

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

JULY, 1972

How to Prepare for Kidnap/Ransom Threats

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No Time To Check For Hoax, Banker Says

Banker Loses \$18,000 in Extortion Hoax
Banker Pays \$50,000 Ransom

BY RONBERG
Quick Shop. Do you know where the Quick Shop is?" Hamilton related. "It wasn't but it wasn't old. It was a gramophone record. The reason for the extortion was that the bank officers, Hamilton went to the tellers and signed for whatever money they had. "Like I'd told the caller," he said, "there was no way I could raise \$50,000; we just don't keep that kind of money around. But I put out about \$19,500." The men were instructed to give the money to a bank clerk, who was to go to a telephone booth to give further instructions. The clerk followed the orders and took the money to a rural site near the Canal. The men managed to escape.

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Jack Abernathy, President Chiefs Corporation

How can Liberty's International Division help your customers?

by Alfred B. Molson
Vice President
International Division

To be perfectly honest, we probably can't, unless you have a special type of customer. One who is actively engaged in importing or exporting oil, raw materials, sub-assemblies, livestock, grain or the like.

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duction and credit agreements. But, there's more.

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and British Sterling. This service alone will save your European bound customers time, trouble and money at overseas counters.

So, you see, we can probably assist... in a small way... even if you don't have customers engaged in International Trade. If you have any questions concerning International Trade... or simply foreign currency Travelers Cheques, contact our Correspondent Department for the right answers.



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Fed Reserve Adopts Plan For Uniform Requirements, Updated Check Clearing

WASHINGTON—The Fed has adopted—with minor modifications—its proposal to impose uniform reserve requirements on all member banks and to modernize the nation's check-collection procedures.

The changes will take effect in September and October in two steps and will eliminate current differences in the percentage of demand deposits that banks must hold as reserves and speed the clearance of checks for collection through the Fed for smaller banks.

Under the new reserve requirements, all member banks, regardless of category, will be subject to the following reserve requirements: 8% on the first \$2 million of demand deposits, 10% on the portion from \$2 million to \$10 million, 12% from \$10 million to \$100 million, 13% from \$100 million to \$400 million and 17½% over \$400 million.

The initial proposal, made last March, called for a 13% reserve requirement on the portion of deposits ranging from \$10 million to \$400 million. This was changed to minimize the impact on banks in this category.

The change is expected to free about \$3.5 billion from reserve requirements, but the speed-up in check clearing procedures will soak up \$2 billion of the

(Continued on page 28)

Check Cashing Bill

A House banking subcommittee has approved legislation to force federally insured banks or S&Ls to cash any check issued by the federal government. The bill is aimed at helping social security recipients, who sometimes have to travel long distances to cash their checks when local banks refuse to cash them. It also would enable government employees to cash paychecks at banks that currently refuse to cash checks for anyone but depositors.

Another bill approved by the committee would prevent states from taxing such things as mortgages and deposits of insured banks and would limit the kind of taxes a state could levy on out-of-state banks doing business in the state.

The ABA has requested that the bill be amended to relieve banks from any loss incurred in paying checks to the wrong person if they follow identification procedures prescribed by the Treasury. A total of 62,000 government checks worth more than \$9 million was cashed last year by the wrong parties, an ABA spokesman said.

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THE BANKING SCENE



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

Leeway Investments by Banks

IN THE MONTHS to come, bankers will be concerned with what is a relatively new term, *leeway investments*. Frank Wille, FDIC chairman, proposed a short time ago that his bank supervisors—in reviewing loan portfolios of covered insured banks—recognize what he called *leeway investments*.

What are *leeway investments*? It is still too early to know their full connotation, but we may, in general, consider them as socially desirable loans that probably would be classified as substandard or lower by bank examiners. Again, the definition has not been fully promulgated as to what is socially desirable, but the loans would tend probably to fall in the area of financing socially relevant programs. This would include minority financing of new businesses, of financing modernization of urban-renewal programs, of loans that are designed to enhance the quality of life in terms of, say, improving the ecology, reducing air pollution and the like.

One observation that should be made is that frequently we find a term being used that, by its very nature, has a resounding appeal, such as truth in lending. Thus, the word *investments* tends to describe something that has strength and stability. The word *leeway*, according to Webster, is a lateral movement of a ship on its course or the angle of a drift due to a crosscurrent of wind or, colloquially, a marginal room for action or the like. Thus, we can infer a basically favorable connotation to the term *leeway investments*. Without a doubt, if they were called risky, substandard loans, the regulatory agencies would find it extremely difficult to convince their peers that it was politically or economically expedient to make them.

Mr. Wille has proposed that *leeway investments* be limited to, say, not more than 10% of a bank's combined capital and surplus. Since capital accounts of insured banks exceed \$20 billion, *leeway investments*, if applied by all bank

supervisors, would be somewhat in excess of \$2 billion as a ceiling for the entire banking structure.

Two extremes or two schools emerge. One probably has the greatest support of what might be called the *laissez faire noninterventionists*. It has as a spokesman the noted economist and monetarist, Milton Freedman. His basic position, perhaps oversimplified, is that businesses should concentrate on their long-term profits and, to that extent, that charitable acts should be done by charitable people and charitable institutions and not be considered in the framework of a business obligation. On the other hand, there are a number of banking individuals, such as David Rockefeller and David Eastburn, respectively heads of important banks in New York and Philadelphia, who are inclined to take a position that banks should be doing materially more in the areas of social betterment. Between these two philosophical extremes probably the great bulk of banks and bankers tend to fall.

Which side is right, or is there a happy medium between the two extremes? Both sides, it would appear, have overlooked the fact that banks are owned by and should be influenced by their shareholders' wishes. It is desirable for banks to obtain their stockholders' approval or rejection of these humanitarian concepts. Once the shareholders are advised of the findings of management, it is quite likely that some will disagree and have a minority position. They, the minority, thus are in a position with this knowledge to dispose of their holdings in the bank if they disagree with the philosophy of the majority. Therefore, it is proposed that—in view of Mr. Wille's position and recommendation—serious consideration be given by bank management to apprise their shareholders of management's recommendations and the sentiment of the voting shareholders.

One of the points on *leeway investments* concerns the relativity of the

amounts, in other words, that they relate to approximately $\frac{1}{10}$ of the shareholders' investments as the maximum that can be committed in this area. One way of accomplishing this is through obtaining a proxy vote or sending a special communication to shareholders to obtain the latter's vote and sentiment on the topic. Perhaps the following could be sent:

Exhibit I

Dear Bank Shareholder:

It has been proposed that your bank be permitted to make what the Federal Deposit Insurance Corp. describes as *leeway investments*. These investments normally would *not* be considered as being bankable and probably would be classified by bank examiners as risky loans. Though they are risky economic loans, they would be made in areas we may describe as socially desirable. Further, the loans would be limited to some 10% of the bank's capital and surplus. Enclosed is a form that will provide the management of your bank with an indication of the wishes of you, the shareholders.

The reason we are soliciting your opinion is that accountants normally consider anything that would affect the capital and surplus of an institution by the magnitude of 10% to be a *material factor* and, therefore, since it is material, the shareholders should be apprised of the development prior to the start of a program. But more than that, your bank will be able to obtain from its shareholders the relative priority of the types of *leeway investments* to be made.

When this form has been tabulated, we will return the findings to you, the shareholders, so you may be informed of the wishes of the combined shareholders. Should you find that you have a minority position and you may strongly disagree with the attitude of the rest of the shareholders, this study will provide you with an opportunity for an



IT SAYS WHAT WE MEAN.

● Thomas Jefferson spoke of it as "a mighty mart of commerce" and "a door to the world". Since, with the tremendous development of rivers and harbors and the system of intracoastal canals, New Orleans has become the gateway to the world for more than half of America. The tributaries of the Mississippi — natural and man made — extend now for thousands of miles, into dozens of states, and reach for industry and agriculture of every type. Experienced in international trade for almost ninety years, the Whitney is uncommonly qualified to help. Our capabilities are exceeded only by our desire to be of service.



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orderly liquidation of your holdings before the bank takes specific steps in this direction.

As you know, in the past, your bank has tried to be a good citizen in this community. It has made many "socially desirable loans" in the area of higher education, housing and the like. But these loans were evaluated with the criteria that they could and would be repaid according to the loan terms. These *leeway investments* may be paid but would be of a type bank examiners classify as "substandard" or "doubtful."

Won't you please, as a concerned shareholder, take a moment of time and fill in the enclosed opinion survey-proxy and return it in the enclosed stamped envelope.

Yours truly,
Bank Chairman

Exhibit II

Survey of Leeway Investment Attitude by Shareholders.

Instructions: To help us establish bank policy on *leeway investments*, the management of your bank needs to know the wishes of its owners. The following survey-proxy will help determine these wishes and permit us to tabulate the information in a statistical way. From time to time as needed a new survey will be made.

Socially Desirable Area	1	2	3	4	5	6	7	8
Ecology	1	2	3	4	5	6	7	8
Urban Renewal	1	2	3	4	5	6	7	8
Education	1	2	3	4	5	6	7	8
Small Business	1	2	3	4	5	6	7	8
Farming	1	2	3	4	5	6	7	8
Minority Financing	1	2	3	4	5	6	7	8
Aged Housing	1	2	3	4	5	6	7	8
Health Services	1	2	3	4	5	6	7	8

Priority of *leeway investments* which bank is recommended to make. Simply circle a number starting with one (1) for the most important; two (2) for second most important, three (3) for next, etc.

In my judgment, the bank should participate in *leeway investments* in the following proportion to the level permitted by bank supervisors. (Simply circle the percentage figure)

100% 90% 80% 70% 60% 50% 40% 30% 20% 10% 0%

In my opinion, the following socially desirable areas should be added to the list for consideration by shareholders.

1. 3.
2. 4.

My name is I have # shares of

PRINT

bank stock. My stock certificate number is #

Date
Other Comments on Reverse

Signature

Conclusion. Management thus will be complying with the wishes of its shareholders in the movement into this particular area. It will be able to gauge the priorities of the investors and, furthermore, it may periodically solicit similar

information prior to the annual meeting. In this way, it will be able to advise shareholders of the changed attitudes on their parts. The owners' votes again will be considered as establishing bank policy for *leeway investments*.

It also will be of interest to see the targets or priorities that will be responded to by loan application by the borrowers. Specifically will the applications for financing *leeway investments* by borrowers coincide with the wishes of the shareholders. Perhaps this proposal is considered rather cumbersome, but it makes a lot more sense for a bank to respond to the wishes of its owners rather than be carried away by the decisions of one or two individuals in a bank or the social wishes of bank supervisors. • •

New Promotions Announced At Harris Trust, Chicago

CHICAGO—Harris Trust has promoted six men to vice presidents. Advanced were: Dave A. Makeever, banking department; George J. Popp Jr. and Robert J. Snodgrass, operations department; and Peter J. Brennan, Glen E. Lightholder and James M. Roach Jr., trust department.

Promoted to assistant vice presidents were: Miss Doris M. Kempes and Ronald D. Sonneman, trust department; and Alvin G. Wilner, operations department.



MAKEEVER ROACH BRENNAN POPP

The Collectors' Dream

One of the most unique new premiums to become available to bankers is a replica of one of the rarest coins ever minted; The Confederate Half Dollar. Only four coins were struck at the New Orleans Mint, which had been seized by the CSA Troops early in the Civil War. No additional coins were minted because of a lack of bullion.

The replicas have the Great Seal of the Confederacy on the reverse, and are available embedded in clear lucite, for use as paperweights, and in a framed pair, showing both sides, "The Collectors' Classic".

A brief history of the famous "Half Dol." and the Great Seal is included on the back of the framed pair, and enclosed separately with the paperweight.

Further information and wholesale prices may be obtained by writing to Centre House, P.O. Box 1493, Lexington, Ky. 40501.

Samples will be sent on a 30-day memo-billing approval basis, when written request is made on your bank letterhead.

New Products

• **Diebold, Inc.** A completely new TV Auto Teller system has been designed by Diebold, Inc., Canton, O.

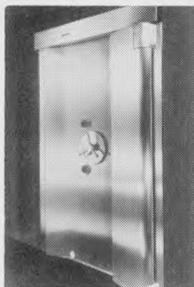
The new TV drive-up system was designed to provide greater transaction convenience and speed for bank customers. When a customer reaches a drive-up unit, the teller pushes a button and a mechanism holding the pneumatic carrier is extended toward the customer until it is within easy reach.



The carrier itself has been redesigned and is made of a see-through material, so all transaction items are visible. The carrier opens at either end with an easy twisting motion.

Write Diebold, Inc., Canton, O. 44702.

• **Meilink Bank Equipment.** The new Series 750 Vault Door, recently introduced by Meilink Bank Equipment, Toledo, features stainless steel throughout its finish and detail. The vault door provides protection against forced entry by drilling, hand tools, acids, explosives, oxyacetylene, oxy-



are and other methods.

Security features include protective slabs with solid metal content of either 3½ inches or 7 inches, boltwork of 14 two-inch solid stainless steel bolts, two combination locks and four-wheel indirect drive allowing up to 100 million combinations and a relocking system.

Write Meilink Bank Equipment, 3100 Hill Avenue, Toledo, O. 43607.

• **Globe Ticket Co.** Long lines of customers at tellers windows can be eliminated with a new bank lobby traffic control system recently announced by the Globe Ticket Co.

With this system, a customer simply takes a ticket from a conveniently placed dispenser. While waiting for



his number to appear in the sequence indicator above each bank of tellers, he has time to fill out a deposit slip or make other preparations. When his number shows on the indicator, he walks to the teller window that is open.

The Globe system requires no guards, hostesses or barriers. Because an identical customer service system is in successful operation in thousands of retail establishments, Globe believes it will be readily accepted by bank customers.

Information may be obtained from the Globe Ticket Co., Corp. Office, P.O. Box P, Philadelphia, Pa. 19105.

• **Banner Adv. Specialty Service.** "Household Advisor" is the title of a new booklet that is designed to be given to bank customers to enable them to organize their personal affairs. The 64-page booklets contain numerous pages of advice about repairing the home, how to keep records, how to make full use of bank services and other topics.

Booklets are individualized for sponsoring banks, and they normally contain advertising by local merchants that reduces the cost of production.

The booklets are prepared by Banner Advertising Specialty Service, 4242 N. Harlem Ave., Chicago, Ill. 60634.

• **Mail-World, Van Nuys, Calif.,** is offering an instant counterfeit-bill detector which attaches to a cash register or can be placed near a cash drawer. Besides detecting counterfeit bills, the machine also is said to reduce change-making errors by making cashiers more aware of bills handled. Window decals to warn off bad bill passers are included with the counterfeit-bill detector.

Write to: Mail-World, Dept. 43, 13450 Hartland St., Van Nuys, Calif. 91405.



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NEWS OF THE BANKING WORLD



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• **Chemical Bank**, New York, has elected eight new senior vice presidents. They are Stuart K. Atha Jr., Robert J. Callander, Joseph B. Hartmeyer, Walter V. Shipley, Robert J. Collishaw, R. Jennings Mangum, Irwin Naitove and Leo E. White.

All previously were regional vice presidents with the exception of Mr. Naitove, who was a vice president and executive director of Chemical's Dommerich Division, the bank's factoring operation.

Mr. Atha, Mr. Callander, Mr. Hartmeyer and Mr. Shipley will have increased responsibility in Chemical's corporate banking business, while Mr. Collishaw, Mr. Mangum, Mr. Naitove and Mr. White will deal with the bank's New York metropolitan business.

Mr. Callander is in charge of the bank's business from Indiana to the West Coast, with the exception of the Southwest. Mr. Hartmeyer handles business in the Northeast and Atlantic states, as well as in the central region of the U. S. Formerly responsible for business in the South, Mr. Shipley now will take additional responsibility for operations in the mortgage and real estate department of the bank.

• **Mrs. Sandra J. Young**, assistant cashier, Lincoln National, Fort Wayne, Ind., has been awarded the 1972 Lake Regional Scholarship of the National Association of Bank-Women Inc. Mrs. Nancy T. Shears, special representative, Hutchinson (Kan.) National, was awarded the association's Midwest Regional Scholarship.

Mrs. Young will use her scholarship grant at the Graduate School of Banking at the University of Wisconsin, Madison. She has been in banking 12 years and served as national publicity chairman for the American Institute of Banking in 1969-70.

Mrs. Shears will attend the Bank Marketing School of the University of Colorado, Boulder.

• **Robert H. Woodrow Jr.**, chairman, First National, Birmingham, has been named the bank's chief executive officer. He succeeds John A. Hand, who will continue as chairman of the executive committee.

Mr. Woodrow has been with the bank since 1947 and was named chairman last January. Mr. Hand joined American Traders National, a predecessor of First National, in 1929. He became chief executive officer of First National in 1958.

• **Commerce Bank**, Kansas City, has filed application to convert from a state chartered trust company to a national banking association. Commerce Bank operated as a national bank in its earlier days.

Upon the granting of the national charter the bank will be designated as Commerce Bank of Kansas City, National Association. It will continue to be known as Commerce Bank.

• **Manufacturers Bank**, Detroit, recently promoted four second vice presidents to vice presidents. They are: Robert W. Cadotte, mortgage department; Thomas B. Craigie Jr., controller's department; Alex F. Kato, credit manager; and William J. Novak Jr.,

officer-in-charge, Eight Mile-Schaefer Office.

Advanced to second vice presidents were Paul A. Aramian, Vernor-Inglis Office, and Jerrell D. Calvert, Michigan division.

• **Gilbert T. Stephenson**, 87, died June 9. Often called the "Dean of American Trustmen," Mr. Stephenson was director of the trust research department for the American Bankers Association's Stonier Graduate School of Banking from 1937 until 1950. He was vice president in charge of the trust department of Equitable Trust, Wilmington, Del. (now Bank of Delaware) before joining the ABA.

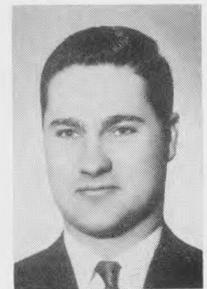
• **The Mid-South Chapter** of Bank Administration Institute recently elected new officers and directors.

The new officers are: president, L. R. Mashburn, vice president and cashier, First National, Wynne, Ark.; vice president, T. C. Pope, vice president and trust officer, First National, Forrest City, Ark.; treasurer, Robert R. Long, head auditor, Federal Reserve Bank, Memphis; and secretary, Doyle P. Grogan, assistant auditor, Union Planters National, Memphis.

Elected directors were: Jerry H. Swetland, vice president and cashier, Fidelity National, West Memphis, Ark.; Jeff Armwine, bond department officer, First National, Memphis; and J. C. Bussey, assistant cashier, First American Bank, Memphis.



CADOTTE



CRAIGIE



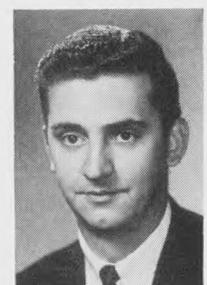
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MID-CONTINENT BANKER for July, 1972

11

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IN
MICHIGAN



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Member Federal
Deposit Insurance Corporation

Community Involvement

- The Topeka Chapter of the American Institute of Banking recently presented a check for \$28,000 to KTWU, educational television station at Washburn University. The money will be used for color-televising equipment.



Officers of the Topeka AIB Chapter present a check for \$28,000 to KTWU, educational television station. From left are: Miss Connie Norton, community involvement ch.; Ronald G. Wilson, chapter pres.; Dr. Dale Anderson, station mgr. of KTWU; Greg Studer, finance ch.; and Paul Corbin, program dir. for KTWU.

- City National, Detroit, is sponsoring a new radio program called "The Good News." Featuring only good, human-interest news happening in Detroit, the five-minute program is heard Monday through Friday at 5 p.m.

"We want people to feel good about themselves and we want all of Detroit to feel good about itself. We think 'The Good News' will help do that," said Benjamin H. Paddock III, City National president.

"Most news today is not very inspiring," he continued. "And although it is important, it sometimes crowds out the good news. We have little chance of hearing the good things that are going on in Detroit and therefore, we are likely to end up with a distorted, unhappy picture of ourselves and our community."

By taking a positive approach to news presentation, Mr. Paddock explained, City National hopes to build positive feelings about Detroit.

The check represented two years' proceeds of live television auctions conducted by the AIB chapter. Ron Wilson, trust officer, Fidelity State, Topeka, was the project chairman. He reported that more than 200 bankers and employees participated in this year's auction—soliciting items for auction and in conducting the auction sales.

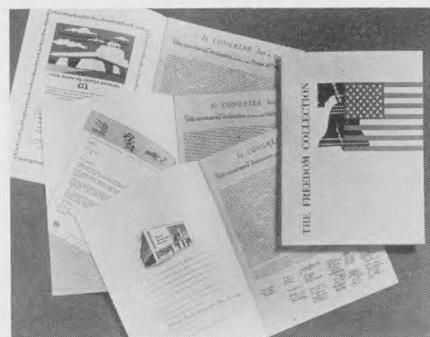
Mr. Wilson said the auction received "excellent community support." In this year's auction, more than 1,000 items of merchandise and service with a retail value of \$20,000 were contributed.

- Central National, Chicago, has introduced personal checking account checks printed on bagasse, a sugar cane residue that normally becomes industrial waste. Each check has a small symbol signifying the recycling effort printed in the right-hand corner.

According to the bank, making checks out of bagasse helps contribute to a better environment by using industrial waste that otherwise is burned, thus polluting the air, and conserves the nation's forests by drawing upon an alternative to wood pulp paper.

Robert E. Eckland, cashier, said checks made from bagasse "don't cost any more and don't look any different from regular paper. Unlike some recycled paper, bagasse paper readily accepts magnetic ink printing which enables checks to be processed by automated equipment."

- Community Bank, Galesburg, Ill., recently distributed 1,000 copies of "The Freedom Collection" to local schools. The booklets contain reproductions of historical documents, including the Constitution, the Declaration of Independence, the Bill of Rights, the Monroe Doctrine, the Gettysburg Address, the Star-Spangled Banner and the Pledge of Allegiance. All are printed



ed on simulated parchment paper and bound into an attractive booklet. The inside cover of each booklet contains a message from the bank.

N. H. Kortuem, president of the bank, reported receiving requests for booklets from as far away as Pennsylvania. He says the distribution of the booklets has resulted in excellent goodwill for the bank.

The booklets are available from Brandmark, Inc., Chicago.

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Texas Commerce Places 30 Trees



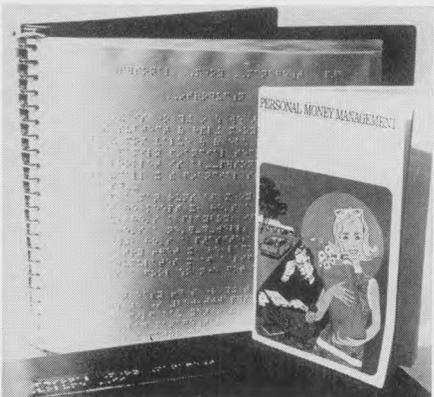
Texas Commerce Bank, Houston, has completed a project of placing 30, 10-foot trees and planters around the two blocks in downtown Houston that make up the banking headquarters. The trees are planted in specially constructed plastic pots and are spaced at 30-foot intervals.

- Twenty-eight Illinois banks have guaranteed \$75 million for housing development in the state. The funds will be used by the Illinois Housing Development Authority to assist commercial developers and non-profit groups in construction of new housing for moderate- and middle-income families.

- American National, Chattanooga, has presented "talking book" and braille editions of *Personal Money Management*, an American Bankers Association teaching tool, to the Chattanooga adult basic education classes for the blind.

The "talking books" are audio recordings to be used by students who have not yet mastered braille. The recordings are the result of a cooperative project of the ABA, the American Foundation for the Blind and the Division for the Blind and Physically Handicapped of the Library of Congress.

American National also recently sponsored a special 60-minute TV documentary program entitled "Sickle Cell Disease: Paradox of Neglect" and presented a scholarship to a high school senior to attend the "Operation Enterprise" leadership and management education program conducted by the American Management Association in Hamilton, N. Y.

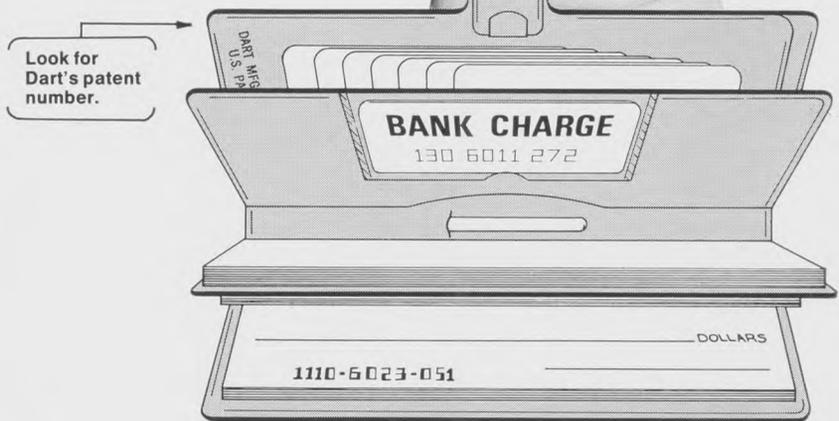


MID-CONTINENT BANKER for July, 1972

Some bankers search every compartment before discovering the hidden value.



You'll find that Dart backs-up its check-book clutch purse with extraordinary service to assure banks of a successful promotion.



You get more from Dart: Free promotional aids like counter displays and newspaper ads. A guarantee that the purses will sell—or your money back. Free delivery on orders of 72 or more. Exclusive design—high fashion, extra functional. Successfully tested by more than 2,500 banks.

DART MANUFACTURING COMPANY

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BANK _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Trusts

New System in Bank's Trust Department Produces Portfolio Data Quickly

A COMPUTERIZED PERFORMANCE measurement system has been announced by Houston's Bank of the Southwest and will be completely operative in the near future for the bank's investment accounts. The latter include pension and institutional funds as well as trust and agency accounts for individuals.

Basically, the performance measurement system will produce on command, within hours, data on four significant factors:

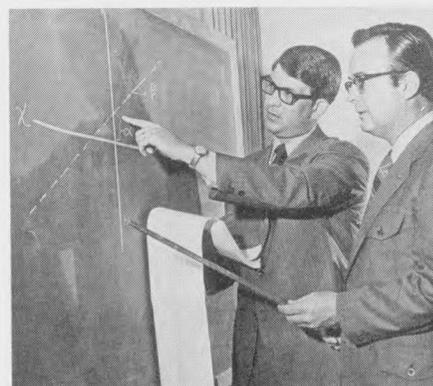
- Rate of change (growth or decline) in the value of the portfolio.
- Probable growth of the portfolio in the future, based on an individual evaluation of each of the securities within the portfolio.
- Degree of risk involved in the account portfolio, based on swings in price of the securities in the portfolio.
- Percentage of likelihood of the portfolio's swings in value corresponding with those of the Standard & Poor 500 Index, the Dow Jones Industrial Index or any other standard securities price index.

In the past, the value of a portfolio and its rate of return were calculated

by the time-consuming manual process of researching the prices of the securities already in the portfolio, adding information on those securities included in the portfolio for the first time during the year and eliminating those that had been sold or number of shares reduced. Many are still following this procedure, said Ed Kilby, vice president and trust officer at Bank of the Southwest and manager of the trust investment department.

Under the new performance measurement system, as securities are sold or bought, as dividends are distributed and as other occurrences take place that affect the evaluation of the portfolio, the information is recorded automatically and instantly. Prices of the securities are entered regularly. Most of the prices are supplied directly to the computer by a telecommunications system from a national stock-evaluation service. Bank personnel calculate the same information for regional securities, closely held securities and other securities for which information is not readily available to the national service.

While the bank will report to its in-



Charles Montford (l.) explains theory behind Bank of Southwest's new performance measurement system to Jesse H. Miller. Both Mr. Montford and Mr. Miller are vice presidents and trust investment officers of bank.

vestment account clients on a yearly basis, said Mr. Kilby, it is equipped to provide interim reports at any time simply by typing in simple instructions to its own computer, where this information is stored and updated regularly. He explained that this is a new, larger use of computers in that it is supplying information that would not otherwise be available for investors.

"In literature and in meetings," Mr. Kilby said, "those of us in the financial community have been discussing 'alpha' factors, 'beta' factors and 'R-squared' factors and how to translate this information into meaningful results. This is important to help our portfolio managers make their decisions concerning accounts and also to help us and the clients evaluate the performance of these portfolio managers."

Rowland Is Correspondent Mgr. At Worthen Bank, Little Rock

LITTLE ROCK—George E. Rowland Jr. has been named manager of Worthen Bank's correspondent bank department. He replaces Donald C. Stubbe, who will join First City National, Houston.

Mr. Rowland has been in banking 17 years and most recently served as regional vice president in the metropolitan division and as a member of the senior loan committee at American Fletcher National, Indianapolis.

■ NEW YORK—Chase Manhattan has promoted Peter C. Haefner Jr. and William W. Shine to senior vice presidents. Mr. Haefner is senior real estate and investment officer. Mr. Shine is the executive of the computer information processing group.



ROWLAND

LOOKING FOR A BANK?

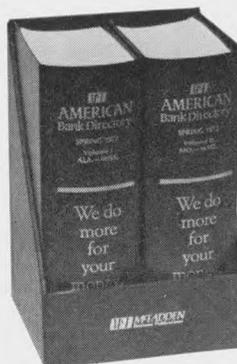
- alphabetical listing of all U.S. banks
- arranged in order of states
- shows names of officers, directors, and principal correspondents
- condensed statement-of-condition
- has address, telephone number, area code, transit number, and date of establishment
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Massive industrialization puts money into peoples' pockets as it destroys the very environment in which they live.

The people of 23 Mississippi counties think this type of progress is not worth it! The people are not against "progress"; they do favor "progress with planning".

More than seven years ago the Pearl River Basin Development District was formed to make recommendations for proper utilization of this water resource. The comprehensive development plan is now complete. More than \$200,000,000 in "resource enhancement" projects are contained within the early action program.

Three large, multiple-purpose reservoirs are proposed to control the waters of the Pearl River. Likewise, 30 upstream watershed projects have been deemed feasible for construction during the next decade. Recreation facilities are planned at 82 locations along a 302-mile-long pleasure boatway.

Looking even further into the future, several other projects will be phased into this "living" environmental development plan as they become economically feasible.

Through careful planning and innovative action, Mississippians are determined to step proudly into the future in a manner that will not jeopardize the abundant natural resources of the communities in which we live.

First National Bank

Jackson, Mississippi • Member: FDIC

BRANCHES Amite County Bank, Gloster/Liberty;

Commercial National Bank, Greenville/Leland;

First National Bank, McComb;

The Bank of Greenwood, Greenwood;

Tylertown Bank, Tylertown



Is it worth it?

NEWS OF HOLDING COMPANIES

Texas Bank of Dallas to Be Affiliated With First Nat'l City Bancorp., Houston

FIRST CITY Bancorp. of Houston, Inc., multi-bank holding company, has reached a preliminary agreement with Texas Bank, Dallas, under which the latter would become a principal unit in the HC. Announcement of the plan was made jointly by James A. Elkins Jr., chairman, First City Bancorp., and Oscar C. Lindemann, chairman, Texas Bank.

Under the plan, Texas Bank shareholders would receive .75 shares of the HC stock for each share of Texas Bank stock. The value of the transaction was estimated by Mr. Lindemann at about \$23 million.

Mr. Lindemann and Charles G. Young Jr., president of the bank, would continue to lead Texas Bank and also would assume key management posts in First City Bancorp. Both would be-

come members of the HC's board and executive committee. Mr. Lindemann would become vice chairman of the committee, and Mr. Young would be elected a senior vice president of the HC.

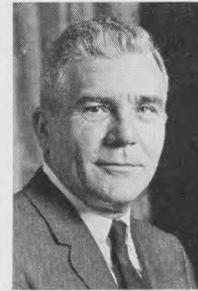
Mr. Elkins described the proposed plan as "the creation of a strong working partnership between Texas' two largest cities with First City National of Houston and Texas Bank providing the basis for improved financial service to their communities and to the region as a whole."

As of last March 31, the HC reported total assets of \$2,009,174,000 and deposits of \$1,464,759,000. On the same date, Texas Bank's total assets were \$293,401,000 and deposits, \$250,405,000.

First City Bancorp. has five subsi-



O. C. LINDEMANN
(Above, Left)



C. G. YOUNG JR.
(Above, Right)



J. A. ELKINS JR.
(Right)

diary banks and agreements to acquire nine additional banks (including a newly chartered national bank), subject to approval of regulatory authorities. ••

• **Fort Worth National Corp.** has announced plans to acquire substantially all the stock of Exchange Bank, Dallas, from Silco, Inc., a holding company that owns the majority of the bank's stock. Both firms signed a letter of intent to carry out the sale, and the letter is subject to approval of directors of both companies, Silco shareholders and the Federal Reserve Board.

The total consideration of \$14.5 million consists of 250,000 shares of Fort Worth National Corp. stock, plus assumption of \$2 million in liabilities of Silco. It's contemplated that after purchase of the Exchange Bank stock by Fort Worth National Corp., Silco will liquidate and distribute its remaining assets—principally the 250,000 shares of Fort Worth National Corp. stock—to its shareholders. Silco has 1,024 shareholders and 2,142,807 shares of outstanding stock.

Exchange Bank, formed in 1945, reached a new high in total deposits—\$108.6 million—June 6. Total assets exceed \$122 million.

Fort Worth National Corp. owns Fort Worth National Bank and other subsidiaries.

• **Mercantile Bancorp., Inc.,** St. Louis, has announced that affiliation agreements have been completed with Franklin County Bank, Washington, and County Bank of St. Charles.

"Future mothers-in-law! They each deposited \$250.00, so one could get the full China set and the other one could get all the Stainless."

"FINANCIAL MARKETING not only developed the combination promotion; they gave us a computer program for inventory control."

"They're good people to be with."



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Most bankers know through experience that a participation loan is as good as the lending partner involved. Which is why so many banks have chosen to work with Heller for over 30 years!

This year, 11 of the country's 25 largest banks have participations in one or more Heller loans; most of our participants, however, are banks of moderate size, many with capital and surplus accounts below a million dollars.

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As they say, we wrote the manual, and for your copy of "Heller and Banks in Participation," phone or write the Heller office nearest you.

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Personnel

'Operation Pacesetter' Incentive Contest Nets \$15 Million in New Money for Bank

A GOAL of \$15 million in new demand, savings and loan money was exceeded by the employees of National Bank of Tulsa recently at the completion of a "project pacesetter" employee incentive promotion.

The promotion was staged to meet two of the bank's marketing objectives—active solicitation of new business by all employees and a cross-selling effort involving all services rather than those of a particular department.

When the final tabulation was in, the bank found that \$15,268,000 in new demand, savings and loan funds had been realized, with a bonus of new and future trust business amounting to \$13,624,000. In addition, almost 300 new Master Charge cardholders had been signed, more than 80 trips had been sold through the bank's travel depart-

ment and 32 safe deposit boxes had been purchased.

The promotion was staged by the bank as part of its aggressive marketing policy. Employees were utilized because the bank's management believes they provide the most effective means of marketing bank services.

All employees of the bank were eligible to participate. They were classified in contact, non-contact or officer categories and all were given equal opportunities to win as different point values were assigned to each category.

Enthusiasm Stirred

To stir initial enthusiasm, the bank's advertising agency prepared a multi-screen audio-visual presentation that explained the rules and procedures for the promotion and gave employees a

preview of the prizes that would be awarded. Each employee was presented with complete information about the promotion, including how to earn points, proper procedures to follow in reporting new business, prize group levels, a summary outline of the bank's services and where to refer questions about the promotion.

Employees were also given introductory cards to distribute to potential customers. When used by prospects, the cards served as proof that an employee was entitled to a given number of points. Credit for new business produced was recorded on printed cards, which were forwarded to the advertising department, where complete campaign records were maintained.

Employees received a total of 326 prizes for their efforts. Sixty-nine employees qualified for the grand prize, which was a four-day holiday in Nassau or a portable color TV set. Fifty employees opted for the holiday.

■ NEW YORK—Chemical Bank has promoted the following: Nathan Zipperman to vice president and deputy controller; Leon P. Ciferni to vice president and associate counsel; Willard Jackson, Philip J. McElynn, Charles J. Moizeau, John E. Glynn Jr. and Thomas S. Johnson to vice presidents.

At Your Service.



Meet Melvin Schroeder, the new head of the recently expanded Correspondent Banking Division, Mercantile Bank and Trust Company, Kansas City.

Trained at Mercantile Trust Company, St. Louis, he has the experience and drive to provide our correspondents with first-rate service.

Plus the imagination to anticipate their future needs.

Our newly-expanded Correspondent Banking Division is another measure of Mercantile Bank's growing importance in the Midwest financial community.

If your bank would be interested in growing with us, call Melvin Schroeder. He's at your service.



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MID-CONTINENT BANKER for July, 1972

19

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Delta Corporation of America and Subsidiaries Statement of Consolidated Financial Condition*

DECEMBER 31, 1971

Assets	1971
Cash:	
Demand deposits	\$ 4,615,355
Certificates of deposit	3,460,000
Restricted deposits	5,008,585
Total cash	<u>13,083,940</u>
Receivables:	
Notes due on floor plan of dealers' inventory	1,585,007
Accounts receivable from insurance companies and banks	851,744
Underwriting participation	777,817
Other	617,148
Total receivables	<u>3,831,716</u>
Inventories of Mobile Homes	<u>1,383,625</u>
Property—At cost:	
Land and improvements	165,548
Building and fixtures	350,853
Equipment and leasehold improvements	279,303
Accumulated depreciation and amortization	(135,674)
Property—net	<u>660,030</u>
Deferred Income Taxes	2,179,661
Prepaid Expenses and Other Assets	460,433
Total	<u>\$21,599,405</u>
Liabilities and Stockholders' Equity	
1971	
Liabilities:	
Demand notes payable to banks under floor plan arrangements, 6%—9%	\$ 445,293
Accounts payable to insurance companies and others	1,957,103
Dealers' participation payable	401,555
Dealers' participation withheld	708,838
Accrued compensation, expenses, and other	571,182
Federal and state income taxes payable	494,134
Reserves for refunds, credit losses, and expenses	6,076,850
Policy reserves for life insurance	1,171,710
Total liabilities	<u>12,424,438</u>
Contingencies	
Stockholders' Equity	
Common stock, authorized, 4,000,000 shares in 1971; 2,000,000 shares in 1970, par value \$.10 per share; issued (including shares in treasury): 1971, 1,964,601 shares; 1970, 1,312,360 shares	196,460
Paid-in capital	7,280,117
Retained earnings	1,874,880
Treasury shares—at cost (14,446 shares in 1971; 9,758 shares in 1970)	(92,349)
Balance due on employees' stock purchases	(84,141)
Total stockholders' equity	<u>9,174,967</u>
Total	<u>\$21,599,405</u>

When we tell you the Delta Plan provides protected loans in the profitable mobile home lending field, we're also talking about our reserves to cover estimated refunds, credit losses, and expenses connected with these obligations.

For Delta, the nation's premier mobile home finance service company, that means more than six million dollars in reserves—for your protection.

C'mon. Join the reserves.



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*The notes to this statement, which are an integral part thereof, are contained in Delta's 1971 annual report to stockholders. Copies may be obtained by writing to the Corporate Secretary at the above address.

MID-CONTINENT BANKER

NEWS ROUNDUP

News From Around the Nation

PEOPLE

• PAUL J. HANNA has been elected executive vice president of Manufacturers Hanover Corp., holding company parent of Manufacturers Hanover Trust, New York. Mr. Hanna was formerly a senior vice president. He joined Hanover Bank in 1946, was named a vice president in 1954 and senior vice president in 1963. He will be responsible for implementing acquisitions for the HC.



HANNA



LUFTIG

• PAUL LUFTIG has joined Franklin National, New York, as president, CEO and director. Mr. Luftig will also serve as president and director of Franklin New York Corp., parent corporation of the bank. Mr. Luftig succeeds JAMES G. SMITH as president and HAROLD V. GLEASON as CEO. Mr. Smith has been named vice chairman and director and Mr. Gleason continues as chairman and chief executive officer of the bank and the HC.

Mr. Luftig was formerly senior vice president of Bankers Trust Co., which he joined in 1951.

• WILLIAM T. KNOWLES has been appointed head of the metropolitan banking department of Bankers Trust Co., New York, succeeding PAUL LUFTIG. Mr. Knowles was formerly first vice president in charge of the metropolitan banking department's administration division. He joined Bankers Trust in 1957.

• FREEMAN H. HUNTINGTON has been named a senior vice president of First National City Bank, New York. He heads the foreign exchange and international money market division. He joined Citibank in 1939 and has served in Brazil and France. He was formerly a vice president.

MID-CONTINENT BANKER for July, 1972

New Banking Law Attacked

A California banker and the American Civil Liberties Union have filed suit in federal district court in San Francisco to have the Bank Disclosure Act declared unconstitutional. The act was to become effective July 1.

The act requires banks to photograph both sides of all checks and money orders as well as records of every transaction in savings or checking accounts. The act also requires banks to report promptly to the Treasury Department any monetary instrument, such as a check, moving in and out of the country valued at more than \$5,000, and any transaction involving more than \$10,000.

The suit said the plaintiffs would "suffer a chilling effect on their rights of association" and that the act would "abridge their rights of privacy." The ACLU claims it could lose membership and donations because of the law. The banker is Fortney Stark, president, Security National, Concord, Calif.

Patman Calls for More Controls

Representative Wright Patman (D.,Tex.) has called for legislation that would restrict the percentage of aggregate investment by any single bank trustee in any major corporation, the elimination of interlocks among competing financial institutions, the separation of trust activities of banks from their "purely commercial banking functions" and called for banks to "remain essentially in the banking business."

He also urged Congress to consider proposals to establish independent investment management groups for the sole purpose of managing corporate pension funds.

He said chances for passage of "strong" regulatory legislation next year are good. But he added that "success obviously will depend on an administration which believes in a competitive enterprise system and which is willing to go out and fight the big corporate and banking giants to keep it competitive."

Removal of Savings Interest Ceilings Asked

Fed board member Andrew F. Brimmer has reversed his previous stand and called for the removal of ceilings on interest rates that financial institutions can pay on savings deposits.

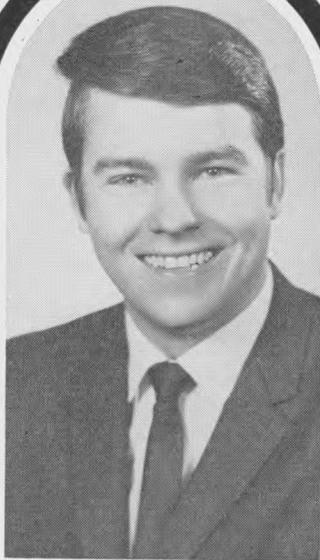
Governor Brimmer has charged that the ceilings have helped hold down mortgage interest rates, providing a "private subsidy" to home buyers who are primarily in the suburbs, while not encouraging housing for low- and moderate-income city residents. The interest ceilings also discriminate against small savers in times of rising interest rates, he said.

Governor Brimmer called on the Fed to take immediate steps toward removal of the ceilings.

Credit Card OK for Mass. Savings Banks

Massachusetts has become the first state to authorize direct entry into the credit card field by savings banks. Enabling legislation was signed recently, over the vigorous protests of the Massachusetts Bankers Association and the state banking commissioner.

The action was hailed by the Savings Banks Association of Massachusetts, sponsor of the bill. A representative of the association stated that he expects other states to adopt similar legislation.



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CORPORATE NEWS ROUNDUP

- **Bank Building Corp.** Allyn Raymond has been named manager of sales for the central banking facilities division of Bank Building Corp., St. Louis.

With its headquarters located in Progress West, St. Louis County, the central division covers a 13-state area from the Canadian border through the state of Texas.

Mr. Raymond joined Bank Building in 1971 as a consultant services manager. Previously, he was manager, Manufacturers Association, St. Louis, and manager of sales for M.P.C.-Bowles Corp., Kansas City, Kan.



RAYMOND



MARSHMAN

- **Scarborough & Co.** Robert W. Marshman has been named marketing vice president of Scarborough & Co., Chicago. He will be responsible for the firm's countrywide sales force and agency network.

Mr. Marshman had been vice president of Scarborough's eastern division for eight and a half years and prior to that was a bond manager for Aetna Casualty & Surety Co. for 12 years.

- **Foremost Insurance Co.** Darrell G. Corley and John A. Daring were appointed field claim representatives in the mid-America region by Foremost Insurance Co., headquartered in Grand Rapids, Mich.

Mr. Corley's primary area of responsibility is in the St. Louis area. Formerly, he was with Home Insurance Co. and Bituminous Insurance Co., both of St. Louis.

Mr. Daring will handle company claims in the Fort Worth area. Before

Kenny Family Killed

WEST BEND, WIS.—Thomas J. Kenny, president, B. C. Ziegler & Co., his wife and four children were killed in a plane crash in Southeast Asia last month.

News of Firms Serving Banks

joining Foremost, he was an adjuster with Allstate Insurance Co.

- **Financial Counselors, Inc.** A new division dealing in Veterans Administration insured mobile home loans has been formed by Financial Counselors, Inc., Austin, Tex.

Gary Beck is head of the new division, which will be headquartered at the company's main office. Mr. Beck was a mortgage liquidator with the FDIC for three years.

Mr. Beck will install the plan in each of FCI's seven regional offices in order to serve the needs of mobile home dealers on a local basis. The plan also will be expanded to operations of Lenders Insured Services Corp., Stockton, Calif., and First Reserve Co., Inc., Tuscaloosa, Ala., both affiliated operations of Financial Counselors.

- **Bankvertising Co.** David D. Crouse has been appointed operations officer of Bankvertising Co., Champaign, Ill.

Mr. Crouse formerly was on the marketing staff of a national frozen foods firm in Chicago. He holds a bachelor's degree in advertising and a master's degree in advertising/marketing from the University of Illinois.

- **James Talcott, Inc.** Leon J. Comeau Jr., vice president in the business finance division of James Talcott, Inc., has been appointed business development manager for the Chicago district office. He will be responsible for business development activities in Illinois, Indiana, eastern Missouri, western Kentucky and Wisconsin.

Newly elected vice presidents of the firm are Donald L. Matthes, marketing manager of the business finance division, Oak Brook, Ill., and Joseph J. Guarascio, credit manager for New York-factoring.

Two vice presidents also were elected by James Talcott Factors, the factoring division of James Talcott, Inc. They are Myron Berkiw, assistant credit manager-wholesale, and Dean C. Manikas, account executive.

- **PHOENIX**—Nathan C. Collins has been named vice president and manager of Valley National's Sun Country division. His new duties will center on marketing the bank's data processing, investment management, physical plant design, planning, marketing and research facilities.

Meet Our New President



**William E.
Barrows**

(Formerly Vice President, Crocker National Bank)

Insured **ip** *Payments*

A MOBILE HOME FINANCING SERVICE COMPANY
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Clockwise from left, George C. Dudley, C. J. O'Connor, John E. O'Connor,
Larry T. Pitts, John T. Fowler, Eugene B. Foncannon



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*Banks will find new managerial talent,
and create future marketing strategies*



MRS. RUTH D. HARRISON is a champion of the woman banker. This should come as no surprise since Mrs. Harrison is currently serving as president of the 9,000-member-plus National Association of Bank-Women Inc.

No "women's libber," she readily admits, nonetheless, she "believes in equal pay and equal *job opportunity for equal responsibility and equal performance for all people.*" Obviously, she believes that this "equality" should apply to the woman banker as well as her counterpart in insurance, advertising, retailing, etc.

She firmly believes that the banking industry holds tremendous opportunities for the woman who is willing to pay the price of success in terms of continuing education, long and oftentimes irregular hours, the frustration of responsibility, the challenge of decision making and the loneliness of being the manager.

At the same time, she is quick to point out that the banking industry may have shortchanged the woman banker in recognizing her executive capabilities. For example, of some 180,000 bank officers in the country, approximately 25,000, or 13%, are women. This compares with the retail industry, she said, where 50% of the executives are women, and with the insurance industry, where 25% of the

executive positions are held by women.

"That," she asks, "doesn't exactly make banking's 13% look like a winner, does it?"

Mrs. Harrison expressed her opinions publicly last month in a prepared speech before the Indiana Bankers Association at French Lick. Acknowledging briefly that one of the men on the speakers' platform was her brother and incoming president of the IBA (as well as her "boss" at the nearby Irwin Union Bank of Columbus, where she serves as assistant vice president in charge of advertising), Mrs. Harrison proceeded to tell her audience "like it is" for the woman in banking, at the same time predicting a much brighter future for tomorrow's woman banker.

She reminded her nearly 100% male audience that more than two thirds of all bank employees today are women, who represent all facets of banking. Yet only 13%—some 25,000—have advanced to officer status.

These women, she explained, are capably handling the same type of jobs that some 155,000 male bank officers are handling in every area of bank management, supervision and administration. She noted that NABW members, alone, account for slightly more than one third of the total woman officer count, thus attesting to the

professional character of the organization.

Among titles earned by NABW members are 12 chairmen, two vice chairmen, 44 presidents, 48 executive and senior vice presidents and 569 vice presidents. Most of these officers, she said, literally grew into their officer positions, starting in clerical or teller jobs and progressing through long years of service to the management area.

Rarely was a woman given management training, said Mrs. Harrison. She usually trained herself by attending AIB classes, by reading, by watching and by doing. There were and still are cases of discrimination against the woman banker in pay, fringe benefits and educational opportunities. Mrs. Harrison admitted that other industries have been guilty, too, of discriminating against women employees, but she expressed the opinion that banking currently is making greater strides in the area of *equal pay for equal responsibility* than are many other industries.

Nonetheless, Mrs. Harrison advised her audience that the woman banker of tomorrow would not be content to follow the long, slow and discriminatory path of her predecessor. Happily, she said, the woman banker of tomorrow will enter banking with more education and with greater self-confidence,

asking herself not "What kind of a job can I get?" but "What kind of a job do I want?"

Opportunities will be available in banking, she said, as banks will need 65,000 new employees and 10,000 officers annually throughout the 1970s. Banks will be forced to consider the qualified female, particularly since the bright young college men are not beating a path to the doors of the nation's banks.

Mrs. Harrison does not advocate, of course, that banks spend time and money training women who do not have the potential, desire nor the drive for managerial assignments. All women do not aspire to this degree of responsibility, she readily admits, nor are they willing to make the necessary sacrifices in their family and social lives.

But neither do all men aspire to executive responsibility, she reminded her audience.

The woman who does aspire to management responsibilities must make her wishes known. If a woman has a career in banking in mind, Mrs. Harrison stated, then she should let her superiors know and ask for their advice and help in improving her skills and knowledge so that she will be ready for advancement.

Mrs. Harrison offered some suggestions to bankers everywhere who would create programs to develop the full managerial potential of women:

1. Open up the bank's entire program for management training and development to women. This includes on-the-job training, seminars and graduate banking schools.

2. Grant the women on your payroll *objective* performance evaluations with straightforward, constructive criticism without soft-peddling for fear of *imagined* sensitivity.

3. *Expect* satisfactory performance and *reward* it with commensurate pay, promotion, status and privileges.

Given such a program, she said, women can and will make good managers and good commercial loan officers as well.

Of course, she told her Hoosier banker friends, some men just don't believe that women are "tough enough" for management positions that are so vital to the life of every bank. Admittedly, a woman doesn't want to be "tough," but isn't "being *realistic*" what is expected of a commercial banker rather than just being tough, she asked?

Women are realists, Mrs. Harrison said. They have to be in order to operate their homes on the always-too-small budget, to plan their progress in the business and professional areas and to get the most out of their career investments. They can be equally realistic (or tough), she said, in banking's executive suite!

Mrs. Harrison asked her audience if it didn't make good sense for banks to offer proper guidance and training to the qualified woman banker. Women *will* be in management, she said, and in *great numbers* simply because there won't be nearly enough men to handle the work. The question for all of banking to answer is this: "Will our industry, in this as in so many things, be carried along kicking and screaming by the tide of progress or will we make the most of a great opportunity by getting there for once ahead of the game?"

Banks that fully utilize female talent can expect to benefit in marketing strategies in the years ahead. Mrs. Harrison explained:

The number of women job holders has risen dramatically in recent years, up 11 million since 1950. And this

trend, according to the experts, will continue until as many as 75% of all adult women will be in the labor force.

Why is this so, she asked?

- Inflation is and will continue to force more women into the labor market to help maintain the family standard of living.

- Labor-saving household equipment, pre-prepared foods, easy-to-care-for fabrics have shortened the time required for domestic duties, thus freeing women for other activities.

- Careers with or in place of marriage are more widely accepted today.

- Women of today are better educated and they are no longer content to remain placidly at home after the child-rearing years.

- Families are smaller and thus the years of family responsibility are shortened, again freeing up the woman for an interest outside her home.

Well then, suggested Mrs. Harrison, bankers who are marketing their services to a family income earned by both husband and wife will need strategies different from those aimed at only the male wage earner.

"All of our time-honored psychology of selling will be upset. Think of the ultimate impact on our deposits, loans and every service a bank offers," she said, "if and when 75% of our adult females are wage earners."

The banker should think of himself as an *employer* and think selfishly of his own self interests, she advised. "Who will be ahead in the game in a few years?" she asked. "Will it be the bank that has learned to capitalize on its women in the very best sense of the word?"

It will be the bank (or banks) in the opinion of Mrs. Harrison that have learned how to select, train, understand, motivate and reward outstanding women. • •

Banker Suggests Gov't, Business Exchange Personnel

A Chicago banker has proposed a formal program in which government and business would exchange "the brightest of their young personnel."

Norman Ross, vice president of public affairs for First National, told the Wyoming Bankers Association last month that banks and other firms could exchange the men and women they have tabbed for possible senior-management posts with their equivalents in government for up to a year.

Mr. Ross believes benefits would accrue to the government as well as to business because fewer than a third of elected officials ever have had first-hand experience in private business.

He suggested that both large and smaller corporations could effect such exchanges with municipal and state governments, and large firms could do the same with Washington. Going further, he asked whether multi-national corporations and international banks could have their bright young foreign nationals spend perhaps a year working for their government.

Eventually, he said, such a program could be extended to the field of education, with personnel being exchanged between businesses and universities.

Edward Gavenus Named President Of American Institute of Banking

Edward R. Gavenus, vice president and cashier, First National Bank of Eastern Pennsylvania, Wilkes-Barre, has been elected president of the American Institute of Banking. He has been active in AIB for more than 20 years.

Named vice president was Joseph T. Bembem, vice president, Peoples National Bank of Washington, Seattle.

Four new executive councilmen elected were: Gerald J. Jason, personnel training officer, First National State Bank of New Jersey, Newark; Walton W. Sanderson, vice president, National Bank of Washington, D. C.; James L. Money, National Bank of Commerce, Seattle; and Richard J. Read, cashier, First National, Greeley, Colo.

BANKPAC

What It Is, What It's Doing, What Bankers Can Do



W. A. GLASSFORD, executive director of BANKPAC, is shown at podium during New Mexico Bankers Association convention, at which he gave speech on which article below is based.

THIS BEING an election year, everyone of voting age is being exhorted to become active in politics and work for the election of the candidates of their choice. "Oh yeah," many bankers may be saying, "remember BANKPAC?"

BANKPAC—or Bankers Political Action Committee as it was called originally—produced a lot of embarrassment for bankers in 1970 although it didn't intend to. It was formed with the same goal as the political groups formed by labor, thrift, medical, etc., associations—to raise money and channel it to candidates banking thought worthy of election or re-election. However, time was short and BANKPAC was in a hurry. It raised money, made a list of candidates who deserved its support, processed campaign checks for them and filed a required report with the government. The report was uncovered and publicized in an unfavorable light around the country. In fact, so much flak was stirred up that some of the candidates returned BANKPAC's checks. In fact, the publicity came out before some of the candidates even received the money, and so they were being impugned without knowing why.

The whole unhappy situation caused some of those bankers who had contributed to BANKPAC to say, "Never again" and those who hadn't to say, "I told you so" or "I'm above politics."

Of course, no American citizen is above politics. It's the duty of all of us to know our candidates and our officeholders. It's our duty to get involved by donating our time and our money to those candidates and causes in which we believe.

That's probably why the executive director of the new BANKPAC—W. A. Glassford—was asked to speak to New Mexico bankers at their annual convention last month.

Because there has been some confusion as to what *political* affairs and *legislative* affairs are, Mr. Glassford began by offering what he called a thumb rule to distinguish between the two. As he put it, *legislative* affairs have to do with *making* and *remaking* laws; *political* affairs have to do with *electing*, *re-electing* or *replacing the men and women* who make the laws.

He then told his audience what BANKPAC is—a nickname for Banking Profession Political Action Committee, which is a political committee with the word "action" in the center to indicate that it does something. A political committee, he continued, is a legal thing, defined in federal law as an organization that accepts contributions or makes expenditures for the purpose of attempting to influence the election of candidates to federal office.

Until April 7, 1972, Mr. Glassford explained further, such committees were regulated under the Federal Corrupt Practices Act of 1925, "which," he added, "should give you some idea of the public relations problems of political affairs!" The speaker pointed out that if the new Federal Elections Campaign Act does nothing more than remove the stigma of the old law's title, it will be worthwhile.

The gist of Mr. Glassford's talk is that BANKPAC (now headquartered in Washington, D. C.) is vastly different today from the BANKPAC of 1970. For one thing, its new name, Banking

Profession Political Action Committee, is designed to identify it with some 250,000 bank officers and the other thousands of career bank employees among the more than a million people who make their living in banking.

Mr. Glassford admitted that changing a name really doesn't change anything and that BANKPAC still has problems. 1. Politicians must be convinced that BANKPAC represents a real and important constituency whose money can be vital in helping *them* influence their actual voting constituencies. 2. BANKPAC has to sell a new concept to the banking profession. Bankers realize they are members of a special-interest group just like doctors, teachers and plumbers and have state and national associations to prove it. Now, Mr. Glassford emphasized, bankers must realize they also are a special, non-voting constituency. He defined constituency (according to Webster) as a "body of citizens *entitled* to elect a representative to a legislative body."

He spoke of this country's early days, when the federal government wasn't so involved in our lives and it was assumed that our local representatives in Congress could adequately handle our relatively few problems involving the federal government. He then compared such a time with today by saying the real power isn't even exerted by the entire Congress, but by the committees within Congress to whom the total Congress looks for guidance. The men and women who handle bankers' problems are members of the Senate Banking and House Banking and Currency, Rules and

Ways and Means committees and, Mr. Glassford added, the leadership of both houses.

Legitimate Constituency

"I submit," he continued, "that the banking profession must consider itself as the legitimate constituency of *these* congressmen whether *you* or *they* come from Alaska or Michigan or Oklahoma and *support* those who merit support (and try to replace those who don't). You can't do it by voting for them, but you can do it by helping them to influence their *voting* constituency in their election campaign, and you do this by helping them pay the cost of campaigning."

It was pointed out to the NMBA audience that under a new law, there's no longer any limit on the amount of money that an individual can contribute to a candidate for congressional office. However, Mr. Glassford pointed out that it would be bad if a few bankers took advantage of this "blue sky" opportunity. He reminded his listeners that part of banking's poor image comes from the public's thinking a few "fat cat" bankers have been doing this for years, and in a slightly tainted manner! What's needed, he thinks, are moderate amounts from the largest number of banking professionals that it's possible to get.

The banking profession will gain politicians' respect, said Mr. Glassford, when it is *in fact* a broad-based and powerful constituency, made up of the career employees of the industry.

Continuing his discussion for the need for an organization like BANKPAC, Mr. Glassford said that bankers today have to share congressmen with a lot of other special interests. There are only 100 senators and 435 representatives to cover the legislative needs and demands of more than 204 million people. This works out to one representative for every 470,000 persons and, in the case of senators, one for every 2 million. Then, too, he said, being elected or re-elected to federal office takes a lot of money, more money than any special-interest group alone can muster. Therefore, no one can *buy* a congressman, he said, even if the person had enough money and wanted to.

Mr. Glassford's advice, then, is to help the good candidates when they need help so that when bankers need help, the legislators will listen, hear bankers out and consider their suggested alternatives to harmful legislation.

"You wouldn't sell your bank down the river," said Mr. Glassford, "and a good congressman won't sell out his country to you or anyone else. But there is a big range of options short of

this extreme that is available to members of Congress."

In describing BANKPAC's history, Mr. Glassford was candid about the fiasco of 1970, but added that it wasn't all bad. In the first place, BANKPAC had done nothing wrong—unless there is something wrong with the ancient and honorable game of politics in America. He pointed out that it was "BANKPAC's *inept honesty* that caused all the fuss and which today, in retrospect, has earned it a grudging respect from the 'real pros' and a salute for taking its lumps and not bellyaching about it."

Also, in spite of a few refusals to take money, he said, BANKPAC contributions, averaging \$1,500, were offered and accepted in 1970 by 61 candidates—58 of whom were elected!

Already, he continued, BANKPAC has been approached, and has responded, to requests for assistance in the 1972 elections by some of the "most important to banking" members of the present Congress who are up for reelection. Finally, a lot of people became very unhappy with a "certain congressman" (Mr. Glassford's words) who, in trying to make bankers look bad, questioned the integrity of his colleagues and used their discomfiture to further his own campaign. "And it won't be forgotten," promised Mr. Glassford.

Lessons of 1970

What did BANKPAC learn from the problems of 1970? How could the disclosure that bankers' money was involved in political campaigns cause such a flap? Mr. Glassford answered these questions by saying, "We learned that politics has such a bad reputation that bankers wanted no part of it, and that bankers have such a bad image that politicians wanted no part of them! Not that politicians don't respect bankers, they do; but they must be sensitive to what their home district constituents think of bankers. Too many voters still think the word 'banker' means a fellow who spends his day either foreclosing on widows and little orphans, or refusing to make loans, or pontificating on mysterious subjects like the prime rate, or that he is generally unapproachable, unsympathetic and making so much money that he can't possibly understand the problems of people who haven't got too much of it."

Mr. Glassford ended his talk by asking his audience to get involved, personally, and to encourage their colleagues to become involved, too. He assured them that the objectives are honorable and vital to the best interests of their profession. • •



FOWLER



FORD

Fowler, Ford Appointed VPs At First National, Memphis

MEMPHIS—R. Molitor Ford and Thomas D. Fowler have been elected vice presidents in the correspondent bank division of First National.

Mr. Ford joined the bank in 1964. He was in the branch system from 1967 until 1969, when he was assigned to the correspondent division. Since joining First National in 1966, Mr. Fowler has served in the correspondent division. He now heads the Arkansas-Texas-Oklahoma-Kansas department of that division.

Other promotions at the bank included: Richard G. Hastings, deputy auditor; Mike Bowers, international loan officer; and Richard H. Eckels and Tom D. Iverson, bond department officers.

New Vice Presidents Named At First Nat'l, Chicago

CHICAGO—First National has named David A. Brooks vice president and administrative assistant to the senior vice president in charge of the personal banking department.

Before joining the bank, Mr. Brooks was president and a director of First National, Cambridge, O.

Other newly elected vice presidents are: Kenneth L. Hebson, trust department; Robert M. Hultgren, bond department; William S. Race, loan division K; and Edward M. Sullivan, operations division.

Fed Reserve

(Continued from page 5)

released reserves. The Fed will neutralize the remaining \$1.5 billion through open market operations.

The new check-clearing procedures will require all banks to pay for checks drawn on them in "immediately available funds" on the same day the checks are presented for payment, eliminating float.

Because some banks will be temporarily hurt by the changes, the Fed says that during a transition period it will waive the penalty it usually imposes when a bank's reserve requirements are too low for its deposit level.

Missouri To Examine Banks By Computer

COVER PHOTO: H. Duane Pemberton (r.), Missouri commissioner of finance, discusses new Missouri Automation Plan with Dennis Seifert, computer operator, Central Trust Bank, Jefferson City. Plan's objective is to give Missouri state bank examiners capability of independently proving various asset and liability accounts of automated banks and generating information needed for their reports. Central Trust Bank was the site of one of the field tests run on the plan.

By **ROSEMARY McKELVEY**
Managing Editor

which the division believes to be the first in the country—that will make it possible for its examiners, personally, to prove the various asset and liability accounts of automated banks and generate information needed for their reports. The program has been especially designed to allow examiners to take it into automated banks or data centers and prepare reports without the help of the computer personnel there. Thus, the examiners are sure that the information they obtain is complete and accurate.

Other goals are to improve the quality, scope and efficiency of these ex-

aminations and to reduce the amount of time it takes to make them.

Although the program is just getting underway, it has been field tested successfully in three Missouri banks—Central Trust Bank, Jefferson City; First National, St. Louis, and First National, St. Joseph. The reason that two of the banks are nationally chartered is that when the Division of Finance picked some state banks to test the program, they found that these banks' records are being processed through First of St. Louis and First of St. Joseph.

The Missouri Automation Plan utilizes a program called the "Interrogator" by its creator and owner, Simplimation, Inc., a two-year-old St. Louis-based software company. The program is leased on a yearly basis to

UNTIL ABOUT 10 years ago—before computers practically took over banking—a bank examiner could conduct an examination simply and efficiently with the aid of one basic mechanical tool, an adding machine. He would total the assets and liabilities of a bank and then check his totals against those on the bank's general books.

However, as an increasing number of banks installed automated equipment or became affiliated with data processing centers, this procedure became a little more complicated. The examiner, not being trained in the use of a computer, was forced to ask data processing personnel to produce a trial balance on the computer and then proof these totals against the general books.

Essentially, there was nothing wrong with this procedure, but it did rob the examiner of his independence.

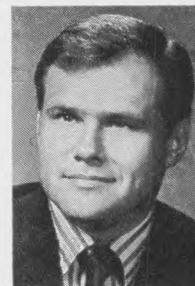
In Missouri, effective July 1, 1972, the Division of Finance began arming its examiners with a new tool to aid them in "computer examinations." In the future, Missouri state bank examiners will use a software program—

The Missouri Division of Finance, which is charged under the statutes to administer the banking laws of this state, has in recent years become increasingly aware of the problems involved with bank examinations as they apply to depositories using electronic data processing equipment.

It is now apparent that, if we are to adequately protect the public interest, we must become sufficiently familiar with the computer systems used in today's banks, that we are assured the data stored therein and the records generated therefrom are accurate and complete in every respect.

After lengthy and comprehensive studies of this matter, a computer program has been developed which, tests have shown, can be of significant value to bankers and bank examiners alike, not only in improvement of the quality and scope of bank examinations, but also in the reduction of time required to complete these examinations.

The Missouri Division of Finance will begin in July, 1972, to use these computer programs, on a limited basis, as an integral part of its examination procedures.—*H. Duane Pemberton, commissioner of finance, state of Missouri.*



PEMBERTON

the Division of Finance. "Interrogator," according to Allan J. Smith, Simplimation's president, was specifically designed for use by non-technically trained persons. Its aim is to provide them with a tool they can use to "interrogate" files. With such a design concept, the program can be adapted by Simplimation to whatever use the leasing firm or group desires. Basically, said Mr. Smith, a 20-year veteran in the automation field, its approach is to use everyday English instead of "computerese" to "instruct" the EDP equipment.

The project had its beginnings in 1968, when Missouri's then commissioner of finance, C. W. Culley, assigned Earl L. Manning, senior examiner in Jefferson City, to make a study of the impact that computers in banks were having and would continue to have on bank examination procedures. H. Duane Pemberton, current commissioner of finance for the state of Missouri, reviewed the Missouri Automation Plan on his appointment and instructed that it be continued, but at an accelerated rate.

Mr. Manning's first step was to conduct a survey to determine the kinds of computers being used, their locations, capacities and applications. In addition, the survey sought to learn which banks had computers on their premises, which had data services performed by computer centers or in other banks and which banks were contemplating buying or leasing their own computers or contracting for off-premises services.



H. Duane Pemberton (r.) Missouri commissioner of finance, and Earl L. Manning, senior state bank examiner, Missouri Division of Finance, review results of test run on Missouri Automation Plan at Central Trust Bank, Jefferson City.

He found that of the current 579 state-chartered banks in Missouri, 292 have some form of automation. More important is the fact that Missouri banks using some form of automation account for 81% of total assets of all state-chartered banks. Records of the 292 automated banks are processed in 60 different data centers. Every computer configuration that processes bank records is on file at the Finance Division headquarters in Jefferson City.

After obtaining this information, Mr. Manning was able to see the scope of the problem that lay ahead of him.

Although the program is now officially in use, the Division of Finance is continuing its survey as additional banks

acquire computers or computer services or as previously automated banks put new applications on their equipment.

Mr. Manning followed up his survey by going to New York City—the financial capital of the world—and studying automated examination procedures there. He also attended every automation school that would be of value to him in putting together an automated examination package. These schools included the ABA's Automation School at Purdue University, the Conference of State Bank Supervisors' school at the University of Chicago and two FDIC schools on automation. He also attended countless conferences and lectures on automation. In fact, he sought advice and help from any and every source.

One route that was explored was for the Missouri Division of Finance to train examiners to actually write the computer programs they would use in examining automated banks. However, this idea was abandoned because, as Mr. Manning explained, it would be costly and just about impossible to keep examiners abreast of new automated applications that are being added all the time in computerized banks.

Mr. Manning said he believes a bank examiner must remain primarily a bank examiner, that he should be able to use a computer without knowing exactly how it works, just as he uses an adding machine without understanding its mechanics.

About 18 months ago, he decided the only feasible route was to ask some person or firm with a lot of knowledge of automation to write a program examiners could use in automated banks and service centers and on most types of equipment.

Mr. Manning checked the audit programs of several large CPA firms. However, the Finance Division has specialized requirements that these programs did not meet. What was needed, said Mr. Manning, was a customized computer program. Then, in June, 1971, he learned that Simplimation, Inc., of St. Louis had such a program that could be adapted to the division's own needs. Mr. Manning emphasized that neither he nor H. Duane Pemberton, now commissioner of finance, is endorsing or trying to sell Simplimation's program to any other group or bank. Simplimation, he explained, just happened to have a workable program his division could use and that's why the company was chosen.

Mr. Manning's next step was to meet with Mr. Smith and give him a design concept of the kind of pro-

(Continued on page 56)

EDP Training Program for Bank Internal Auditors Developed by State Bank Supervisors Conference

AN EDP TRAINING PROGRAM for bank internal auditors has been developed by the Conference of State Bank Supervisors in response to the urging of senior bank executives throughout the country. The new, week-long program—called Computer Audit and Control conferences—is a more detailed extension of the Bank Executive EDP conferences that CSBS has presented throughout the country in recent years. The new program is designed to assure the most efficient audits of the automation function and to train auditors to utilize automation properly in performing many of their tasks.

The conferences are based on the realization that internal auditors should provide a critical control link between senior management and computer technicians in both on- and off-premises processing arrangements. CSBS point-

ed out that today many internal auditors are not fully prepared to assume this responsibility, and so the extensive benefits of computer processing often are diluted due to a lack of control over the automation function. This, continued CSBS, can result in greater exposure to defalcation, sabotage and record mishandling.

The format of these new educational seminars has been designed to prepare the bank auditor to correct these deficiencies. Material and workshop exercises covering all phases of automation in banks is presented with emphasis on the "how to" of EDP auditing.

The first three such conferences were held at three different times last month: in Chicago for Illinois banks, in Miami for Florida banks and in Saddle Brook for New Jersey banks. All three seminars attracted full enrollments. • •

How Can Bankers Respond to Demands Made by Advocates of Consumerism?

Providing More and Better Services Is Best Response

CORPORATE social responsibility certainly is one subject that has accumulated a thick coating of sugary rhetoric. A lot of well-meaning people, both in and out of the business community, have lately been advising corporations to become "involved." Involved in *what* is the crucial question.

I'm not sure that business involvement in projects that lie outside its expertise is good either for business or for society. The line between high-mindedness and highhandedness is extremely vague, and those who have invited business into the social arena today may be chasing it out toting a bucket of tar and feathers tomorrow. After all, who elected business to make private decisions on public policy questions?

My own theory is that corporate *responsibility* ought to be strictly defined by corporate *capability*. One area that fits completely within that strict definition, however, is the responsibility each businessman has to conduct his business in a manner that respects the rights and interests of his customers. Another is the responsibility business has to respond affirmatively to the customer's needs and to the needs of the community in which the business itself operates.

Unfortunately, business has not always met these twin responsibilities effectively—which brings us to consumerism.

In one sense, consumerism has been with us for decades. Consumers Union

By **JAMES D. FARLEY**

**Executive Vice President
First National City Bank
New York City**

was founded in 1936, and Consumer Research has been around even longer. What might be called the consumer movement in modern dress originated much more recently, however. It dates from a statement made by the late President Kennedy on March 15, 1962, enunciating four basic consumer rights—the right to safety from products hazardous to health or life, the right to be informed, the right to choose and the right to be heard.

From that beginning, like a rock dislodged from the mountain, an avalanche of legislative and administrative action has followed, sweeping almost irresistibly across the political terrain.

"No army," said Victor Hugo, "can withstand the force of an idea whose time has come." True. But why? Why was consumerism an idea whose time had come?

The answer is not far to seek. Consumerism is simply a political response to a profound change that has taken place in the relationship between the individual consumer and the marketplace. It taps an immense reservoir of accumulated grievances—grievances we all have in one form or another because of bitter experiences with products that don't work, with guarantees that don't guarantee, with repairs that fix the wrong thing at an outlandish cost, with advertising that befogs, with billing errors that seemingly can't be corrected because someone up there speaks only in "computerese."

Consumerism, in short, takes much of its vitality from the outrage we all



JAMES D. FARLEY, who heads Citibank's personal banking group, joined the bank in 1950 and served 13 years in Buenos Aires, Argentina, rising from trainee to manager. In 1964 he took charge of planning and coordination for the bank's overseas division and—three years later—was named exec. v.p. and general manager of the Mercantile Bank of Canada, Montreal, a Citibank subsidiary. He assumed responsibility for the personal banking group in 1968.

more or less share against the shoddy practices we all encounter. In some ways, it is a species of blind revenge against the System with a capital S.

There are those who regard consumerism as a wrecker's ball aimed at the superstructure of American business. And I, for one, am not entirely disposed to shrug off that concern as hysterical. Certainly a good many ill-conceived nostrums have been advanced in the name of consumerism by those who appear to regard the American economy as a kind of gigantic Tinker Toy.

In our own industry, for example, the enduring fantasy is that credit can be made abundantly available at low interest rates by waving a legislative wand.

The state of Washington, in 1968, reduced the top rate on consumer loans from 18% to 12% annually.

Subsequently, a study prepared by a university research group for local retailers disclosed that more than half the retailers had raised prices by 5% to compensate for lower interest earnings, that they were charging for gift-wrapping and parking and other services previously provided without charge, that the rejection rate on loans had increased, that the amount of "open-book" credit had declined and, finally, that some low-risk consumers actually were paying more for interest than

they had paid under the higher ceiling.

Undoubtedly, this legislation was designed by those ignorant in the profit dynamics of credit. When the going gets rough, lenders become more selective. For example, in the same Washington area, it was noted that used car sales were affected. Could it be that income groups who were supposed to be protected were actually hurt the most?

In short, let's not forget Newton's first law of "marketing"—for every action, there is an equal—and opposite—reaction.

Local labor leaders, on the other hand, said the lower ceiling saved consumers \$50 million. In the absence of a truth-in-propaganda law, you'll have to make your own choice between those competing claims.

Similarly, ceilings on home mortgage rates, imposed at unrealistic levels by many states, have dried up the flow of housing credit—such as a 7½% mortgage ceiling in New York State in 1970 when cost of money was 9% or more.

Obviously, we need to do a better job of helping the voting public and its representatives understand that certain laws of economics aren't subject to legislative repeal—that consumerism isn't entirely a free ride—that there are economic costs associated with improving automobile safety or restricting the reporting of credit information—and that someone, usually the consumer,

has to pay these additional costs. Often, this payment may come in the form of denied credit or a limitation on the choice of type of credit available.

At the same time, if businessmen are rightly worried about consumerism's destructive potential, they shouldn't overlook its constructive possibilities, which seem to me to be equally real and equally important.

A split personality may explain the fact that many businessmen derive satisfaction as consumers from legislation affecting industries other than their own, but heartily and heatedly resist all proposals affecting themselves. I think the explanation is an easier one—namely, a common trait, the ability to see more clearly at a distance than close at hand.

The beginning of business wisdom about consumerism is a recognition that legitimate consumer grievances are not invariably directed at the other fellow. Each of us ought to be willing to undertake a careful self-examination and to change practices when change is merited.

If business shows a willingness to deal effectively with the consumer's legitimate beefs, it will be far better equipped in my judgment to fend off the notions of the militant anti-business believers, who are in the minority.

I have been personally engaged for
(Continued on page 50)

Replica of Confederate Coin Makes Popular Gift

THE CONFEDERATE half dollar is said to be one of the rarest coins ever minted. Only four coins were struck at the New Orleans Mint after it was seized by Confederate troops early in the Civil War. No additional coins were minted because of lack of bullion.

But there is no longer a shortage of these coins, thanks to Centre House of Lexington, Inc., Lexington, Ky. Replicas of the rare coins have been struck and are being offered to banks as

unique gifts or premiums. The coins are available in two forms—as "table art" paperweights and as "collector's classics" wall plaques.

Each clear lucite paperweight contains one Confederate half dollar, with both faces of the coin visible. The wall hanging includes two coins mounted on a felt background, framed and ready to hang.

The seal of the Confederate states, which adorns one side of the coins, was designed in London. It pictures George Washington on a horse, taken from a statue located in Richmond, Va., the Confederate capital. The date on the coins—February 22, 1862—signifies the day Jefferson Davis was inaugurated as the first and only president of the Confederacy.

Although only four original coins were struck (each one valued today at about \$45,000), 500 restrikes were made privately in 1879 (valued today at from \$500 to \$700). The Yankee blockade of New Orleans prevented the Confederates from striking more original coins.

Banks using the Confederate half dollars as gifts include First National,



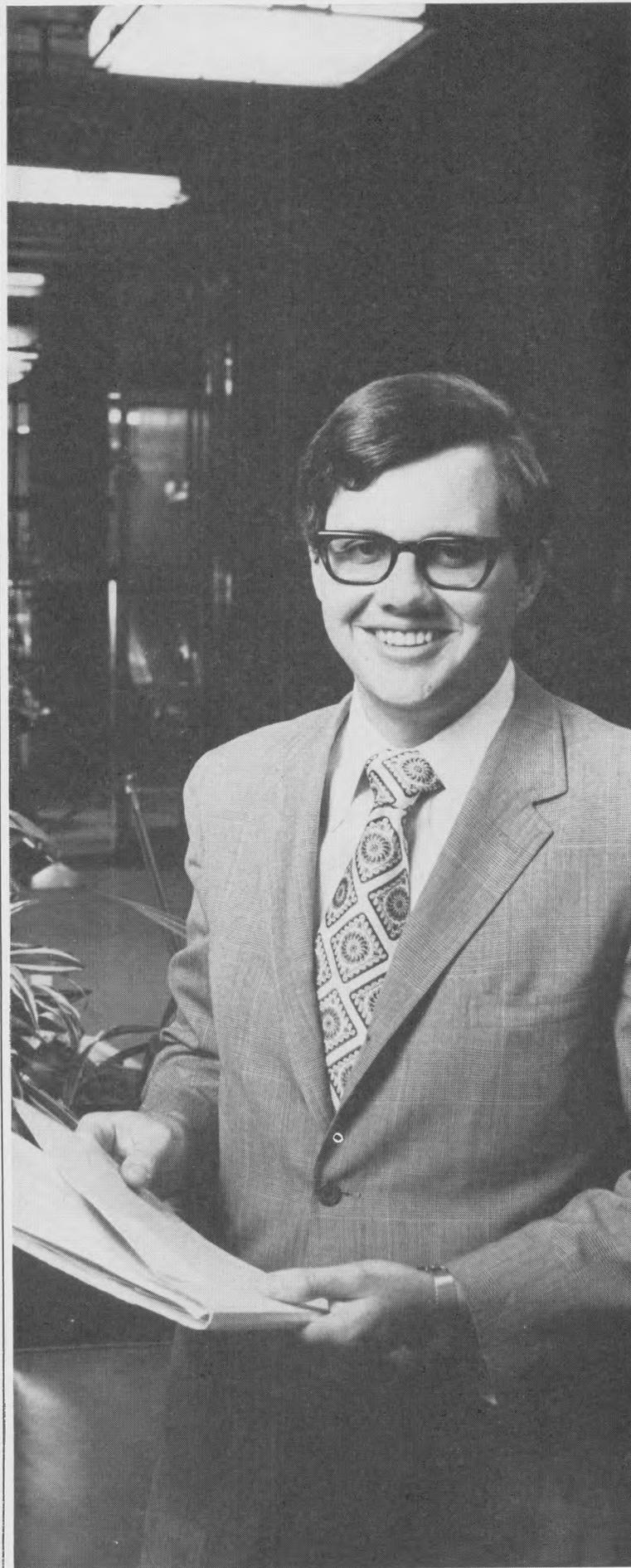
Table art paperweight of clear lucite holds replica of Confederate half dollar, with both faces visible.



Collectors' classic framed pair of Confederate half dollars shows both faces of coins. Four originals were minted in 1864.

Carlisle, Ky.; First State, Altoona, Ala.; and Southern National, Tallulah, La. Each bank distributed the coins to special customers last Christmas. All report that the gifts were greatly appreciated by recipients.

Quantity prices make the coins an appropriate premium to stimulate new accounts and loans or as an incentive for opening new charge-card accounts.



You've got a new man (on our payroll)

Charles A. McNamara III—a young man with an impressive name and impressive banking credentials to match it.

A native Tulsan, Charles recently joined our correspondent banking department after a highly successful two years of recruiting young depositors as head of NBT's 21-30 Pacesetter Club. He earned his BBA and MBA degrees from Southern Methodist University and, since coming to us in 1970, he's absorbed a great deal more professional "savvy" through his affiliation with the Oklahoma Bankers' Association and American Institute of Banking.

Bill Nash and Art Troll are pleased to welcome Charles into their busy, growing program. We're sure you'll be pleased at his attitude and efforts on your behalf as you work with him and get to know him. Call us at 584-3411 and we'll arrange a meeting soon.



No Time To Check For Hoax, Banker Says

**Banker Loses \$18,000
in Extortion Hoax**

Banker Pays \$50,000 Ransom

Quick Shop. Do you know where the Quick Shop is? "I can still hear that voice," Hamilton related. "It wasn't but it wasn't old. It stated. The gram no reason... After conferring briefly with bank officers, Hamilton went to the tellers and signed for whatever money they had. "Like I'd told the caller," he said, "there was no way I could raise \$50,000; we just don't keep that kind of money around. But I put up about \$19,500." May was instructed to give the money to a bank clerk, who was to go to a telephone booth to receive further instructions. The clerk followed the orders and took the money to a rural site near the Friant Canal. The men and managed the money and Federal investigation agents in a helicopter circling the area. Minear had

How To Prepare For

Kidnap/Extortion Threats

KIDNAP/EXTORTION threats are becoming an increasingly alarming danger to bankers and their families all over the country. No bank, large or small, urban or rural, is safe from the menace of a kidnap/extortion criminal, but there are some things bank officers can do to prepare for such an emergency situation.

A kidnap/extortion situation often happens like this: A bank president, cashier or other officer receives a telephone call saying that the caller has the banker's wife, child or some other relative held hostage. The banker is told that if he gathers together a certain amount of money and delivers it to some destination within a short period of time, the hostage will be set free. The kidnapper usually warns the banker that if he notifies the police, harm will come to the hostage.

In preparing for such an emergency, the FBI urges bank security officers to design a set of precise instructions on what to do when a kidnap-threat call is received and to circulate a printed form of questions to ask the kidnap caller. The form, of course, should include telephone numbers of the nearest police station and FBI office.

Several authorities on the subject give these hints on what a banker should do while speaking to a kidnap/ransom caller on the telephone and what to do after receiving the call:

By **KATHY FLOOD**
Assistant Editor

- Keep calm. Remember that the caller is depending on you to panic so that you will not be able to think clearly.
- Request proof that the caller actually is holding your wife or relative hostage by asking to speak to the hostage.
- Delay the caller as long as possible by asking questions. The longer the caller remains on the phone, the more valuable information can be obtained. Also, try to get a note to another officer to have the telephone operator secretly put a trace on the call.
- In delaying the caller, ask: Who is calling? Where are you calling from? Is this a prank? How do I know it is not a prank? May I talk to my wife so that I can be sure? What do you want? How do you want the money? How shall it be wrapped or packaged? Where should the money be delivered? How will I recognize the person to whom to give the money? Exactly where and exactly when must the money be delivered? How will I know my wife is all right?
- If the caller hesitates in answering or says he will hang up, ask another question immediately.

- After receiving the kidnap call, note the exact time the call was received, the exact words of the threat, tone of the caller's voice, the caller's sex and any background noises heard during the call.
- Attempt to verify the validity of the threat by trying to locate the would-be hostage—by calling your wife at home or your child at school, etc.
- Notify another bank officer of the threat and of your intention to deliver the money.
- Notify the FBI immediately with as much information as you have. Remember that the FBI and police are at an extreme disadvantage if there is any delay in reporting an incident.
- In packaging the currency, make certain that "bait money" is included. One person should be in charge of giving details of a kidnap/ransom case to the press. The bank should not release names, addresses or photographs of bank employees or families, amount of money taken or the fact that bait money was used.
- Some banks have outlined security procedures for top bank officers concerning telephone calls, since this is how the kidnap/extortionist usually reaches his victim.
- Before the bank officer will take any telephone call, his secretary first screens the caller, asking his name, business association and purpose of his call. If

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**Any crackpot can rob a bank
with a telephone.**

**All he needs at his end of the line
is your wife.**

Let's face it. Stick-up notes bring small potatoes. The smart money is in knowing your home address. As long as you work for a bank, your wife and kids will be as vulnerable as a 707 over Miami.

Bank kidnapping used to be a minor risk. Nowadays, no bank is safe. That's why we offer a Kidnap & Ransom policy with the broadest variety of options.

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the secretary cannot satisfactorily identify the caller, she asks that the bank officer call him back. A kidnapper will not be anxious to give a phone number, thereby revealing his whereabouts.

If the banker takes the call, his secretary listens in to the first few moments of the conversation to make sure it is not a kidnap/ransom threat until the officer, with a wave of his hand or some other signal, dismisses her.

If the call is a kidnap/ransom threat, the secretary immediately calls the banker's home to see if his family is safe. If his wife cannot be reached, the banker has an already-prepared satchel of money containing small bills, dummy money and marked bills to give to the kidnapper. This saves valuable time during the emergency, allowing the banker more opportunity to notify the authorities.

Should the banker find his wife is all right and knows nothing of the kidnap threat, he delays delivering the money to the designated location until the

FBI or police can reach the site and apprehend the criminal or at least get his description or license number of his car.

Some banks have taken precautions in the event a top bank officer is the one being held hostage. The bank has a list made, in advance, of all officers' automobiles—descriptions and license numbers—so they can verify the information with a kidnapper who says he has an officer held hostage. Having this list made up beforehand saves valuable time during an actual threat and makes information readily available to the FBI.

As a basic bank security precaution, the FBI suggests that officers do not establish regular daily routines that can be observed by criminals. Don't arrive at the bank at the same time every day or park in the same spot. Don't unlock the safe at the same time each day. Don't ignore a strange car in the vicinity of the bank or your home. Don't fail to report any suspicious situations to the police and FBI.

Banks also should encourage officers and employees to take security precautions against kidnapping in their homes. Several of these precautions bankers can use to protect themselves and their families while away from the bank were outlined by Cliff C. Jones, chairman, R. B. Jones Corp., Kansas City, in a speech he gave before Commerce Bank of Kansas City's recent correspondent conference.

Mr. Jones suggested:

1. Install protection devices in your home. Electronic devices range from relatively inexpensive plug-in sonar or radar units which detect movement in a room to the highly sophisticated burglary and fire alarms in each room and on each door and window.

2. There are also effective, inexpensive methods to protect a home against the entry of would-be kidnappers. It is not expensive, for example, to install a second key lock on each outside door. This greatly increases the difficulty of forcing entrance through a door.

3. Any outside door with glass in it should have a deadlock on it. In the event the glass is broken and the knob turned, the deadlock still prevents the opening of the door. It can be opened only by use of a key.

4. Any solid door that has a doorbell should have a viewer through the door so that the person outside can be observed before admitted. Also recommended is a good solid chain-locking device so that the door can be partially opened.

5. Many homes have sliding glass doors opening onto a patio. Chain locks can be attached to these doors, and a bar also can be placed strategically at the bottom so the door cannot be opened without shattering the glass.

6. Have it clearly understood by all members of your family that doors are to be kept locked as much as possible. This, of course, is particularly important from dusk on into the night.

7. A good watchdog long has been rated as one of the most effective deterrents to kidnappers and burglars.

8. Give children practice in answering the door and not admitting someone they don't know. Let them see you refuse to open the door when you don't know who is there. Packages delivered to your home may be left and retrieved at a later time after the delivery man is gone.

9. Automobiles can be installed with anti-tampering devices. This is particularly helpful for your wife's car because it includes a button she can push to activate a loud siren. It is important, too, that your wife's car have automatic door locks.

Taking security precautions in the bank and in home can reduce the chances of your bank being hit by a

NEW BANKERS' KIDNAP RANSOM COVERAGE

The outbreak of extortion attempts has created a great need for new insurance coverage. In response to this need, Bowes & Company, Inc. originated Bankers' Kidnap/Ransom Insurance. This coverage is now available with these important new options:

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New York, New York 10017
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SAN FRANCISCO
155 Sansome Street
San Francisco, Calif. 94104
Telephone 415 • 981-8360

kidnap/ransom threat. However, in the event such a threat does occur, the main thing to remember is to remain calm and try to think clearly. This is much easier to do if you already have anticipated the emergency and have outlined a procedure to follow. • •

Golden Anniversary Convention To Be Held by NABW Sept. 17 At Palmer House in Chicago

CHICAGO—The National Association of Bank-Women Inc. will hold its golden anniversary convention September 17-21 at the Palmer House here. About 2,000 members of the association are expected to attend the convention, which will feature general sessions, workshops and social events.

Miss Ruth A. Steinke, assistant vice president, National Boulevard Bank, Chicago, is serving as chairman of the convention. Her co-chairman is Miss Evelyn M. Moore, probate officer, LaSalle National, Chicago.

Presiding over the convention will be NABW President Mrs. Ruth D. Harrison, assistant vice president, Irwin Union, Columbus, Ind.

Chicago Mayor Richard J. Daley has signed a proclamation designating the time of the convention as National Association of Bank-Women's Week in Chicago. Senator Charles H. Percy of Illinois has paid tribute in the U. S. Senate to the role played by bank women throughout the country and has introduced a joint resolution authorizing President Nixon to recommend the observance of Bank-Women's Week on a national level.

A special committee for the convention, chaired by Mrs. Jean G. Wofford, assistant vice president, First National of South Carolina, Spartanburg, is developing plans for a series of in-depth educational workshops on such subjects



Chicago Mayor Richard J. Daley issues a proclamation designating the time of the September NABW convention as National Association of Bank-Women's Week in that city. Convention committee members shown with Mayor Daley are: (from l.) Miss Jeanne Hafner, staff off., First National—publicity ch.; Miss Ruth A. Steinke, a.v.p., National Boulevard Bank—convention ch.; Miss Evelyn M. Moore, probate off., LaSalle National—convention co-ch.; and Miss Rita M. Colucio, second v.p., Exchange National—arrangements ch. All are from Chicago.

as banking's social obligations, trust innovation and legislation, international banking, the cashless society and investment counseling.

A number of special awards will be presented during the convention, including the NABW National Scholarship Award, which goes to an active member of the association to enable her to take advanced banking studies, and the Jean Arnot Reid Award, which is a financial award presented to a woman student of the American Institute of Banking who is not a member of NABW nor yet an officer of a bank.

A third award—the new NABW Memorial Scholarship—will be presented for the first time to a woman with "unusual potential" studying in finance, banking or an allied field. The recipient of the new scholarship can be either an undergraduate or a graduate student nominated for consideration by an NABW member, while NABW membership is not required.

■ NEW YORK—Chase Manhattan has promoted Francis H. Dunne to senior vice president, operations, and Robert D. Hunter and Michael S. Cassidy to vice presidents, human resources. Mr. Dunne had been a vice president and Mr. Hunter and Mr. Cassidy second vice presidents.

Two Elected Vice Presidents At Third National, Nashville

NASHVILLE—Third National has promoted James S. Ragsdale from comptroller to vice president and comptroller and Hayes Graf from auditor to vice president and auditor.

Mr. Ragsdale joined the bank in



Newly named v.p.s at Third National, Nashville, are Jim Ragsdale (l.), comptroller, and Hayes Graf, aud.

1950 and was promoted to comptroller in 1970. Mr. Graf came to Third National in 1940, was named assistant auditor in 1950 and auditor in 1966.

In other action, the bank elected James W. Anderton, David Dixon and Henry Sullivan commercial officers. David Baird was named an investment officer and Thomas I. Bottorff was elected assistant trust officer.

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Hearings on Guidelines for 1-Bank HCs

At stake: future transfer of small bank ownership

INFORMAL GUIDELINES set by the Federal Reserve Board for approving the formation of a one-bank holding company have been questioned severely by bankers in recent months, particularly in unit-bank states where the holding company device has been used extensively to transfer ownership of the relatively small bank.

The resulting furor has caused the Fed to schedule a June 28th hearing in Washington to hear witnesses from the American Bankers Association and from states that have a large number of one-bank holding companies, such as Kansas and Minnesota. The hearing will have been completed as this reaches *MID-CONTINENT BANKER* readers, but the Fed has indicated it would accept written comments until July 12. Any change in the existing guidelines would not be handed down until some time later.

Privately, the Kansas City Fed and other districts have acknowledged the existence of these guidelines which, in effect, are somewhat restrictive in the formation of one-bank holding companies. It was not until the Fed announced the June 28th hearing, however, that it publicly acknowledged these guidelines, which have been in effect since September 1, 1971.

The Fed, of course, has jurisdiction over formation of one-bank holding companies. Last year it delegated authority to its various districts to pass on holding-company applications that met with the following provisions:

- An equitable offer must be made by the purchaser to all shareholders of the bank. This has been interpreted by Fed staff people as being the *same* offer to *all* shareholders.

- The amount borrowed by the holding company to purchase the bank should not exceed either 50% of the purchase price of the shares of the bank or 50% of the equity capital of the holding company. Also, the loan should be repaid in 10 years or less.

- The interest rate on the loan should be comparable with other stock-collateral loans by the lender to persons of comparable credit standing and the loan should not be conditioned on the maintenance of a correspondent bank balance with the lender that *exceeds*

the *usual* needs of the bank being purchased.

- The amount needed for interest requirements and amortization of the holding company's debt should not exceed in any one year 50% of the holding company's proportionate share of the bank's anticipated net income after taxes.

Reportedly, the various Fed districts also have used the past activities and actions of the applicant in refusing permission to form a one-bank holding company. Two such examples have been cited:

1. Where the applicant has purchased stock from previous owners at different prices per share.

2. Where the applicant has rendered management services to the bank and charged management fees to the bank which the Fed felt were unreasonable or to the detriment of minority stockholders.

The Fed has acknowledged that it has received complaints on the application of its so-called informal guidelines and that the guidelines may have resulted in undue adverse effects upon the transfer or sale of bank stocks.

Minnesota bankers, at their recent convention in Duluth, adopted a resolution which urged the Fed to re-examine the intent of Congress in its passage of the 1970 Bank Holding Company Act.

In their resolution, Minnesota bankers observed that "the one-bank holding company device enables and makes possible the transfer of the ownership of small commercial banks to individuals who have the potential to manage a sound community bank but who have limited available capital."

The Fed's guidelines, they maintained, have practically eliminated one-bank holding company applications and thus have "thwarted the intent of Congress and the interests of the public."

At this same convention, the president of the American Bankers Association called on the Fed to relax its requirements on the transfer of bank stocks. Allen P. Stults (ch., American Nat'l, Chicago) said that the Fed's guidelines bordered on the area of "meddling in credit criteria set by banks."

The Fed, he said, is intervening in the private sector when it sets up guidelines that measure debt-equity ratios and debt-repayment schedules. He suggested it was unwise for the Fed to set up blanket rules covering all borrowers and all loan conditions. He recommended that the Fed return to its previous practice of examining each holding company application on its individual merits.

It is expected that the June 28th hearing will have drawn a restatement of these principles from ABA spokesmen, as well as representatives from unit-bank states that have been particularly affected by the Fed guidelines.

Kansas was one of those states expected to be represented at the hearing, since many of the small banks in that state have been affected by the guidelines. Unofficially, it has been determined that the Kansas City Fed received about 25% of the one-bank holding company applications. Thus, the impact of the guidelines on banks in that district can be seen.

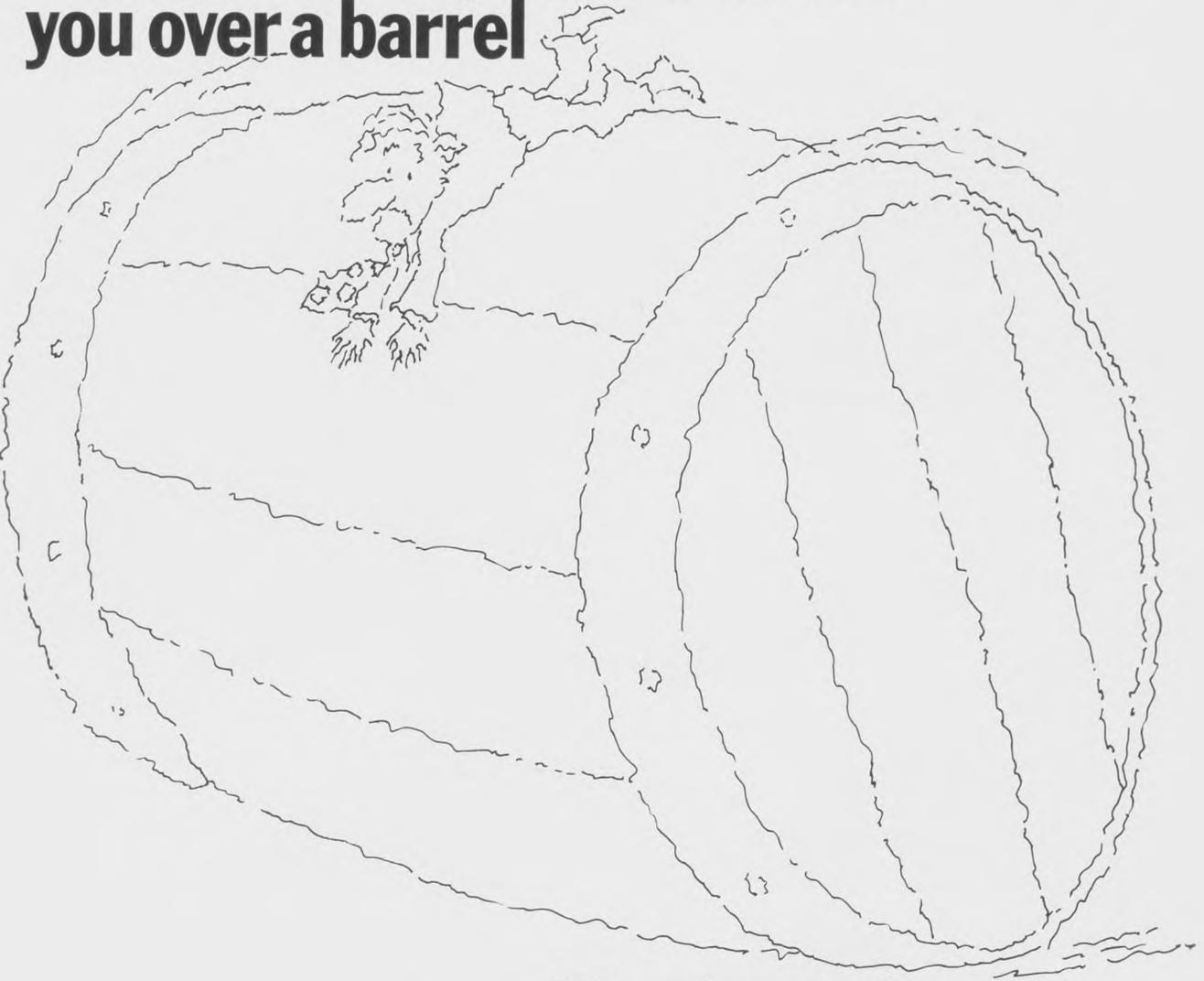
Commerce Bank of Kansas City, recognizing the interest in this subject, placed on its management conference last month this topic to be discussed by Gerald R. Sprong, Kansas City partner for Peat, Marwick, Mitchell & Co. Mr. Sprong reviewed the guidelines currently being used by the Fed and also outlined several other problems that could affect existing one-bank holding companies.

Many one-banking holding companies have used insurance commissions and management fees as the bases for debt service. Today, however, the IRS is looking closely at these two areas, according to Mr. Sprong, and there is an increasing risk of having these income items challenged as being nothing more than constructive dividends.

Mr. Sprong advised his audience that a recent IRS ruling, however, could alleviate this problem where the holding company owns 80% or more of the bank's shares. Where consolidated tax returns are filed under these circumstances, he said, the IRS acknowledges that dividends received by the bank holding company from the subsidiary bank can be excluded for purpose of

(Continued on page 48)

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JULY 26, 1956. THE DEATH OF THE ANDREA DORIA.



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THEY FOUND PEOPLE FROM THE AMERICAN EXPRESS COMPANY WAITING ON THE DOCK TO RENDER FINANCIAL HELP.

VOL. CXX, No. 41

ANDREA DORIA SURVIVORS REACH N.Y.

SEA TRAGEDY SHOCKS NATION

NEW YORK, JULY 26—The French ocean liner Ile de France crawled into New York harbor laden with its cargo of human misery. On board were many of the 1400 survivors of the mid-ocean collision between the Andrea Doria and the Stockholm. Grim-faced and numb with shock, many of the survivors had nothing left but the clothes on their backs. Their valuables and money lay in a silent vault 225 feet below the surface of the Atlantic. The

The sinking of the Andrea Doria has been called the single greatest sea tragedy of the last quarter century. In New York that day, the citizens rallied in support of the weary survivors. The Red Cross furnished coffee and blankets. Doctors, nurses and orderlies provided medical attention. And American Express Company personnel offered travel assistance. They promptly replaced lost American Express Travelers Cheques. They also helped make hotel and travel arrangements for the survivors and their families.

July 26, 1956. A special day. But, for American Express it was business as usual.

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Customer service has its extraordinary moments and its ordinary moments. To your customer, they're all important. That's why we would like you to consider the American Express Travelers Cheque as an extension of the service arm of your bank. With the full weight of the American Express Company and its subsidiaries behind them, our Travelers Cheques offer your customers a broader range of services than any other travelers cheque in the world.

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The American Express Travelers Cheque has an emergency refund system that can provide a traveler with a partial refund of up to \$100 on weekends and holidays in key travel areas throughout the world. Most other travelers cheques can't be refunded outside normal banking hours. In some countries, the number of weekends and holidays when banks aren't open totals as many as 120 days.

That's four months out of the year those travelers cheques can't be refunded.

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The American Express Travelers Cheque is known and welcomed from Auckland to Zurich. Because of the name it carries, our Cheque is as negotiable in out-of-the-way places as it is in the major cities of the world. Which is one reason more of our Travelers Cheques are used than all other travelers cheques combined.

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The Inspector's Office of the American Express Company maintains a force of special agents around the globe. One task is to protect the American Express Travelers Cheque.

Their efforts to stop counterfeiting and fraudulent encashment have led to the arrest and conviction of numerous criminals, including many whose crime records extend far beyond the province of travelers cheques. (The same criminals, incidentally, who prey on banks.)

THE ONLY TRAVELERS CHEQUE ISSUED IN FIVE DIFFERENT CURRENCIES

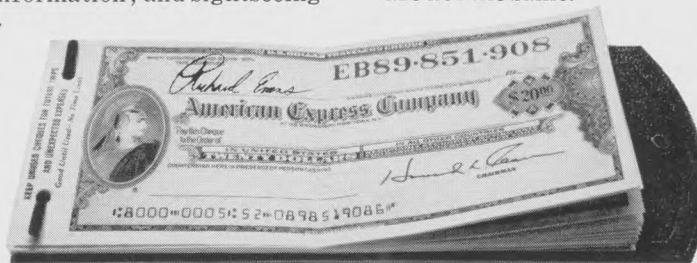
The American Express Travelers Cheque can be purchased in U.S. dollars, Canadian dollars, Swiss francs, pounds sterling and Deutsche Marks. Only American Express Travelers Cheques are issued in all these important currencies.

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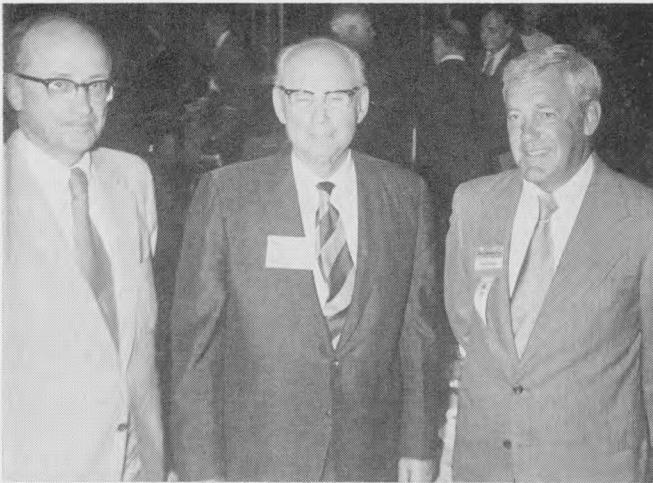
With American Express Travelers Cheques you can rest assured he has the right travelers cheques.

Whether your customer is traveling domestically or abroad, make sure you recommend American Express Travelers Cheques for his next trip. Because all travelers cheques are not the same.



AMERICAN EXPRESS

The Travelers Cheque



LUNCHEON SPEAKER William S. Lowe is flanked by Commerce Bank officers, James M. Kemper Jr. (l.), chairman of executive committee; and Fred N. Coulson Jr., sr. v.p. Mr. Lowe, from Mexico, Mo., is president of the United States Chamber of Commerce.



CONFERENCE LEADERS are pictured here, from the left: Charles W. Battey Jr., pres. of Commerce Bank; Fred N. Coulson Jr., sr. v.p. in charge of correspondent banking; and P. V. Miller Jr., Commerce chairman.

Industry Reports and Forecasts Highlight Management Session

BUSINESSMEN SHOULD defend the American economic system. This was the advice given to bankers in Kansas City last month by William S. Lowe, president of the United States Chamber of Commerce.

Speaking to bankers assembled by Commerce Bank for a one-day management session, Mr. Lowe suggested that businessmen everywhere (including bankers) should be carrying the "American story" to the young people of the nation, preferably through schoolroom talks. The nation's free enterprise system is "on trial," said Mr. Lowe, largely because the young people of the nation do not understand how it works nor how it has made America the No. 1 producing nation in the world.

As one example of ignorance of the system, Mr. Lowe pointed out that in opinion polls the man-on-the-street believes that corporations make 28% profit on sales. Actually, he reminded his audience, the percentage ranges from four to five.

Mr. Lowe, who is president of the A. P. Green Refractories of Mexico, Mo., and a director of the Commerce Bank there, is "selling America" to businessmen around the country as he tours the nation during his term as chamber president. He is concerned that "we are pricing ourselves out of international markets." He drives home his point by telling his audiences that

America has slipped from its No. 1 position in the world in "annual productivity gains" to No. 20.

Mr. Lowe spoke to bankers during a luncheon session. The balance of the day was devoted to reports from Commerce Bank officers, who reviewed key industries and segments of the economy.

Banker Opinion Polled

Bankers attending the Commerce Bank's management conference were polled on a variety of subjects as they registered for the meeting. Their views were tabulated and revealed later, as follows:

- Will loan demand rise in your area? Yes, said bankers, in a four-to-one ratio.

- What will be the prime rate on December 31, 1972? Two to one, bankers said: 5½%.

- Time-deposit rates will stay the same, said bankers, in a five-to-one ratio.

- The federal fund rate will be 4½% on October 31. Two to one.

- 90-day Treasury bills: 4½% on October 31. Most popular answer.

- 90-day commercial paper: 5% on October 31. Also, most popular answer.

- Bank earnings in 1972? Up moderately, said bankers in a two-to-one ratio.

- *Heavy Industry.* Frank E. Boesche (sr. v.p.) noted that orders for machine tools, a reliable barometer of business conditions, jumped 37% in March and 73% above March, '71. This is the third consecutive monthly increase and the best showing in 2½ years, he said.

Expenditures on plant and equipment are expected to reach \$92.9 billion this year, an increase of 14% over last year.

Construction equipment will be hurt by the near completion of the interstate highway program. Declining farm income will not help agricultural machinery, but pollution-control equipment and material-handling equipment should show substantial gains.

In the transportation field, truck and trailer sales should rebound in 1972, while aerospace and railroad equipment "will remain in the doldrums."

- *Utilities.* John O. Brown (sr. v.p.) stated that the country's energy requirements will quadruple in the next 20 years. Financing the needed plants will require immense sums of money and the banking industry, he said, will be called on for short-term construction loans, which will then be refinanced in the long-term bond and equity markets. Banks also may have an opportunity to lease some of the components of these new plants.

A new development in utility financing, he pointed out, is the five- to eight-year intermediate term loan, which carries a "floating interest rate related to prime." This is somewhat cheaper, he said, than the cost of long-term bonds.

- *Grain.* C. L. William Haw (sr. v.p.) reported on three major commodities: corn, wheat and soybeans.

A record corn crop was produced in

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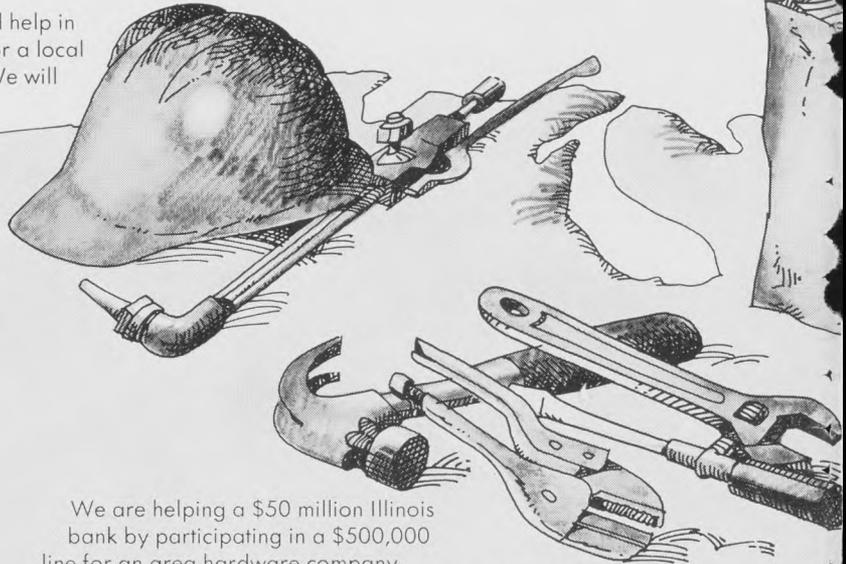
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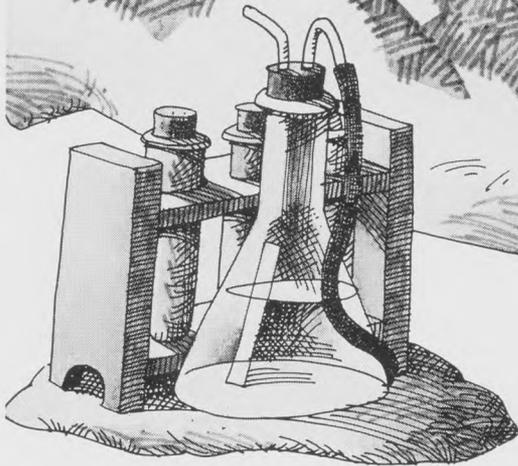
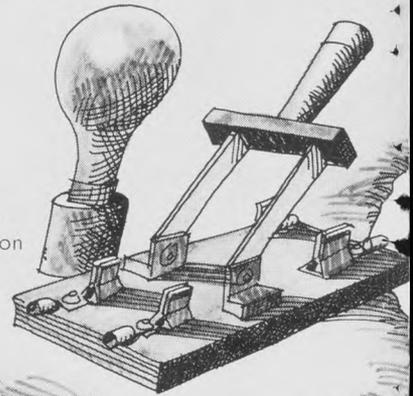
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A Minnesota bank needed help in arranging \$125,000 line for a local construction company. We will lend \$75,000.



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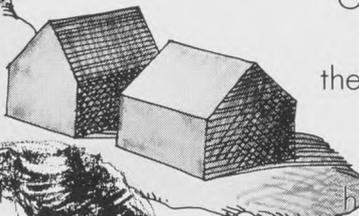
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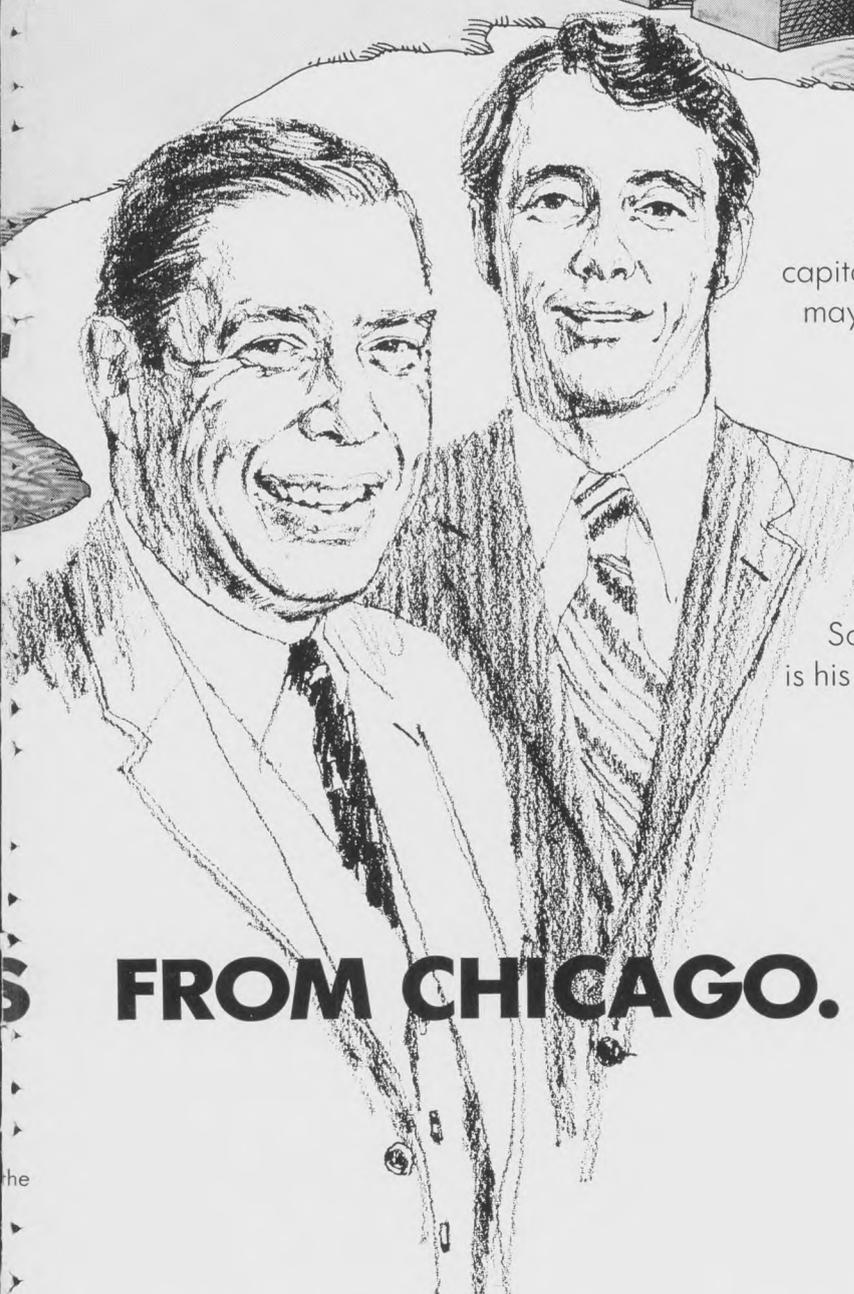
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FROM CHICAGO.

1971, despite fears of corn blight. Another excellent year is in prospect, thus putting considerable downside pressure on corn prices—30¢ per bushel or more.

The country also saw a record wheat crop in 1971, with another excellent year in view. Thus, September futures were quoted in early June at \$1.48, as opposed to last September's \$1.55. Positive factors on the wheat situation, he said, include good demand for export and strong use of wheat as a feed grain. Human consumption, however, continues at a constant level.

Demand for soybeans continues to expand and despite increased plantings, prices continue to advance. September, 1970, cash beans sold at \$2.60; September, 1971, beans at more than \$3; and September, 1972, futures are quoted at \$3.38. The amazing thing, said Mr. Haw, is that the American farmer has not shifted some of his production from corn to soybeans in the face of this continuing pattern.

• **Auto Sales.** Ernest A. Thompsen (sr. v.p.) reported that recent sales of autos would indicate the possibility of an 11-million auto year, or better. This would exceed the all-time record of 9,729,100 of last year.

Mobile home sales are projected at 572,000 units, compared with 491,000 sold in 1971, an 18% gain.

Recreational vehicles—campers, mo-

tor homes, travel trailers—also should continue to “skyrocket” as people continue to have more leisure time.

Banks will be called on, he said, to finance the dealer and the consumer as these sales rise. Financing of mobile homes and recreational vehicles presents excellent opportunities, he said, for better rates, larger balances and better credits.

The disturbing feature about auto financing, he said, is the pressure to extend terms to 42 and 48 months. There is mounting pressure on rates, too, as lenders fight for volume.

• **Credit Cards.** Warren W. Weaver (v.p.) told bankers that the credit card operations had established proved credit criteria and adequate fraud controls. Banking's job now, he said, is to increase cardholder volume and activity. Only one third of the “credit-eligible” population has a bank credit card, while 71% has a retail charge card. “Our job obviously is to get these people to apply,” he said.

Mr. Weaver expressed the opinion that it was only a matter of time until the large retail chains (Sears, Penney's, etc.) are participating members of bank charge card systems.

The major threat to the expansion of bank cards, he said, is “legislative overkill.” Consumer legislation is a matter of concern, specifically the

“holder-in-due-course doctrine,” which already is under attack.

• **Livestock.** Frank W. Greiner (commercial banking officer) noted that beef supplies are expected to be larger in the fall (9% more cattle on feed was cited as an example), but increased consumer demand should support cattle prices.

Rising imports will compete with the domestic slaughter cow market, he said. Cow-calf operators should have a good year, but feeders will be squeezed by the high cost of replacement cattle. Thus, he expects a break-even market of \$32-\$34 for the feeder!

The hog market is being held up, he said, because we're at the lower end of the hog cycle in numbers. Also, high beef prices tend to support hog prices. Continued low feed costs, he said, should make it possible for farmers to realize good profits through the first of the year.

• **Retail.** Charles H. Kopke (sr. v.p.) stated that the consumer has the money to spend. It's just a question of “when,” said Mr. Kopke, the consumer will start buying in big quantities again. The consumer's disposable savings are now running at an annual rate of 7½%, instead of 8% this same time a year ago. So, this indicates some improvement in buying.

(Continued on page 49)

Banks Can Expand Mortgage Lending Through 'Freddie Mae'

HOME LENDING can become a regular and routine service of commercial banks, even though lending rates may not be competitive, if banks are willing to service loans for two quasi-federal agencies. The Federal National Mortgage Corporation, for example, will now purchase 90% and 95% conventional loans as long as the excess portion is insured by a private agency. Until late in 1971, this agency purchased only VA guaranteed or FHA insured loans.

Also, a bank can expand its home-lending services by becoming approved as a seller-service by the Federal Home Loan Mortgage Corporation “Freddie Mae,” which is the savings and loan industry's answer to the banking industry's “Fannie Mae.”

Banks can and should use both of these agencies, according to William O. Vassar, president of Commerce Mortgage Co., Kansas City. Speaking to bankers at a conference sponsored by Commerce Bank, Mr. Vassar said that a bank can accommodate its customers by providing loans up to 30

years. Both goodwill and profits will result, he said.

Mr. Vassar noted that Commerce Bank and six or seven other Commerce Bancshares banks will soon be acting as seller-servicers in the manner outlined above.

Commercial real estate loans continue to be in big demand by long-term lenders represented by Commerce Mortgage Co., according to Mr. Vassar. The most desirable loans at this time, he said, are office buildings, shopping centers, warehouses, industrial and manufacturing type buildings. Apartment loans, on the other hand, are in some disfavor, since in many areas apartments have been “overbuilt.”

Interest rates on commercial loans are currently ranging from 8¾% to 9%, with some lenders looking for a “piece of the action” in the form of a percentage of rents charged. Large office buildings, apartment projects, motels and the so-called special purpose buildings command even higher rates, he said, with rates ranging over 9% and including as much as 1¼% of room sales,

for example, on large motel loans.

Motel loans are difficult to place, he advised. The loan, to attract a life insurance lender, must be on a motel affiliated with a major chain, contain 100 rooms, plus restaurant, lounge and some convention or meeting room space and also be located on a major highway.

Medical buildings, on the other hand, can be financed quite readily, especially when they are owned and occupied by members of the medical profession.

Construction lending also offers excellent opportunities for banks in any section of the country, said Mr. Vassar. His company works with the permanent lender on this type of financing or will offer a complete “package” of construction with permanent financing.

It is possible, too, he said, to finance large FHA projects under the national housing act. In this manner “turnkey” projects can be developed by private enterprise for low-cost housing for a local housing authority with funds provided by HUD to purchase the project upon completion. • •



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Hearings

(Continued from page 38)

determining personal holding company income.

This suggests, he said, that where a holding company now owns 51% of a bank it should consider acquiring additional shares up to 80%.

It also appears, he said, that under the 1956 Bank Holding Company Act it is possible for a holding company, already in existence, to purchase its own stock without Fed approval. Thus, a bank holding company would redeem or buy a portion of its own stock with borrowed funds. In effect, this would reduce the value of the holding company and permit a buyer to purchase the remainder on a reasonable financial basis.

Mr. Sprong emphasized that this is a plan that "is quite complex and should not be attempted without viewing the matter with appropriate counsel, both tax and legal." • •

Football and Tiny Tim

The Foundation for Full Service Banks has announced that its 1972-73 advertising program will include participating sponsorship of weekly National Football League telecasts and a repeat of last season's successful special, a new version of Dickens' "A Christmas Carol."

■ SAN FRANCISCO—Wells Fargo Bank has promoted John R. Bell to vice president in its Head Office financial analysis department. He was assistant vice president.

Bank Operations

Problem Solving Made Easier at Bank With Installation of Control Center

A "MISSION-CONTROL CENTER" designed to guide management in charting and directing Fort Worth National's operations has been installed at the bank. By using this management communications center, the bank hopes to respond more effectively to the swiftly changing business demands of its customers and the area it serves.

The "mission-control center" or "war room" at Fort Worth National is said to be the only one of its type now in operation at any bank in the Fort Worth area. It provides bank management with the instantaneous and vital information on which operational decisions and long-range plans are based—and it provides this information in a graphic form that dramatizes the saying about one picture being worth 1,000 words.

At the center, located in the board room on the third floor of the Fort Worth National Building, information all but leaps out at officers and directors from a battery of slide projectors and other sophisticated equipment, providing enormous amounts of clearly defined data in a minimum amount of time.

The bank's management has found that the new system has reduced sharply the amount of time between the presentation of a problem and the moment of its solution and also has increased standards of performance in operations and in decision making.

According to John R. Walker, senior vice president and head of the administration division, the advent of the computer seriously compounded the problem of assimilating and evaluating information because of the enormous amount of data it can produce and the high speed at which it is delivered. It's imperative in decision making, he continued, that management be able to perceive key indicators of performance and to be able to separate from the welter of facts and figures available to them those that are most relevant.

"The way information is presented and displayed plays a critical role in this process," said Mr. Walker. "Effective display can enhance the meaning, interpretation and context of the information, while poor display often negates the effectiveness of what otherwise might be a good management-information system."

The new Fort Worth National system is a way of presenting in capsule form the reams of information cranked out by the bank's computerized information systems. The new system definitely saves management time and increases comprehension, graphically shows highlights of the bank's operations and enables management to spot trends and to see relationships more readily than before, Mr. Walker pointed out. Graphic reporting simply is superior to digesting massive reports, he added.

The communications center is utilized for reports to directors, at officers' meetings and at trust department and loan committee meetings. Included in the graphic presentations are financial, planning and operating reports, the bank's statements of condition and other performance measurements. With these graphic displays, management can view the business of the bank as a continuity. Past trends, current status and future plans can be shown together for more effective evaluation.

Operating and financial reports of the



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Fort Worth National Corp. and its other subsidiaries also are depicted graphically for the HC's management.

The communications system utilizes four slide projectors with dissolve units. It takes computerized information provided by various bank departments and highlights on slides significant data that formerly was presented in voluminous reports. A wired intercommunication telephone system interconnects the remote-control stations with the rear projection room. The various systems are controlled by a master control console located in the projection room, and selected controls are located conveniently in the arm of an executive control chair in the board room.

The graphic displays are programed, stored and retrieved by means of this high-speed display system. Eventually, the graphic displays will be computer generated and processed by special equipment tied directly into the bank's computer room.

The system at Fort Worth National was installed by Information Management Facilities, a division of Information Management International Corp., New York City. • •

New Bond Sales Department Opened by Bank of Indiana

GARY—Bank of Indiana has announced formation of a new bond sales department with headquarters in Indianapolis. John Salter Jr. is manager of the new department.



SALTER

Mr. Salter previously was second vice president in the bond department of Northern Trust, Chicago. He specialized in retail and institutional sales in Illinois, Indiana and Kentucky.

■ NEW YORK—Jack R. Cortner has been named vice president and Thomas C. Lincoln and Mrs. Marcelle R. Warren personnel officers at the Bank of New York.

■ NEW YORK—C. Wadsworth Farnum, executive vice president in charge of Bankers Trust's fiduciary departments, will retire June 30. The bank's fiduciary responsibilities will be carried out by two departments—the investment department headed by Senior Vice President Quintin U. Ford and the trust department headed by Senior Vice President Malcolm A. Stevenson.

MID-CONTINENT BANKER for July, 1972

Commerce Session

(Continued from page 46)

• *International Banking.* Victor C. Studley (v.p.) pointed out that many international banking activities are being handled by "interior" banks today, with both the exporter and importer bypassing the East and West Coast banks.

Foreign business should continue to expand in the years ahead at double the rate of domestic growth. Mr. Studley cites the strong possibility of trade expansion with Russia, China and Southeast Asia to support this claim.

Products to be exported chiefly from

the Midwest, he said, will be capital goods, agricultural commodities, livestock and engineering services. All present opportunities for international banking activities.

• *Stock Market.* Lee H. Grischy (v.p.) made the ever-popular prediction that the Dow Jones average would rise above 1,000 in 1972, possibly reaching 1,025 or 1,050. Today, the Dow Jones hovers around the 950 mark.

Composite earnings of \$67 per share are possible in 1972, he said, thus a 15 times P.E. ratio should make this average a possibility. • •



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Popcorn, Cider . . . and Bank Services!



Miss Patty Waller, member of First of Atlanta's "Project Tomorrow" sales team, offers refreshments to passers-by as part of unique new marketing test bank is trying out. Discoverer van from which Miss Waller operates is in background behind old-fashioned popcorn machine.

Marketing:

An Atlanta Experiment

DOOR-TO-DOOR banking could well be the description of a marketing project being carried out by First National, Atlanta.

A team of four young women officer candidates, dressed in red, white and blue outfits and using a Discoverer "mobile office" as their base, are bringing banking—and First National—directly to the public. In a unique test, which the bank calls "Project Tomorrow," the all-female team is marketing bank services such as checking, savings and BankAmericard to individuals and is selling all normal business services to prospective commercial accounts.

The "Project Tomorrow" team can't accept deposits or disburse funds, but otherwise can do all the work required to open new accounts or inaugurate bank services. The young women do all the paperwork involved in applications and furnish envelopes for mailing. They operate inside various branches and also test reactions outside the branch environment.

Allan D. Nichols, vice president-marketing, said the program is radically different for banks in the southeastern part of the country. The project, he continued, gives First National a chance to reach potential customers who otherwise might not be contacted and also should add some zest to the business of marketing bank services. In addition, he pointed out that this type of work will offer new opportunities to women in banking.

The project team assists with branch openings, helps with special promotions and inaugurates special events on its

own in addition to making regular sales calls.

The Discoverer van's facilities allow the women to offer light refreshments, such as popcorn and apple cider, to prospects.

"We're going to give this idea full test," said Mr. Nichols. "If it works as well as we hope, it could open a new door for the marketing of bank services." • •

Bankers Respond

(Continued from page 32)

the past several months in just such an effort to reexamine the practices of the credit industry as vice chairman of the Sub-Council on Credit and Other Terms of Sale of the National Business Council for Consumer Affairs, which was established under the auspices of the U. S. Department of Commerce. I also am chairman of our sub-council's unit on Creditor Remedies and Collection Practices. I do not feel free at this time to reveal our conclusions, but perhaps it would be appropriate for me to ask you some of the questions we have been asking ourselves:

- In light of experience showing that most borrowers fully intend to repay, shouldn't early delinquency notices and other communications be worded to invite cooperation? Is it perfectly clear to the customer that you stand ready to make new financial arrangements to meet changed financial circumstances, that you really want to settle without invoking the power of the law?

- If a consumer gets stuck with faulty merchandise, doesn't it offend

your sense of justice just a little that he should be forced to pay because a bank has bought the paper? If it doesn't bother you, it probably should, and if we, as businessmen, don't come up with a suitable compromise between the responsibility of the manufacturer and the lender, we will be legislated into a position where nobody is satisfied. Isn't there some way to assure that neither the bank nor the consumer ends up holding the bag?

- How well do you think your average consumer loan customer understands the interest-rate rebate system? How many of your officers can adequately explain the rule of 78s? Could you explain it yourself in terms clear enough for the man on the street to understand?

- Do co-maker loans continue to make sense? Are they worth the aggravation and the ill-feeling they often cause? Would it be better to refuse an otherwise non-credit-worthy loan? Incidentally, how many good loans do you have to make to cover a bad one?

- On the other hand, is a charge-off rate of 3% something handed down from on high? Would you make more money by increasing outstandings by letting the charge-off go to 4% and serving a broader market? How much of a trade-off is there between the effectiveness of certain time-honored creditor remedies and the irritation caused debtors who think they have a valid gripe? Is arbitration a possible substitute in some cases for resort to the courts?

I don't pretend any of these are easy questions or that I have the answers. But they are the kinds of questions we need to grapple with if we are to be effective in meeting consumer grievances.

I believe we should have standards, which 98% of us already follow, set forth so that the people who give us a bad name by harassing the consumer are forced to raise their standards or go out of business. Someone is going to come up with a response to consumer grievances and if we don't, our friends in Congress might and the cure may be worse than the malady.

I think we have made some progress at our bank in dealing with certain of these problems. For example, we have completely reviewed and substantially revised our communications with delinquent borrowers to make sure that such communications are clear, that they avoid giving offense and that they leave no doubt about our willingness to settle without resort to legal process. We have devised procedures that assure prompt, high-level attention to customer complaints. We have tried to assure that billing errors, when they oc-



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cur, are corrected within an appropriate minimum time. We have clearly defined our advertising policy in writing so that there is no misunderstanding by those who are responsible in communicating our services to the consumer.

We've made these changes, and we will be making others, out of a deep conviction that conflict between the interests of the consumer and the interests of a business serving the consumer market is not inevitable. Indeed, our philosophy is that these interests generally correspond.

Have you ever said to yourself, "Why am I in this difficult business?" If you have asked yourself the following questions, you have been pretty close to some of the agonizing parts of consumer banking:

- Is my charge card in the black?
- How are fraud and credit losses?
- Is someone working up a class-action suit against me? Are all my credit remedies going down the drain?
- Am I a credit reporting agency under the Fair Credit Reporting Act?

We accept these challenges because of a great faith in the future of consumer banking.

I've dealt mainly with loans because that's where the legislative action appears to be headed. Loans have a tre-

mendous future because credit has become a way of life. It's up to us to determine the type of life it will be—and mold ourselves constructively into the pattern.

Frankly, we aspire to serve all the customer financial requirements over the years and that may involve us in controversial issues. Will future challenges include the legal requirement to pay interest on consumer demand deposits? What would that cost the shareholder in interest and bookkeeping expenses? I'm sure many of our customers feel it's immoral to return checks for uncollected—or even insufficient—funds.

But where there is opposition there also is opportunity. You have heard many glowing statistics about the future of personal banking. For instance, in 1945, bank deposits of consumers amounted to 75% of combined household and business deposits. By 1975, we estimate that the personal banking share will reach 90% of the combined total. Yet, it is a fact that commercial banks have been less successful than other financial institutions in attracting consumer time money due to a heavy reliance on corporate business.

There is no doubt that retail banking is an opportunity and to succeed we must become more useful to our

customers. At our bank, we continue to provide new and innovative banking services, but we also have gone a step further in publishing a monthly newsletter called *Consumer Views*, which gives consumers advice on such subjects as how to lower utility bills, when to buy a car and how to budget on a cash-flow basis. At the same time, we have designed a five-week course on the subject of money-handling, to be given on a trial basis in Brooklyn's Bedford-Stuyvesant area. If the trial works out, the program will be expanded to other low-income areas.

These are not merely random embellishments. What we are working toward at our bank is the ability to provide consumers with a full range of financial services at a one-stop financial supermarket. We have a long way to go before we reach that goal, but I think that is where we will have to come to in the end because the demand for service is there. And we want to serve this market. Coincidentally, we think that providing more and better services is the best response we can make to consumerism.

As bankers, we can't really expect to win any popularity contests. That's an old story. The reason is akin to the one that Willie Sutton gave when he was asked why he persisted in robbing banks—namely, "That's where the money is."

Nonetheless, with vast changes under way in the economy and in the structure of American society, opportunities for innovative consumer banking are growing at a rapid rate. It is possible—indeed necessary—to develop these opportunities in ways that are responsive not only to consumer wants, but to consumer rights. I believe the day is coming when there will be no other way to do business and to prosper. ••

Chicago Mercantile Exchange Offers 1971-72 Yearbook

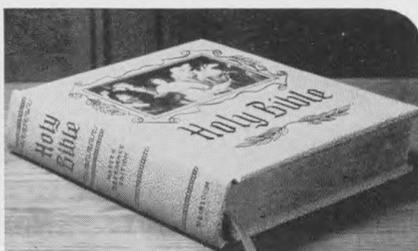
CHICAGO—The 1971-72 yearbook of the Chicago Mercantile Exchange has been published and now is available to the public.

The 363-page, soft-cover book contains a number of new and updated tables. These include price ranges, volume and open commitments for 1971 and the early part of 1972, as well as historical price data on all futures contracts traded on the CME.

The yearbook is available by mail at \$4.50 postage paid, by writing Market News Department, Chicago Mercantile Exchange, 110 N. Franklin Street, Chicago, Ill. 60606.

■ CINCINNATI—James E. Mountjoy has been elected senior vice president-administration at Central Trust.

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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.

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408 Olive St. (Room 505)
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Cup Is "Retired" at St. Joe Golf Party



William E. Welch is pictured here receiving the "winner's cup" following the annual golf party sponsored by the American Nat'l of St. Joseph, Mo. Mr. Welch, pres., Citizens Nat'l, Chillicothe, shot a score of 76, winning the cup for the third year and earning permanent possession of it. Presenting the cup are Benton Calkins (c.), pres., and Donald Folks, v.p. of the host bank.



Everyone received a "souvenir" golf cap at the American Nat'l golf party, the 21st annual event held by the bank. Here, Donald Folks of the host bank "fits" a cap for Roger Caudle, v.p., Bendena (Kan.) State.



On the ninth green, Bill Welch (c.), winner of the tournament, is all smiles. His game is going well, he said. On the left is his father, Edgerton Welch, ch., Citizens Nat'l, Chillicothe. On the right: Don Waldworth, Marceline, Mo.



The "old pro," Everett Crume (r.), retired v.p. of American Nat'l, St. Joseph, checks a scorecard for Al Hann (l.), v.p., and Yale Wells, pres., Kansas State, Holton. Mr. Crume, who retired at the end of 1971, "officiated" at American Nat'l golf parties for the past 20 years.

This one will "sail" says Milton Tootle (r.), ch. of the host bank. From the left: Gene Juda, a director; Craig Bachman, pres., 1st Nat'l, Centralia, Kan.; and Nick Shelby, v.p., Bethany (Mo.) Trust.



**Republic Nat'l Receives Awards
For Film and Annual Report**

DALLAS—Republic National recently received two awards from the American Industrial Development Council for its efforts in promoting the Dallas Southwest through a 14-minute color film and a full-color spread in its 1971 annual report.

In its corporate film, "The Dallas Southwest," produced by Keitz & Herndon of Dallas, the bank points up the Dallas-Fort Worth area as a desirable growth area with both industry and quality-of-life characteristics to attract trade and industry.

A similar theme is portrayed in Republic National's annual report, which has a 12-page full-color center insert giving highlights of the Dallas economic area.

Members of the five-man judging panel said they were "greatly impressed by the fact that a major bank was leading the way in a marketing effort for the important southwestern region of the U. S."



James W. Aston (l.), ch. & CEO, Republic National, Dallas, receives "excellent" and "superior" award ribbons from John W. Perryman Jr., dir. of area development for Lone Star Gas Co., and first v.p. of the American Industrial Development Council. The awards were conferred by the council for Republic National's corporate film, "The Dallas Southwest," and for its 1971 annual report.

**Bank Administration Institute
Forms New Chapter in Texas**

The Bank Administration Institute has announced formation of a new chapter to be known as the Texas Brazos Valley Chapter.

Elected chapter officers were: president, Don F. Dean, executive vice president, First National, Madisonville; vice president, Leon Moon, vice president and cashier, University National, College Station; treasurer, Ed Linton, cashier, Bank of A & M, College Station; and secretary, Miss Cheryl Haggin, First National, Bryan.

Chapter directors are Jack F. McCain, vice president, Planters & Merchants State, Hearne; Miss Catherine McBride, cashier, City National, Bryan; and Charlie Zikes, cashier, First Bank, Bryan.

**You don't just
correspond
with a bank.
You correspond
with people.**

People are the ones who shake hands and smile. The ones who take a personal interest in your bank, your problems, your growth. The ones who demonstrate creativity in their professional relationship.

As opposed to computers, which work faster and more accurately than people.

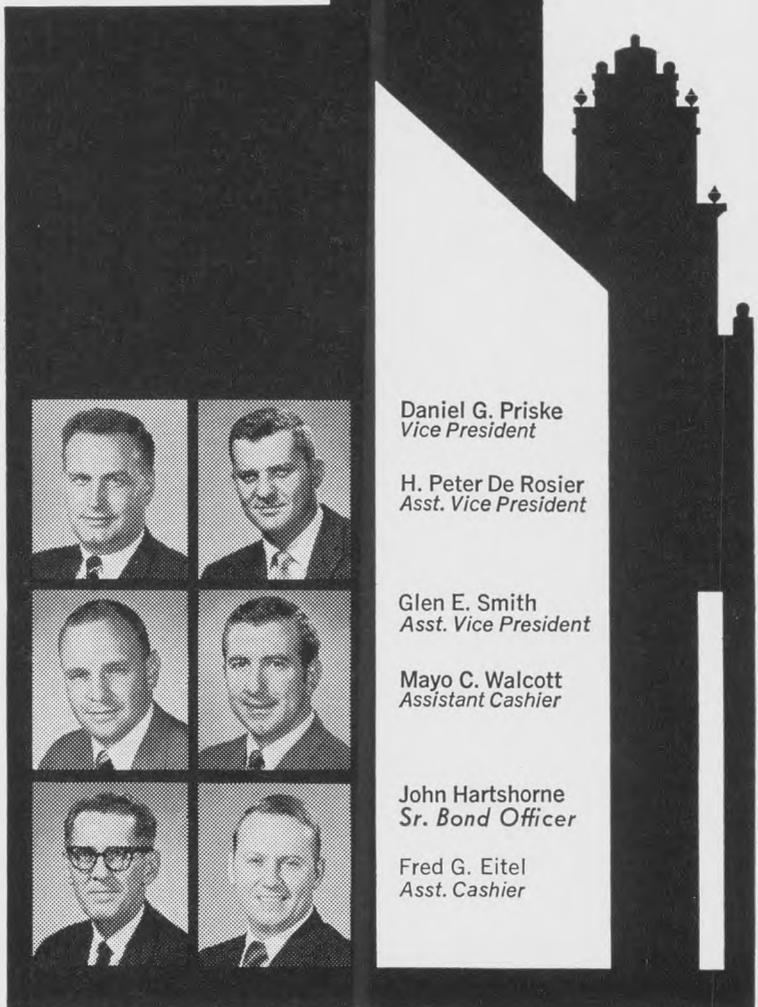
At National Boulevard Bank, we offer both. And we're proud of both. But we like our people better. And we think you will, too.

So next time one of the people illustrated here drops in, shake hands and smile. You'll find he reciprocates.

National Boulevard — the bank for you, the people you work for, the people who work for you.

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Glen E. Smith
Asst. Vice President

Mayo C. Walcott
Assistant Cashier

John Hartshorne
Sr. Bond Officer

Fred G. Eitel
Asst. Cashier

Foreign Trade Mission Organized By Commerce Union, Nashville

NASHVILLE—Commerce Union coordinated a trade mission of nine southern business leaders to Hungary, Romania, Yugoslavia and the Soviet Union June 14-30.

Jerre R. Haskew, vice president and manager of Commerce Union international banking, said the purpose of the trade mission was to explore new avenues of developing direct trade between participants of the mission and their counterparts in business and in-

dustry of Eastern Europe and the USSR. He said the mission focused on person-to-person contact and meetings "in a forum of positive, productive discussion."

Business, industrial and financial leaders participating in the Industry Organized, Government Assisted (IOGA) mission were: Robert B. Williams, international marketing manager, American Lava Corp. of Chattanooga, a subsidiary of 3M Corp.; Roy C. Hathorn, founder of R&J Machinery Co., Anniston, Ala.; John P. McGrew, vice president, Span-Deck, Inc., Franklin, Tenn.; Cyril B. Fox Jr., director of sales, Tennessee Eastman Co., Kingsport, Tenn., a division of Eastman Kodak Co.;

Floyd T. Read, founder and chairman, Read Steel Products, Inc., Birmingham, Ala.; Robert F. Hess, patent counsel, United States Pipe and Foundry Co., Birmingham; Cecil Hackney, founder of Hackney Corp., Birmingham; Benjamin P. Pierce, president, Tyrone Hydraulics, Inc., Corinth, Miss.; and John T. Parker, executive vice president, Wright Industries, Inc., Nashville.

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BANK

Bank Examinations

(Continued from page 30)

gram he needed. With Mr. Manning's aid, Mr. Smith established various parameters and defined the logic of the program. In other words, Mr. Manning told Mr. Smith what he as an examiner needed, and Mr. Smith translated this information into computer logic.

At the same time, Mr. Manning met with officials of the FDIC, the Federal Reserve System, the Office of the Comptroller of the Currency and various banking associations. These meetings were held through the cooperation of the Missouri Bankers Association. Their purpose was to arrive at a format for standardized reports for use by all bank examiners. This was necessary because the Missouri Division of Finance makes joint examinations with the FDIC and the Fed and so must share information. Of course, sometimes one of the regulatory agencies has specialized requirements, and Mr. Manning wanted to try to build all possibilities into the Missouri Automation Plan.

With the help of all these groups, Mr. Manning turned over to Simplima-tion a list of requirements, and the

firm went to work to adapt its "Interrogator" program to bank-examining use.

At this point, Mr. Smith had to have more technical information on the capabilities of computers in use at banks, how information is maintained on computers, master file layouts, record definition, etc. And so Mr. Manning sent questionnaires to every automated bank in the state. These forms were filled out by the banks and data centers and the results incorporated into the "Interrogator" program for Missouri bank examiners.

Up to this point, the program was based on theory. Mr. Manning, of course, wanted to know whether it was workable. In August, 1971, he began running field tests to see whether the correct logic had been employed, whether the format of reports was designed properly and whether the program was simple enough for examiners to operate after undergoing a training course conducted by Mr. Smith. These field tests, as stated earlier, were conducted at Central Trust Bank, Jefferson City; First National, St. Louis; and First National, St. Joseph. Both Mr. Manning and Mr. Smith were eloquent in their praise of these banks, saying they received excellent cooperation from all three. Present at the tests were representatives of the regulatory agencies with whom Mr. Manning and Mr. Smith had worked in putting the program together.

As an example of how successful these tests were, Mr. Smith cited the one in St. Louis. He said that after a review, the files on demand-deposits, CDs and savings were processed in less than 30 minutes' actual computer time.

The "Interrogator" program, as it's being used by the Missouri Finance Division, is starting with deposit applications—DDAs, CDs and various savings accounts, including Christmas and vacation clubs. It also will be used initially to process installment loan files. However, it cannot classify such loans since that's a judgment factor and must be done by the examiner. Mr. Manning hopes to expand the program to cover all applications that are automated.

The program works on an exception basis. That is, the computer doesn't print out everything on the various accounts and thus produce a staggering amount of paperwork for the examiner. Rather, it prints out specific information the examiner should have—each coded and uncoded dormant account, each overdraft account, each account over the FDIC-insured limit of \$20,000, each account owned by a director, officer or employee of the bank, each credit bank account,

each public fund account, each trust fund account, each dealer-reserve account, etc. In addition, it runs totals on these accounts, listing how many are in each category, percentage of each to total number of accounts, dollar amount of each category and percentage of each to total dollar amount of the bank's deposits. The printouts also list total number of such accounts and total dollar amount of overdraft accounts, gross deposits and demand deposits.

The format of these analysis sheets is always the same so that an examiner will have information listed identically for every bank he visits. The physical size of the sheets allows them to be fitted easily into an examiner's report.

The Missouri Automation Plan allows an examiner to maintain flexibility. If he needs a more detailed study of an account, he has the ability to insert additional parameter cards into a program and produce the additional data he needs to evaluate a bank.

The "Interrogator" program can be applied to most data processing equipment. It can be used on the IBM 360/370 with a capacity of 24K or better and any RCA Spectra of the same capacity. The Missouri Finance Division has an agreement with Sim-

plimation to operate the program on Burroughs, NCR, Univac and Honeywell equipment.

The program can obtain any kind of information maintained in a bank's master file and can use that information to generate any kind of information needed for examination purposes. The chief examiners can use the printouts as an advisory tool when they talk to management of banks following examinations. The information contained in the printouts should help them make suggestions on how to improve certain situations, Mr. Manning hopes. He emphasized that the personal angle—the examiner visiting with the banker—will never disappear, no matter how automated the actual examinations become.

On, Off-Premises

The program is applicable to banks with on-premises EDP equipment and banks that have off-premises automation. In the case of the latter, an examiner visits the bank or service center posting the records of the bank being examined, uses the computer via the "Interrogator" program and takes the information he obtains to the bank he's examining to check out against its records.

The initial application of the "Inter-

rogator" program is being made in the division's St. Louis region, on a limited basis at first. Mr. Manning said his staff would cover this region before going on to another one rather than jump around among the various regions.

Mr. Manning said his division will try to make these automated examinations when time is available on computers. He hopes to keep from inconveniencing EDP personnel without losing the element of surprise bank examinations must have.

In enthusiastically describing the Missouri Automation Plan, Mr. Manning said that, of course, it does not provide a utopia and that there will be problems to work out. However, he said that the division's staff has been able to cope with every problem that has come along so far. He added that the program is not static; it will be continually re-evaluated and changed when needed.

Looking down the road, Mr. Manning foresees examiners spending less time on examinations and thus not only saving time for themselves, but for the banks being examined. The program, Mr. Manning believes, offers the possibility of some day providing uniform examinations among bank examining staffs of the various states and federal agencies. • •

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THIS AD is one of several First of Tulsa ran to publicize "Litter Bugs Me" campaign bank is sponsoring in conjunction with city.

Operation 'Litter Bugs Me'

Clean-Up Campaign Started in Tulsa By First National



Would your organization like to help in the Litter Bugs Me cleanup campaign? Mayor Robert LaFortune has helped select a number of areas within the City of Tulsa that could be cleaned up by volunteer groups. The First National Bank and Trust Company of Tulsa will make a modest number of cash awards in recognition of volunteer efforts if you are interested, send in the coupon today.

Volunteer groups must have adult supervision.

Name _____
 Address _____
 Telephone _____ Number in group _____
 Average age of members of group _____

A DISGRUNTLED little character that seems to be modeled after a ladybug has been created as part of a community-service program designed to help clean up Tulsa and control trash and litter. The campaign, introduced May 16 by the city's mayor, Robert LaFortune, is called "Litter Bugs Me." It's being sponsored by First National of Tulsa, in conjunction with the city of Tulsa.

At a special press conference held in City Hall, the mayor and Lindsay L. Alexander, the bank's vice president of marketing, outlined the mechanics of the campaign.

"'Litter Bugs Me' has been designed in two parts," said Mr. Alexander. "To

begin, a number of brightly colored trash receptacles are being placed in key locations throughout the downtown area. First National has purchased the cans, and the city's sanitation department is installing and maintaining them.

"Secondly, First National is offering organizations a limited number of cash awards in recognition for cleaning up sections of town. Mayor LaFortune and Street Commissioner Sid Patterson have designated a number of specific locations the city feels need immediate attention. The bank will pay cash awards to groups volunteering to undertake these clean-up activities."

Mr. Alexander emphasized that the

trash cans First of Tulsa donated display only the official Litter Bugs Me symbol and the words, "America's Most Beautiful City." They do not carry any bank name or message.

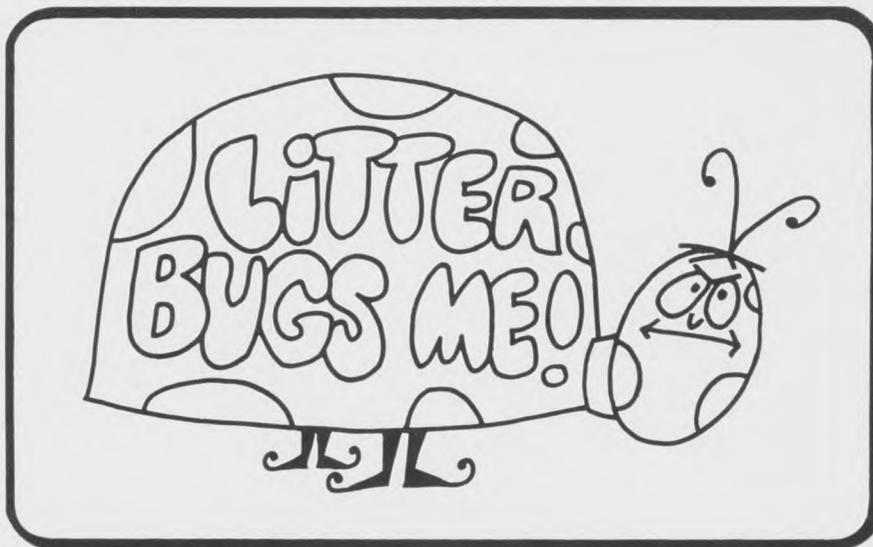
To reinforce the ecology campaign with youngsters, the bank also announced a special Litter Bugs Me coloring contest will be conducted later this summer. Awards will be presented in age brackets, with judging based on neatness, originality and participation in some clean-up activity.

First National is publicizing Litter Bugs Me in newspaper ads and by distributing mimeographed guidelines for organizing and conducting individual clean-up campaigns. These guidelines answer such questions as: What is Litter Bugs Me? How do I get organized? How can I "sell" the importance of anti-litter work? How do we dispose of the litter we collect? What equipment is available? Is the litter we get reusable? What safety rules should we follow? Can we get publicity for our efforts?

In addition, the guidelines include a suggested Litter Bugs Me news release for participants to send to their local papers, a form to fill out and mail to the bank when a clean-up project is completed and a sheet describing how various materials (like tin cans, newspapers and glass) can be recycled and

(Continued on page 85)

THIS CHARACTER is focal point of First National's "Litter Bugs Me" campaign. He appears in ads bank is running on program and on decals that can be applied to windows of houses and cars.



CALL YOUR COMMERCE MAN

Bankers who know Elmer Erisman know he's as informed on correspondent banking as he is willing to pitch in and help out with any sort of problem. Call on Elmer for personal help, anytime. His wealth of experience can make your banking day a little brighter.



**COMMERCE
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of Kansas City

Phone 816-842-7500



Elmer Erisman

Modular Units Permit Banks to Individualize Quarters

THE MODULAR bank, without the modular look, is the theme of a new turnkey system offered by E. F. Bavis & Associates, Inc., Cincinnati.

Described by the firm as the construction of the future, modular building does away with all on-site inefficiencies, resulting in a better-built building in less time.

Individual modules are constructed, fitted and finished in the Bavis plant according to a pre-approved plan. The units are then transported to the building site, put in place and the remaining finish work completed.

There was a time when modular meant uninspired design, but such is no longer the case, according to Bavis officials. Unusual design features of the Bavis system make the units fully adaptable for any size and style of bank building, on almost any size or shape lot.

The firm claims that construction can be completed in an average of eight weeks after final plans are approved. This rapid schedule is made possible by off-site construction that is not affected

by inclement weather.

More quality has been built into modular structures in recent years, according to Bavis officials. Steel-cage construction is designed to give the units maximum strength and stability. Specifications are geared to meet or exceed all building codes, with steel frames fabricated according to rules promulgated by the American Iron and Steel Institute and the American Institute of Steel Construction.

Off-site construction provides savings to the bank, not only in shorter construction time and more rapid use of the building, but in fewer time-consuming meetings that normally would take place on the building site. The Bavis firm handles all the details of construction and furnishing, thereby eliminating contacts with various suppliers that usually handle various aspects of such projects.

The Bavis firm offers interiors that are designer-coordinated to the wishes of the bank, with a full choice of color schemes, finishing materials and decor. Exteriors can be customized in brick,

stone, metal, wood or any exterior finish available to conventional construction. All these features make for what has been called a "customized" modular unit.

The total package offered by Bavis includes vaults, safes, depositories, safe deposit boxes, teller counters and any other equipment and furnishings a bank may need. Everything is in place on the day the firm turns the keys to the bank over to its owners.

Special features offered by Bavis include module units 12 feet wide and up to 40 feet long, stacking of units up to five stories in height, clear spans up to 40 feet and vaulted or beamed ceilings.

The use of modular construction permits the expansion of a building simply by adding another section. Thus, as a bank grows and needs more space, additional units can be added that are coordinated with the original unit. Even the bank's vault can be an add-on affair with use of the Bavis Addavault.

The days of modular units being used as temporary bank quarters have passed, according to Bavis officials. The new concept in modular construction permits highly individualized units to be erected as permanent offices. • •

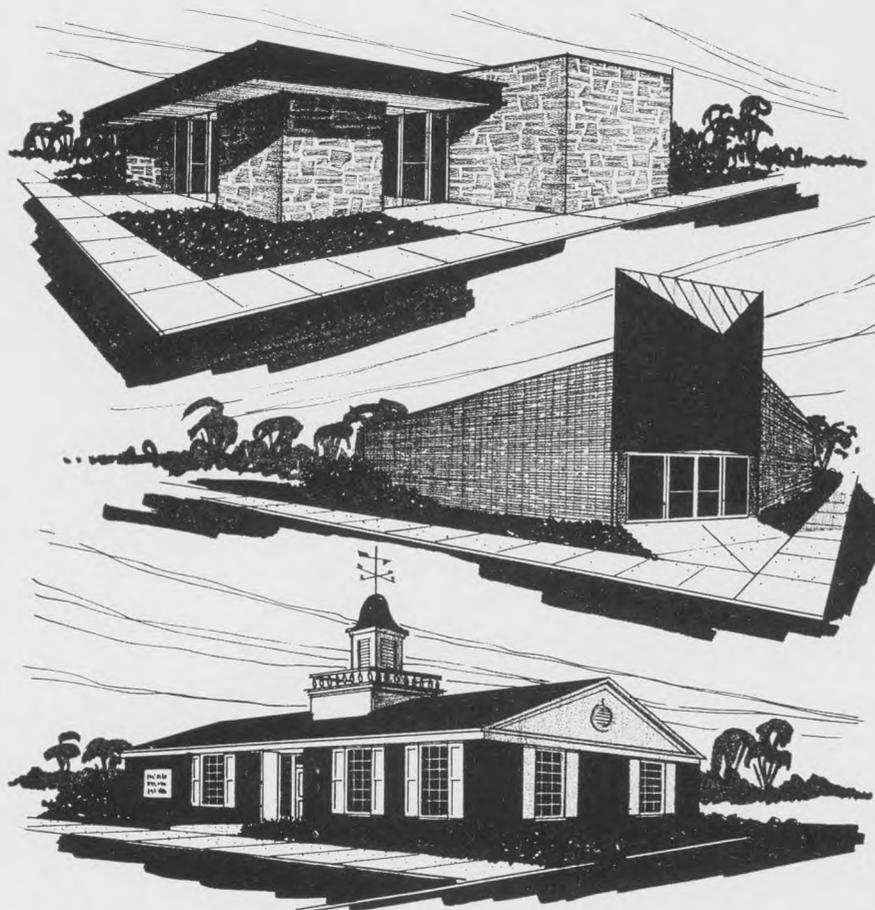
Insurance Budget Plan Offered By Franklin Nat'l, New York

NEW YORK—Franklin National recently reported that initial response to its new insurance budgeting program offered in February has been "extremely encouraging."

The new program is aimed at helping people handle their life and automobile insurance bills without upsetting their budgets. Under the plan, customers decide how much they wish to set aside weekly or monthly and are issued personalized coupon books to help them budget systematically. In this way, they can have all or most of the money they will need when premiums hit during the year.

The funds set aside earn interest while on deposit and the bank sends all savers a quarterly statement showing status of the account. Franklin National checking account customers can arrange for automatic transfers to their insurance premium budgeting accounts.

In a pilot test of the new program involving limited newspaper and radio advertising and a direct-mail follow-up of several thousand families in the metropolitan area, the bank said the initial response produced more than 1,000 accounts with \$650,000 in annual balances and that the program has continued to grow.



The use of clear span design has freed modular systems from the former utilitarian "box" look. Pictured are three designs of Bavis modular buildings.

1961-\$199,658,252.
1962-\$220,239,797.
1963-\$227,239,320.
1964-\$265,027,046.
1965-\$293,260,657.
1966-\$348,273,794.
1967-\$395,615,458.
1968-\$411,940,543.
1969-\$467,004,304.
1970-\$519,836,345.
1971-\$579,895,318.

Grow with us.

The total assets of Deposit Guaranty have grown from less than 200 million to over half-a-billion dollars in ten short years. This rapid growth reflects our involvement in the areas we serve.

Not only have our assets grown but also our services. In the early 60's, about the only service our Correspondent Department offered was Check Clearing. Today, in addition to this vital service, we offer *Investment Services, Loan*

Services, Wire Transfers, Computer Services, Industrial Development, International Banking and Travel Services, Handling of Collection Items, Credit Functions, Petroleum Services, Marketing and Management Skills, Organizational Planning Skills, and Trust Services. And, we're constantly researching new services! Let us help you with your correspondent needs. Call on the bank that's continuing to grow along with the booming deep South.



DEPOSIT GUARANTY NATIONAL BANK

Jackson, Mississippi/601 354-8076



"In touch with the Deep South"

Aren't these nice ways to treat a person's pocketbook?

FAMILY PLAN.



Good for husband and wife, husband, wife and children from 12 through 21, or either parent and children 12 through 21. Head of family pays full fare, spouse (or first child if only one parent accompanies) pays 75%. Children 12 through 21 pay 2/3 and those 2 through 11 pay 50%. Fares are good anytime except from 2:00 pm to midnight on Fridays and Sundays.

YOUTH FARES.



For those 12 through 21 with a Youth Fare I.D. Card from any domestic airline. Youths can fly in a reserved seat and save 25% of the regular fare. Good during same periods as Family Plan.

GROUP 10 FARES.



For ten or more people flying together to the same destination. Every group member can save 2/3 on the return air fare, and they can return separately. Good any time.

DISCOVER AMERICA



Those who stay at their destination at least seven days but not more than 30 days can save up to 20% of the regular round trip fare. Good anytime except from 2:00 pm to midnight on Fridays and Sundays.

LONG WEEKEND FARES.



Good for anyone who can leave or return on Saturdays and Mondays. Savings of 2/3 of return trip air fare.



Whichever fare you choose—even our regular fare—you will always enjoy roomier 2 and 3 seating on Southern Jets.

For full information and any special conditions on these fares call Southern.

Southern has a fare deal for almost everyone.

Southern Airways

We serve the nicest people the very nicest way we know.

Illinois News

New Building Planned By Illinois National; Completion in 1973

SPRINGFIELD—Illinois National has announced plans to erect a six-level, 160,000-square-foot building to be known as the INB Center. It will be constructed on the present bank site, but also will include the area east of the bank up to Roberts Brothers Clothing Store. The INB Center will be located on the Old State Capitol Plaza.

The bank will take 50,000 square feet of space, expanding from its present quarters, and the remaining space will be leased as executive offices.

The new structure will be made of red polished granite and bronze reflective glass except for the ground-level glass, which will be clear. The ground floor, or lobby, will be set back 10 feet from the exterior wall on the north and south (mall) sides. The east side will be set back five feet.

The bronze glass on the second, third and fourth levels will be set flush with the exterior wall and will be framed in bronze aluminum. The fifth level, or top floor, will be recessed 3½ feet from the building's face.

An interior courtyard will be totally landscaped and air-conditioned and will be 50x120 feet at the base and graduate inward 10 feet on the east and west sides at each level so that the skylight will measure 50x40 feet. Offices will open onto the courtyard creating balconies. The lower level of the center will be connected to a pedestrian arcade that will lead to the two levels of underground parking under the Old State Capitol. Elevator or large spiral staircases will provide access from this pedestrian arcade to the lobby level.

Construction will be done in two phases. Illinois National will remain in

its present location while razing begins on the site immediately east of the bank up to the clothing store. After that section of the INB Center is completed, the bank will move into temporary offices, and the second phase will begin at the present bank site. Completion of the entire project is estimated for the fall of 1973.

Joint venturer on the project is the Gerald D. Hines Interests, an investment building firm headquartered in Houston. The new office complex was designed by Skidmore, Owings & Merrill of Chicago.

■ CARROLL R. LAYMAN has resigned as vice president of marketing and business development officer of Oak Brook Bank. He is now vice president in charge of the marketing department, Capital City State, Des Moines.

■ EUGENE E. REDFERN has been elected president, chief executive officer and a director of Gallatin County State, Ridgway. Formerly, he was with an Arizona bank. Ronald A. Sablick was named chairman of the bank, while Mary Sablick was elected a director.

Low-Cost Bond Financing

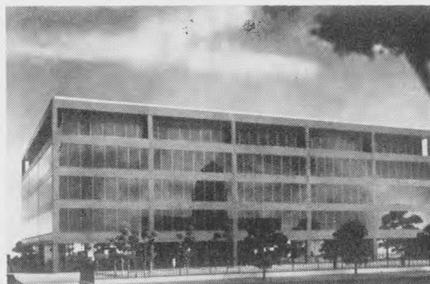
CHICAGO—First National has announced a plan that could help lower bond issue costs of many small Illinois communities.

The bank said it will bid on general obligation bonds issued by any Illinois governmental corporation under a new policy designed to heighten competition and lower the cost of financing for communities whose bond issues have attracted few bids.

Robert C. Brown, vice president and head of the bank's municipal bond division, said, "We believe that some costs relating to capital project financing are higher than necessary because of market imperfections. Some small communities pay above-average financing costs due to lack of acceptance of their debt issues by underwriters and investors alike. Not infrequently, they receive only one bid on their issues." Participation of a major underwriter should "greatly enhance the market acceptance of smaller and less known issues," Mr. Brown added.

"Under its new policy, First of Chicago will bid on all general obligation issues it is aware of if prevailing market rates do not press against the issuer's legal rate limitation," Mr. Brown said.

First National also will offer competitive bids on most bonds issued by authorities and some college revenue bonds as permitted by law.



This is artist's sketch of future home of Illinois Nat'l, Springfield. Six-story (one below ground) structure will be completed in fall of 1973.

■ LINCOLN TRAIL BANK, Fairview Heights, has announced plans to construct a 21,000-square-foot addition to its bank building. Included in the expansion will be a large customer lounge, new bookkeeping room, additional vaults, expanded safe deposit facilities, new consumer loan department and additional office and conference areas.

■ ELECTED officers of First National, Alton, were: Mrs. Dorothy J. Green and Mrs. Barbara E. Shaffer, trust operations officers; Miss Myrna K. Mandorca, commercial loan officer; and Richard E. Rice, installment loan officer.

Bank Honors Senior Members



Granite City Trust recently held its 11th annual service award dinner and presented awards to three senior members of the bank. Honored were: (from l.) Barry Loman, v.p., 30 years; Henry D. Karandjeff, ch., 60 years; and R. C. Barney, dir., 60 years.

Coin Banks at Bank of Belleville



Bank of Belleville recently displayed 31 hand-painted antique mechanical coin banks in its lobby as part of its 10th anniversary celebration. All money collected in the banks was donated to charity.

New Officers for 1972-73 Elected By Chicago Chapter of RMA

CHICAGO—The Chicago Chapter of Robert Morris Associates has elected new officers for 1972-73.

Elected were: president, William A. Sholten Jr., vice president, Merchandise National; first vice president, Norman I. Pickles, vice president, Northern Trust; second vice president, Duke P. Gibbon, credit officer, American National; secretary, Daniel A. Smith, assistant cashier, Sears Bank; and treasurer, James E. Gatton, vice president, Central National, Rockford, Ill.

Named to two-year terms on the board of governors were: John L. Korun, second vice president, Continental Illinois National; Lawrence W. Nortrup, president, Hartford Plaza Bank; James M. Rudney, chief, loan department, Federal Reserve Bank of Chicago; and Norbert E. Schwarz, assistant vice president, First Wisconsin National, Milwaukee.

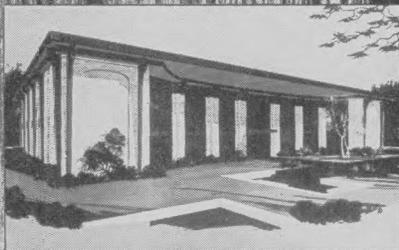
■ CHARLES D. RENFRO, president, First National, Carbondale, was elected "Boss of the Year" by the Carbondale Chapter of the National Secretaries Association.

Millikin Nat'l Sponsors Race



Greg Ostrowski (l.), the 1971 national and world champion in the ski racing runabout class, holds trophy he won in the Millikin National Bank (Decatur) Grand Prix for hydroplanes and flat bottoms in this year's Memorial Day Weekend Power Boat Regatta on Lake Decatur. With him are Mrs. Ostrowski and Howard Gundlach, pres., Decatur Water Festival Corp.

The bank builder that pays more interest.



BUNCE BUILDING CORP.

Design • Construction • Interiors



'All Quiet' on Holding Co. Issue; Dinkins Heads Indiana Association

By RALPH B. COX
Editor & Publisher

FRENCH LICK—Indiana bankers, although divided on the subject of multi-banking holding companies, held a relatively serene convention last month. Earlier it had been expected that opposing sides on the holding company question would be brought together in an open debate. The two groups, however, could not agree on a format for the debate and what might have been a "convention first" was shelved.

Indiana currently prohibits multi-bank holding companies, a ban which the League for Economic Development (a group of 57 banks) is seeking to lift. This group has been opposed vigorously by the local chapter of the Independent Bankers Association. The issue is expected to headline banking legislation in the state in 1973 as the league attempts to convince the public of the need for multi-bank holding companies.

The convention did witness a small breakfast meeting of Independent Bankers, presided over by William Givens, who heads up the local chapter. Mr. Givens, president of the Merchants National of Muncie, said that the meeting was called to develop plans for opposing the multi-bank holding company

drive. Present were 23 bankers representing all sections of the state. Independents plan another meeting within 30 days and expect to receive support from some 100 banks in the state.

Apparently mindful of the holding company question that occupied the hallway conversations at the convention, Indiana President Robert W. Renner, in his official address, urged bankers to "exercise tolerance, understanding and respect for each individual's opinions."

In his address, Mr. Renner, who is president of the Citizens State, Hartford City, stressed that banking laws and regulations are for the protection of the public interest and *not* for the protection of banks. He urged bankers to keep this continually in their minds as they service this public interest.

Obviously referring to the holding company question, Mr. Renner noted that "as controversial matters arise, somewhere there is a place for reasonable men to sit down and reach an understanding and agreement whereby solutions can be obtained that are acceptable to all. I would hope that bankers in this state," he said, "can find such a plateau on which their combined efforts can be put forth to keep the banks in the forefront as the financial leaders of our communities.



CONVENTION SPEAKERS Frederick W. Deming (l.) and Edward R. Gavenus are pictured here. Both appeared on the final morning of the convention. Mr. Deming is v.p. and chief economist for Chemical Bank, New York City. Mr. Gavenus, national AIB president, is v.p. of First Nat'l, Wilkes-Barre, Pa.



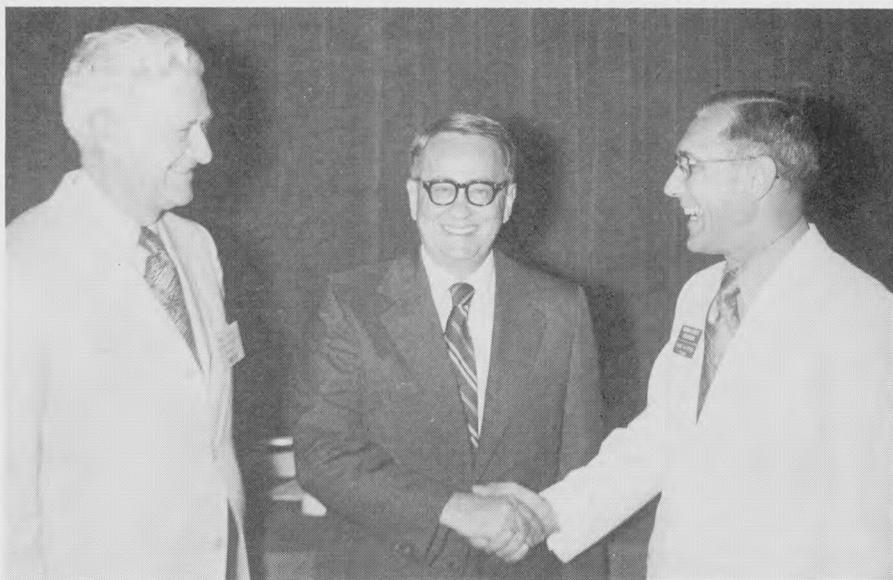
KENTUCKY BANKER Howard Gosney (c.) is pictured with IndBA officials Robert C. Nelson and Robert W. Renner. Mr. Gosney, pres., of the Kentucky Bankers Association and pres., West Side Savings Bank, Newport, was "scouting" the convention site, since his association will meet in French Lick in September.

"Some of our banks are feeling a great deal of frustration," he said, "because of their inability to pursue markets and services enjoyed by banks in other states. Equally frustrated are the banks who want to retain the status quo.

"It is at this point," he observed, "where rumor, guess and suspicion begin to enter the picture. Battle lines are drawn and too often each side will resort to any tactic to achieve its desires. By spreading rumor, misquoting statistics, guessing at probable outcomes with pending legislation and arousing suspicion against their fellow banker, they hope to achieve their ultimate goal."

Mr. Renner expressed the belief that the Indiana Bankers Association, at this point, should step forward strongly and

NEW IndBA OFFICERS: Paul N. Dinkins (c.), newly elected president, accepts congratulations of retiring president, Robert W. Renner, who was named to a three-year term on the board. On the left is the new vice president, James P. Copeland, pres., Nat'l Bank of Logansport. Mr. Dinkins is pres., Irwin Union Bank, Columbus; and Mr. Renner is pres., Citizens State, Hartford City.





THREE ASSOCIATION PRESIDENTS are pictured here. Allen P. Stults, pres., American Bankers Association; Mrs. Ruth J. Harrison, pres., Nat'l Association of Bank-Women, Inc.; and Robert W. Renner, pres., IndBA. Mr. Stults is ch., American Nat'l, Chicago; and Mrs. Harrison is a.v.p., Irwin Union Bank, Columbus. Both appeared at the opening session of the convention.

vigorously with an educational program to put forth all the facts to the bankers in the state so that individual bankers could then decide their course of action.

New Officers Elected. During the closing moments of the convention, Mr. Renner turned over the helm of the IndBA to the newly elected president of the association, Paul N. Dinkins, president of Irwin Union Bank, Columbus.

In turn, Mr. Renner was elected to a three-year term on the association's board of directors.

The association's new vice president is James P. Coplen, president of the National Bank of Logansport. The new treasurer is Robert W. Barger, president of the Fairland National.

Mr. Renner will represent the association at the 1972 ABA convention in Dallas as a member of the nominating committee. Mr. Dinkins will serve as alternate.

Featured Speakers. The presidents of three national banking organizations were featured on other portions of the Indiana convention: Mrs. Ruth D. Harrison, president of the National Association of Bank-Women; Edward R. Gavenus, president of the American Institute of Banking; and Allen P. Stults, president of the American Bankers Association.

A condensation of Mrs. Harrison's talk will be found on page 25 of this issue. Mr. Gavenus, vice president of the First National, Wilkes Barre, Pa., reviewed with his audience some of the AIB's gains in educational opportunities and pledged the AIB's acceptance of its responsibility in developing better employees and future bank management. He urged bank management to communicate more effectively with local

leadership of AIB in order clearly to pinpoint to AIB leaders the type of trained personnel most needed by local banks.

Mr. Stults, chairman of Chicago's American National, told Indiana bankers that a problem faced by all businessmen, as well as bankers, was the "generation gap." There is no doubt, he said, that the younger generation is smarter and better informed than the older generation. Also, they appear to be more concerned with social problems and broad social essentials.

Yet, he said, the fact that they *recognize* our many problems and the fact that they are *concerned* about them does not prove that they have workable

solutions. Mr. Stults reminded his audience that perhaps the "older generation" can do a great disservice if they lead the younger generation to believe they "are *instantly* qualified to solve all the many problems which society faces today.

"We owe them (the younger generation) the truth," he said, "... that the experience needed for decision-making on crucial levels is the experience of living with the results of their own decisions."

Another speaker, Frederick W. Deming, vice president and chief economist for New York's Chemical Bank, offered a prediction on the direction of the economy for the next 12 months.

Mr. Deming predicted "real growth" at the rate of 6% to mid-1973, with inflation "just a shade above 3%." This should add about \$110 billion to GNP, he said, and provide the basis for an increase of profits of at least 10% in 1973.

The New York banker predicted an increase in short-term interest of at least a full percentage point by mid-1973, but also expressed the opinion that the supply of credit would be sufficient to satisfy most credit-worthy customers without forcing an appreciable rise in long-term rates.

Another speaker, Lawrence E. Kreider, executive vice president of the Conference of State Bank Supervisors, observed that federal agencies are intruding more and more into the local decision-making of allocation of funds. It is a dangerous trend, he warned, which must be offset by strong local banker groups supporting legislation that maintains the decision-making process at the local level. ••

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Group Officers for 1972-73 Named By Kentucky Bankers Association

The Kentucky Bankers Association has announced the names of new group officers for 1972-73. They are:

GROUP 1: president, H. Glenn Doran, president, Peoples Bank, Murray; vice president, Aubrey W. Lippert, vice president, Peoples First National, Paducah; secretary, E. G. Wolfe, vice president, First National, La Center.

GROUP 2: president, H. C. Downey, vice president, First State, Greenville; vice president, George L. Moss, president, First National, Henderson; secretary, Max W. McCuiston, vice president, Planters Bank of Todd County, Trenton.

GROUP 3: president, Richard A. Raderer, vice president, Stock Yards Bank, Louisville; vice president, J. D. Tobin Jr., president, First State, Irvington; secretary, R. E. Sutherland, vice president, Farmers Bank, Bardstown.

GROUP 4: president, Charlie V. Kirkpatrick, executive vice president, Deposit Bank of Monroe County, Tompkinsville; vice president, William D. Johnson, chief executive officer, Simpson County Bank, Franklin; secretary, Ledean Hamilton, assistant vice president, Citizens Bank, Glasgow.

GROUP 5: president, Charles Clifton, executive vice president, Farmers & Traders Bank, Shelbyville; vice president, James D. Roland, president, First Farmers Bank, Owenton; secretary, Mrs. Pauline Staley, cashier, Farmers Deposit Bank, Eminence.

Kentucky News

GROUP 6: president, Henry R. Dicken, executive vice president, Farmers Bank, Owingsville; vice president, Clay P. Davis, executive vice president and cashier, First National, Georgetown; secretary, Emerson Baker, cashier, First National, Carlisle.

GROUP 7: president, John S. Holtzclaw, executive vice president, Lincoln County National, Stanford; vice president, Randolph Stivers, executive vice president, First National, Corbin; secretary, James E. Thompson, executive vice president, Union National, Barbourville.

GROUP 8: president, Kenneth M. Juett, cashier, Bank of Williamstown; vice president, W. J. Scheben Jr., executive vice president, Community Bank, Erlanger; secretary, Joseph P. Cooney, cashier, Bank of Maysville.

GROUP 9: president, John E. Coleman, vice president, First National, Pikeville; vice president, Donald L. Edwards, cashier, Second National, Ashland; secretary, Elbert Bowe, executive vice president and cashier, Kentucky-Farmers Bank, Catlettsburg.

■ **CITIZENS DEPOSIT**, Vanceburg, is conducting a remodeling project that will double the bank's floor space.

Arch Mainous Named President Of RMA Ohio Valley Chapter

LEXINGTON—Arch G. Mainous Jr., president, Citizens Union National, has been elected president of the Ohio Valley Chapter of Robert Morris Associates.



MAINOUS

Other officers elected were: vice president, Albert T. Lord, vice president, First National, Cincinnati; and secretary-treasurer, Garnett P. Furnish, vice president, Citizens Fidelity, Louisville.

Named to serve on the board of governors were: Richard D. Bushey, vice president, First National, Dayton, O.; John F. Colvin, vice president, Louisville Trust; Frank F. Compton Jr., vice president and cashier, Ohio State, Columbus; and Kenneth A. Kehlbeck, vice president, American Fletcher National, Indianapolis.

Davis Joins Kingsport National As Executive Vice President



DAVIS

KINGSPORT—James A. Davis has joined Kingsport National as executive vice president. He had been president of First National, Decatur, Ala.

Before joining First of Decatur, Mr. Davis was executive vice president, director and secretary to the board of First American National, North Little Rock. He also has served as assistant vice president and branch manager for Lawrence Warehouse Co. in Memphis.

Wilson, Bates Appointed VPs At Commerce Union Bank

NASHVILLE—Commerce Union has promoted Thomas E. Wilson and Danny N. Bates to vice presidents.

Mr. Wilson joined the bank in 1966 as a loan analyst. He was promoted to assistant vice president in 1968 and was in charge of the credit department and the management trainee program. In 1970, he was transferred to the manufacturing group of the commercial banking department with responsibility for commercial loans to local and national manufacturers.

Tennessee News

Mr. Bates serves in the bank's investment management department. He joined the bank in 1969 and was made an officer in 1970.

Hamilton National, Chattanooga, Names Reynolds Vice President

CHATTANOOGA—Millard W. Reynolds, manager of the Main Street Branch, Hamilton National, has been promoted to vice president. He has been with the bank since 1938 and has served as manager of the Main Street Branch since 1960.



REYNOLDS

Elected assistant vice presidents were: Terry A. Bridgman, manager, East Chattanooga Branch; William M. Bailey, branch administration; and John A. Palmer, manager, East Ridge Branch.

Newly elected assistant cashiers are Miss Norma Jean Cleveland, Mrs. Betty Ann Bradbury and Randall R. Wiltrout.

■ **AMERICAN NATIONAL**, Chattanooga, promoted T. Ben Dalton to as-

stant vice president, bank administration division. Also promoted were: Frank Mallicoat, retail adjustment officer; and Steve Weddle, Billy J. Clabough and Clark Werner, branch officers.

■ **GROVER C. GRAVES**, chairman, Sweetwater Valley Bank, and director, First National, Athens, recently was presented an honorary Doctor of Laws degree from Tennessee Wesleyan College. He is a past president of the Tennessee Bankers Association.

TBA Aids Dept. of Finance



Dr. Harry L. Johnson (l.) is shown accepting a check for \$14,000 from the Tennessee Bankers Association during its recent convention in Knoxville. Making the presentation and accepting the thanks of Dr. Johnson is David R. Nunn, pres., Bank of Halls (now a past TBA president). Dr. Johnson, head of the department of finance at the University of Tennessee, accepted on behalf of his department, which has received financial support from the TBA for a decade or more.

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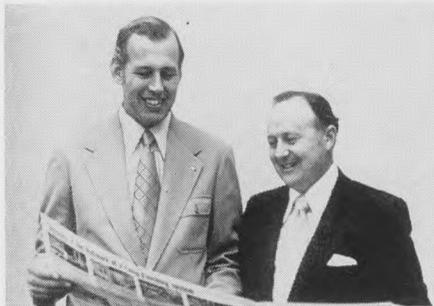


A FIRST TENNESSEE AFFILIATE

MID-CONTINENT BANKER for July, 1972

Mississippi News

New Industry Moves to Meridian



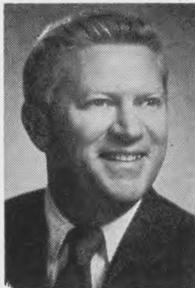
John Robbins (l.), v.p. and bond mgr., First National, Meridian, and Jack B. Lyle, of Hendrix, Mohr & Yardley, Inc., Birmingham, look over plans for the new Meridian Machine Works, to be located in Meridian Industrial Park. The facility will be made possible by the sale of \$800,000 in industrial development revenue bonds. Hendrix, Mohr & Yardley and Thornton, Farish & Gauntt, Montgomery, Ala., are serving as underwriters for the revenue bonds, while First National is trustee and paying agent. Mr. Lyle is representing both the Birmingham and Montgomery firms in the transaction.

Four Promotions Announced By Deposit Guaranty Nat'l

JACKSON—Deposit Guaranty National has named Joe Sharp vice president in the business development section of the marketing department and William B. Lloyd Jr. assistant vice president in the correspondent bank department.

Mr. Sharp has rejoined the bank after serving as motor vehicle comptroller for the state of Mississippi for the last four years. He originally joined the bank in 1965 and was named business development officer in 1967.

Mr. Lloyd came to the bank in 1968.



LLOYD



SHARP

After serving in the municipal bond area of the bank's investment division, he was assigned to the correspondent department, where he was elected a correspondent bank officer in 1969.

Also named an assistant vice president was Robert O. Kunz, manager, BankAmericard credit department. He joined the bank in 1968 and was named credit card officer in 1969.

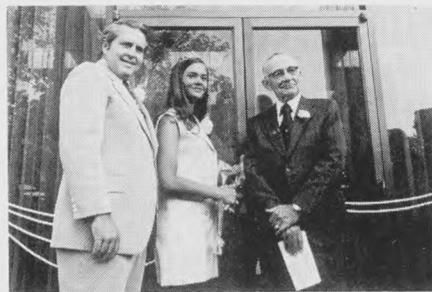
Arlen L. McDonald was appointed accounting officer. He has been with the bank since 1966.

Security State Bank, Starkville, Opens New Main Office Building

STARKVILLE—Security State recently held dedication ceremonies and an open house for its new Main Office building in the downtown area.

The three-story structure has 16 teller stations in its lobby with nine private offices surrounding the lobby. The 30,396-square-foot building also features a functions room for use by the general public, a spacious board room, employee lounge and coffee area for bank customers.

The bank held two special pre-opening events as part of its week-long cele-

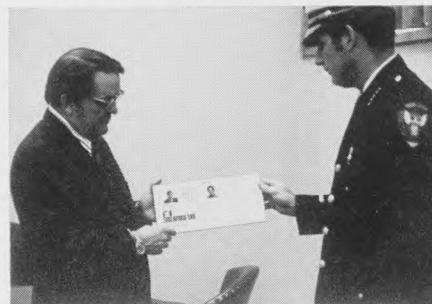


Shown opening Security State's new Main Office in downtown Starkville are: (from l.) Gov. Bill Waller; Miss Joy Cadenhead, Starkville's Miss Hospitality; and J. T. Steele, pres.

bration. One was for bank stockholders and the other was for bankers from throughout the state, who toured the new building and were entertained at a buffet.

■ RANDALL D. HARPER has been named assistant vice president and manager of the new Southaven Branch of Coahoma National, Clarksdale. He had been assistant vice president at Bank of Olive Branch. Joseph T. Wilson was appointed assistant manager of the Southaven Branch.

First Nat'l Has 'Picture Checks'



Joe W. Williams Jr., v.p., First National, Meridian, shows Police Chief Tom Miller an example of the bank's new service—"Picture Checks." The checks display a photograph of the banking customer, as well as his name and address. Local law enforcement officials praised the new service for its ability to reduce the number of bad and stolen checks.



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- **A Model Policy For The Bank's Board of Directors.** 24-pages, reviews typical organizational chart, duties and responsibilities of managing officers and various standing committees, loan, investment and collection policies, and an outline of a suggested investment policy.

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- **Annual Review For Officer Promotions.** 4-page study, contains 12 point-by-point appraisals of officer performance and potentials.

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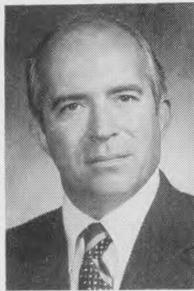
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Rather Named President & CEO Of Bank of the Southeast

BIRMINGHAM—Bank of the Southeast, to open here in August, has named C. Pratt Rather Jr. president and chief executive officer. He also will serve as a director.



RATHER

Mr. Rather had been a vice president of First National. Before entering the field of banking, he held an executive position with Sears.

Bank of the Southeast has initial capitalization of \$2 million. W. Cassell Stewart is chairman.

■ CHARLES JAGER, president and chief executive, First Western Bank, Bessemer, has been elected Outstanding Young Banker of 1972 by the Alabama Bankers Association.

■ RICHARD E. OLIVER, president, American National, Huntsville, has been named the 1972 "Take Stock in America" payroll savings drive chairman for Huntsville and Madison County.

Alabama News

New Promotions Announced At 1st Nat'l, Montgomery

MONTGOMERY—First National recently announced several officer changes.

William H. Dillon was promoted to vice president and trust officer, while Pete R. Knight and Grady B. Looney were elected vice presidents. Mr. Knight is manager, Adams Avenue Branch, and Mr. Looney is in the installment loan department.

Named assistant branch officers were Mrs. Fay P. Cain and Rex L. Huggins.

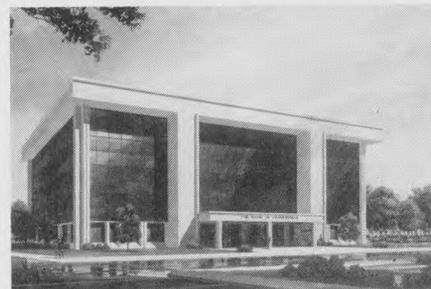
■ PROMOTED to assistant vice presidents at First National, Mobile, were: Frank J. Andrade, marketing-correspondent banking department; O. D. Etheredge, manager, Grand Bay Office; J. E. Geil, manager, Saraland Branch; and T. J. Torbert, manager, Cloverleaf Plaza Office. G. Wayne Chisenhall was appointed a branch officer.

■ FIRST NATIONAL, Montgomery, recently was named a winner in the sixth annual "Business in the Arts"

Awards, co-sponsored by the Business Committee for the Arts and *Esquire* magazine. The bank was honored for its sponsorship of a city-wide arts council, a poetry contest in elementary schools and a local television choral concert.

■ AMERICAN NATIONAL, Mobile, has opened the new building of its Tillman's Corner Office. The structure has 3,000 square feet.

Bank of Huntsville Plans Building



Above is an artist's rendering of the five-story bank and office building to be constructed by Bank of Huntsville. The bank will occupy the first three floors of the 50,000-square-foot building, while the other two floors will be made available to tenants. Construction will begin in August and will take about a year and a half to complete. Bank Building Corp., St. Louis, is in charge of designing and building the new structure.

Bank of Commerce Featured On Historical Tour

ST. FRANCISVILLE—Bank of Commerce recently was featured on a tour of historical sites presented by the West Feliciana Historical Society. The tour, called the Audubon Pilgrimage, also featured colonial and antebellum homes and gardens.

The Bank of Commerce building, constructed around 1905, has been restored within the last two years and contains an impressive art collection. The bank has a Victorian-style interior with crystal and brass chandeliers. The interior walls are covered with chateau-colored, brocaded wallpaper and old oak bank counters and paneling have been restored.

The bank features 19th-century oil paintings in gold-leaf frames, landscapes, seascapes and Oriental paintings. The board room has a mahogany table and directors' chairs and an antique brass chandelier in Williamsburg style that comes from Copenhagen.

A feature article on the bank appeared in an issue of the *Register*, Baton Rouge's city magazine.

■ ALFRED ROTH JR. was advanced from executive vice president and cashier to president of Central Progressive Bank, Amite. He succeeds W. Deloy

Louisiana News

Smith, who was named chairman. Earl Dees was promoted from assistant cashier to cashier and Mrs. Mary Ann Cefalu was elected a director. Mrs. Cefalu fills a vacancy on the board created by the death of her husband, Nicholas Cefalu, who was chairman and principal organizer of the bank.

Central Bank Receives Ingots



Central Bank, Monroe, represents Louisiana in the Franklin Mint's 1972 presentation of sterling silver bankmark ingots. Above, Bob Dalhausen (r.), of Franklin Mint, presents the Central Bank ingot to Eric Wade, sr. v.p. The bank's logo and the state of Louisiana are cast on the ingots, which will be offered by the mint to collectors in a presentation set of 50 banks, one from each state.

Branch Office Promotions Made At Fidelity Nat'l, Baton Rouge

BATON ROUGE—Fidelity National has announced several promotions in its branch office operations. Named to newly created positions were Ray A. Juban, vice president and branch office coordinator, and Thomas W. Jones and Louis F. Borne, vice presidents and area coordinators.

In other new appointments, Clyde J. Dalier, vice president, was named manager, Florida Boulevard Office, while Sidney M. Longwell, assistant vice president, was named manager, Government Street Office.

At the Broadmoor Office, John H. Jackson, assistant vice president, was named manager with William H. Penny, assistant cashier, as assistant manager. James H. Mitchell, assistant cashier, is manager at the Istrouma Office with Charles Dabadie as assistant manager.

■ FIRST NATIONAL, Shreveport, has announced plans to construct a new multi-story parking garage in the downtown area. The garage will be the first phase of a major downtown building program that also will include a new banking headquarters.

The parking garage will be six stories high.

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Arkansas News

Shankle Named President & CEO Of First Nat'l, Hot Springs

HOT SPRINGS
—George R. Shankle recently was elected president and chief executive officer of First National. He had served as president for the past year and a half.

Mr. Shankle formerly was president of First National, Camden, and is a past president of the Arkansas Bankers Association.



SHANKLE

Officers for 1972-73 Appointed By ArkBA Junior Bankers

New officers for 1972-73 have been elected by the Junior Bankers Section of the Arkansas Bankers Association.

Elected were: president, Joe Taylor, assistant cashier, Fidelity National, West Memphis; vice president, Wesley Burkett, assistant vice president, First State, Springdale; secretary, Ralph White, assistant cashier, Arkansas Bank, Hot Springs; treasurer, Bart R. Lindsey, assistant cashier, Phillips National, Helena; historian, William P. Ross, retail service manager, Simmons First National, Pine Bluff; and parliamentarian, Kenneth Schnipper, assistant vice president, Commercial National, Texarkana.

Named members of the executive council were:

GROUP 1: Joe Shumaker, installment loan officer, Citizens Bank, Jonesboro; and Ray Smith, assistant cashier, Citizens National, Walnut Ridge.

GROUP 2: Wendell Nier, assistant cashier, First National, Searcy; and Gerald Hurst, assistant cashier and auditor, Peoples Bank, Mountain Home.



New officers of the Junior Bankers Section of the Arkansas Bankers Association are: (from l.) William P. Ross, historian; Kenneth Schnipper, parliamentarian; Ralph E. White, sec.; Wesley Burkett, v.p.; and Joe Taylor, pres. At right is Charles Sharp Jr., immediate past pres., and a.v.p., First National, Hope.

GROUP 3: Wesley Burkett, assistant vice president, First State, Springdale; and Ed Freeman, assistant cashier, Merchants National, Fort Smith.

GROUP 4: Charles E. Sharpe Jr., assistant vice president, First National, Hope; and Harrell White, assistant cashier, First National, Magnolia.

GROUP 5: Terry Clayton, auditor, First National, Stuttgart; and David Garrett, assistant vice president, Merchants & Farmers, Dumas.

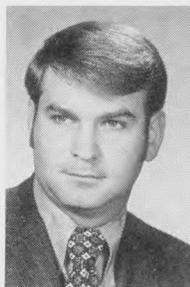
Hyde, Niswanger Elected VPs At First Nat'l, Little Rock

LITTLE ROCK—First National has announced several officer promotions including those of Rusty Hyde and Barry Niswanger from assistant vice presidents to vice presidents in the correspondent banking division.

Mr. Hyde joined the bank four years ago and has been in the correspondent division since 1970. Mr. Niswanger has been with the bank since 1963.

Others promoted to vice presidents were Robert Rogers and Owen Ross, operations division, and William D. Willson, general banking division.

Named assistant vice presidents were Allan Mendel, marketing division, and Greg Birdsong, government affairs department.



HYDE



NISWANGER

■ **WORTHEN BANK**, Little Rock, has elected three new assistant vice presidents. Promoted were: Larry Breashears, manager, East Roosevelt Office; Fred Burns, manager, planning and development department; and Coy E. Reed, manager, account service department.



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Texas News

Top-Level Changes Made At Lubbock National

LUBBOCK—Lubbock National has announced broad scale changes in executive duties of 13 of its officers. Charles E. Maedgen Jr., who has

served as president, was elected chairman of the executive committee and chief executive officer. Wayne Finnell was advanced from executive vice president to president. Clifford B. Jones retains the title of chairman of the board.

Nine vice presidents were promoted to the rank of senior vice president. They are: Bill Edd McLaughlin, John E. Key, Charles S. Signor, Coffee R. Conner, Archie E. Huckabee, Jack Gaulding, E. H. Elliott, James A. Littlefield and David A. Collier.

Rodney G. Joy, cashier, was elevated to vice president and cashier, and DeWayne V. Pierce was advanced from auditor to controller.

Mr. Maedgen was first employed at Lubbock National on a part-time basis in 1927. After graduating from Texas Tech and Harvard Graduate School of Business Administration in 1937, he started work full time. In 1951 he was named president, and served until June when he was named chairman of the executive committee and chief executive officer. Mr. Maedgen has served on the administrative council of the Texas Bankers Association and as chairman of the National Bank Division of that association. He also has served as a member of the executive council of the American Bankers Association. His father was president of Lubbock National for many years before his retirement.

Mr. Finnell has been with Lubbock National since 1940, starting as a file clerk while attending Texas Tech. Except for a leave of absence during World War II, he has been with the bank continuously, becoming a director in 1955, senior vice president and member of the executive committee in 1960.

Since the start of 1971 he has been executive vice president.

The service records and primary duties of those advanced to senior vice president are: Mr. McLaughlin has served since 1948, recently as commercial loan department officer and director. Mr. Key has served since 1951, heading the farm loan department. He also is a director. Mr. Signor came to Lubbock National in 1954 as vice president of the business development department. He is now a director, head of the correspondent bank department and has charge of advertising.

Mr. Conner dates his service at the bank from 1956, beginning while attending Texas Tech. He has served as vice president of the mortgage loan department and was transferred to the commercial loan department in 1968. Mr. Huckabee started at the bank in 1943, working in many departments and advancing to vice president in charge of installment loans in 1955. He will continue to serve in this department. In 1969-70 he served as chairman of the TBA installment loan section.

Mr. Gaulding started at the bank in 1957 while attending Texas Tech and is now attached to the mortgage loan division. Mr. Elliott began at Lubbock National in 1954 and served as head of the mortgage loan department before being advanced to vice president and trust officer and head of the trust department.

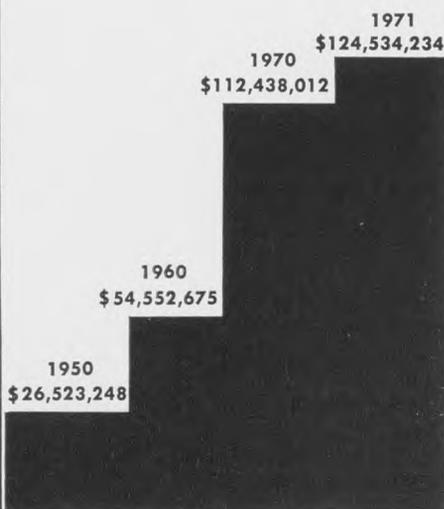
Since 1947 when he came to Lubbock National, Mr. Littlefield has advanced through the operations departments and has served as vice president in charge of operations since 1955. Mr. Collier began his career at the bank in the trust department in 1959, was transferred to business development as vice president in 1967 and will continue to head this department.

Mr. Joy, who has been named vice president and cashier, began as a teller in 1962 and was advanced to cashier in

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Chas. S. Signor, Senior Vice President
Lubbock National Bank
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New senior v.p.s at Lubbock Nat'l—Seated (l. to r.) E. H. Elliott, Coffee R. Conner, John E. Key, Archie E. Huckabee. Standing (l. to r.) David A. Collier, Bill Edd McLaughlin, James A. Littlefield, Charles S. Signor. Jack Gaulding was absent when the picture was taken.



FINNELL



MAEDGEN

1968. Mr. Pierce, who now becomes controller, began his career at Lubbock National in 1969 as auditor.

Parchman Elected Vice Pres. At Bank of the Southwest

HOUSTON—Otis L. Parchman Jr. has been elected vice president and head of Latin American operations at Bank of the Southwest. He recently joined the bank's international division as Latin American area officer.

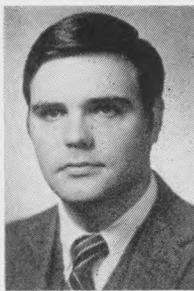
Mr. Parchman comes to Houston from Tegucigalpa, Honduras, where he was president and general manager of Banco de Honduras, an affiliate of First National City Bank, New York.

Nat'l City Bank Changes Name, Moves to New Quarters

WACO—National City Bank recently changed its name to Texas National Bank and opened its new headquarters at Texas Center.

The bank's new building is an 11-story tower constructed of reinforced concrete with bronze-reflective glass. A drive-in banking facility is located one floor below ground level.

Tripplehorn Named Vice Pres. At Nat'l Bank of Commerce



TRIPPLEHORN

DALLAS—National Bank of Commerce has promoted David R. Tripplehorn III from assistant vice president to vice president in the correspondent bank division. He has been with the bank since 1968.

Elected assistant vice presidents were Robert E. Rippey, assistant manager of the credit department, and Joe Dan Coe, commercial loan officer. Randolph W. Robinson was elected an assistant cashier.

Mercantile Boosts Surplus

DALLAS—Mercantile National made its second consecutive \$1-million quarterly addition to surplus June 16. The action increased surplus to \$38 million. Capital is \$20 million.

Finch Named Assistant Cashier At National Bank of Commerce

SAN ANTONIO—National Bank of Commerce recently elected F. Nelson Finch II an assistant cashier in the correspondent banking department. He joined the bank's management training program in 1970.



FINCH

Other newly elected assistant cashiers are: Pat R. Stewart, manager, collection and ex-

change department; Howard E. Pinion, Master Charge department; and Ronald E. Echols, bond department. Gordon L. Hollon Jr. was appointed an assistant trust officer.

■ ELECTED assistant vice presidents at Victoria Bank were Michael D. Parker, personal loan department; Allen Jones, credit officer; and Michael W. Moses, correspondent banking department. John W. Garrett Jr., personal loan department, and Bobby J. Jacob, commercial loan department, were named assistant cashiers. New officers elected were: Joe W. Chamrad, systems and programing officer; Franklin Darilek, computer operations officer; and Chris Langenberg, bank card officer.

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New Mexico News

Crime, Politics and Hunt Report Fill NMBA Convention Program

By HAROLD R. COLBERT

President
Commerce Publishing Co.

LAS CRUCES—When Nat S. Rogers arrived in Las Cruces for the New Mexico Bankers Association convention the evening before he was to speak there, he found some 900 persons gathered on the patio of the Palms Motor Inn enjoying a cocktail party, compliments of State National Bank of El Paso.

After mingling through the crowd for 45 minutes, Mr. Rogers commented, "This appears to be the biggest house party ever thrown. Everybody seems to know everybody else."

Mr. Rogers, a past president of ABA and president of First City National of Houston, is a competent judge of bank conventions. He's appeared before conventions of 38 of the 50 state associations. NMBA conventions are noted for their hospitality, fun, relaxation and fellowship—and the Las Cruces bankers went all out as gracious hosts.

But what Mr. Rogers couldn't foresee at the outdoor party is how serious an NMBA convention can become during its business sessions.

Mr. Rogers, himself, added to the serious side of the convention with a challenging talk on the increasing problems of crime in the nation, specifically its effect on banking and the insurance banks depend on to protect them. John Glassford, executive director, BANKPAC, nudged the bankers on the importance of political action to see that qualified candidates with the prop-

er understanding of banking are elected at the national level. (His speech is the subject of an article on BANKPAC in this issue.) Edward H. Tatum Jr., president of First National of Santa Fe and member of the ABA Governing Council, warned the bankers to be alert to some of the findings in the Hunt Commission Report and not to fall for the idea of accepting the full report "as a package."

The serious side of the convention was most in evidence, however, at the final business session when John C. Johnson, president, First National of Belen, introduced a resolution from the floor providing that "the official position of the New Mexico Bankers Association be in opposition to state-wide branch banking."

Because the resolution had not been submitted in advance to the Executive Committee as called for in the bylaws, it was ruled that the only way the convention could act on the resolution was for the convention to recess while the Executive Committee acted on the resolution to determine whether it could be brought before the convention.

When the convention reconvened it learned that the Executive Committee had acted affirmatively to present the matter to the convention. J. W. Craig, senior vice president, Bank of New Mexico, Albuquerque, offered an amendment which added to the resolution's language "whether accomplished directly by statutes or indirectly by holding companies." After a lively discussion the amendment was defeated 59 to 5 in a roll call vote. A vote on the

Johnson resolution then carried 57 to 7 in a roll call vote.

Although the matter of state-wide branching had been widely discussed at previous conventions, the association heretofore had taken no official position either for or against further branching in the state. At the present time many of the banks in the state are part of multi-bank holding companies or members of groups controlled by one or more individuals. The position for state-wide branching in large part, although not entirely, has come from banks that are members of Western Bancorporation, which bought banks in 11 Western states just prior to the enactment of the law prohibiting holding companies spreading across state lines.

The debate, while lively, was not acrimonious, and the consensus seemed to be that there could be harmony among the members of the association even with lively disagreements. The argument for an official position stemmed primarily from the fact that legislators in recent years have been telling bankers who approach them on legislation that their trade association should take a position on controversial matters before coming to the legislators for help.

Douglas B. Stone, NMBA president, and president, Portales National, reported on a successful year for the association, during which attendance records were broken at the six seminars held in the year. The seminars consisted of the tax institute, agricultural credit conference, trust conference, public relations seminar, installment credit workshop and the investment seminar. He said that opposition to proposed changes in Fed Regulations D and J are running about 20 to 1. He also said he questioned the benefits to banks under \$100 million of many of the provisions of the Hunt Commission Report.

Mr. Rogers, who recently was named to head a task force set up by the ABA to examine the increasing crime losses in banks and the increasing difficulty banks are having in getting adequate insurance protection, told the New Mexico bankers that the insurance problems can be solved but that it is up to the banks themselves to help solve them.

He cited figures to indicate that, since the popular bankers blanket bond was introduced in 1916 as a simple and effective means of insuring the nation's larger banks and was offered generally to commercial banks in 1942, losses



New NMBA officers: (l. to r.) v.p.—James A. Clark, pres., Security Nat'l, Roswell; pres.—Claude E. Leyendecker, pres., Mimbres Valley Bank, Deming; exec. secy.—Denton R. Hudgeons; treas.—D. D. Van Soelen, v.p., First Nat'l, Santa Fe.

have increased drastically; and, likewise, the coverage had been broadened in 1951 and 1969. Today the bankers blanket bond covers most losses evolving from four major exposures: robbery, hold-up, larceny and theft. Bonding companies have earnestly tried to meet the changing insurance needs of banking.

As compared to 1922, when premiums were \$2.8 million and losses \$1.6 million, by 1931 premiums were up to \$12.8 million; and losses have grown to \$6.6 million for a loss ratio of 58%. Loss ratios from 1922 to 1931 averaged approximately 50%.

In 1934, said Mr. Rogers, when the Federal Bank Robbery Statute was enacted and the FBI came into the crime picture, losses in that year plunged to 39%, then to 25% in 1935 and remained 25% or less for the next 10 years, reaching a low of 18% in 1944.

Following World War II, favorable experience in bond coverage for banks began to deteriorate and, in the past 10 years, has consistently exceeded 55%, with three years exceeding 60% and three others over 70%. In 1966, the loss ratio was 78%. Latest figures available (for 1969) indicate banks spent \$43 million in premiums and losses ran to \$33 million, producing a loss ratio of 77%.

Both external and internal factors have contributed to the disastrous loss record. In 1970, crimes of violence perpetrated against banks amounted to \$12 million compared to a loss of one million dollars in 1960.

Mr. Rogers said that if banks are to reduce crimes of violence, they must comply fully with the provisions of the Bank Protection Act. But banks alone cannot solve all of the problems from crime from an external standpoint. It is internally that the banking industry can do much more to control the situation. In 1971, internal losses resulting from bank defalcations were approximately \$36 million, a 200% increase over 1961.

Mr. Rogers said that, on the average, internal embezzlement of bank property represents almost 70% of the total



Past presidents: (Standing, l. to r.) Edward H. Tatum Jr., First Nat'l, Santa Fe; Robert L. Tripp, Albuquerque Nat'l; Fred Cole, First Nat'l, Artesia; G. Kenneth Brashar, First Nat'l of Rio Arriba, Espanola; Charles K. Johnson, First Nat'l, Artesia; E. E. Tusha, Carlsbad Nat'l; Rex E. Reeves, Farmers & Stockmen's, Clayton; G. Wilbur Jones, First Nat'l, Tucumcari. (Seated) Floyd Childress, First Nat'l, Roswell.

losses incurred by the industry. "Embezzlement losses can be reduced, and in doing so, banks will make great strides in eliminating their critical insurance problems," Mr. Rogers declared.

As a means of reducing embezzlement losses, Mr. Rogers emphasized the importance of "checks and balances"—no one person in control of any transaction, timely audits, use of outside auditors, better checks on the credentials of prospective employees. "If individual banks would religiously follow these basic outlines, internal losses would decrease dramatically," Mr. Rogers concluded.

Claude E. Leyendecker, president,

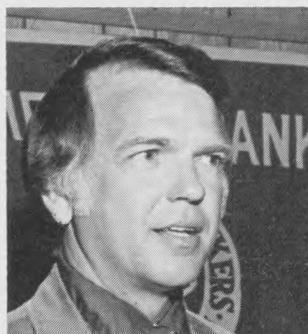
Mimbres Valley Bank, Deming, was elected president, succeeding Mr. Stone. James A. Clark, president, Security National, Roswell, was named vice president. D. D. Van Soelen, vice president, First National, Santa Fe, was re-elected treasurer. Denton R. Hudgeons was reelected executive secretary. Cale W. Carson Jr., president, First National, Albuquerque, and James M. Robertson, president, American Bank of Carlsbad, were named to two-year terms on the Executive Committee along with Mr. Stone, retiring president.

William H. Vernon, state vice president of ABA and chairman of Santa Fe

(Continued on page 85)



President Stone presents plaques to three new members of 50-Year Club: At far left is Oscar M. Love, pres. emeritus and co-ch., Albuquerque Nat'l, and past president NMBA, receiving his plaque. Center, Mrs. Floyd Childress, who for 25 years provided the music which opens NMBA conventions, poses with Mr. Childress, v. ch., First Nat'l, Roswell, after he received his 50-year plaque. At right, President Stone congratulates J. J. (Jake) Aragon, ch., Farmers & Merchants, Las Cruces.



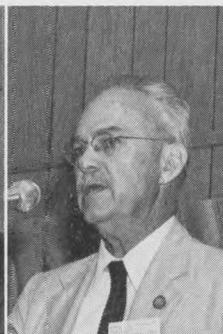
Okla. Lt. Gov. Nigh made them laugh



Bank Comm. Davidson reported for Gov. and himself



President Stone gave "State of Union"



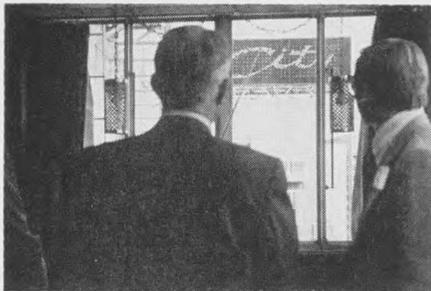
Councilman Tatum reported on ABA



Exec. Secy. Hudgeons called the roll

Oklahoma News

City Nat'l Installs New Sign



Fred Boston (l.), ch., City National, Oklahoma City, activates the bank's new time and temperature sign via two-way radio. The sign, atop the bank building, alternates the bank's name, time and temperature in 14-foot letters. It was designed by American Sign & Indicator, Spokane, Wash.

■ FINIS GILLESPIE, attorney, has been elected a director of Home State, Hobart. He replaces the late Sid Barnes.

Rare Coins Display at NBT



Lee Hubby, public relations dir., National Bank of Tulsa, holds the Waterloo Medal which was featured, along with other rare coins, in the bank's Silver Center Exhibit. The exhibit, in a six-sided display unit in the bank's lobby, was from the Franklin Mint. The display unit will be featured in the lobby with product changes monthly.

F. A. Sewell III Is Asst. Cashier At First National of Clinton

CLINTON—F. A. Sewell III has joined First National as assistant cashier. He is the third generation of Sewells to be active in the operation of the bank.

Formerly, Mr. Sewell was associated with First National, Moore, and with Citizens & Southern National, Augusta, Ga.

First National was reorganized in 1936 by Mr. Sewell's grandfather, Frank A. Sewell Sr., who came to Clinton from Texhoma at that time to serve as bank president.

Bank Tower at Half-Way Mark

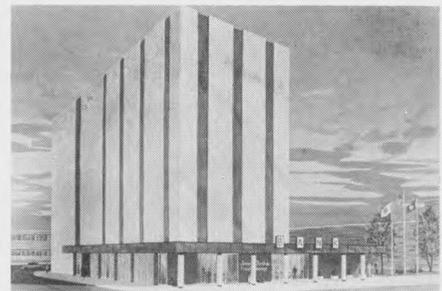


Construction on First National of Tulsa's new 41-story First National Tower recently reached the halfway point. When completed in 1973, the tower will connect with the existing 20-story First National building, forming a complex called First Place.

■ FIRST STATE, Eldorado, recently held an open house in its new quarters.

■ WILLIAM M. GENTRY has joined Citizens Bank, Ada, as president. Formerly, he was senior vice president of Founders Bank, Oklahoma City. Ralph F. Smith remains chairman of Citizens Bank.

Security Bank Remodeling Building



Above is an artist's rendering of how Security Bank, Ponca City, will look after completion of its major remodeling project, which includes the addition of 5,000 square feet to the main bank and construction of a new drive-in facility. The drive-in will feature a walk-in lobby, commercial drive-up window and four remote units.

Capital Notes Sold

TULSA—F&M Bank recently announced the sale of capital notes totaling \$1.75 million. This brings the bank's capital to \$9.3 million.

■ FIRST NATIONAL, Hammon, promoted Leon Tomberlin from assistant cashier to assistant vice president. He has been with the bank three years.

■ R. L. JOHNSON, president, First National, Thomas, has assumed the additional title of chairman. He succeeds his late father, C. H. Johnson.

■ CITIZENS BANK, Drumright, has elected George W. Carlton a director. He is vice president and cashier of First State, Oilton.

Oklahoma Deaths

SID BARNES, 65, director, Home State, Hobart. He had been a director 20 years.

C. H. JOHNSON, 77, chairman, First National, Thomas. He had been in banking since 1916.

Liberty Nat'l Receives Award



George Shirk (l.), pres., Oklahoma Historical Society, presents award to J. W. McLean, ch. & CEO, Liberty National, Oklahoma City. The award was given to the bank for its display of sculptures depicting the state's human and natural resources.

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Fourth provides both the financial facilities you'll need, and the kind of alert, clear-eyed correspondent know-how that produces profitable results.

If you're ready for a really "pro" correspondent, call Glenn "Red" Ward or Wilber Waters. They'll provide the driving "will to win" to get things moving—and keep them moving toward the championship. Remember: When you need an Action correspondent, recruit Fourth National . . . the Action Bank of Tulsa. It's the way to win.



Kansas News

Francis Named Vice President At Merchants Nat'l, Topeka

TOPEKA—Ronald J. Francis has been appointed a vice president in the commercial banking department of Merchants National.



FRANCIS

Mr. Francis had been with Commerce Bank, Kansas City, Mo., where he served as vice president responsible for correspondent banking and commercial business in the state of Kansas. He had been with that bank since 1966. Previously, he was associated with Continental Oil Co. in its finance department in Kansas City, Chicago and Ponca City, Okla.

Mark Plaza State, Overland Park, Opens in Temporary Quarters

OVERLAND PARK—Mark Plaza State Bank recently opened for business here in temporary quarters. The bank's modular-structure building will be used until a permanent three-story building is completed in early 1973.

The temporary building has two drive-up teller stations, one of which is remote-controlled, a night depository, two inside teller stations, executive offi-



Above is an artist's rendering of the recently opened quarters of Mark Plaza State, Overland Park. The building is of frame construction and has two drive-up teller stations.

ces, loan department, work and supply room, employee lounge and customer coffee bar.

Three brothers are the principal officers of the bank. They are: Alfred J. Blasco, chairman; Samuel A. Blasco, president; and John Blasco, vice president.

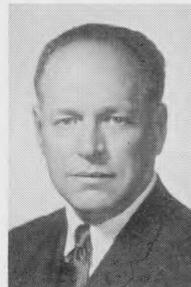
Alfred J. Blasco is honorary chairman of ISC Industries, Inc. Samuel Blasco has served as senior vice president of City National, Kansas City, Mo., for the past 33 years. John Blasco was co-founder of Pioneer Finance Co. and was its executive officer from 1951 until 1967. He also was vice president of Community State, Kansas City, Mo.

The fourth bank officer is T. A. Terrall, cashier-treasurer. He formerly was an executive officer of First National, Independence, Mo.

John Naftzger Named Chairman Of Southwest Nat'l, Wichita

WICHITA—John E. Naftzger has been elected chairman of Southwest National, succeeding his late father, M. C. Naftzger. Mrs. M. C. Naftzger was elected vice chairman.

John Naftzger has been active in all phases of the bank's operations and was elected president in 1955 and vice chairman in 1970.

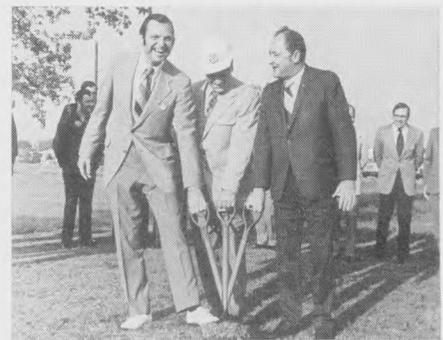


NAFTZGER

■ ROELAND PARK STATE recently promoted Daryl Gross, from cashier-controller to vice president and cashier; John G. Houlehan, from assistant vice president and trust officer to vice president and trust officer; and Joseph Dake, from assistant cashier to assistant vice president.

■ DUDLEY C. JOHNSON was advanced from auditor to auditor and trust officer of Fidelity State, Topeka. He replaces Ronald G. Wilson, former trust officer, who has accepted the post of trust marketing officer with Valley National, Phoenix.

East Side Nat'l Breaks Ground



Groundbreaking recently was held for East Side Financial Center, to be the new home of East Side National, Wichita. The center is scheduled for completion in mid-1973. Shown using a three-handled spade during groundbreaking ceremonies are: (from l.) Trans-American Investment Properties, Inc., Pres. David Aull, developer; Max W. Snodgrass, Snodgrass & Sons Construction Co., Inc.; and B. A. Staats, pres., East Side National.

■ LANNY JACKSON has joined First National, Chanute, as vice president of loans and operations and farm loan representative. Formerly, he was vice president and agriculture representative of First National, Newton.

■ ROGER BATSON, vice president, Union National, Manhattan, was elected president of the Kansas Jaycees and Wayne Owen, assistant personal loan officer, First State, Salina, was named the organization's administrative vice president.

■ FLOYD DOTSON has retired as president and chief executive officer of Security State, Fort Scott. Lloyd A. Olson has joined the bank as executive vice president. He formerly was a vice president at First National, Olathe. Dean Kennedy was promoted to assistant cashier of Security State.

Kansas Deaths

C. T. LINDGREN, 86, chairman, Farmers State, Canton. He had been in banking 65 years.

C. DELBERT MILLER, 56, president, Planters State, Salina.

C. A. MORAWITZ, 77, vice president and director, Peabody State. He had been with the bank 30 years.

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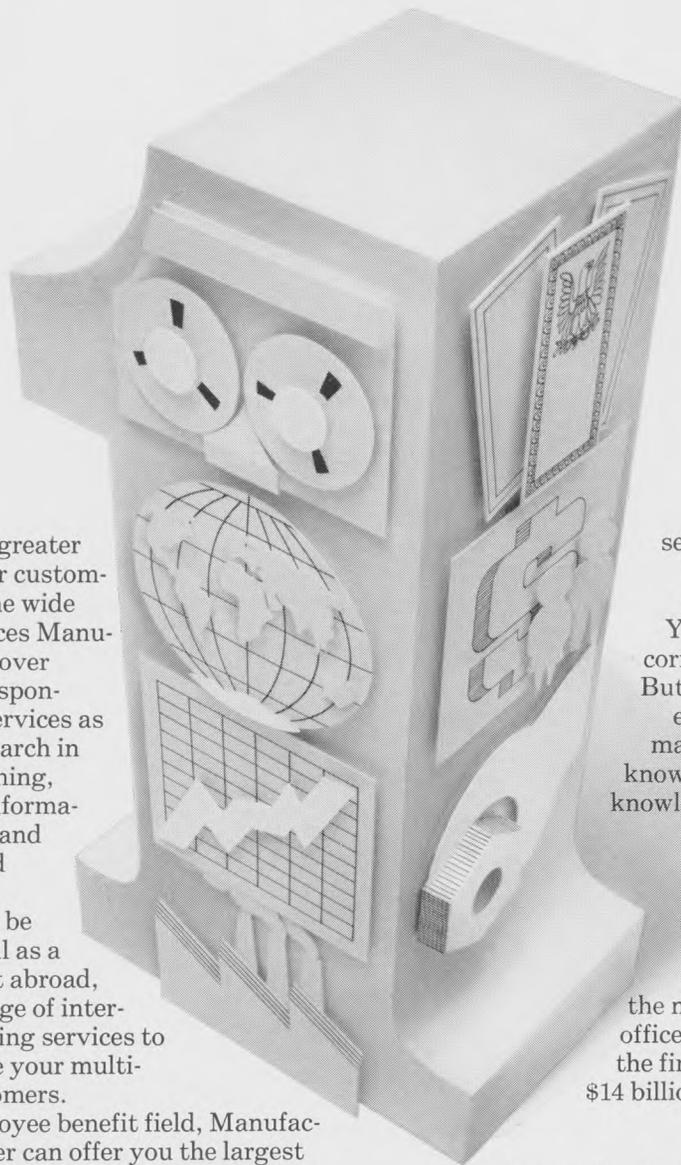
BOB NILL



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service. And the city's largest security clearance operation. Yes, we're a big one in correspondent banking. But being big isn't good enough. At MHT, we make it our business to know your business. This knowledge, combined with our skills as a major commercial bank, enables us to tailor our approach to help you meet your objectives. Here are the names of our regional officers. Let them convert the financial muscle of our \$14 billion bank into positive action for you.

*Donald E. Paul, Joseph J. Dowd,
Stephen L. Gaillard, Clark R. Wilcox,
Jr., Thomas Harper III, Conrad P. Albert,
Barbara A. Ramsey.*

MANUFACTURERS HANOVER



Missouri News

West Plains Banker Howard Kellett Dies

WEST PLAINS—Howard C. Kellett, chairman, First National, died in St. Louis June 19 following a heart attack. He was 77.



KELLETT

At the time of his death, Mr. Kellett was a senior member of the state banking board and a member of the advisory board of First Union, St. Louis, holding company of which First

of West Plains is an affiliate.

Mr. Kellett's first association with First National was in 1918, when he was assistant cashier. Four years later, he resigned to assist in the organization of Union State Bank, which he served as cashier until 1927, when the assets of Union State were sold to First National.

He became executive vice president of First National in 1927 and gained control of the bank in 1935. He was elected president in 1940.

He was active in the Missouri Bankers Association, serving as secretary and president of Group Eight and as a member of the taxation committee. He had served on the executive committee of the American Bankers Association and as a member of the ABA's national bank division, representing the Eighth Federal Reserve District.

Mr. Kellett was a member of the MBA's 50-Year Club and had compiled a record of attendance at more than 50 consecutive MBA conventions and almost that many ABA conventions.

Hall Leads Roundtable Meeting

WEBSTER GROVES—M. Leon Hall, president, Webster Groves Trust, was moderator at the recent meeting of the St. Louis Chapter of the Young Presidents Organization. The theme of the roundtable discussion was "Ask Your Friendly Banker."

■ **FIRST NATIONAL**, St. Louis, recently appointed three new assistant vice presidents. Advanced were: Robert C. Schmidt Jr., commercial banking officer; O. William Wing Jr., manager, credit department; and Roger E. Kahn, data processing officer. Miss Barbara Vandivort was elected a data processing officer.

Bank to Have New Facility



John H. Obermann (r.), pres., Mercantile-Commerce Trust, St. Louis, breaks ground for the bank's new drive-up banking facility, to be located on the southeast corner of Oakland and Macklind avenues. With him are Harrison F. Coerver (l.), pres., Mercantile Bancorp., Inc., holding company of Mercantile-Commerce Trust, and Irvin Pernikoff, pres., Pernikoff Construction Co., general contractor. Completion of the facility is due in November.

Joseph Furrer Dies June 16, Was St. Louis Bank Officer

ST. LOUIS—Joseph F. Furrer, who spent all of his 54 years in banking at one intersection here, died June 16. At the time of his death, he was chairman of South Side National.



FURRER

Mr. Furrer entered banking in 1918 as a messenger with Farmers & Merchants Bank, a predecessor of South Side National. He advanced through the ranks to executive vice president in 1957, president in 1965 and chairman in 1970. He was a member of the Missouri Bankers Association's 50-Year Club.

Mr. Furrer once boasted that he was the only banker he knew who could look out of his office window and see the area in which he was born, grew up and spent his entire business career.

Survivors include a son, J. Richard Furrer, executive vice president of the bank, and a brother, Cyril J. Furrer, a director of South Side National.

Hartley Banks Sr. Dies June 19; Pres., First Bank of Commerce

COLUMBIA—Hartley G. Banks Sr., 67, president, First Bank of Commerce, died June 19. He joined the bank in 1926 and had been president since 1946. He also was a director of Bank of St. Louis and of General Bancshares Corp.



BANKS

For the past 35 years, Mr. Banks had been treasurer of the University of Missouri Alumni Association. His son, Hartley G. Banks Jr., is executive vice president of First Bank of Commerce.

Boatmen's Nat'l Names Springer VP and Head of Bond Dept.

ST. LOUIS—William T. Springer has been named vice president and manager of the bond department at Boatmen's National. He succeeds W. Paul Harper, who has retired.



SPRINGER

Mr. Springer formerly was in charge of investments at Mark Twain State, Bridgeton. He also has been associated with Mercantile Trust and Stern Brothers & Co.

Boatmen's also elected Michael H. T. Lynch an operation officer. He has been with the bank since 1969.

Retired St. Louis Banker Resumes Law Practice

ST. LOUIS—Philip J. Kopitsky, former president and chairman of First Bank, Wellston, and former chairman of First North County Bank, Jennings, and First Northwest Bank, St. Ann, has come out of retirement to resume the practice of law.

Mr. Kopitsky is associated with the firm Blumenfeld, Kalishman, Marx & Tureen and specializes in business mergers and investment problems.

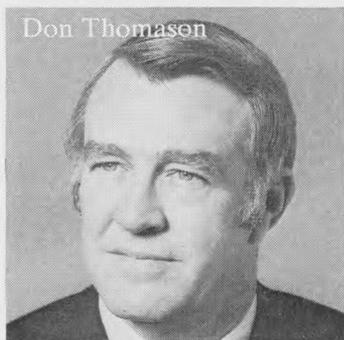
He sold his bank interests in 1969 and has spent most of his time since then in Bal Harbour, Fla.

■ **JOHN B. PRENTIS**, chairman, United Missouri Bank of Ferguson, has been elected president. He succeeds I. Carman Smith, who has retired. Mr. Prentis also is president of United Missouri Bank of Jefferson County, Arnold, and executive vice president of United Missouri Bancshares, Inc., Kansas City.

THESE MEN KNOW A LOT ABOUT THE STATE OF BANKING IN MISSOURI. THEY ALSO KNOW SOME INTERESTING THINGS ABOUT THE STATE. YOU SHOULD KNOW THEM.

It's not often that you find Don Thomason, E.L. Burch, and Ben Adams in the same place at the same time.

While E.L. is north of the Missouri river possibly talking to a correspondent bank about pension and profit sharing plans, Ben is usually south of the river possibly discussing credit overlines with one of his correspondent customers.



Don Thomason

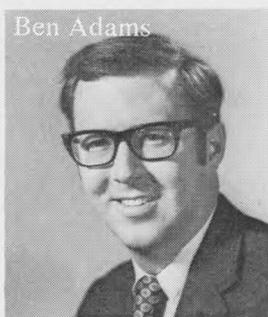
Don, who heads the City's correspondent team, might be anywhere in the state spreading the good word about many things. For instance, the City's Investment Department and its unexcelled municipal and government bond portfolio.

MEANWHILE BACK IN KANSAS CITY.

When the boys come home and finally get together, the tales usually fly. Not tall tales. But interesting little tidbits of information they've gleaned about Missouri from other Missourians. Such as:

HI, UP THERE! 'LO, DOWN THERE!

It didn't seem probable that Ben Adams would be on Missouri's highest point one day, and on its lowest point the next. But it happened. In case you don't know where those places are, the highest point in the state of Missouri is at Taum Sauk mountain in the St. Francis mountain area—1,772 feet above sea level. And the lowest point is at the extreme south end of the Missouri lowlands—230 feet above sea level. How's that for some interesting trivia?

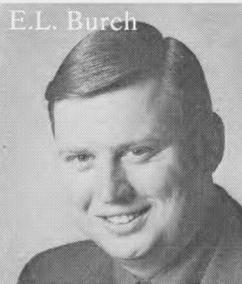


Ben Adams

BLAME IT ON A BIRCH CANOE.



E.L. Burch told us something interesting about the birch (no pun intended) canoe—something that even most dyed-in-the-wool



E.L. Burch

Missourians may not know. That is, what is the origin of the word Missouri?

Give up?

It's an Algonquian term meaning "town of large canoes." The banker who told E.L. that one is a river buff. He travels up and down on all of them in a canoe, and plans to canoe the

length of every navigable stream in the state—some 1,900 miles. Did you ever think Missouri had so many waterways?

GET THE LEAD OUT!

Don Thomason had just returned from calling on a bank that has a customer in the mining business. He knew that Missouri was a leader in mining lead, barite, and lime. And he was happy to learn that Missouri is the nation's largest producer of lead—with an output in 1970 at \$137,064,000. Not to mention, happy to be able to add a Missouri tale.



ALL'S WELL THAT ENDS WELL.

And so it goes, it seems, whether these boys are talking correspondent banking or Missouri folklore. They enjoy what they do.

Any of these three men can tell you interesting things about the City's international department or the City's letters of credit, its wire service, its investment counselling programs, its data processing service for demand deposit accounting and payroll processing.

How about telling them something interesting. About Missouri.



**CITY NATIONAL
BANK AND TRUST COMPANY**
KANSAS CITY, MISSOURI

Hensen Named Vice President At St. Louis Union Trust

ST. LOUIS—Thomas H. Hensen has been named vice president of the investment advisory division of St. Louis Union Trust. He replaces Carl L. A. Beckers, who has retired after an association of 40 years.



HENSEN

Mr. Hensen joined St. Louis Union Trust in 1958 and has been assistant manager

of the investment advisory division since 1969.

In other action, Dale B. Dendtler was appointed trust officer and assistant secretary. He formerly was a trust officer with First National Bank of Southwestern Michigan, Niles.

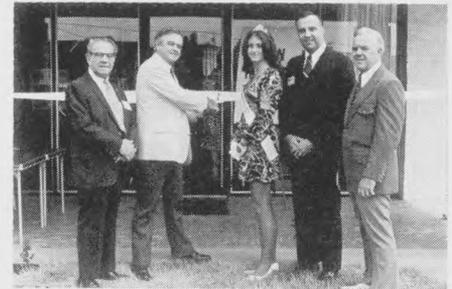
■ KENNETH F. BUETTMANN has been named executive vice president and secretary, Central West End Bank, St. Louis. He formerly was vice president and secretary.

■ FIRST NATIONAL, Joplin, has elected L. T. Marks Jr. a director. He is plant manager of Atlas Plant, ICI America, Inc.

Big Bend Bank, Webster Groves, Opens New Yorkshire Facility

WEBSTER GROVES—Big Bend Bank recently opened a new facility in Yorkshire Shopping Center. The one-story facility, called a "mini-bank," has three lobby teller stations, four drive-in stations and a 24-hour depository.

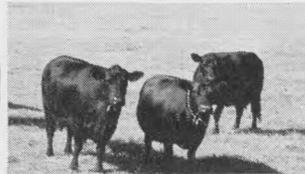
The facility's first deposits were made shortly before a ribbon-cutting ceremony and open house on June 3. Miss Deborah Walker, 18, opened a savings account with money she earned as a part-time employee with a drive-in restaurant. Her sister, Cynthia, 10, opened a savings account on behalf of their brother, Brian, 15, who cuts lawns.



Webster Groves Mayor Jack Cooper (second from l.) cuts ribbon officially opening Big Bend Bank's new Yorkshire facility. With him are: (from l.) J. Irvin Obst, ch.; Miss Sue Chapman, Miss Webster Groves; Wilson T. Bell, pres.; and Earl Walker, dir.

Agri-business men and

AGRI-BANKERS



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American National has more agri-business loans than any bank in Missouri or Kansas. In Iowa, we're second; in Nebraska, we're fourth and in the nation, we rank among the top 50 banks in agriculture loans.

For help with your agri-banking needs, do what so many agri-bankers do—rely on American National's Ron Loudon, Vern Whisler and Don Folks. They're in the habit of saying "yes" to your correspondent and agri-business needs.

We'd like to be your Number One correspondent bank, too.

American National Bank

Agriculture / Correspondent Dept:
Ronald R. Loudon, Vice Pres.
Vernon Whisler, Vice Pres.
Donald D. Folks, Vice Pres.

Sixth & Francis, St. Joseph, Mo. Phone 816/233-6141



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Jones Retires as Senior VP Of First Nat'l, Kansas City

KANSAS CITY—C. Hartley Jones has retired as senior vice president in the trust division of First National, after serving with the bank almost 50 years.

He joined the bank in 1923 in the transit department, was transferred to the trust division in 1927 and was admitted to the Missouri Bar Association in 1928.

In other action, the bank elected Mrs. Betty Benton assistant cashier in the commercial division. She has been with the bank since 1961.

■ MRS. HELEN C. HARDY has been elected president of Belle State. She succeeds her husband, W. Clyde Hardy, who died May 1.

■ STEPHEN G. MEDLER has been elected assistant cashier of Missouri State, St. Louis.

■ CALLAWAY BANK, Fulton, recently announced the following promotions: O. T. Harris, executive vice president; Maurice L. Curtis, vice president; Stanley R. Chirside, cashier; Thomas H. Sherer, H. Dean Dickson and Mrs. Lon J. Wyatt, assistant vice presidents; and Miss Fern Houchins, assistant cashier.

MID-CONTINENT BANKER for July, 1972

Kemper State Opens Drive-In



Kemper State, Boonville, recently held the grand opening of its new drive-in facility. Bank officials and officers of United Missouri Bancshares, the bank's holding company, participated in the ribbon-cutting. Front row (from l.) are: John J. Kramer, HC pres.; Estil F. Oswald Sr., dir.; Rev. William Savage; Stanley Crain, Boonville mayor; R. Crosby Kemper Jr., HC ch.; and Mr. Kemper's son, Sandy. Back row (from l.): John J. Bell, dir.; Sid Walters, dir.; Carl H. Schupp, dir. and HC v.p.; and Robert O. Herfurth, pres.

Mercantile Trust, St. Louis, Announces New Promotions

ST. LOUIS—Eugene E. Fincke, senior vice president, Mercantile Trust, has been named chief lending officer of the bank. Mr. Fincke, who has been with the bank since 1929, replaces Louis S. Dennig, who recently resigned.



FINCKE



HAYES

In other action, James A. Hayes was elected a vice president. He has been a banking officer in the lending division since 1971. Before joining Mercantile, Mr. Hayes was in the real estate investment division of Prudential Insurance Co. of America.

Also promoted were: John J. Vallina and John J. Wuest, assistant vice presidents; Francis E. Soulney, trust officer; Miss Jean M. Listrom, assistant trust officer; Robert I. Bean and Richard Nussbaum, consumer credit officers; and William R. Tracey, assistant controller.

Federal Land Bank, St. Louis, Awards Two Scholarships

ST. LOUIS—The Federal Land Bank has awarded \$500 scholarships to two farm youths in Missouri. The recipients are Richard L. Keller, Shelbina, and Lyndall Tunnell, Mount Vernon. Both youths will attend the College of Agriculture at the University of Missouri, Columbia.

The scholarship committee of the university selected the youths on the basis of their scholastic and activity records of the past four years.

New Mexico

(Continued from page 77)

National, presided at a meeting of New Mexico members of ABA. He reported on ABA affairs. Rex E. Reeves, president, Farmers & Stockmens Bank, Clayton, was elected member of the nominating committee to serve at the annual convention in Dallas. Dallas A. Johnson, president, Farmers & Merchants Bank, Las Cruces, was named alternate.

Next year's convention will be held in Santa Fe May 31, June 1 and 2. The 1974 convention will be in Albuquerque. • •

Clean-Up

(Continued from page 58)



Mayor Robert LaFortune of Tulsa (c.) looks over Litter Bugs Me promotional material with Street Commissioner Sid Patterson (r.) and George Snedden, Litter Bugs Me coordinator for First of Tulsa.

where such materials should be taken for recycling.

At the unveiling of the campaign, Mayor LaFortune paid special tribute to First of Tulsa for its leadership in this program.

"I think it is most significant that an organization like First National is taking the lead in this important area," he said. "Tulsa is quite fortunate in that we don't face the tremendous pollution problems being experienced in many other major cities. But we do have pollution problems of our own. Programs like Litter Bugs Me, I hope, will provide the momentum we need in solving them." • •

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DESIGNERS AND MANUFACTURERS



Frank Kliever Jr. (at speaker's stand), ch. of OBA's board and immediate past OBA pres., takes part in dedication of assn. headquarters. Standing behind him is OBA Pres. H. E. Leonard. In front row, l. to r. are: Thomas Utterback, OBA treas.; Glenn P. Ward, pres.-elect; ABA Pres. Allen Stults; Lt.-Gov. George Nigh and U. S. Congressman John (Happy) Camp. Mr. Kliever is pres., Cordell Nat'l; Mr. Leonard, pres., Bank of Elgin; Mr. Utterback, pres., Oklahoma Nat'l, Oklahoma City; Mr. Ward, sr. v.p., Fourth Nat'l, Tulsa; and Mr. Stults, ch., American Nat'l, Chicago.

New Building Is Officially Dedicated By Oklahoma Bankers Association

THE NEW QUARTERS of the Oklahoma Bankers Association in Oklahoma City were officially dedicated May 26. ABA President Allen Stults, chairman, American National, Chicago, spoke on the contribution to banking by Oklahoma banks and bankers.

Lieutenant-Governor George Nigh presented the OBA with an Oklahoma flag that has flown above the state capitol, and a flag that flew above the nation's capitol was presented by U. S. Congressman John (Happy) Camp.

The new building is the first permanent headquarters for the association in its 75-year history. • •



Mr. Leonard (l.) accepts Oklahoma flag from Lt.-Gov. Nigh.



As open house in new building gets underway, Joe T. Gilliland (l.), OBA exec. v.p., seeks advice of his wife, Karen, about hors d'oeuvres, while Paul C. Wise, exec. v.p., Stillwater Nat'l, signs guest book. Mr. Wise's wife, Geneva, admires new OBA quarters.



Mr. Stults (r.) prepares to speak after being introduced by Mr. Leonard (l.).



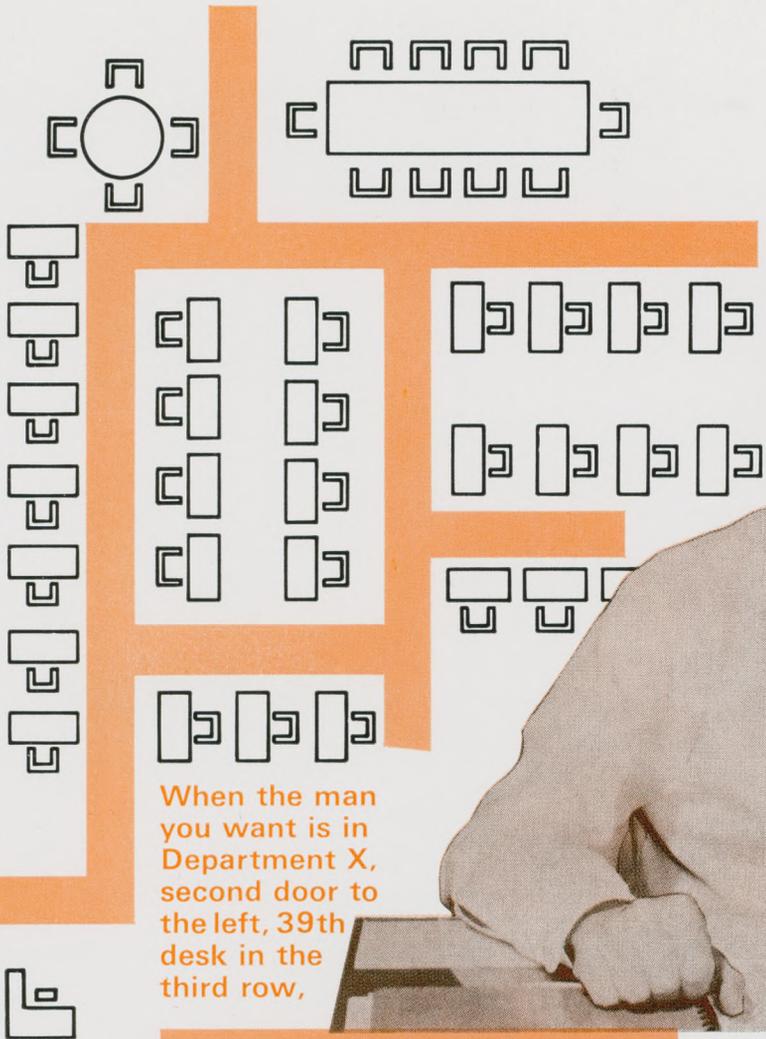
During reception following official dedication, Mr. Stults (r.) visits with Mr. Leonard (c.) and Lt.-Gov. Nigh (l.).



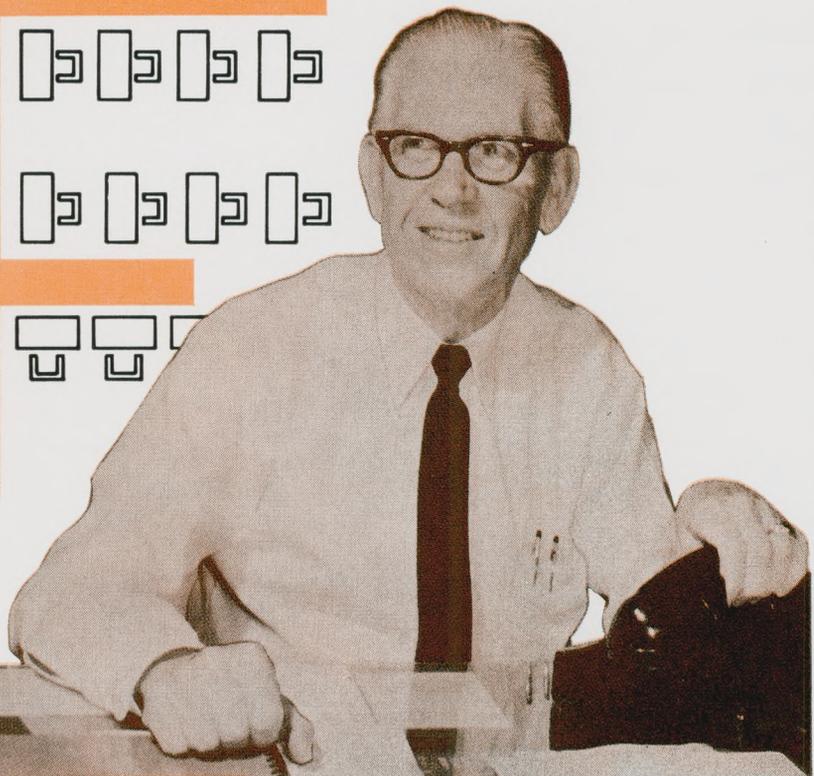
Board room in new quarters features beamed ceiling, brick walls and brick and louvered divider at far end.



OBA staffers pose in front of plaques of prominent Oklahoma bankers that adorn wall of Memorial Hall in new OBA building. From l. are Ann Haxton, Candy Combs, Sarah Neville, Lou Gorden and Linda Cain, who handle office functions. Absent is Barbara Sokolosky, who was busy with convention affairs when picture was taken.



When the man you want is in Department X, second door to the left, 39th desk in the third row,



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Call 618-271-6633 instead for the cordial service built on first-hand knowledge of your local situation and a personal alertness to your individual needs. Specialists, all, in correspondent banking, the hard-driving members of the Stock Yards Bank Staff stand ready to serve you as an extension of your own staff.

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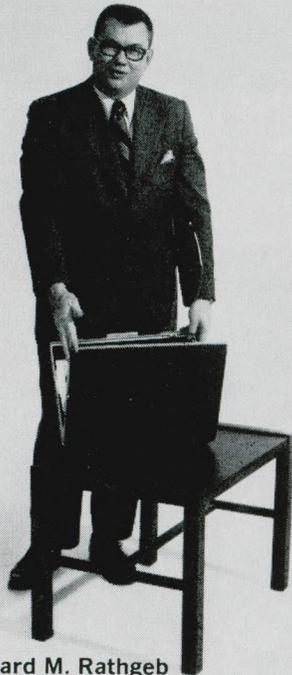
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A Reserve City



Joseph Orlando



Michael D. Flier



Richard M. Rathgeb



William F. Shine

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We have all the technical know-how, machinery, and computers needed to make us an excellent correspondent bank.

But the single most important part of our entire correspondent program is the Correspondent Representative you work with.

He's the member of our staff who becomes a member of your staff. The vital link.

And First National Representatives covering your area are the best in the business.

These men, and their capabilities, are excellent reasons we're the correspondent bank you should be thinking about

First National Bank in St. Louis

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