant cashier. She is loan officer and manager of the bank's new Highway 82 Branch. Mrs. Williams has been with the bank five years.

Deposit Guaranty Sells Property



Deposit Guaranty National, Jackson, has sold approximately 44,000 square feet of downtown property to United Inns, Inc., of Memphis. The property will be used for construction of a 22-story Downtown Holiday Inn Motor Hotel. Shown making the announcement are: (seated from l.) Dr. William B. Cockroft, pres., United Inns; Russ M. Johnson, ch. & CEO, Deposit Guaranty; and Russell C. Davis, Jackson mayor; (standing from l.) Bryant Meeks, v.p., United Inns; J. H. Hines, ch. of Deposit's executive committee; W. P. McMullan Jr., Deposit pres.; and Ed Cates and Tom Kelly, Jackson city commissioners.

First and 25 for MCB Staff!



Editors of MID-CONTINENT BANKER were penalized "15 yards" last month for an error that involved former Ole Miss quarterback Archie Manning and the First Nat'l Bank of Commerce of New Orleans. Archie Manning was the guest of honor of First NBC at a special party held at the Mississippi Bankers convention in Biloxi. MCB editors took the major penalty by erroneously stating that the party was hosted by Hibernia Nat'l of New Orleans. Here, the famed quarterback is pictured with First NBC officials at that Mississippi party: From the left: John A. Oulliber, ch.; Archie Manning; James H. Jones, pres.; and F. Alton Garrett, a.v.p. Our apologies to all concerned. Let's try again, team: first down, 25 to go!



In this photo, Archie Manning is pictured with his wife, Olivia, and H. A. Smith, cashier of the Bank of Commerce, Poplarville. In the background is a picture of Archie Manning "in action."

■ MONROE BANKING & Trust, Aberdeen, has elected Ullis Miller to its board.

■ DR. O. B. CROCKER has resigned as a director of Farmers & Merchants Bank, Bruce.

Mississippi Merger Requested

The Bank of Mississippi, Tupelo, has asked supervisory approval of a proposal to merge with the Bank of Houston. If approved, the merger would take place under the charter and name of the Bank of Mississippi. The Main Office of the Bank of Houston and its branches at Houlika and Vardaman would become branches of the consolidated bank. The resulting bank would have 17 offices, not including two approved but unopened branches.

MANAGEMENT BOOKS

For Your Bank

PRACTICAL OPERATIONS AND MANAGEMENT OF A BANK—By Marshall C. Corns, Management Consultant . . . \$28.75. This 976-page book contains indispensable facts covering every phase of modern bank operation, with operating procedures spelled out for every department. The book updates all previous books on this subject.

ORGANIZING JOBS IN BANKING—The Use of Job Descriptions and Operating Instructions, by Marshall C. Corns, Management Consultant . . . \$28.00. This is a practical manual containing job descriptions covering 117 positions in banking and 72 operating instructions. Many of these can be modified with only minor changes to fit positions in any bank and thus help standardize procedures.

CREDIT-CARDSMANSHIP—How to Survive the Credit Card Nightmare, by Martin J. Meyer . . . \$7.95. This 200-page book is written basically for the consumer, telling him how to avoid being trapped by over-use of credit cards. But it also contains a section that clearly spells out "con" games that can be played against banks, causing thousands of dollars of losses, with little recourse for recovery.

THE BOARD OF DIRECTORS AND EFFECTIVE MANAGEMENT—\$8.50. In this 256-page book Harold Koontz takes a critical look at the corporate board of directors—its functions and responsibilities, areas of decision and control, and the relationship of success to more productive management.

HOW YOU CAN BEAT INFLATION—\$7.95, by David L. Markstein. A top investment counselor gives a veritable arsenal of anti-inflationary weapons—specific steps out of the grip of inflation—into the arms of affluence. Tips you off on real estate opportunities, off-beat investments, legal tax evasions, and many more ingenious and profitable ideas.

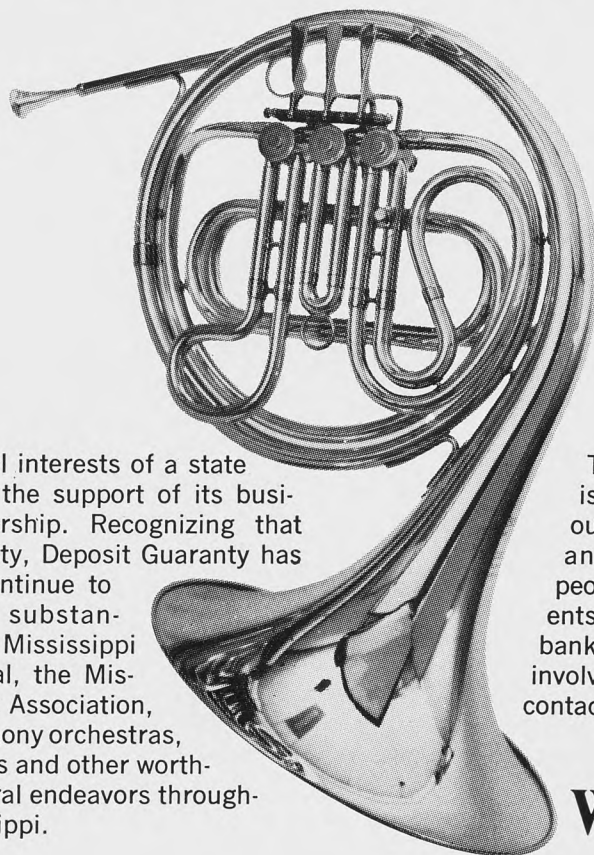
SEND CHECKS WITH ORDERS TO:

MID-CONTINENT BANKER

408 Olive St.
St. Louis, Mo. 63102

Presenting the best in cultural achievements.

That's involvement.



The cultural interests of a state must have the support of its business leadership. Recognizing that responsibility, Deposit Guaranty has and will continue to contribute substantially to the Mississippi Arts Festival, the Mississippi Art Association, local symphony orchestras, opera guilds and other worthwhile cultural endeavors throughout Mississippi.

This type of involvement is made possible through our resources—both material and human. Serving the people and our correspondents . . . That's what good banking's all about! To get involved in Mississippi's future contact us.

We're involved.



DEPOSIT GUARANTY NATIONAL BANK

JACKSON, MISSISSIPPI / MEMBER FDIC

Louisiana News

Guaranty Bank, Alexandria, Aids Drive to Free POWs

GUARANTY BANK, Alexandria, was one of the central Louisiana businesses to participate in "Cenla Cares," a drive for the care and release of U. S. prisoners of war. In one month, the group obtained 302,052 signatures on petitions to present to the North Vietnamese delegation to the Paris peace talks.

A steering committee of Alexandria and central Louisiana citizens was formed earlier this year to direct efforts toward obtaining freedom for all U. S. prisoners, but especially for the six from central Louisiana.

Jim Morris, Guaranty Bank assistant cashier, served as a member of the steering committee and helped direct the drive. Working with his bank's backing, Mr. Morris was instrumental in converting part of the bank's usual advertising for one month into Cenla Cares ads, both in the local newspaper and on radio and television.

Establishing petition and letter-signing booths in each branch bank, Guaranty Bank also provided office space and secretarial assistance for Cenla Cares.

With the success of the drive, a four-man delegation was chosen to make the presentation of the bags of letters and petitions. Chosen were: Mr. Morris, Dr. Rufus Craig, a local physician who served a year in South Vietnam; Bill Day, member of the Cenla Cares committee; and U. S. Congressman Speedy O. Long from the Eighth Congressional District.

A Visit to Paris

The delegation met in Paris with Thuen Lai, North Vietnamese No. 2 delegate to the peace talks. At the two-hour meeting held at the North Vietnamese compound, Thuen Lai refused the letters and petitions presented by Cenla Cares.



Members of Cenla Cares delegation shown at Paris peace talks are (from l.) Dr. Rufus Craig; James Morris, Guaranty Bank assistant cashier; and U. S. Congressman Speedy O. Long with Thuen Lai, North Vietnamese delegate, with his interpreter and aide.

When the delegation presented Bibles for each prisoner, Thuen Lai refused them but took one for himself, marking the first time the North Vietnamese had ever accepted anything from an American group. • •

A Monroe Appointment

MONROE—Kenneth R. Johnson has joined Central Bank as assistant auditor. He will have responsibility for data processing. Mr. Johnson comes to the bank with 10 years of experience in accounting and computer programming.

FIDELITY NATIONAL BANK OF BATON ROUGE CONSOLIDATED STATEMENT OF CONDITION

At the Close of Business, June 30, 1971

RESOURCES

Cash and Due from Banks	\$ 33,456,003.21
U. S. Government Securities (Less Reserve for Premium \$23,516.82)	17,713,570.05
State and Municipal Securities (Less Reserve for Premium \$97,175.96)	25,191,371.74
Federal Funds Sold	9,300,000.00
	\$ 85,660,945.00
Loans and Discounts	\$ 89,404,260.78
Federal Reserve Bank Stock	315,000.00
Bank Premises and Equipment	2,089,588.68
Parking Lot	1.00
Other Real Estate	136,849.56
Accrued Interest and Other Assets	1,430,838.72
TOTAL RESOURCES	\$179,037,483.74

LIABILITIES

Capital	\$ 3,412,500.00
Surplus	7,087,500.00
Undivided Profits	2,660,287.33
	\$ 13,160,287.33
Dividends Payable July 1, 1971	\$ 102,375.00
Reserve for Interest, Taxes, Etc.	639,747.95
Discount Collected, but Not Earned	908,033.84
Other Liabilities	2,705,868.30
Reserve for Possible Losses on Loans	1,573,715.03
TOTAL DEPOSITS	159,947,456.29
TOTAL LIABILITIES	\$179,037,483.74

NOTE: Includes accounts of the bank and its wholly-owned bank premises subsidiaries
Member Federal Deposit Insurance Corporation and Federal Reserve System
OPENED FOR BUSINESS JUNE 1, 1937



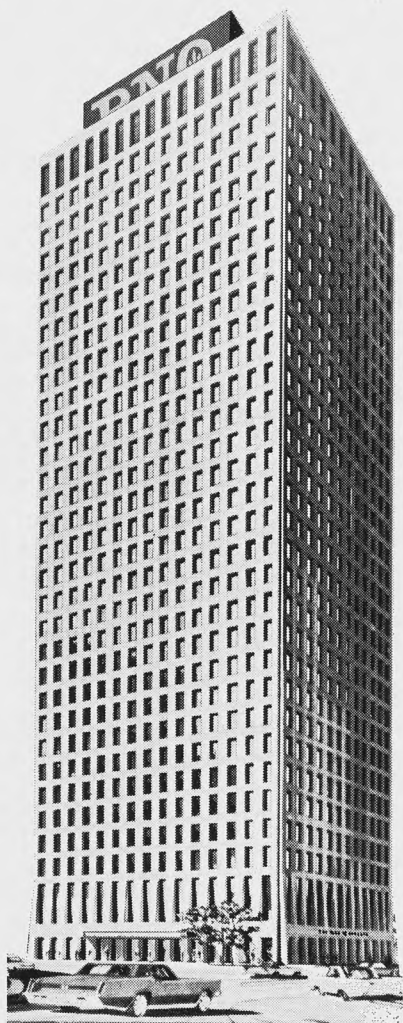
FIDELITY
NATIONAL BANK OF BATON ROUGE

BNO has another solid 6-month gain

TOTAL ASSETS
\$242 million

DEPOSITS
\$206 million

LOANS
\$110 million



New Bank of New Orleans Building, Common & O'Keefe

The Bank that Says "YES YOU CAN"

BNO *Greater*
THE BANK OF NEW ORLEANS
AND TRUST COMPANY

Where savings earn more and checking costs less

HEAD OFFICE: Common at University TELEPHONE 522-8585
BROADMOOR: 1231 S. Broad Ave. BROADMOOR DRIVE-IN: 4250 Washington Ave.
CARONDELET: 140 Carondelet St. GENTILLY: 5300 Gentilly Hwy. LAKEVIEW: 118 City Park Ave.
MEDICAL PLAZA: 3600 Prytanian St. WESTBANK: 1328 Odeon, Algiers. MEMBER FDIC

MID-CONTINENT BANKER for August, 1971

Statement of Condition June 30, 1971

ASSETS

Cash and Due from Banks	\$ 39,796,163
U. S. Treasury Securities	30,588,171
Securities of Other U. S. Government Agencies	15,186,834
State and Municipal Bonds	24,560,341
Stock in Federal Reserve Bank	270,000
Loans Outstanding	109,935,751
Federal Funds Sold and Securities Purchased	
Under Agreements to Resell	18,250,000
Furniture, Fixtures and Equipment	1,194,523
Interest Earned, but Not Collected	1,667,759
Customers' Liability on Acceptances	13,738
Other Assets	719,214

TOTAL ASSETS **\$242,182,494**

LIABILITIES

Demand Deposits	\$106,595,746
Savings Deposits	27,958,709
Time Deposits	71,435,075
TOTAL DEPOSITS	\$205,989,530
Federal Funds Purchased	\$ 15,625,000
Accrued Taxes and Interest	2,261,693
Unearned Interest and Income Collected	3,057,228
Quarterly Dividend Payable	93,042
Liability on Acceptances	13,738
Other Liabilities	205,374

TOTAL LIABILITIES **\$227,245,605**

RESERVES

Provision for Possible Loan Losses	\$ 2,075,505
------------------------------------	--------------

CAPITAL

Capital Stock	\$ 2,684,500
Surplus	6,340,500
Undivided Profits	2,236,384

TOTAL SHAREHOLDERS' EQUITY **\$ 11,261,384**

Capital Notes	\$ 1,600,000
---------------	--------------

TOTAL CAPITAL FUNDS **\$ 12,861,384**

TOTAL LIABILITIES, RESERVES AND CAPITAL

\$242,182,494

Contingent Liability on Letters of Credit Issued but not Drawn Against \$905,674

Arkansas News

Maloan Named to Post At Union of LR

LITTLE ROCK—W. Thomas Maloan has joined Union National as senior vice president and senior loan officer. He had been vice president of Hibernia National, New Orleans, the past four years.



MALOAN

Mr. Maloan also has been with the Bank of Commerce, Corpus Christi, Tex., and Republic National,

Dallas. He has gained a reputation as a convention speaker and workshop leader and is the author of numerous articles in various banking and accounting journals. He is on the faculty of the Stonier Graduate School of Banking at Rutgers University, the ABA's National Commercial Lending School at the University of Oklahoma and the New Orleans AIB Chapter.

Mr. Maloan holds a BBA in accounting and an MBA in finance and is a registered CPA in Texas and Louisiana.

■ ROBERT G. MOORE recently joined First Jacksonville as a loan officer. Formerly, Mr. Moore was loan officer and manager of the installment loan department at First National, Camden.

■ CLYDE H. SMITH was elected an assistant cashier in the consumer banking division, Worthen Bank, Little Rock. Before joining Worthen, he was assistant cashier at Capital Bank, Baton Rouge, La.

■ TOM BRIDGERS, vice president and head of the data processing department, Union National, Little Rock, has been elected a director of the Central Arkansas Chapter of the Data Processing Management Association. He will serve as a director for two years.

■ SIMMONS FIRST NATIONAL, Pine Bluff, has promoted John L. Rush to vice president and trust officer. He has been with the bank four years.

Arkansas Death

L. V. RITTER JR., chairman, Marked Tree Bank.

■ FIRST NATIONAL, Conway, has elected three new directors. They are Neil S. Floyd, Robert L. Ott and Alton McKinney.

■ MERCANTILE BANK, Jonesboro, has opened its new Bono Branch. Miss Anna Rae Cravens is manager.

Watson Named Vice President At First American National

NORTH LITTLE ROCK—James B. Watson has been elected vice president and trust officer of First American National. He previously had the same title at First State, Conway, which he joined in 1968. From 1966 to 1968, he was a trust department officer at Union National, Little Rock.



WATSON

Mr. Watson received a bachelor's degree in business administration from the University of Texas at Austin in 1957. He served as bank examiner with the Federal Reserve for two years in Dallas.

■ BEN J. DAVIS was named assistant vice president and manager of the installment loan department at First National, Osceola.

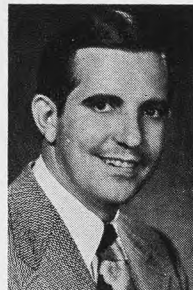
■ THOMAS J. KIRK recently was elected a director of Security Bank, Paragould.

■ BANK OF PEA RIDGE recently held an open house to mark its 60th anniversary.

■ GENE CARNATHAN was named assistant vice president and Miss Dorene Johnson assistant cashier at Merchants & Farmers Bank, West Helena.

Price Named VP of Marketing At Union of Little Rock

LITTLE ROCK—Ben Price has joined Union National as vice president of marketing.



PRICE

Mr. Price joined Louisiana National, Baton Rouge, as a member of the management training program in 1961. He was assigned to the marketing department in 1964 and elected advertising director in 1966. He

also was marketing director of Louisiana National's credit card division.

Mr. Price is a 1960 graduate with a major in marketing of the University of Missouri and attended graduate school and law school before entering banking. He is a 1967 graduate of the School of Bank Marketing at Northwestern University.

Worthen Bank, Little Rock, Promotes Sloan to AVP

LITTLE ROCK—Worthen Bank has elected Ralph M. Sloan Jr. an assistant vice president in charge of the international banking department.



SLOAN

Before joining Worthen Bank, Mr. Sloan was commissioner of the Arkansas Commerce Commission. He also served as vice president and director of Terminal Warehouse Co. and is a past director of the Little Rock Branch of the Federal Reserve Bank of St. Louis.

Metropolitan National Elects New Chairman, Vice Chairman

LITTLE ROCK—Metropolitan National has elected Jay Smith chairman and Fred D. Walker vice chairman.

Mr. Smith is a retired vice president and director of Dun & Bradstreet of New York. He joined the company in 1927, rose to vice president of international operations and headed 15 of the company's subsidiaries.

Mr. Walker is manager of the Arkansas operations of Teletype Corp. He joined Teletype in 1940 and came to Little Rock in 1957.

Metropolitan National is constructing a new half-million-dollar bank building, due for completion in November.

■ C. H. ROWTON has been elected chairman of Fidelity National, West Memphis. Named vice presidents were J. E. Lalman and Dan R. Springfield.



WOMELDORFF & LINDSEY

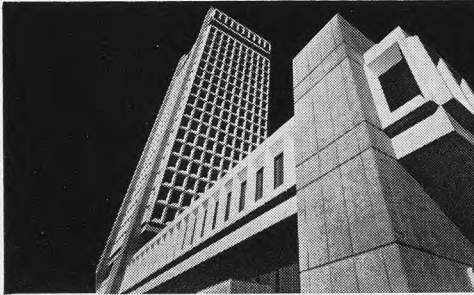
1030 TOWER BLDG.

LITTLE ROCK

PARTNERS:

J. E. WOMELDORFF

R. P. LINDSEY



WORTHEN Bank & Trust Company

Member FDIC and Federal Reserve System

LITTLE ROCK



STATEMENT OF CONDITION

Resources

	June 30, 1971	June 30, 1970
Cash and due from banks	\$ 50,723,957	\$ 45,483,550
United States Government obligations	17,861,113	16,126,864
State and municipal obligations	16,226,850	13,232,975
United States agency obligations	16,842,738	8,203,859
Stock of Federal Reserve Bank	270,000	270,000
Federal funds sold	700,000	5,200,000
Loans	142,261,944	118,501,557
Bank premises and equipment	7,674,283	7,110,592
Cash value life insurance	128,420	103,905
Letters of credit	2,771,158	29,026
Other resources	2,681,116	1,727,840
Total resources	\$258,141,577	\$215,990,168

Liabilities

Deposits:		
Commercial, individual and other	\$ 88,705,497	\$ 83,891,921
Correspondent banks	40,283,763	31,299,437
Savings and time	86,057,657	71,473,629
Total deposits	215,046,917	186,664,987
Federal funds purchased	3,800,000	3,250,000
Securities sold under agreement to repurchase	9,575,000	5,640,000
Reserve for taxes and other expenses	2,158,162	730,308
Letters of credit	2,771,158	29,026
Reserve for unearned interest	3,754,618	2,645,196
Total liabilities	237,105,884	198,959,517

Capital

Capital stock	4,000,000	4,000,000
Surplus	5,000,000	5,000,000
Undivided profits and reserves	5,735,692	4,730,651
Capital notes	6,300,000	3,300,000
Total capital	21,035,692	17,030,651
Total liabilities and capital	\$258,141,577	\$215,990,168

Executive Officers and Division Managers

JAMES H. PENICK,
Chairman of the Board
EDWARD M. PENICK,
President & Chief
Executive Officer
JAMES PENICK, JR.,
Exec. Vice President
JAMES S. HALL,
Exec. Vice President
**Automated Services
Division**
LOUIS E. ADAMS,
Vice President, Manager
**Banking and Business
Development Division**
ROBERT P. TAYLOR,
Vice President, Manager
**Commercial
Division**
R. J. WILLS,
Senior Vice President,
Manager
**Consumer
Division**
ALBERT F. OTTEN,
Vice President, Manager
**Controller-Operations
Division**
LOUIS J. SCHAUFELI,
Controller, Manager
**Investment
Division**
BEVERLY J. LAMBERT, III,
Vice President, Manager
Marketing Division
D. EUGENE FORTSON,
Vice President, Manager
**Money Management and
Credit Division**
BOOKER WORTHEN,
Senior Vice President
& Secretary, Manager
Personnel Division
KARL F. ZIMMERMANN,
Vice President, Manager
**Properties Management
Division**
CHARLES P. SULLIVAN,
Assistant Vice President,
Manager
Trust Division
LAWRENCE B. BURROW,
Vice President &
Trust Officer, Manager

Directors

*WILLIAM C. ALLSOPP
Investments
GUS BLASS, II
President, Capital
Savings & Loan
Association
W. N. BRANDON, JR.
President,
Brandon Company
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Texas News

Overton Sells Stock In Texas Bank, Dallas; Lindemann Is CEO

DALLAS—Texas Bank has announced the sale of a substantial interest in the bank and two top-management changes.

A group of Dallas business and professional men bought the stock from W. W. Overton Jr., chairman and chief executive officer, who had been instrumental in guiding the bank's growth for more than 30 years. Mr. Overton then assumed the title of chairman of the executive committee, and Oscar Lindemann, president since 1965, also became chairman of the board and CEO. Mr. Lindemann is president of the Texas Bankers Association.



OVERTON



LINDEMANN

In addition to Mr. Lindemann, the stock-purchasing group includes Claude R. McClennahan Jr., chairman, Claude R. McClennahan, Inc.; James E. Redman, chairman, Redman Industries, Inc.; H. Glenn Butler, investor; Carl P. Wallace, chairman, Sam P. Wallace Co., Inc.; and Dr. Mark Lemmon, surgeon.

The following members of the purchasing group already are on the bank's board: Sanders H. Campbell, chairman, Sanders Campbell & Co.; C. W. Cassidy Jr., chairman, Richardson S&L Association; J. M. Haggard Jr., president, Haggard Co.; R. Vincent Lynch, chairman, Lane Wood, Inc.; William F. Neale Jr., president, Southwestern Contracting Co.; Thomas N. Overton, senior vice president, Texas Bank; Roland L. Pelt, chairman, Crown Construction Co.; Clyde Skeen, chairman of the executive committee, Omega-Alpha, Inc.; Peter P. Stewart, president, Stewart Co.; Jere W. Thompson, vice president, Southland Corp.; William E. Weatherford, president, Weather-

ford Smith Thomas Insurance, Inc.; and John D. Williamson Sr., investments.

Messrs. McClennahan and Butler have been elected to the Texas Bank board, replacing outgoing directors John D. Rutherford, vice president of the bank, and Max Clampitt, president, Clampitt Paper Co. P. B. (Jack) Garrett has retired as vice chairman, but remains on the board.

Mr. Wallace and Dr. Lemmon were named advisory directors.

■ WILLIAM Q. WELLS has joined American National, Beaumont, as auditor. He had been senior internal auditor with an oil company in Oklahoma City.

Murchison Joins Dallas Office Of Bank Building Corp.

DALLAS—Cameron Murchison has joined Bank Building Corp. as a consultant services manager with the central division's Dallas Office. He will have sales responsibility for central and west Texas.



MURCHISON

Before joining Bank Building, Mr. Murchison was with Fiberite Corp., where he was in charge of regional sales and service for a nine-state area.

Charles Hamilton Dies; Houston Nat'l Chairman

HOUSTON—Charles W. Hamilton, chairman of Houston National, died July 5 after a brief illness. He was 64.

Mr. Hamilton joined Houston National in 1966 as senior vice president and senior trust officer. He was named president later that year and in 1969 became chairman.

In 1921 Mr. Hamilton began his banking career as a messenger with Texas National Bank of Commerce. He was elected assistant trust officer in 1934, vice president and trust officer in 1947 and senior vice president and senior trust officer in 1960.

D. E. Blackburn Dies at 81

VICTORIA—D. E. Blackburn, 81, consultant chairman of Victoria Bank, died June 24.

Mr. Blackburn joined the bank in 1929 as vice president. He became president in 1940 and chairman in 1957.

Jerry Voyles Promoted to AVP At Texas Commerce Bank

HOUSTON—Texas Commerce Bank has elected Jerry D. Voyles an assistant vice president in the correspondent banking division. He has been with the bank since 1967.



VOYLES

Others promoted were William G. Sellers, loan officer; Thomas K. Ward Jr., administrative officer; and Richard L. Melton, trust and operations officer.

First City Bancorp. to Acquire Midland National Corp.

HOUSTON—First City Bancorp. of Texas, Inc., registered bank holding company that controls First City National, has announced plans to acquire Midland National Corp. Midland Corp. owns Midland National Bank and also owns stock in Southwest National Bank of El Paso.

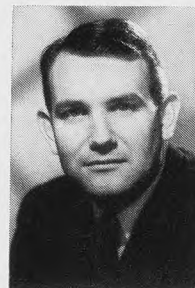
First City Bancorp. also has negotiated an agreement to purchase 52% of the outstanding stock of Humble State. Both proposals are subject to approval of regulatory authorities.

Fort Worth National Promotes Farmer and Sandelin to VPs

FORT WORTH—David W. Farmer and Jay E. Sandelin have been promoted from assistant vice presidents to vice presidents at Fort Worth National. Mr. Farmer is manager of the personnel department and has been with the bank since 1962. Mr. Sandelin, with the bank since 1963, is assistant manager of the marketing department.

Promoted to assistant vice presidents were: Jack E. Barrow, Gene Gray, Freddy L. Jones and Lee Joyner. Albert V. O'Neal was elected assistant vice president and trust officer.

New officers at the bank are: Lawrence E. Head and N. David Moore, credit officers; A. E. Kile, loan officer; Gary Springfield, operations officer; and Richard D. Sorrelle, manager, Carswell Air Force Base Facility.



FARMER



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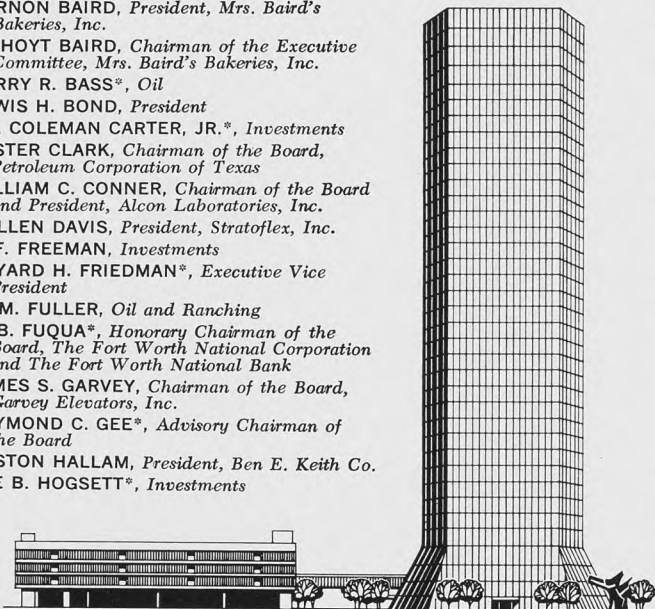
BALANCE SHEET

ASSETS	June 30	
	1971	1970
Cash and due from banks - - - - -	\$100,517,854	\$ 86,407,055
Securities:		
United States Government - - - - -	53,214,366	55,578,416
State, county, and municipal - - - - -	108,007,791	67,709,218
Other investment securities - - - - -	1,812,211	937,200
Trading account securities - - - - -	2,650,120	1,798,791
	<u>165,684,488</u>	<u>126,023,625</u>
Federal funds sold - - - - -	6,350,000	6,700,000
Loans and discounts - - - - -	286,507,095	249,250,155
Land, buildings, and equipment—undepreciated balance - -	8,854,917	7,730,055
Customers' liability under acceptances and letters of credit - - - - -	7,115,371	11,096,967
Income receivable and other assets - - - - -	4,624,448	5,155,397
	<u>\$579,654,173</u>	<u>\$492,363,254</u>
LIABILITIES AND CAPITAL FUNDS		
Demand deposits - - - - -	\$256,750,895	\$232,294,669
Time deposits - - - - -	200,306,511	151,530,590
TOTAL DEPOSITS - - - - -	<u>457,057,406</u>	<u>383,825,259</u>
Federal funds purchased and securities sold under repurchase agreement - - - - -	52,505,000	37,040,000
Acceptances and letters of credit - - - - -	7,115,371	11,096,967
Unearned income and other liabilities - - - - -	7,941,227	7,254,363
TOTAL LIABILITIES - - - - -	<u>524,619,004</u>	<u>439,216,589</u>
Reserve for loan losses - - - - -	5,666,282	6,611,444
Capital funds:		
5 $\frac{5}{8}$ % Capital Notes due 1992 - - - - -	10,000,000	10,000,000
Stockholders' equity:		
Common Stock, par value \$10 a share - - - - -	12,671,120	12,671,120
Capital surplus - - - - -	17,568,880	17,568,880
Retained earnings - - - - -	9,128,887	6,295,221
TOTAL STOCKHOLDERS' EQUITY - - - - -	<u>39,368,887</u>	<u>36,535,221</u>
TOTAL CAPITAL FUNDS - - - - -	<u>49,368,887</u>	<u>46,535,221</u>
	<u>\$579,654,173</u>	<u>\$492,363,254</u>

DIRECTORS and Advisory Directors*

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 CULLEN DAVIS, *President, Stratoflex, Inc.*
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New Mexico News

First of Albuquerque Announces Promotions

ALBUQUERQUE—C. E. Sullivan Jr. has joined First National as a vice president in the real estate department and will be responsible for the mortgage loan marketing and service section. Previously, he was vice president in charge of correspondent banking, Iowa Des Moines National.

Carl D. Weiner, who heads First National's industrial development department, was promoted from assistant vice president to vice president. Christopher C. Inman, who joined the bank a year ago as a vice president, was named comptroller.

Albert Barbieri, vice president, was appointed branch officer operations supervisor and will be responsible for all 12 of the bank's offices. He has been with the bank since 1953.

Promotions in the bank's newly formed personal banking division included: Thomas D. Carney, assistant vice president and manager of the East Central Office; Walter Marrs, assistant vice president and manager of the North Fourth Office; Malcom Cannon, assistant vice president and assistant manager of the Main Office; and James L. Wind, assistant cashier.

■ LOS ALAMOS NATIONAL is constructing an office in White Rock. The 2,000-square-foot building will have a night depository and drive-up window and is scheduled for completion in September.

■ FIRST NATIONAL, Santa Fe, has promoted Marc Barreras to vice president and manager of data processing. He joined the bank last year as an assistant vice president.

■ RAYMOND D. McCREIGHT has joined Merchants Bank, Gallup, as assistant vice president. He previously was assistant installment loan officer at First National, Pueblo, Colo.

■ BOB DEAN has joined First National, Hobbs, as a vice president and loan officer. Mr. Dean, who has been in banking 10 years, was cashier at Lovington National.

■ CITIZENS BANK, Albuquerque, has made the following promotions: Larry Burrows, assistant vice president in charge of installment loans; Ben L.

Wyne, assistant vice president and commercial loan officer; Joe Mitchell, assistant cashier, loan review officer and credit department manager; and Ben Naranjo, assistant cashier.

■ BANK OF SANTA FE has opened its new State Capitol Branch and appointed Edward H. Pond manager. Mr. Pond, a vice president, has been with the bank since 1968.

■ ROSWELL STATE recently held an open house to celebrate its 25th anniversary.

■ MISS GLADYS SAPP has retired as vice president of First National, Lordsburg, after 35 years of service. She was honored at an open house and was presented with a diamond pendant from the bank.

■ DANNY HERRERA and Mrs. Alexandria Mutter, loan officers, have been elected assistant cashiers of Albuquerque National.

■ FIRST NATIONAL, Clayton, has announced plans to construct a new 7,000-square-foot building costing about \$100,000. Completion is expected by October 1.

■ BANK OF NEW MEXICO, Albuquerque, has promoted David R. Meyers and Edward H. Brantley to assistant vice presidents and Dale M. Greengrass to assistant cashier. Mrs. Anne Szepanski, assistant cashier, has retired from the bank after 20 years of service.

■ GARY L. THOMPSON has been appointed assistant cashier and manager of the Bosque Farms Branch of First National, Belen. He succeeds Eddie L. DeAnda. Mr. Thompson joined the bank in January, 1970. J. T. Turner, owner of a curio shop, was elected a director of the bank.

■ SECURITY NATIONAL, Roswell, elected John Burson vice president in the commercial loan department. He has been with the bank since 1969. The bank also has opened new offices in three of Roswell's major shopping centers.

■ FLOYD CLIFTON has been named executive vice president and chief executive officer, First National, Roswell, succeeding J. C. Powell Jr., who has resigned. Mr. Powell, who will remain a director, had been president since 1961. Mr. Clifton joined the bank last year.

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The "Bank Shareholders' Meeting Model" is also helpful in updating annual shareholders' meetings at a time when stockholders are becoming more insistent on receiving meaningful information at annual meetings and in annual reports.

In addition, this book provides a means for state bank directors to modify procedures to bring their banks into compliance with current state banking

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Federal National of Shawnee Gives Professorship In Business to Okla. Baptist University

A PROFESSORSHIP in business is being established at Oklahoma Baptist University in Shawnee as a result of a gift from Federal National, Shawnee. This is the first named academic post since the adoption last February by the OBU board of trustees of policies creating two types of teaching posts: the chair, providing full support of a faculty member, and the professorship, providing partial support.

The Federal National gift will provide a professorship in business beginning in the fall of 1972.

"Federal National Bank is deeply appreciative of the contribution OBU makes to the Shawnee area," said H. E. (Gene) Rainbolt, president and chairman of the bank and immediate past president of the Oklahoma Bankers Association. "It is our hope that this professorship will be evidence to this student generation and those of the future of the commitment of the business community to higher education and to solution of the many social, economic and environmental problems which confront us. We are delighted to render this assistance for faculty development to the university



H. E. (Gene) Rainbolt (r.), pres. & ch., Federal National, Shawnee, is thanked by Robert L. Lynn (l.), interim pres., Oklahoma Baptist University, Shawnee, for his efforts in establishing professorship in business at university. In center is Dr. William E. Neptune, dean, College of Liberal Arts.

at a time of renewed emphasis in business, a revised business curriculum and expanded facilities for this department."

Robert L. Lynn, OBU interim president, said, "This gift by a distinguished Oklahoma business institution is significant not only for what it will accomplish in the strengthening of the department of business, but also in

the encouragement it will give to friends of the university to endow other departments of the academic program."

"The establishment of the professorship in business by Federal National Bank is deeply gratifying because of its significance for the academic program of the university," said William E. Neptune, dean, College of Liberal Arts. "It is not only an expression of confidence in the vitality and promise of the institution, but also a praiseworthy demonstration of assistance to the academic community in its pursuit of excellence.

"The professorship symbolizes the very warm and important relationship which exists between the university and the Shawnee business community."

Four Advance; Two Made Officers At National Bank of Tulsa

TULSA—National Bank of Tulsa has promoted three assistant vice presidents to vice presidents—Dean R. DeMerritt, Jace C. Hoffman and Michael S. Reeves. Rex E. Edgar was advanced from trust officer to assistant vice president and trust officer. New officers are Walter B. Vreeland and Jay H. Hoberecht, both assistant cashiers.

Mr. DeMerritt joined NBT in 1965, became an assistant vice president in 1966 and a commercial loan officer in 1968. Mr. Hoffman, with the bank since 1964, also is a commercial loan officer. Mr. Reeves went to NBT in 1969 as manager of the Master Charge division. Mr. Edgar has been with the bank since 1969, Mr. Vreeland since 1967 and Mr. Hoberecht since 1968.

■ FIRST NATIONAL, Claremore, recently held an open house to celebrate the opening of its new building.

■ EARL A. MARLER JR., vice president, and C. Dan Henderson, assistant vice president, Hamilton National, Chattanooga, recently were graduated from the Stonier Graduate School of Banking at Rutgers University. Mr. Marler is a past president of the local American Institute of Banking chapter and now is serving as associate councilman for East Tennessee.

■ CITY NATIONAL, Lawton, has promoted James W. Odom from cashier to vice president and cashier.

■ FIRST NATIONAL, Tulsa, has elected Robert J. Roesler trust officer, Victor M. Holmes industrial officer and Joseph Y. Smreker investment officer. Mr. Roesler and Mr. Holmes have been with the bank since 1967 and Mr. Smreker since 1970.

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WARD

WATERS

With the increasing use of the new Tulsa Port of Catoosa—head of navigation for the 450-mile McClellan-Kerr Arkansas River Navigation System—this area is rapidly taking its place among the major riverports of the nation. By the end of this year, it is estimated that Tulsa's port will be handling up to 30,000 tons of shipping every day.

If you're looking for a knowledgeable contact in this fast-growing port city of the plains, get in touch with Glenn (Red) Ward or Wilbur Waters of Fourth National Bank's Correspondent Banking Department. Fourth is proud of the part we've played in the realization of this great dream, and we're eager to share our town's advantages with everyone.

The wide-awake bank makes it all so easy.



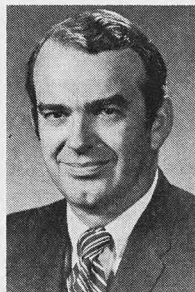
Kansas News

C. Q. Chandler Succeeds Woods As 1st of Wichita President

WICHITA—Charles Q. Chandler became president of First National August 1, succeeding Paul H. Woods. Mr. Woods resigned the post. However, he indicated that he would take an office on the seventh floor of the First National Bank Building and will remain on the trust committee and board of First National. He also plans to do some country bank consulting.



WOODS



CHANDLER

Mr. Chandler is the third member of his family to become president in the 70 years that the Chandler family has been associated with First National. He joined the bank in 1950 and was executive vice president when he was named president. Mr. Chandler also is a director of several other Kansas banks—First National, Pratt; Fidelity State, Topeka; Chandler National, Lyons; Farmers State, Sterling, and First National, Newton, as well as First National, Clinton, Okla.

Mr. Woods joined First National in 1928 following graduation from the University of Kansas. After serving as a teller, 1928-29, he was a clerk at Perryton (Tex.) National for a short time, returned to his home town of Kingman, 1929-34, and was secretary, Federal Intermediate Credit Bank, Wichita, 1934-38. In 1939, he returned

to First of Wichita as assistant vice president. He became president in 1958.

■ FARMERS STATE, Protection, has announced two new officers. Milton Gall was appointed cashier and Mrs. Cynthia Dellinger assistant cashier.

■ FIRST STATE, Mullinville, recently celebrated its 65th anniversary.

■ PAUL ENGBORG has joined Plainville State as an assistant cashier and agricultural representative. Formerly, he was a schoolteacher.

Hutchinson National to Form One-Bank Holding Company

HUTCHINSON—Hutchinson National has announced plans to form a one-bank holding company to be known as United Financial Corp. The bank will become a wholly owned subsidiary of the holding company upon approval from regulatory authorities and stockholders. Officials said there will be no changes in the bank's present management and staff.

Wayne Starr Named Chairman Of Farmers Bank, Leona

LEONA—Wayne R. Starr has acquired controlling interest in Farmers Bank and was elected chairman. He is president of Citizens State, Hiawatha.

Dick Delaney, president of Farmers Bank, has retired after 48 years in banking. Officers of the bank now are: Dick M. Delaney, president; William Green and James W. Patton, vice presidents; George D. Clark, cashier; and Miss Mary Lou Gormley, assistant cashier.

■ HOME STATE, Lewis, recently increased capital from \$100,000 to \$200,000 through a two-for-one stock dividend.

Gerdes Joins Topeka State As Assistant Cashier

TOPEKA—Carl S. Gerdes has joined Topeka State as an assistant cashier. He will work as a loan officer in the installment credit department. Before joining the bank, Mr. Gerdes was Topeka branch manager, Aetna Finance.



GERDES

Joe Newsom Elected Vice Pres. At Hutchinson National Bank

HUTCHINSON—Joe Newsom has been elected vice president in charge of agriculture loans and correspondent banking at Hutchinson National. Formerly, he was agriculture loan and correspondent bank officer.

Mr. Newsom holds a degree from Washburn University in Topeka. He completed a course in the Basic School of Banking in Lincoln, Neb., in 1968 and is in his second year of the Graduate School of Banking at the University of Wisconsin.

John W. Breidenthal Awarded Legion of Merit Decoration

KANSAS CITY—Brigadier General John W. Breidenthal, chairman, president and chief executive officer, Security National, and former commanding general of the 69th Infantry Brigade, has been awarded the Legion of Merit by the Secretary of the Army. The honor recognizes General Breidenthal for exceptionally meritorious conduct in the performance of outstanding service from 1941 to 1970.

The citation said General Breidenthal distinguished himself by exceptional service both on active duty with the United States Army and with the United States Army National Guard.

■ DALE W. ESMOND has joined Farmers & Merchants State, Derby, as executive vice president. He had been vice president at First National, Chanute.

■ VALLEY VIEW STATE, Overland Park, has elected Larry G. McLenon an assistant vice president. Previously, he was with an investment company.



JIM BIRKBECK
Vice President

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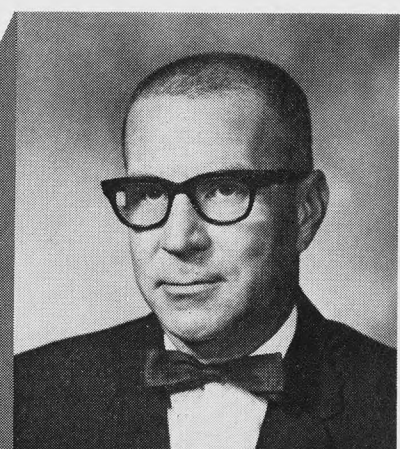
Having completed his assignment as Kansas State Bank Commissioner, Bill Webber returns to THE BANK doing "that which just comes naturally"... head of Security National's Correspondent Department and handling agribusiness loans. He'll be a full time correspondent banker...he'll be at your service personally and... as a Bank Director and member of Executive and Discount Committees.

Exec. V.P. F. Dwight Coburn

For years Dwight has been "wearing many hats" while delivering personal service at Security National Bank, most recently specializing in commercial loans. Now he is going to concentrate on THE BANK'S Investment Portfolio. He'll be at your service as an investment consultant; as a member of our Discount and Executive Committees; and as a Bank Director.

Senior V.P. R. R. Domer

Promoted to Senior Vice-President and elected a member of the Board of Directors. Bob, in 6 years with the Correspondent Department, the past 2½ years as head of that Department, has traveled a lot of miles. Moving now to head of the Commercial Loan Department with general supervision of all Loan Departments. Other executive duties will include the Executive and Discount Committees.



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SHAIN

Three Missouri Groups Announce Programs For Annual Meetings

THE FEATURED speaker for this year's series of Missouri Bankers Association group meetings is Ray Monsalvatge, who gives between 250 and 300 speeches a year. However, none of his talks is "canned." He tailors each one to a specific audience.

Mr. Monsalvatge, a native of Savannah, Ga., began speaking at meetings and conventions when he was 15 and has been doing it since except for the time he spent with the Navy during World War II. He was graduated with highest honors in psychology from Birmingham-Southern College, where he was president of three educational fraternities. His graduate work in psychology at Emory University, Atlanta, and the University of Georgia included personal counseling with emotionally disturbed persons. He has taught at Armstrong and Birmingham-Southern colleges and the University of Puerto Rico and has been a guest lecturer at more than 50 universities.

His speech making has taken him across this country and Canada, to Honolulu, through the Berlin Wall into East Berlin, to the Caribbean islands and Central and South America. By the way, he is as fluent in Spanish as he is in English. His talks also are heard on radio and educational TV and are available on records and tapes.

Mr. Monsalvatge's talks have seven

basic titles: "Uncork Your Hidden Talents," "The Only Real Security" (emotional well-being), "A Memory System That Works," "How to Size Up People Correctly," "Lifeguards for Safety" (what to do before an accident happens), "Who Cares?" (the fall of the U. S. and a few ideas on how to prevent it) and "How to Win an Argument."

Mr. Monsalvatge possesses an extraordinary memory, which he demonstrates with the help of *Newsweek* magazine. He hands out 50 copies of the latest issue of this publication to various members of his audience and invites them to ask him what's on any page. He then tells what the page looks like, what the pictures show and supplies a short report on each article on the page.

Group Meetings. The 1971 group-meeting series will begin September 7, when Group Seven convenes at the Holiday Inn in Springfield. Except for Mr. Monsalvatge's appearance, no definite plans have been announced for this meeting.

A. C. Kolb is Group Seven's chairman. He is executive vice president, Security Bank, Mountain Grove. He entered banking in 1938, when he joined First State, Blanchard, Okla. After a three-year stint with the Navy Seabees during World War II, he joined his present bank as assistant cashier. For the last four years, he has been the bank's managing officer.

Group Six will meet September 8 in Poplar Bluff. Plans call for a social hour at 6 p.m. at Holiday Inn and dinner at 7 in the senior high school gym.



MONSALVATGE

Sept. 7	Group 7	Springfield
Sept. 8	Group 6	Poplar Bluff
Sept. 9	Group 5	St. Louis

Sept. 20	Group 1	Kirksville
Sept. 21	Group 2	Chillicothe
Sept. 22	Group 3	St. Joseph
Sept. 23	Group 4	Kansas City

M. Gene Shain is Group Six's chairman. He is a native of Fisk, where he is executive vice president of the State Bank. He joined the bank in 1951 as a teller. He has served twice as president of the Butler-Carter-Ripley-Reynolds-Wayne Inter-County Bankers Association. He is a graduate of the School of Banking at the University of Wisconsin and also took a postgraduate course there.

Group Five will meet September 9 at Norwood Hills Country Club in Normandy, a St. Louis suburb. The tentative program is: registration, 3:30 p.m.; business meeting, 4 o'clock; social hour, 6; and dinner, 7 p.m.

Richard J. Pflieger is Group Five's chairman. He is president, Bank of St. Ann, which he joined in 1964 as first vice president. He became president and chief executive officer in 1965. Mr. Pflieger began his banking career with Orange County Trust, Middletown, N. Y., in 1948. From 1949-55, he was with the credit department of the old Hanover Bank, New York City. He spent 1955-61 with the Federal Reserve Bank, New York, in the bank examination and bank relations departments as a bank examiner and technical representative. He joined the Brentwood (Mo.) Bank as vice president in 1961 and remained there until going to the Bank of St. Ann.

Mr. Pflieger is a former president (1969-70), Associate Bankers of St. Louis and St. Louis County, and was state vice president for the ABA in 1970.

Information on programs and chairmen of Groups One, Two, Three and Four will be published in the September issue of MID-CONTINENT BANKER.

New Appointments Made At Tower Grove Bank

ST. LOUIS—William L. Patton Jr. has joined Tower Grove Bank as assistant comptroller. He also will serve as vice president and comptroller of T G Bancshares Co., the bank's holding company.

New officers at the bank include: Thomas H. Brouster Sr., assistant secretary-treasurer; Mrs. Dodie Smoot, personnel manager; and Mrs. Shirley Neun, assistant manager of customer service.



NEUN PATTON BROUSTER SMOOT

MID-CONTINENT BANKER for August, 1971

Bankers Will Be Gathering . . .

All across the state of Missouri bankers will be gathering for their annual Group Meetings next month. The officers of North Side Bank will be at their Group Meeting, and we hope you will be at yours.

Your support of MBA activities will lead to a strengthened association.

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Vice President and Auditor

DONALD M. COLLIER
Vice President

J. WM. MUELLER
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Assistant Cashier

RAY L. RUBY
Executive Vice President and
Trust Officer

HARRY WM. ADAMS, JR.
Vice President and Cashier

CHARLES G. BUELTMANN
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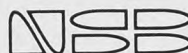
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CHARLES S. KINAMORE, JR.
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Executive Vice President and
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Missouri News

Brennan, O'Neil Made Sr. VPs At Boatmen's, St. Louis

ST. LOUIS—John M. Brennan and John W. O'Neil last month were promoted from vice presidents to senior vice presidents of Boatmen's National. James F. Ittner advanced from assistant trust officer to trust officer in the personal trust investment division.

Mr. Brennan now is the senior lending officer in charge of credit administration. Mr. O'Neil has charge of four departments: the new leasing and equipment financing department, time plan and Master Charge departments and Fort Leonard Wood Facility.



BRENNAN



O'NEIL

In other action, Reis V. Beckemeier and Russell W. Murphy were elected assistant trust officers, institutional trust investment division, and Leo C. Saenger Jr. was named an assistant trust officer, personal trust investment division.

Mr. Brennan joined Boatmen's in August, 1970, as a vice president in the banking division. He came from First National, Chicago, where he was vice president in charge of the mergers and acquisitions division.

Mr. O'Neil has been with the bank since 1958 and had been a vice president since 1967.

First Stock Yards Promotion

ST. JOSEPH—Philip R. Miller has been appointed assistant vice president-agriculture at First Stock Yards Bank. Previously, he was agricultural representative. Mr. Miller has been with the bank since October of 1970.

■ **COMMERCE BANK OF KIRKWOOD** has announced James H. Pearce as executive vice president. He formerly was vice president and per-

sonnel director at Commerce Bank of Kansas City. In other action, John W. Stevenson, Edward C. Ellet Jr. and Jerald B. Hinton were promoted to assistant cashiers.

■ **FIRST NATIONAL**, Mount Vernon, has elected W. C. Putnam president and chairman. Mr. Putnam succeeds W. K. Williams, who died in April. In other action, J. B. Burson was named executive vice president and Carl Spencer vice president and cashier.

St. Louis HC Receives Approval To Acquire House Springs Bank

T G Bancshares, a St. Louis bank holding company, has received approval from the Board of Governors of the Federal Reserve System to acquire the Bank of House Springs. The holding company owns Tower Grove Bank, St. Louis.

Approval is still pending on T G Bancshares' proposal to acquire Continental Bank, Richmond Heights. The firm announced last January 28 an agreement in principle to buy the bank, which is owned by Continental Bancshares Corp.

Empire Bank Control Sold

SPRINGFIELD—W. E. Parker, Gerald W. Lowther and founders of the American Investment Corp. have purchased controlling interest in Empire Bank from the Green family. No personnel changes at the bank were made.

Cowperthwaite Is Exec. VP At Commerce Bank, Moberly

MOBERLY—Norman R. Cowperthwaite has joined Commerce Bank as executive vice president and director. Luther Hudson, who previously was executive vice president, was elected vice chairman.

Mr. Cowperthwaite comes from Commerce Bank of Kansas City. He joined that bank in 1949, was elected assistant vice president in 1956 and vice president in 1963. He long has been active in both correspondent banking and in business development.



COWPERTHWAIT

Bank Celebrates 80 Years

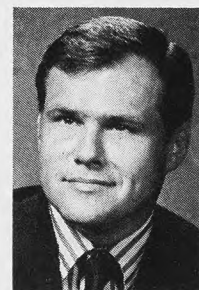


Southern Commercial & Savings, St. Louis, recently celebrated its 80th anniversary by holding a drawing for an \$80 "money cake." Examining the cake are: (from l.) A. C. Waldemer, sr. v.p.; Miss Hildegard Dierker, mgr., safe deposit department; R. W. Hawkins, pres.; Miss Virginia A. Rehme, v.p.; and Robert Trautman, exec. v.p.

■ **JAMES G. HOOVER**, chairman, Concordia Bank, has sold controlling interest in the bank to Robert J. Plisky, president, John N. Perdew, assistant vice president, and Van W. Cooper, president, Southeast State, Kansas City.

H. Duane Pemberton Appointed Mo. Commissioner of Finance

H. Duane Pemberton has been elected Missouri Commissioner of Finance. He succeeds C. W. Cullley, who has joined Bank of St. Louis as a senior vice president.



PEMBERTON

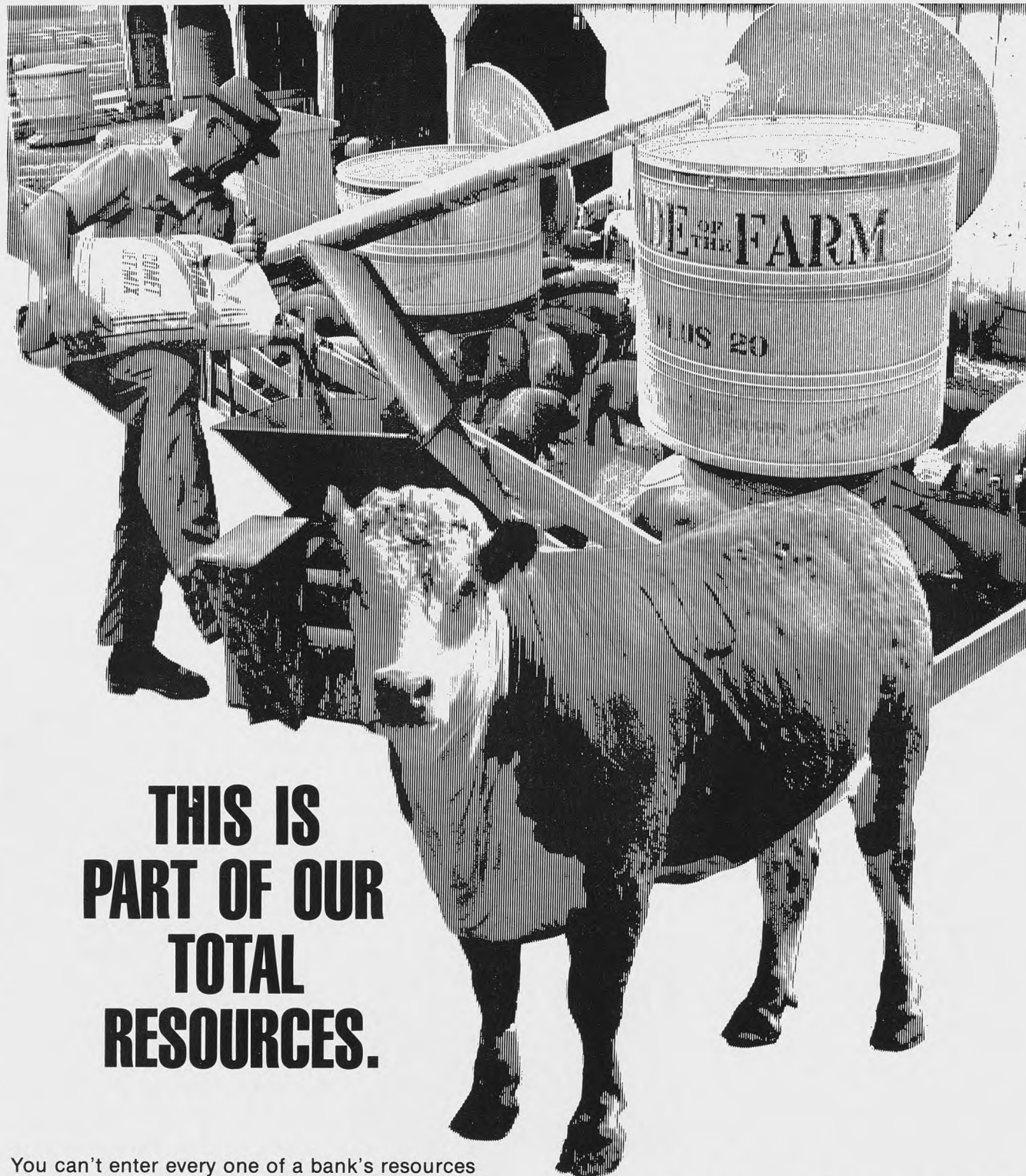
Mr. Pemberton, who has been in banking 20 years, has served as president of both Jackson County State, Kansas City, and of First City Bank, Springfield. From 1962 to 1970 he was senior vice president and a director of Columbia National.

At Jackson County State, Roy A. Glish, former executive vice president, has been elected president to succeed Mr. Pemberton. Arnold R. Rasmussen, who has been vice president in charge of real estate, was promoted to executive vice president.

HC to Acquire Big Bend Bank

The boards of County National Bancorp., Clayton, and Big Bend Bank, Webster Groves, have signed an affiliation agreement, which is subject to approval of regulatory authorities and stockholders of the two organizations.

County National Bancorp. is a registered bank holding company that owns St. Louis County National, Clayton.



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You can't enter every one of a bank's resources in a neat column of figures. Not ours, anyway.

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business. As the agribusiness has changed and grown more complex, our agricultural experts have grown to meet new challenges.

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MID-CONTINENT BANKER for August, 1971

B. H. Dixon Resigns From MBA To Rejoin Illinois Bell

COLUMBIA—B. H. "Bob" Dixon left the Missouri Bankers Association July 16 to return to the Illinois Bell Telephone System. He has been assigned to the public relations department in Springfield and is responsible for public relations activities in the firm's Springfield and Alton districts. His area encompasses the southern half of Illinois.



DIXSON

Mr. Dixon joined the MBA as PR director early in 1970. He had been PR supervisor with Illinois Bell in Chicago since 1966. He also had been with the General Electric Co. in Schenectady, N. Y., and at one time was a public information specialist with the U. S. Army.

Baltimore Bank, Kansas City, Promotes Lee Buck to AVP

KANSAS CITY—Lee Buck has been promoted to assistant vice president, operations, at Baltimore Bank. He has been with the bank eight years and has served as chief clerk and assistant cashier.



BUCK

Before joining the bank, Mr. Buck was purchasing agent for United Manufacturing & Engineering Corp., Independence.

Photography Exhibit Presented By First National, St. Louis

ST. LOUIS—First National recently hosted representatives of the journalism and broadcast professions, photographers and art educators at a special reception in connection with the bank's showing of the 1971 Masters of Photography Exhibit of the American Society of Photographers.

The exhibit, which is the nation's foremost annual exhibit of professional photography, was on display on the bank's main floor and was open to the public during regular banking hours.

The show was on a nationwide tour of major U. S. banks. It included the best prints produced during 1970 by 71 photographers who have earned the Master of Photography degree, an exclusive honor awarded by the Professional Photographers of America.

The exhibit was part of First National's "Community Showcase" program, a continuing community service project of the bank.

■ M. LEON HALL, president, Webster Groves Trust, was the guest speaker at the July meeting of the St. Louis Downtown Optimists Club. He spoke on the importance of banking in the economy.

Springfield Low-Income Housing Funded by Three Banks

Three banks—Union National, Springfield; First National, Kansas City; and Citizens Bank, Warrensburg—have funded a construction loan that will make possible the erection of a 72-unit apartment building to house low-income families in Springfield.

Ground for the project was broken June 3. It is the first to be undertaken in Springfield under FHA's new Section 236, which aids construction of low-moderate-income, multi-family housing.

Financial arrangements were made by the mortgagee, Central Mortgage Co. of Springfield. They include a permanent loan agreement with Government National Mortgage Association and the construction loan obtained from the three banks.

The complex will contain 24 one-bedroom apartments, which will rent for approximately \$111 a month, and 48 two-bedroom at \$132. All utilities will be included in the rental.

Section 236 is a relatively new program established in 1968 to provide assistance to low-income housing by paying a part of the interest on a market rate project mortgage insured by FHA. Project owners are permitted a 6% return on their equity, which in effect makes the interest rate 1%.

Gateway Nat'l Receives Deposit



Gateway National, St. Louis, recently received a \$100,000 deposit from Standard Oil Division of American Oil Co. as the first deposit of federal excise tax funds collected on gasoline sales. Gateway National is the first black-managed Missouri bank to receive such funds. Until withdrawal by the government, the money will assist the bank's program of making loans to minority group enterprises. Shown above are: (from l.) Dr. Benjamin F. Davis, ch.; W. J. Garner, Standard Oil's St. Louis district manager; and John H. Harris, v.p.

Iowa Banker to Be Speaker At St. Joseph Market Day

SOUTH ST. JOSEPH—Thomas R. Smith, president, First National, Perry, Ia., will speak on "Financing a Dynamic Changing Agriculture" at First Stock Yards Bank's annual Market Day September 8.



SMITH

Registration will begin in the bank lobby at 9 a.m. and will be followed by a program of happenings on and around the St. Joseph Livestock Market, a luncheon and report on the current day's market.

The afternoon session will begin at 2 o'clock at the St. Joseph Country Club. The program will include Mr. Smith's talk and a panel discussion of present and future trends at 3 o'clock.

The day will be climaxed with a social hour beginning at 4:30 and a 6 o'clock steak dinner.

Reser Elected Vice President Of Southern Missouri Trust

SPRINGFIELD—Bill Reser has joined Southern Missouri Trust as a vice president. He will serve primarily in business development.



RESER

Previously, Mr. Reser was vice president and cashier of First City Bank and has been active in the commercial finance field for 15 years.

HC Buys Three Banks

First Union, Inc., St. Louis, has completed acquisitions of three banks: National Bank in North Kansas City; First National, West Plains; and First National, Cape Girardeau. First Union owns substantially all the outstanding stock of St. Louis' First National.

First National, Joplin, Promotes Russell Cochran to Vice Pres.

JOPLIN—Russell G. Cochran was promoted to vice president in the personal loan department of First National.



COCHRAN

Mr. Cochran joined the bank in 1967 after serving in various management positions with Universal CIT Credit Corp. He was elected assistant cashier in 1968 and second vice president in 1969. He has served in various areas of the bank and has been a personal loan officer since 1968.

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MID-CONTINENT BANKER for August, 1971

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ABA Publishes Personal Money Management Booklet in Braille

THE ABA last month launched a program designed to help the blind and physically handicapped meet financial problems. Called PROJECT: Banking and the Blind, the project consists of making available Braille and talking book editions of an ABA booklet on financial planning at member banks throughout the country.

ABA President Clifford C. Sommer (president, Security Bank, Owatonna, Minn.) presented a copy of each edition to Tim Burdick in Ontario, Calif., July 7. Tim, a high school sophomore and blind since birth, indirectly caused the ABA to undertake the new program.

The ABA booklet from which the Braille and talking book editions were made is "Personal Money Management," of which nearly 3 million copies have been distributed. One bank that ordered a supply of the booklets for its customers was First National of Ontario. A parent there saw the booklet and thought it would make an excellent teaching tool in Clairmont High School in Ontario, and school officials agreed. However, there was one prob-

lem: One of the students, Tim Burdick, is blind and would need a Braille or talking book edition of the material. The booklet was given to the Pomona Valley Transcribers Guild for preparation in Braille.

Because the ABA had copyrighted the booklet, the guild wrote to the association's office in Washington for permission to do the transcription. This set off the chain of events that resulted in PROJECT: Banking and the Blind.

Mr. Sommer presented two sets of the material as a gift from the ABA to Clairmont High School's library. In Washington, D. C., the next day, ABA Executive Vice President Willis Alexander made a similar presentation to the Library of Congress and to the Columbia Lighthouse for the Blind.

The ABA program has two purposes: 1. To circulate the Braille and talking book editions of "Personal Money Management" around the country through local banks. 2. To inform the banking community and the general public of the special needs of the visually and physical handicapped.

In making the Ontario presentation,

Mr. Sommer said he has written all ABA member banks describing the program and inviting them to seek out opportunities to make these materials available to those who need them in their communities. The ABA president pointed out to his audience that this project is merely representative of the many ways in which the American banking industry can help those with sight problems enjoy a better and more prosperous financial future.

The 63-page "Personal Money Management" booklet contains such information as "How to Get More Out of Your Dollars," "What You Should Know About Saving," "What You Should Know About Spending," "What You Should Know About Housing," "What You Should Know About Insurance," "What You Should Know About College Costs," "What You Should Know About Investing," "What You Should Know About Using Credit," "How Much Are You Really Worth?" and "What You Should Know About Planning Your Estate." The booklet also contains a list of other helpful books and pamphlets on money management.

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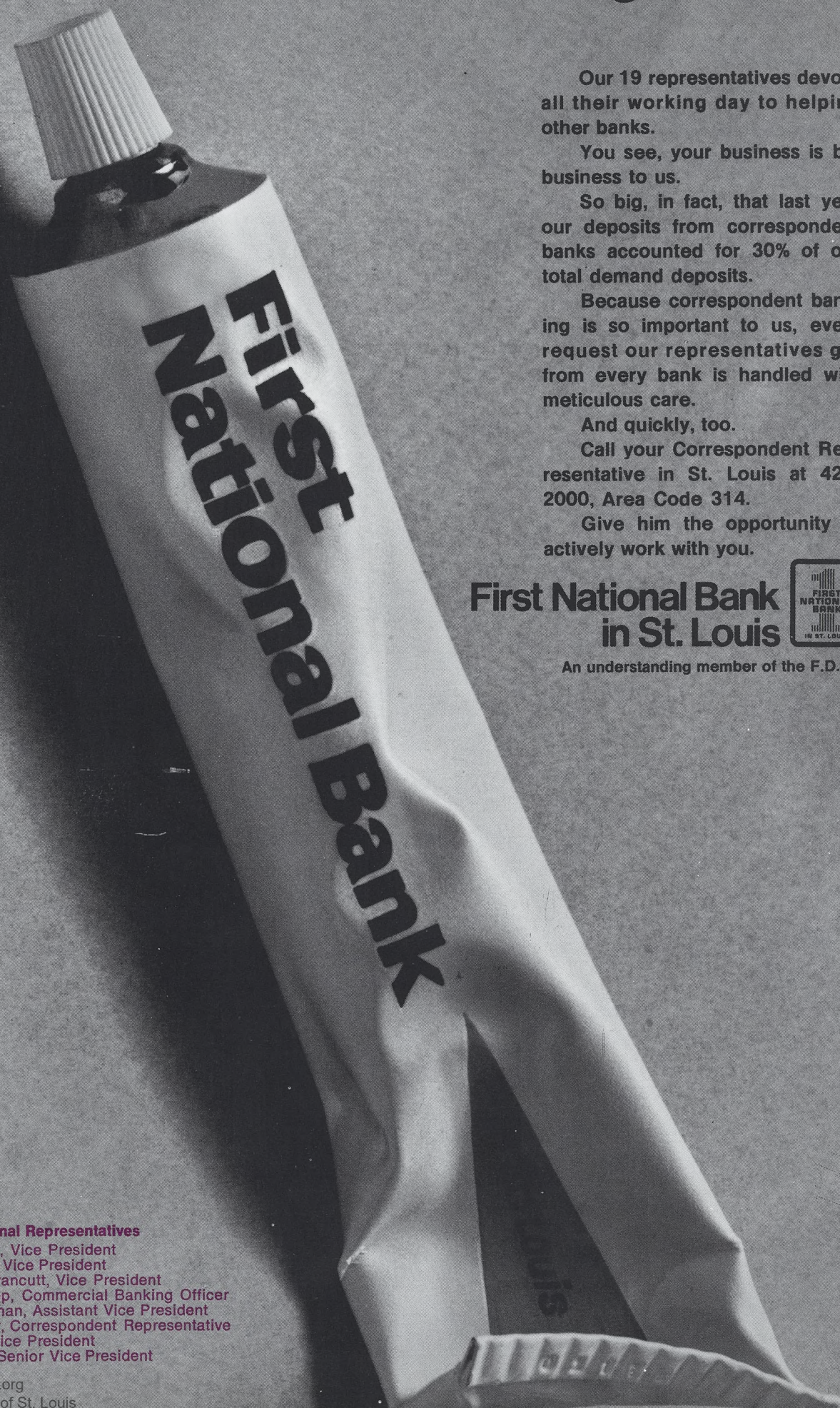


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