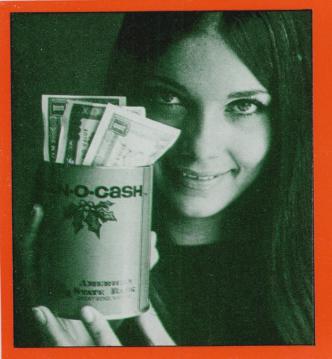
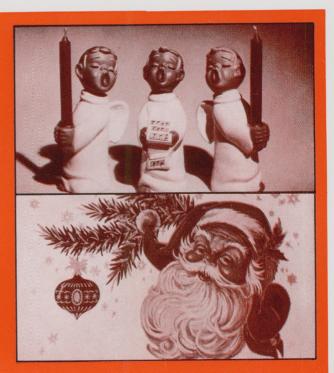
MID-CONTINENT BANKER

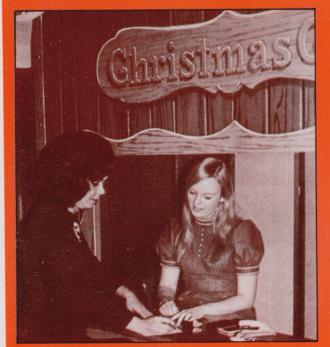
The Financial Magazine of the Mississippi Valley & Southwest

AUGUST, 1972





A Christmas Package of Marketing Ideas





zed for FRASER ://fraser.stlouisfed.org

FINANCE	.L.	/		LIBE	RTY
TAAF	INT	/ 1	NY.	LIDL	AMERICA
DEPARTME	and Manager	/		NK OF MID	AMERICA
DEPARTIVE n.G. Hilborne, Vice-President ohn F. Moretand, Assistant V M. Moretand, Assistant V	ice President		THE BA		
n G. Hilborne, Assistant V ohn F. Moreland, Assistant V lobert M. Hollman, Assistant lobert T. Reid, Bond Ret	presentative	TEDERAL	INCOME TI	AXES	
onn F. Moreland, Assistant V lobert M. Holfman, Assistant Rayford T. Reid, Bond Bel TEREST EXEMPT I	ROM ALL PRESE	NT FEDE			
TEREST EXLE	No. 2	\$80,00	00.00	AMOMA	
klahoma Rating:	No. 2 ISD #1 POT	TAWATOMIE	E Educa	tion)	
	ISD #1 100 (Mc	Loud Board	NG BONDS		: May 1, Serially
		Der		DUE	
				har 1: fir	st coupon due
DATED: May 1,	1912	rerest (Ma	y 1 and N	nk & Trust Com	pany or one
DATED: May 1, Principal and May 1, 1973) P	semi-annual in	Liberty Na	in New Y	ork City.	FOULV.
May 1, 1973) P	e Oklahoma Fis	scal Agency		APPROX .	at coupon due pany of Oklahoma TAX, EQUIV. (48%_Corp.)
Principal and May 1, 1973) P City, or at th			YIELD	PRICE	6.15
	MATURITY	RATE		102.27	6.35
AMOUNT		4.00%	3.20 3.30	101.49	6 54
\$ 10,000	5-1-1975 5-1-1976	3.70% 3.50%	3 40	100.46	6.73 6.92
\$ 10,000	6-1-1977	3 50%	3.50	100.00	7.12
\$ 10,000 \$ 10,000	5-1-1978 5-1-1979		3.60 3.70	100.00	7.31 7.50
c 10 000		3.70% 3.80%	3.80	100.00	
\$ 10,000 \$ 10,000	5-1-1981 5-1-1982	3.90%	3,90		
s 10,000		FINAL	ACIAL STAT	EMEN1 emorted)	
Total Bond Less Sinki NET BONDE Ratio Net Populatic THESE BO School D limitati District	ted Debt Control Contr	raluation timate ea Ap ale opinion ole from as or amount omestead e ted bond ma	4,500 F proximate: of counse ivalorem on all tr xemptions orket atto	er Capita Debt y 75 square mi 1, a general o taxes which ma xable property	les bligation of the entire y be levied without within the School
			at Oktoromik	City + P. O. Box 25848 + Oki	norra City, Dikahoma 73105 + Member F.D. (C -3251

A candid look at correspondent banking services with special emphasis on municipal bond trading.

by GERALD R. MARSHALL, President

A good correspondent banking relationship is based on many, many considerations.

A bank that's willing and anxious to assist its correspondents is a must. A correspondent department oriented to the needs of its customers is also a must. Liberty provides the knowledgeable and experienced people to answer the many important needs of our customers. And, equally as important, are the bank's other major departments ... such as Trust, Factoring, Data Processing and Municipal Finance.

Just recently we have added additional people to better serve your bond needs. Knowledgeable people, who will aggressively seek your bond business.

We're out to become a more important factor in Municipal Finance and Bonds. We want your bond business. In fact, we want to coordinate it with all your correspondent banking needs.

Try us. We think you'll like our brand of Municipal Finance service. Look for Tom Hilborne, Bob Hoffman, John Moreland, Rayford Reid or David Jensen, to be calling on you soon. They want your business.



The Liberty National Bank and Trust Company of Oklahoma City • P. O. Box 25848 73125 Phone 405/231-6464 Member F.D.I.C.

FIRST COMMERCE CORPORATION and its wholly owned subsidiary FIRST NATIONAL BANK OF COMMERCE, NEW ORLEANS, LOUISIANA

QUARTER STATEMENT OF CONDITION

June 30

COMPARATIVE CONSOLIDATED STATEMENT OF CONDITION

ASSETS 1972 1971 \$122,235,000 \$108,499,000 Cash and Due from Banks 30,478,000 79,044,000 27,521,000 64,414,000 U. S. Treasury Securities State and Municipal Obligations Federal Reserve Bank Stock and Other Securities 1,186,000 942,000 Federal Funds Sold 94,750,000 16,475,000 405,004,000 296,701,000 loans Advances to Canal-LaSalle Joint Venture Customers' Liability on Acceptances 9,888,000 11,062,000 -0-1,455,000 356,000 940,000 Accrued Interest on Bonds and Loans 6,980,000 5.963.000 and Other Assets \$751,095,000 \$532,798,000 Total LIABILITIES Demand Deposits: Individual and Business \$225,386,000 \$195,056,000 72,876,000 69,457,000 Banks U. S. Government and Other Public Funds 20,795,000 13,286,000 \$319,057,000 \$277,799,000 Total Demand Deposits Time Deposits: \$ 70,400,000 \$ 76,599,000 Savings 22,450,000 170,986,000 Foreign Branches Other Time Deposits Total Time Deposits Total Deposits 1,200,000 97,289,000 \$270,035,000 \$168,889,000 \$589,092,000 \$446,688,000 98,687,000 2,105,000 Funds Purchased Mortgages Payable Acceptances Outstanding Accrued Taxes, Interest & Other Liabilities 26,612,000 2,811,000 356,000 940,000 7.167.000 \$484,218,000 \$698,194,000 Total Liabilities 3,452,000 \$ 4,418,000 Reserve for Possible Loan Losses CAPITAL ACCOUNTS 4% Convertible Capital Notes due 1991 3,948,000 \$ 7,083,000 Stockholders' Equity Preferred Stock, no par value -0--0-Authorized and Unissued 500,000 Shares Common Stock, \$5 par value Authorized 5,000,000 Shares Issued 2,128,071 and 1,999,804 Shares 10,640,000 9,999,000 \$ 24,246,000 21,454,000 9,649,000 6,592,000 Retained Earnings \$ 44,535,000 \$ 38,045,000 Total Stockholders' Equity \$ 48,483,000 \$ 45,128,000 Total Capital Accounts \$751,095,000 \$532,798,000 Total

Member FDIC

JONES JOH

Senior Vice President

OFFICERS

JAMES H. JONES President and

JOHN A. OULLIBER Chairman of the Board THOMAS S. DAVIDSON Executive Vice President Chairman, Executive Committee

ALLEN R. HOUK Executive Vice President WALTER B. STUART III Executive Vice President

Chief Executive Officer E. WARD FAULK, JR.

THEODORE J. MOSES III Senior Vice President MICHAEL J. RAPIER Senior Vice President FRED M. SMITH Senior Vice President

IT TAKES MORE THAN A BANK TO GIVE YOU CREDIT LIFE SERVICES

Most correspondent bankers would do anything for you . . . if they could. But because most banks are just a bank, they can't do as much for you as The First. Especially when your bank needs credit life insurance.

A phone call to one of the Correspondent Bankers at The First can connect you to First Life Assurance Company... one of our co-affiliates of the First Oklahoma Bancorporation. You get a banker's approach to insurance on credit life for small and large loans . . . custom-designed policies for unusual situations, liberal agent's commissions, liberal deposit arrangement, and if appropriate, an in-bank programmed calculator. So whenever you want more for your bank, just call.

A Correspondent Banker at The First is the man who can get more things done for you. Because his bank is more than a bank. Much more.



OVER \$60,000,000 CAPITAL STRUCTURE / LARGEST IN OKLAHOMA / MEMBER F.D.I.C. A SUBSIDIARY OF FIRST OKLAHOMA BANCORPORATION, INC. €

1

×.

For Bank Opening:

A Western Flavor

When the First Bank of Commerce, Columbia, Mo., began making plans to open its new facility, it was decided to give the celebration a western flavor for two reasons: The facility is called First Bank West and is located in the western section of Columbia.

The grand-opening celebration-on June 14-featured stagecoach and covered wagon rides, a trick horse show, rope-spinning acts, refreshments and gifts for everyone, as well as a free showing of the movie, "Stage-



Young would-be cowgirl rides performing horse during western-style opening of First Bank West facility of First Bank of Commerce, Columbia, Mo

coach." More than 1,000 adults and children attended the latter.

The new business premium was a silver dollar given with every new savings or checking account opened. This premium also was available to current customers who added \$50 or more to existing savings accounts. Both the new accounts and dollar volume generated during the grand opening far ex-

(Continued on page 52)



Free stagecoach and covered wagon rides made hit with more than 1,500 children and parents during opening of First Bank of Commerce's facility, First Bank West, in Columbia, Mo.

MID-CONTINENT BANKER for August, 1972



Volume 68, No. 9

August, 1972

FEATURES

- 31 KEEP DECISION AT LOCAL BANK LEVEL Strong state bankers associations are the key
- 33 A TREND TO INTERSTATE BANKING? Bank HCs may move across state lines
- 35 MANAGEMENT AUDIT Is it another credit criterion?
- 40 CHRISTMAS GOODWILL GESTURES POPULAR Survey reveals plans for 1972 season
- 42 'LETTER FROM SANTA' THRILLS KIDS Letters mailed from Santa Claus, Ind.
- 46 'CAN-O-CASH' GIFT IDEA FLOODS LOBBIES Customers watch money sealed in cans
- 50 HOW TO BOOST CHRISTMAS CLUB SALES Internal merchandising pays off for Chicago bank

Dr. Lawrence E. Kreider

Robert P. Briggs

Howard Clay Bowles

Iim Fabian

Arthur C. Norris

DEPARTMENTS

- 6 THE BANKING SCENE 16 NEW CUSTOMER 8 BANK INVESTMENTS SERVICES 10 BANK OPERATIONS 12 COMMUNITY INVOLVEMENT 20 NEW PRODUCTS 14 HOLDING COMPANIES 22 TRUST NEWS
 - 18 BANKING WORLD
- 24 INSTALLMENT LENDING 26 CORPORATE NEWS 29 NEWS ROUNDUP 84 IDEA PAGE

STATE NEWS

88 ILLINOIS 90 INDIANA 92 KENTUCKY 92 TENNESSEE 94 ALABAMA 96 MISSISSIPPI

98 LOUISIANA 100 ARKANSAS 102 TEXAS 108 MISSOURI

104 NEW MEXICO 104 OKLAHOMA 106 KANSAS

DONALD H. CLARK, Chairman HAROLD R. COLBERT, President

RALPH B. COX, Editor & Publisher LAWRENCE W. COLBERT, Associate Editor JOHNSON POOR, Assistant Editor KATHY FLOOD, Assistant Editor

ROSEMARY McKELVEY, Managing Editor JIM FABIAN, Associate Editor WESLEY CLARK, Assistant Editor MARGARET HOLZ, Adv. Production Mgr.

MID-CONTINENT BANKER EDITORIAL & ADVERTISING OFFICES: 408 Olive St., St. Louis, Mo. 63102. Telephone (Direct Dialing) 314-421-5445.

- MID-CONTINENT BANKER is published 13 times annually (two issues in May) by Commerce Publishing Co. Publication office, 1201-5 Bluff St., Fulton, Mo. 65251. Second-class postage paid at Fulton, Mo.
- SUBSCRIPTION PRICE: Three years \$16.00; two years \$12.00; one year \$7.00. Single copy \$1.00. Foreign subscriptions: \$20.00 per year.

WANT ADS: Forty cents per word, minimum charge: \$10.00.

COMMERCE PUBLICATIONS: Mid-Continent Banker, Life Insurance Selling, American Agent & Broker, Mid-Western Banker, Club Management, Decor.

THE BANKING SCENE



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

DISCs—Stimulation and Expansion of Exports

THE TERM "DISC" is starting to appear with some regularity in banking publications. This abbreviation for Domestic International Sales Corp. is the result of a congressional act, the Revenue Act of 1971. Its goal is to stimulate and expand exports.

Originally, many bankers thought DISCs would be mostly of value and use to large city banks at the major ports of entry into the United States such as Boston, New York, Philadelphia, Portsmouth, Fort Lauderdale, New Orleans, Los Angeles and San Francisco. This has not been the actual result, however. It is true that banks in those areas have had more opportunity to help finance exports and imports than banks in the heartland of America, but a surprising number of inland banks are now finding that their manufacturing and agricultural customers have a considerable interest in just what the DISC program involves.

For this reason, bankers should be able to provide their customers with adequate information on the topic. Specifically, the thing that makes DISCs important to bank customers and to the U. S. is the fact that under it, federal income taxes will be deferred on export profits so long as these profits are used and retained in the export-related activities of a domestic firm. Thus, there is a greater incentive for many producers and manufacturers in the U.S. who were content to restrain themselves or limit themselves solely to domestic production and sales to recognize that now with DISC, higher profits can be achieved by a stimulation of their exports. In effect, under a DISC operation a domestic company establishes a subsidiary solely for the purchase of goods from the manufacturer or other manufacturers and through this separate corporation resells the products abroad. This may even be done on a commission basis. The domestic firm can lease and even sublease American property to foreigners. In effect, it basically comprises a bookkeeping transaction that

spins off a profit center solely attributable to exports. Tax advantages are considerable and fairly technical. For purposes here we cannot go into great detail about them.

Those people and companies interested in following through on this particular facet would be advised to consult with their tax attorneys or accountants. In a general sense, however, the major factor is that there is no tax imposed on either the parent firm or the shareholders of the parent firm from the profits earned by the DISC until they are actually distributed. Even then, there are certain other advantages. Shareholders of the DISC corporation are then, in effect, receiving over half the earnings currently whether these are distributed or not. The remaining half may, in effect, be retained by the DISC, subject to no shareholders' liability and reinvested either in the DISC or in Export-Import Bank obligations, or even loaned to producers in the U. S. in financing export-related activities.

Actually, this permits the parent company or government agencies or other exporters to have an attractive source of funds without DISC shareholders being taxed. The DISC also may purchase the export goods from its parent under a special rule that permits it to earn the greater of 4% of sales or 50% of combined income attributable to the manufacturer of the sale of products through the DISC. Also, an additional profit equal to some 1/10 of the export promotion expenses is carried into the profit column without taxation. Further, a DISC may also lend the earnings it has retained to its parent company and still not suffer a loss of the tax-deferred status on this portion of its earnings, provided these producers' loans are used to finance further exports.

It can be seen by the foregoing remarks that there are a significant potential profit and low taxes. There is hardly a banker or a bank of any consequence in the U. S. that does not have a customer or two that would benefit from formation of the DISC. It is so new, however, that it may take some time for the knowledge of this to permeate through the community.

Suggestion: One of the best sellers of the U. S. Government Printing Office is called "DISC Domestic International Sales Corp., A Handbook for Exporters." For 40¢ the Superintendant of Documents of the U.S. Government Printing Office, Washington, D. C. 20402, will provide information on how a DISC may be formed and operated. For our purposes here, however, it should be recognized that only a very modest amount of money is involved. In my estimate, a DISC could be formed for as little as \$3,000, of which \$500 probably would be needed in the legal expense of formation and the chartering which is legal in all 50 states. The other \$2,500 could be held in abeyance until the corporation was in operation since the capital structure of a DISC calls for a minimum of \$2,500 of capital and only one class of stock.

Before the DISC program was implemented, the U. S. Treasury made several projections. One of these was that it would take two or three years for the knowledge of this program to be widespread enough to be effective. However, at this point-one year since the act became effective-it is observed that a large number of DISCs have been initiated. We are estimating at this point that within a year or so approximately \$11/2 billion of additional exports will be generated through this program and possibly in the magnitude of something around 800,000 jobs would be created to provide the material for these exports.

Conclusion: The DISCs are new. The average banker can and should be in the leadership in his community in recommending these to his customers. This is an opportunity that should not be overlooked. The banker who has

(Continued on page 12)

Now! An absolutely accurate, simple to operate, completely portable currency verifier. The Brandt 802 handles hundreds of bills a minute — has double detection sensors — and signals with a red light when verification doesn't agree with pre-count.



Write for Bulletin BAC-811.

New Brandt Currency Verifier



For the verification of incoming, outgoing and in-house currency

SINCE 1890 BRANDT, inc. Watertown, Wisconsin 53094

BRANDT® CASHIER® **Bank Investments**

Municipal Notes Are Liquid, Marketable and Provide Tax-Exempt Income

By GERALD L. WARD General Vice President Commerce Bank Kansas City

WHILE DEALING with banks in the central states area, we notice many whose cash position is relatively heavy. In a great number of cases, this takes the form of trafficking in the fed-



eral funds market for extended periods of time, while others prefer viable short-term investments such as Treasury bills, nearterm governments, negotiable CDs, commercial paper, bankers' acceptances and the like.

All these items may have their place in this situation, but I would like to suggest an alternative that not only meets the all-important liquidity/ marketability requirement, but provides the added inducement of tax-exempt income. I am speaking of municipal

notes that we shall now explore in a little more detail. Simply stated, municipal notes are the short-term financings of various state and local issuing bodies and of the Department of Housing and Urban Development in Washington, D. C. The amount of such borrowing is staggering, with over \$30 billion issued in 1971 and approximately \$22 billion outstanding at any one time. Tax-free notes fall broadly into three categories. However, I'll mention first several characteristics that apply to all notes:

1. As previously stated, interest earned is federally tax free.

2. With only rare exceptions, interest is paid at maturity, and most general market notes have a New York paying agent.

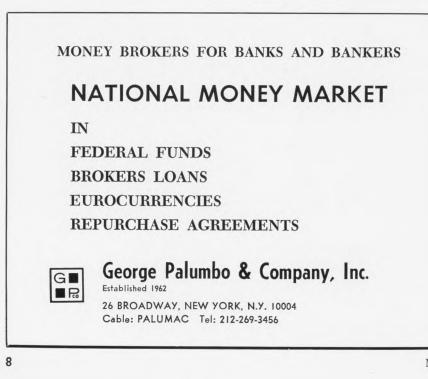
3. Maturities available vary from a few days to a year or so. New issues are sold at competitive bidding and generally mature in three months to one year with an occasional shorter or longer due date.

4. Transactions usually are settled in federal funds. Delivery of new issues normally is on the dated date and on secondary offerings five business days.

5. Block size technically varies from \$1,000 to \$1,000,000, but the trend is definitely toward minimum transactions of \$50,000 to \$100,000.

6. Notes are issued in bearer form only.

7. As a matter of policy the rating



services do not rate notes. However, in the trade, they are normally presumed to carry the same quality and rating as the issuer's bonds.

8. There is a broad and active secondary market for municipal notes that provides excellent liquidity in case disposal is necessary.

9. Yield varies with the quality of the issuer and the maturity selected, with yields increasing as maturity is extended.

Available notes generally will fall into the following categories:

1. Tax-anticipation notes (TANs) these are issued by state and local governments, and, as the name implies, payment is dependent on collection of various taxes or revenues pledged for that purpose. As such, they should not be construed as general obligations. However, the moral obligation of the issuer to make timely payment is implicit.

2. Bond-anticipation notes (BANs) —as with the TANs, these also are obligations of state and local governments. They are considered full faith and credit instruments of the issuing body, and it is the proceeds of a longerterm bond issue that provide funds for payment.

For both TANs and BANs, taxability within the state of issuance must be determined at the local level. The same holds true for pledgability against public funds. With only occasional exceptions, TANs and BANs will have legal opinions.

3. Project notes (PNs)—the purchaser of PNs can have his cake and eat it, too. Issued by the Department of Housing and Urban Development, PNs are guaranteed by the full faith and credit of the United States, are AAA quality and are tax free not only federally but within the state of issuance. In almost all instances, they are fully pledgable against public deposits. The blanket opinion of the Attorney General eliminates the necessity for outside legal opinions. Because of all these factors, the purchaser will sacrifice some yield vs. TANs and BANs.

Many investors have been note users for some time. This article was designed for those not fully aware of their potential as a short-term investment vehicle. As with all investment instruments, their value in any given situation must be individually determined.

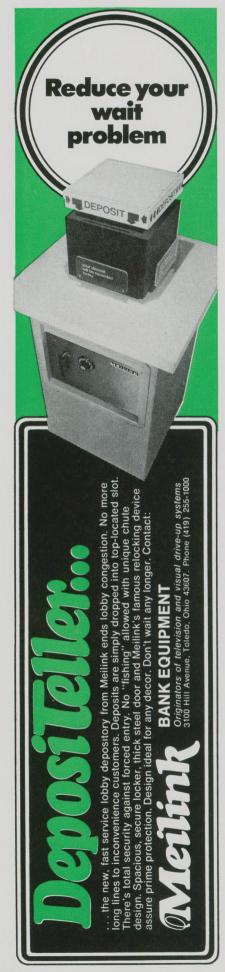
■ SAN FRANCISCO—Bank of America has named Eldon C. Parr vice president and assistant general counsel, Bruce R. Bleeker and Barry T. Galvin vice presidents and Kendel A. Chance cashier. Mr. Chance has been vice president in the cashier's department.

The bond business is also men like Horace Burford. A young, believable veteran of 11 years in the investment business. Eight years' experience at First National Bank of Memphis where he rose to vice president. Subsequently, to executive vice president of A.S. Hart & Co. and president of A. Duncan Williams,

The Inc. bond business is not all bond daddies and slick clothes. Bond Department. Call Memphis (901) 523-8124.

Mr. Burford has returned to banking to head our new Bond Department. Thus, municipal bond investments are added to the services of C & I Bank. If you invest in the bond market you should talk with our





Bank Operations

Radio-Alert System Helps Save Banks From Becoming Victims of Schemes

A RADIO-ALERT system used by metropolitan Kansas City banks has helped those banks catch badcheck artists wanted by police, saved them money by warning them of certain schemes—and even resulted in one bank's apprehending a new customer wanted by the FBI.

Purpose of the radio-alert program is to warn banks of attempted frauds made on any one of the banks in the system so that the other banks will not be victimized. There is a collateral benefit in that as each bank learns of confidence games or attempted frauds, it can notify its own customers who also might become victims.

How does it work? Robert P. Corbett, president, Wornall Bank of Kansas City, an innovator of the program, describes it like this: Imagine that someone comes into Bank A to make a split deposit. The teller is alert and looks up the account number and discovers that it is either a fictitious account or that the check presented with the deposit is on an out-of-town bank and is a forgery. This information is immediately called to the attention of the central clearing bank, where it is analyzed and, if it's decided it would be helpful, the information then is prepared for transmission over the radio-alert system.



Robert P. Corbett (r.), pres., Wornall Bank, Kansas City, receives resolution of appreciation from Marshall D. Hendrickson, pres., Kansas City BAI Chapter. Mr. Corbett was honored for developing radio-alert system for Kansas Cityarea banks that has become pilot program for banks throughout U. S.



Mrs. Phyllis E. Sheldon, a.v.p. in charge of bookkeeping department at Wornall Bank, Kansas City, types information coming over radio-alert system. Standard form, used by each bank in system, allows information to be taken down in orderly fashion. Note cassette tape recorder lying in front of radio. Information also is recorded on these cassettes as it comes from radio.

Each message is preceded by an identification code so that jokesters cannot foul up the system. Each bank participating in the plan owns a receiver that is activated by a tone sent from the transmitter. Each bank has the option of having a cassette recorder on which the message can be recorded. If the recorder is not used, of course, someone must write down the information as it's received over the radio. All banks in the system use a standard form so that the information can be taken down in an orderly fashion. If a cassette recorder is used, the tone sounds and a light goes on and remains on for several minutes to indicate to the people in the department that a message has been recorded. They can take it from the recorder at their convenience.

Mr. Corbett said the system was started in 1965, using the telephone. The Wornall Bank was the central bank. When it received an alert message, the bank would pass it on to three other banks, which, in turn, would call the message to two banks. Each of those banks would pass it on to one bank until all the members were covered. The system started with 22 banks participating and became so successful that, eventually, there were

gitized for FRASER ps://fraser.stlouisfed.org Security believes bank equipment manufacturers have held things up long enough. So we've initiated a unique program to deliver the equipment we make in 30 to 60 days, instead of the industry's "normal" 4-6 months. To do it, we have established regional warehouses that stock the kind of products other manufacturers make you wait for.

And, that's just one of our firsts. We also originated the Free Safe Deposit Box Program. Completely stainless steel vault doors with a builtin emergency vault ventilator. The aluminum safe deposit box. And a coordinated service program from the same national network of experienced, independent dealers you buy from. So you get sales and service from a single, reliable source in your local area.

Security offers all this in addition to a unique, full product line that

includes everything from vault doors to remote banking systems. Unique because Security's products have built-in extras you'd normally pay extra for. Except our extras are free.

Write today for Security's complete product/service information package. We're out to give you exactly what you want, when you want it.



This bank was held up 6 months before it opened.



Community Involvement

• Financial service for the blind is being launched in St. Louis by the "ABC" group of banks—American National, Brentwood Bank and City Bank. The program entails special braille equipment for checkwriting and statements and is offered to any blind person free of charge.

Using a special braille checkwriter, which is an aluminum plate with cutout spaces to guide the writer's pen, blind persons can fill out their own checks without assistance. There is an additional guide at the top of the plate for writing in braille, so the maker of the check can identify it after it is paid and returned.

The banks issue both regular and braille statements, which are manually prepared on a braille typewriter.

Citizens & Southern National, Atlanta, is offering a similar service called "Braille Checking." The bank mails its blind customers a set of specially designed checks, like those of the St. Louis banks, as well as standard and braille statements.

SALES REPRESENTATIVE

RAND MCNALLY & CO.

Business Forms Sales, Loan, Systems or Banking Experience may qualify you for sales of well established line of bank systems and services.

Expanding Product Line and Market has opened limited territory availability in various parts of the Central U.S.

Good starting salary, bonus potential, fringe benefits, company car, expenses.

Send resume in confidence to:

Mr. William Campbell Rand McNally & Co. P.O. Box 7600 Chicago, Ill. 60680

IMMEDIATE OPENINGS

• United California Bank, San Francisco, has initiated a volunteer program for its employees throughout the state to involve them in solving various community problems.

A brochure describing the program and containing a card to be completed by employees wishing to participate was distributed to all 10,000 employees with one of their pay statements.

Cards were forwarded to the employee's local representative of the National Center for Voluntary Action, an organization acting as a clearinghouse between individuals interested in voluntary activity and groups needing their services.

Programs open to employees encompass a wide range of activities, including tutoring, supervising field trips, working in hospitals and drug clinics, helping local groups sponsor clean-up campaigns and counseling the poor about finances.

• Canada's chartered banks have announced the establishment of gold medal awards to police officers who render outstanding service in combating crime against banks.

The Canadian Bankers Association said the medal will be known as "The Canadian Banks' Law Enforcement Award" and will be presented annually to selected officers at the convention of the Canadian Association of Chiefs of Police. The first series of awards will be made in Quebec City September 1.

The gold medal, supported by a maroon and gray ribbon, depicts a portcullis, a medieval castle gate, symbolic of security. Winners also will receive framed certificates.

• Texas Commerce Bank, Houston, recently became involved in Operation Sparkle, a year-long campaign to clean up and beautify the city sponsored by the civic affairs committee of the Houston Chamber of Commerce.

As its part in the program, the bank gave all customers of its drive-in facility plastic litter bags. Below, Mrs. Penny Dillingham, a bank receptionist, distributes a litter bag to a drive-in customer.



Fireworks at Indiana National



Indiana National, Indianapolis, observed the Fourth of July with a 30-minute fireworks display from the roof of the bank's 37-story office tower. Some 800 fireworks of all types were fired and were witnessed by thousands of spectators.

• Continental Bank, Chicago, has extended \$850,000 financing to Tabernacle Community Hospital & Health Center, said to be the nation's first hospital owned by an all-black church.

Tabernacle Missionary Baptist Church purchased the hospital from the Evangelical Hospital Association, which had operated the facility since 1915.

Fred W. Shewell, vice president in Continental Bank's commercial banking department, said, "Continental Bank is pleased to play an important role in financing this pioneering project. The fact that the purchase has been arranged independently, without government financial assistance, is particularly significant."

• Three officers of First State, Norton, Kansas, recently stood at a main downtown intersection and gave away dollar bills to passing motorists! Of course, there was one catch. Drivers had to have their seat belts fastened in order to qualify for the dollar bill. If they didn't, they were cautioned to "buckle up for safety."

The bank plans to repeat the stunt, which was accompanied by an advertising and publicity campaign on auto safety, periodically, picking a different location each time.

DISCs

(Continued from page 6)

helped his customers develop these programs is in a position to obtain a market segmentation simply by being there first. His customer has made a profit from increased sales and this means more local jobs and healthier local and material economy.

MID-CONTINENT BANKER for August, 1972

Meet the new mobile home loan VP. (He won't last six months.)



Too bad. But setting up a new department to handle mobile home loans is no way to train promising young executives. And it's not much of a way to reward mature, proven executives either.

It takes a lot of experience in mobile home loans to build an efficient mobile home loan department. We should know. We've helped build dozens

of them in the past few years. In some cases, we've had to start from scratch.In others, we've done little more than streamline an existing operation. But in all cases, we've added one very important ingredient: a guaranteed success factor.

In other words, we s://fræusrantee.your principal against loss. And we guarantee your rate of yield.

You risk nothing. Not your principal. Nor your profits. Not even your executives' future. We handle as much as you want. Or as little as you want. We'll train your people, provide discount sheets and rate books. Cement dealer relationships. Handle collections and repossessions. We'll do

Name		
Address		
City		
State	Zip	
FINANCIAL	COUNSELORS,	INC.

everything but make the final credit approval. That's still your prerogative. As it should be. It's also your prerogative to find out just how successful you can be in the growing mobile home market. You can exercise it by sending for our booklet: "Consider the alternative: Mobile Homes."

NEWS OF HOLDING COMPANIES

Hamilton Bancshares to Expand Into Nashville, Tenn., With \$10-Million Capitalized Hamilton State Bank

I N A MOVE to expand state-wide, Hamilton Bancshares, Inc., Chattanooga, Tenn., has announced plans to establish a new state bank in Nashville to be capitalized at \$10 million and to be known as Hamilton Bank of Nashville.

The announcement came on the heels of a notice that the HC had acquired more than 50% of the stock of Farmers National, Winchester, Tenn., located about 90 miles south of Nashville.

The proposed capitalization of Hamilton Bank is believed to be the largest in Tennessee history as well as being one of the largest in the nation for the formation of a new bank.

Officials of the HC said the firm

• Brownlee O. Currey Jr. has been elected a vice chairman of Tennessee Valley Bancorp., Inc., holding company of Commerce Union, Nashville. He is former senior vice president and director of Equitable Securities, Morton & Co., Inc., New York City.

George S. Moore also has joined the HC as a consultant. He formerly was chairman of First National City Bank, seeks to charter the proposed Hamilton Bank of Nashville to tap a growing economic market in that area, which is approximately 120 miles from Chattanooga. The move has been termed "a key step to expand Hamilton Bancshares into a Tennessee state-wide banking system" by J. E. Whitaker and N. Rountree Youmans, chairman and president, respectively, of the HC.

Hamilton Bancshares, the oldest multi-bank HC in Tennessee, was organized in 1930. The HC has 12 affiliates, 10 in Tennessee and two in Georgia.

The new Nashville bank is expected to open late this winter at a downtown site that has not been announced.

New York City.

• Formation of Union Planters Corp. as the parent company of Union Planters National, Memphis, has been announced by C. Bennett Harrison, chairman of the bank and HC.

The HC, which was ratified by the bank's shareholders at their annual meeting, has received federal regulatory approval.

Economic Development League Names Officers; Calls for Lifting of HC Ban in Indiana

INDIANA'S League for Economic Development, a group formed to seek repeal of the statute banning multibank holding companies in Indiana, has named Robert W. Renner as its first president.

Mr. Renner, immediate past president of the Indiana Bankers Association, is president, Citizens State, Hartford City.

According to Mr. Renner, an expansion of the present banking system in Indiana to allow multi-bank holding companies is imperative if the state is to record any significant measure of economic growth during the next decade.

Mr. Renner said that Indiana is one of only 13 states that ban completely multi-bank HCs. "It is the firm conviction of all League members that each Indiana bank should have the opportunity of joining a multi-bank HC if such action would permit the bank to attract new industry to its community and improve its services to both existing consumer and commercial customers," he said.

Named League vice presidents were Jon S. Armstrong, president, St. Joseph Valley Bank, Elkhart; Walter A. Schlechte, chairman, Old National, Evansville; E. J. Bannon, president, Purdue National, Lafayette; and Charles W. Phillips, president, Floyd County Bank, New Albany. George E. Rogers, chairman and president, First National, Marion, and David Sursa, president, Industrial Trust & Savings, Muncie, serve as secretary and treasurer, respectively.

Mr. Rogers and Mr. Schlechte are past presidents of IndBA, Mr. Phillips is a former chairman of the Department of Financial Institutions of Indiana and Mr. Sursa is a present member of the department. •• • First National, Fort Worth, and its affiliates are scheduled to become part of First United Bancorp., Inc., August 7.

First United Bancorp. formerly was called First National Co., which had been an affiliate of First National Bank since 1929. Under the plan to combine the affiliates, First United will own First National of Fort Worth plus substantial interest in five suburban Fort Worth banks—University State, Gateway National, Seminary State, Security State and Great Southwest National.

Interim Hearings Planned By Tennessee Legislature On HC Expansion in State

NASHVILLE—A joint House-Senate panel of the Tennessee legislature is expected to begin a study this month on the growing movement of Tennessee banks to organize multi-bank holding companies. The study will take the form of interim hearings, with resulting recommendations expected to be considered by the 1973 general assembly.

The legislative probe is an outgrowth of bills offered during the last general assembly regarding HCs. One bill was enacted that limits the insurance activities of HCs in making real estate loans. A second bill, which died in a house committee, would have abolished multi-bank HCs, forcing divestiture within two years.

The joint group is known as the bank holding company study committee. It is expected to conduct a series of hearings in Memphis, Nashville, Chattanooga and Knoxville, during which it will take testimony from banker groups. The group was authorized by the General Assembly last April.

The unsuccessful measure to abolish HCs was prompted by small rural banks unhappy with HC expansion. The successful bill to restrict insurance activities of HCs was sponsored by the Insurors of Tennessee, a trade group affiliated with the National Association of Insurance Agents, which has been conducting a nationwide campaign to curb HC growth.

The bill prohibits insurance agencies or brokers owned by bank HCs from negotiating insurance policies covering property on which the HC or a subsidiary bank has made a loan.

HIBERNIA NATIONAL BANK

Statement of Condition as of June 30, 1972

RESOURCES

RESOURCES	
Cash on Hand and Due from Banks\$	89,968,225.18
Federal Funds Sold	29,450,000.00
U. S. Treasury Securities	97,897,224.07
Obligations of Farm Credit Banks	11,139,107.50
Municipal Bonds	56,673,932.79
Stock in Federal Reserve Bank	720,000.00
Loans	11,073,070.28
Interest Earned	3,471,492.05
Customers' Liability on Acceptances	266,750.38
Bank Buildings, Furniture and Equipment	4,664,785.53
Other Assets	846,522.25
TOTAL\$5	06,171,110.03

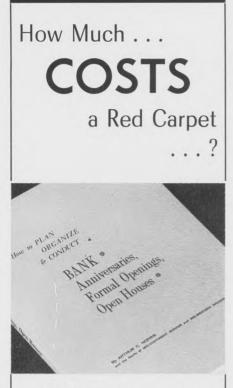
LIABILITIES AND CAPITAL ACCOUNTS

Deposits	. \$444,409,136.20
Federal Funds Purchased	. 21,100,000.00
Liability on Acceptances \$555,391.38	
Less: In Portfolio	266,750.38
Quarterly Dividend, Payable	
July 14, 1972	360,000.00
Reserve for Interest, Taxes, and	
Expenses	2,959,677.58
Discount Collected but not Earned	2,733,797.02
Total Liabilities	\$471,829,361.18
Reserve for Possible Losses on Loans	\$ 1,334,477.69
Stockholders Equity	
Common Capital Stock \$ 8,000,000.00	
(800,000 shares @ \$10. par)	
Surplus	
Undivided Profits	
Total Capital Funds	33,007,271.16
TOTAL	\$506,171,110.03

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

	June 30,	June 30,	June 30,
	1972	1971	1970
Net Income From Operations Profit from Sales and Redemption at	\$1,720,498.61	\$1,748,809.27	\$1,735,190.77
Maturity of Securities	. 205,817.07	339,041.03	30,970.36
Total Net Income	1,926,315.68	2,087,850.30	1,766,161.13
*Total Net Income Per Share	2.41	2.61	2.21
Cash Dividends	720,000.00	720,000.00	640,000.00
*Cash Dividends per share	.90¢	.90¢	.80¢
(*-Based on the 800,000 shares presently out	standing.)		

Member Federal Deposit Insurance Corporation



... This is just one question that can come up when you plan a bank celebration.

See page 41 of our Bank Celebration book for the answer. See the other 157 pages for specific answers to virtually all the problems you'll face when you open a new or remodeled bank building, a bank facility or other financial institution.

Based on actual results reported by hundreds of banks, our Bank Celebration book tells you everything you want and ought to know about . . .

How to Plan \$13.50Organize per copy & Conduct BANK ANNIVERSARIES FORMAL OPENINGS **OPEN HOUSES** Order the answers today to your bank celebration problems of tomorrow. ------MID-CONTINENT BANKER 408 Olive St., St. Louis, Mo. 63102 Please send us copies of your bank celebration book at each. □ Check enclosed. \$ Name Title Bank City, State, Zip (Check should accompany order. We pay postage and handling, Missouri banks please include 3% sales tax.

New Customer Services

Individualized Personal Checks Offered by Bank of Marin

SAN RAFAEL, CALIF.—Customers of Bank of Marin can design their own personal checks by including illustrations of their choosing on the checks.

Called "design-a-check," the plan permits customers to express their individualities on their personal checks. Any illustration that is reproducible and in good taste is acceptable. The bank suggests family portraits, a sport picture, a picture of the family residence, or children's artwork.

The bank reports that the checks are quite popular with customers.



"Design-a-check" permits expressions of individuality by customers of Bank of Marin, San Rafael, Calif.

New Automobile Charge Cards Offered by Republic Nat'l

DALLAS—Republic National is offering "Silver Star Auto Charge Cards" to qualified applicants. The cards can be used to purchase new autos.

Homer L. Stewart Jr., senior vice president, says the charge cards enable prospective car buyers to shop around with complete freedom and confidence, knowing that they are ready and able to make deals.

Cardholders select the cars they want from participating dealers, agree on a price, present their charge cards and drive the cars away. Payment of the bank loans are arranged to suit purchasers' incomes and budgets.

Customers benefit from the system because auto dealers know them to be preferred bank customers. Dealers benefit by being freed from much timeconsuming paperwork and by knowing that the financing has already been arranged.

New Auto Financing Program Offered by Bank of America

SAN FRANCISCO—Bank of America has announced a new finance program, called "Auto-Magic," designed to make buying a new car easier on the pocketbook. The program offers 24- to 36month auto financing plans featuring low monthly payments.

Monthly payments—excluding the final one—are based on the difference between a car's sale price, less down payment, and its approximate wholesale value at a contract's maturity as projected at the time of sale, according to K. V. Larkin, senior vice president.

"In effect, the borrower's monthly payments will be substantially lower because he would be repaying on this difference rather than on the total value of the car," Mr. Larkin said.

The balance of the contract, which would be the approximate wholesale value of the car as projected at the time of the sale, would be due as the final payment.

The plan is said to be especially good for those who trade their autos at regular intervals.

New Type Income Bond Offered By First Wisconsin Bankshares

MILWAUKEE—A new type of income bond that guarantees a 5½% annual interest rate up to 10 years, yet is available for redemption annually, is being offered by Milwaukee-area banks of First Wisconsin Bankshares Corp. Bonds are available in any amount between \$100 and \$100,000.

Bankshares President George F. Kasten said the Guaranteed Golden Income Bond allows the customer to guarantee himself a high rate of return on his money, but permits withdrawal prior to maturity, on the annual anniversary date, without any loss of interest.

"As with our other long-term savings instruments," Mr. Kasten said, "the customer can obtain a special cash advance at the minimum rate permitted by law in the event he needs his money before the optional withdrawal period."

■ NEW YORK—Six vice presidents have been named by Chemical Bank —Edward D. Del Giorno, Carson H. Powers, Samuel L. Santoro, Peter W. Siverson, George W. Brain and Hans J. Solmssen. All had been assistant vice presidents, except for Mr. Powers, who had been marketing planning manager.

MID-CONTINENT BANKER for August, 1972

The captain of your Mobile Home Team.

Meet Wink Willoughby, the mobile home financing expert from First National.

He wants to see your home team win.

Especially when it comes to capturing a share of the mobile home financing field.



So to make sure you get your share he's bringing together our Correspondent Bank and Installment Loan divisions to back you up.

What you don't know about mobile home financing, they do.

They'll field the headaches—the insurance, the forms, rate books, contracts, collections and repossessions.

You field a guaranteed high yield on all the business you can get.

And most important-you are insured against credit risk.

Call the head of your Mobile Home Team, Wink Willoughby at 901–523-5230 or call your Correspondent representative—he'll put you in touch with Wink.



FIRST NATIONAL BANK OF MEMPHIS

MEMPHIS, TENNESSEE / MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS OF THE BANKING WORLD

• Raymond B. Corrigan has retired as a vice president in the correspondent bank department of Citizens Fidelity, Louisville, after almost 50 years of service with the bank.

Mr. Corrigan joined the bank at the age of 16 and in 1935 was named assistant cashier and assistant manager of the transit department. He was transferred to the correspondent banking department in 1955 with responsibility for banks in Indiana. He was promoted to assistant vice president in 1962 and to vice president in 1968.



CORRIGAN

McDONALD

• Alden J. McDonald Jr. has been promoted from assistant vice president to vice president of International City Bank, New Orleans. He is assistant manager of the installment loan department and is in charge of the bank's universal accounts.

• Northern Trust, Chicago, has promoted Phillip H. Boersma and Ernest P. Waud III to vice presidents in the banking department. Both are in the southwestern division of the national group.

Also named vice presidents were John N. Fix, northwestern division of the national group, and Robert Kenning, installment loan division of personal banking.

Promoted to second vice president was George D. Bathgate, savings division of personal banking.



WAUD



BOERSMA



BROUGHAM

CHERRY

• Manufacturers Hanover Trust, New York City, has elected five senior vice presidents, including James W. Cherry, head of the national division's region four, and named Vice President R. Bruce Brougham officer in charge of the southern district. This district is made up of Alabama, Mississippi, Florida and Georgia.

The region headed by Mr. Cherry includes Alabama, Mississippi, Delaware, District of Columbia, Florida, Georgia, Maryland, North and South Carolina, Virginia and West Virginia. He was a vice president.

The four other new senior vice presidents are John J. Sullivan, William Vizdos, Elias A. Sadallah and Charles J. McGee.

• The Bank Administration Institute has elected a new district director and six new state directors in the Mid-Continent area.

Elected to a two-year term as director of district five was C. Brown Allen, vice president and auditor, Kentucky Trust, Louisville. The district covers Kentucky, Illinois, Indiana, Michigan and Ohio.

Named to two-year terms as state di-



rectors were: Richard E. Nylander, president, First National, Northbrook, Ill.; Robert L. Fesler, vice president and controller, Merchants National, Indianapolis; Donald L. Edwards, cashier, Second National, Ashland, Ky.;

Jack E. Rowson, president, American State, Oswego, Kan.; Robert G. Kneale, vice president and comptroller, Blue Ridge Bank, Kansas City; and Newton W. Gillihan, administrative senior vice president, Bank of New Mexico, Albuquerque.

Clyde Hendrix Jr., chairman and CEO, Hibernia Nat'l, New Orleans, died July 6 after a short illness. He had been with Hibernia since 1946, became president and CEO in 1965 and chairman earlier this year.



• Quentin Fitzgerald has joined the Oklahoma Bankers Association as staff vice president. He was executive vice president of the Oklahoma Good Roads and Streets Association.

Mr. Fitzgerald, a native of Elmer, Okla., had been Oklahoma account manager for General Foods Corp. until 1969, when he joined the roads and streets association.





PLAUCHE

FITZGERALD

• Bank of New Orleans has named Rodney J. Plauche a correspondent bank officer. He joined the bank a year ago as a management trainee and previously was in the loan department of Hub City Bank, Lafayette, La.

• John D. Williams, commissioner of banks of Oklahoma since 1969, has been elected second vice president of the Conference of State Bank Supervisors.

MID-CONTINENT BANKER for August, 1972

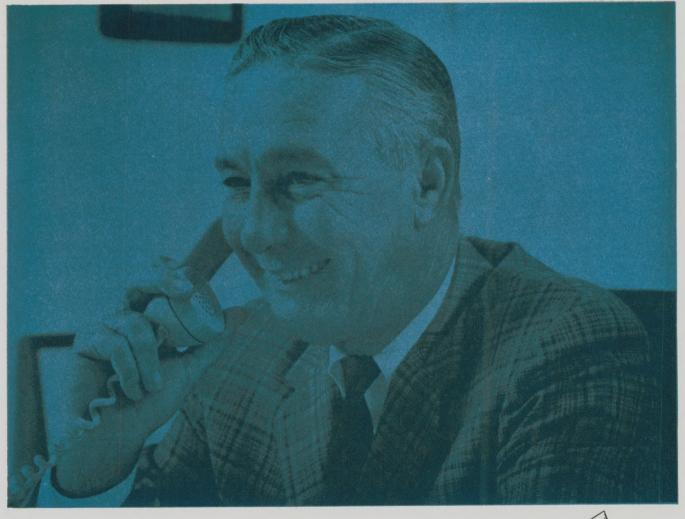
BANKING SERVICES FOR THE SEVENTIES

Dick Wagner is a resourceful professional banker. He's the head of a First team of banking specialists who travel thousands of miles each month. He gathers facts, exchanges ideas, takes a firsthand look at correspondent problems...correspondent needs.

The insight he gains supplies direction to our large staff of creative specialists... experts in every phase of banking procedure. These men are devoted to the development of original programs, unique services and efficient problem-solving methods to benefit correspondents and their customers.

When you want full service thinking, put Dick Wagner on the spot. Tell him your problems. You can expect straight and profitable answers. Call (918) 560-5160.

put Wagner on the spot





Which way will the economic winds blow?

No matter which way they blow, experience shows there are some things you can count on...

Like B. C. Ziegler and Company institutional bonds.

Since 1913, we have underwritten \$1.3 billion in institutional financing, with never a default in principal or interest.

Our issues offer a wide choice of serial maturities, from one to fifteen years. Current yields are up to 8%.

And interim paper is available from 30 days to 9 months.

Sound, secure investments like these belong in the portfolios of your bank, and your bank's customers. For our latest offerings, write or telephone collect. Offices in leading cities, coast to coast.

Z

B. C. ZIEGLER and COMPANY West Bend, Wisconsin 53095 • Phone (414) 334-5521 Creative Financing for America's Hospitals

New Products and Services

• Brandt, Inc. A currency verifier called the Brandt 802 has been introduced by Brandt, Inc., Watertown, Wis. The machine counts 300 bills a minute and operates with "counter readout" and automatic "shut off" when currency supply is depleted.



According to the manufacturer, accuracy is assured by a sensing system that activates a red warning light if more than one bill passes through the machine on a single count. Completely portable, the machine weighs less than 24 pounds.

Write Brandt, Inc., Watertown, Wis. 53094, for Bulletin BAC-811.

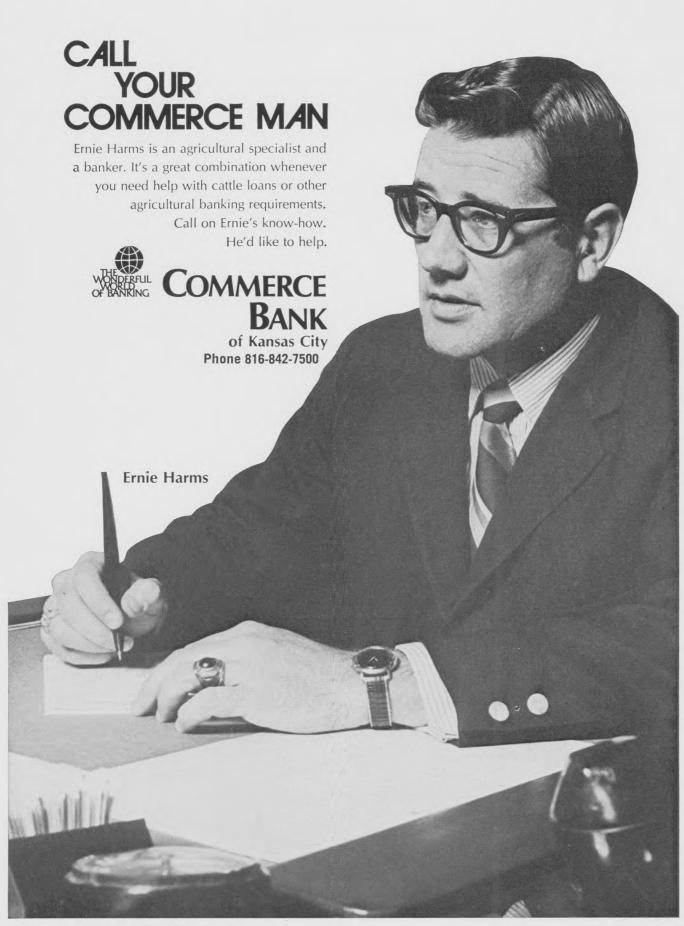
• Crystal-X Corp. See-through polyethylene plastic money bags, manufactured by Crystal-X Corp., Darby, Pa., are said to be helpful in lowering the cost of packing, handling and storing coins.

The bags cost about one-quarter as much as traditional canvas money bags. Their high visibility cuts down on the time required to fill the bags and to count or recount rolls. The flat-standing bags palletize easily. Filled bags can be counted while on pallets or in storage. They come with tamperproof seals.

A sample of the Crystal-Tuf bag is available from Sales Promotion Manager, Crystal-X Corp., Second and Pine streets, Darby, Pa., 19023.



MID-CONTINENT BANKER for August, 1972





Illinois Banker Lists Points to Consider Before Initiating a Common Trust Fund

By EVERETT W. KASSING

Assistant Vice President And Trust Officer First National Bank Belleville, III.

SINCE MY first contact in banking in 1960 with the investment division of Security Trust of St. Louis, having a common trust fund and assets of \$200,000; to heading the trust department of St. Clair National of Belleville with footings of \$8 million with no common fund, as none was needed; to my present position with First National of Belleville with \$32 million, it has become relatively easy to give my opinion about how common trust funds can be used effectively as investment vehicles in the trust department.

I want to touch upon the following points that one must consider prior to any common trust fund becoming operative.

Overall size of the trust department and whether a common trust fund can be of vital use in solving some investment problems should be determined. Once established, can such an investment vehicle be a useful tool in soliciting new business, since there is no commission or load factor, as is the case with mutual funds? With all the problems mutual funds are having today, including their poor performance, it is true that some of this market can be taken from the giants of the industry.

If a common trust fund cannot be started with at least \$1 million in assets from the monies presently on the books or anticipated over a short period of time (six months to a year), you are premature in initiating the fund and should wait until such time as it can become almost 100% useful in your department rather than being both stagnant and expensive. Servicing the fund is expensive from a supervision and operation standpoint, and has to be justified on your books. From a cost standpoint, time has to be allocated for maintenance of separate books, for issuance of units for participating trust accounts and for making special valuations at a specific time in order to allow accounts to

purchase and withdraw funds to meet cash needs.

At the time the funds are considered, it should be established what size accounts should be placed into the fund, whether it be a minimum of \$50,000 or a maximum of \$100,000. It is not difficult to establish a minimum since this can be done by an analysis of the accounts on the books, but the maximum must have additional thought as to when or what dollar amount an account can have and the necessary size to provide its own diversification. This is a policy decision that normally rests with the trust investment committee.

After it has been determined that your department can effectively use this investment tool, it has to be determined just what type of fund should first be established to best serve the accounts now on your books or those new accounts anticipated. The fund with which most people would be familiar is the one that has certain fixed assets and equities. But this is becoming an investment tool of the past. This type of fund was normally 60% to 70% in equity holdings and the remainder in government bonds, agency or related types of investments. The investment ratio normally remained extremely stable, but a plan of this type today would fluctuate due to the erratic market performance of equities and bonds, as has been seen in the past three years.

Due to the rapid increase in the size of trust departments in various institutions, specific funds are being established to meet investment needs or goals. These plans deal primarily with equity-type funds, with policy established as to what percent may be invested in a given type of industry. A sample percentage follows: 20% utilities, 10% drugs, 15% oil, 15% business equipment, 15% banks and financial institutions, 15% chemicals and 10% other miscellaneous categories or whatever is deemed necessary under general market conditions.

This range can give you better supervision of the funds to the industry in which your funds are invested and you are in a more lucrative position to make switches with market trends. This also is a desirable place to put your HR 10 plans, which are unprofitable due to the size and annual maximum limitations of \$2,500. Under present consideration is a new limit of 15% of income, or \$7,500.

In my area, the above is the type most commonly used, since the majority of accounts on our books range between \$300,000 and \$500,000 in assets. This fund then serves to reduce or eliminate specific account investment management, which in turn, reduces the cost to service the account and frees the investment officer to direct his time to larger and more profitable servicing to the bank and its clients.

You can go on to the government agency and corporate bond funds. The type can vary from convertible bonds to whatever type you feel fits the needs of clients and their investment goals.

The fund normally established last—which we would all like to establish first—is the municipal bond fund, which would service all the large accounts in need of tax-free income. In most cases, this fund requires the least amount of investment management, except for reinvestment in new funds coming into the plan or the reinvestment of maturing bonds. Normally there is little selling of assets in this type of plan, since capital gains are not the objective.

After the funds mentioned are established, investment portfolio management on specific accounts is relatively easy. I would like to present three examples of how the common trust fund provides investment flexibility.

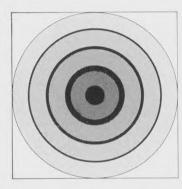
• Assume a fund is established in the amount of \$50,000, which is too small for its own diversification program. Place the equity plan in effect at 75% and place 25% in government agency programs, making the number of investments two, versus the normal 10 or 15 separate issues, each of which would have to be analyzed separately.

• Assume a \$500,000 cash fund. You would place this proportionately between the equity, government agency and corporate fund, or consider a municipal fund. Possible maximum holdings—five, versus a possible 20 to 30 with separate issues.

• Assume a \$1 million account, fully invested in equities, comes on your books, and, in accordance with either judgment or trust policy, retention of certain assets is not warranted. Weed out those undesired equities and look to your equity fund to provide the place to put them. This fund also

(Continued on page 111)

How would you like to tap the investment know-how of a \$5.3 billion trust department?



The Institutional Investment Service at the Harris is now providing more than 200 bank trust departments with digests of the financial and economic research prepared by Dr. Beryl Sprinkel and his staff to guide our own trust department in managing \$5.3 billion worth of trust assets.

IIS brings you regular, easy-to-read reports—complete with Buy/Sell/Hold

recommendations—on our list of 180 quality common stocks. You can have as crisp or elaborate a review as you wish, depending on whether you subscribe to our Mini-Service, Common Stock Service, Abbreviated Service or Full Service. The cost is low, and payment can be arranged on either a fee or balance basis.

If your trust department invests in common stocks at all, you owe it to yourself to see an IIS presentation. To set it up, contact your Harris banker, or call Jerry Jurs at 312/461-7612 or Fred Young at 312/461-7525. Or, write for a copy of our new IIS booklet.



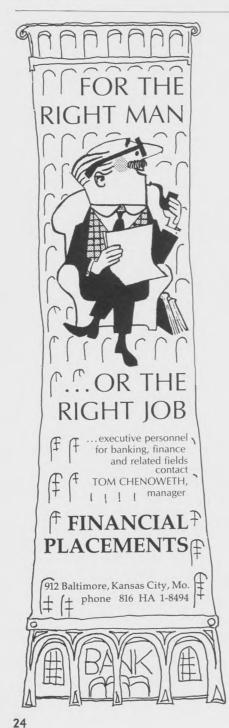


111 West Monroe Street, Chicago, Illinois 60690. Organized as N. W. Harris & Co., 1882. Member F.D.I.C. Federal Reserve System

Installment Lending

Are Bankers Willing to Make Loans On Leisure-Time Products?

 $E\,^{\rm VER}$ SINCE banks have been in the installment lending business, the majority of such loans have been for purchases of cars and home appliances, remodeling or enlarging homes, etc. And banks will continue to make such loans.



However, American citizens now have more leisure time than at any other point in our history. As a result, they are using this leisure time for boating, swimming, building vacation homes, going on camping or fishing trips, and they probably need money for such activities. If they go to banks for loans on leisure-time products, for instance, to build a swimming pool in their yards, will the banks be as willing to say yes as they are for loans on cars and appliances?

Bankers probably aren't ready to make loans on leisure-time products on a large scale, according to Dr. Judson White, director, institutional research, University of South Alabama, Mobile. He bases his opinion on an extensive survey he made of Alabama banks. The research was carried out to determine whether Alabama bankers were interested in making loans for leisure-time products and, if so, in what amount. A second part of the study concerned itself with specific questions about loan risk and similar items.

The questionnaires went to more than 40% of the banks in Alabama, and nearly 50% of those queried returned their questionnaires.

In general, Dr. White found that Alabama bankers are interested in making some leisure-time-product loans, for instance, on boats and vacation houses. They are least interested in lending money on motorcycles and racing cars.

According to Dr. White's study, bankers find that collections on leisuretime loans are at least no worse than those on other items and, in general, are better. However, at the same time, he continued, bankers, in general, express a real reluctance to make loans in this area even in the face of this kind of evidence.

After studying the answers to his survey, Dr. White believes the level of involvement in bank loans for purchases of leisure-time products doubtless will be influenced by the following factors (the opinions stated are Dr. White's):

A. Size of town—the size of the town in which a bank is located is an influential factor in whether a bank does or does not make leisure-time-product loans. In general, in larger towns one expects more liberal loan policies.

B. Location-the geographical location of a bank is a limiting factor in terms of the types of leisure-time products on which a bank is willing to lend money. Banks tend to lend money for items with which they are familiar.

C. Competition—the presence or absence of competition will have a good deal to do with not only the types of leisure-time products on which a bank will make loans, but also on its attitude toward these loans. Where competition is keen, banks apparently show less concern about the items for which the loans are requested.

D. Age of bank—the older, larger banks seem to be more conservative and perhaps to an extent less aggressive in their efforts to develop new business. They have what might be termed "a good thing going" and perhaps see no reason to extend themselves.

E. Age of leadership—it would appear that many aggressive banks have young leadership and that certain other banks that have senior officers in the latter middle-aged years tend at times to be less aggressive and more concerned with keeping things as they are.

F. Readiness for change—banks have a rather constant loan pattern down through the years, based on land, real estate and certain types of business loans. The advent of the automobile made a change in this pattern. It's time that banking in general consider amplification of the change with reference to leisure-time products. Antiques are a real point to consider in this respect since they represent a good opportunity for financial exploitation.

G. Institutional research—it would seem that it's time that loan policies be developed on the basis of research and not on the nebulous basis of somebody's experience.

H. *Public relations*—banks should get around to making "bank-rate loans" for all types of leisure-time products and not just cars. The savings on interest to their customers would be good public relations, which, in turn, should be reflected in customer deposits.

I. Personnel training—there is a need for a bank personnel training service to increase quickly the sophistication of loan officers as far as leisure-time products are concerned. They need training to extend their knowledge about antiques, boats and other such items in order to make sound judgments when lending funds in these areas. •

• AMERICAN NATIONAL, Chattanooga, recently opened its new Red Bank Branch, with Ed Barnes, vice president, serving as manager. The new branch has drive-in teller windows and 24-hour banking service through American National's newly introduced automated service called Teller-24.

DELUXE PERSONALIZED CHECK DESIGNS



Scenic Americana



DELUXE Mational State Bank TOURCITE U & RA 1:2345=67891: 12345678*	<u>00-6789</u> 2345
1:2345#67891: 12345678#	
1:2345#67891: 12345678#	
	DOLLAR
remity	
erenity	

JAMES C. MORRISON 1765 SHERIDAN DRIVE YOUR CITY, U.S.A. 60618

DELUXE National State Bank

•1:2345=67891: 12345678#

101

00-6789

DOLLARS

5

5

DESIGNS

S

PAY TO TH

Heritage

SCENES

8

5

FLOWERS

SCENES



JAMES C. MORRISON 1265 SHERIDAN DRIVE YOUR CITY, U.S.A. 60618

DELUXE National State Bank

01:2345=67891: 12345678

JAMES C. MORRISON

Personal Touch

101

00-6789

DOLLARS

101

National Wildlife

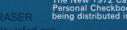
5

SPECIES

ILLUSTRATIONS

The new DeLuxe personalized selection offers something in checks for everyone . . . Scenic, colorful, expressive, concern for wildlife or absorption in hobby or special interest. We've also added ten new and exciting cover materials. That's why it's so important to your checking business to display and promote our entire line. Our representatives will help your customer contact people with colorful new catalogs and a complete, free selection of advertising and promotional material.

There is a difference



TIM

The New 1972 Catalog of Personal Checkbooks now being distributed in every state.

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

CHECK PRINTERS, INC.

• Walter E. Heller International Corp. Preliminary discussions have begun between Walter E. Heller International Corp. and American National Corp., both of Chicago, relative to the possible combination of the two firms.

Heller International is a world-wide commercial finance and factoring firm. American National Corp. is the parent of American National, a Chicago bank with assets of more than \$1 billion.

Objectives of the discussion are the formation of a company with the size, diversity, flexibility and viability to serve all the broad financial and credit needs of individuals and business, both domestically and abroad, while benefiting shareholders of both firms.

Based on initial analysis, it is contemplated that American National Corp. shareholders would receive cash payment equal to 35% to 40% above the closing bid price on July 12, 1972, of \$32.50 per share of American National stock. Such a transaction would result in an acceptable increase in the earnings per share of Heller International.

• The Ziegler Co., Inc. Kenneth G. Marsden has been elected president of the Ziegler Co., Inc., West Bend, Wis., and B. C. Ziegler & Co., Ziegler Financing Corp. and Ziegler Leasing Corp. He also was elected president of Ziegler Fund and Ziegler Select Fund. Mr. Marsden succeeded Thomas J. Kenny, who, along with his wife and four children, died in a plane crash in Southeast Asia in June.

Mr. Marsden was elected vice president, B. C. Ziegler & Co., in 1950, a director in 1951, senior vice president in 1958 and executive vice president in 1969. He was holding the latter post when he was named to his new positions.



GRASFEDER

POPE

MARSDEN

• James Talcott, Inc. Frank J. Pope has been elected an assistant vice president of James Talcott, Inc. He is credit manager for the Chicago office, which serves businesses in Illinois, Indiana, eastern Missouri, western Kentucky and Wisconsin. Mr. Pope has been with Talcott since 1968.

Corporate News

• Bunce Building Corp. Lee R. Grasfeder has joined Bunce Building Corp., St. Louis, as controller. Mr. Grasfeder, a graduate of the U. S. Military Academy, is a CPA and engineer.

• Standard Life Insurance Co. Charles H. Shamburger III has been appointed credit life representative for Standard Life Insurance Co., Jackson, Miss. He will work with customers in the banking, consumer finance and automobile dealership industries.

Formerly, Mr. Shamburger was an employee of the state of Mississippi Department of Education.



R

SHAMBURGER

BURTELOW

• Bank Building Corp. Walter E. Burtelow has been appointed to the banker associate and advisory group of Bank Building Corp., St. Louis. He recently retired as a director of the firm.

Mr. Burtelow has been in the banking and finance business for 45 years. He retired as chairman and president of Jefferson-Gravois Bank, St. Louis, in 1970 but remains a director. He also was executive vice president and a director of Bank of St. Louis, chairman and president of General Contract Finance Corp. and a director of eight banks owned by General Bancshares Corp.

• Insured Payments. William E. Barrows, a former vice president of Crocker Bank, San Francisco, has been named president and CEO of Insured Payments, Houston, mobile home financing service firm.

Mr. Barrows is said to have pioneered mobile home financing in California and established a mobile home portfolio at Crocker Bank that is considered to be among the top five in the nation. He had been in banking for 31 years. • Financial Counselors, Inc. Promotions of four employees to vice presidents-regional managers were announced last month by Financial Counselors, Inc., Austin, Tex. Victor F. Hosey, Russel Montgomery Jr., William A. Swink and Ray Proctor will be supervising installation of the FCI program, generating mobile home loans and servicing lenders' accounts and mobile home dealers.

Mr. Hosey is now regional manager of the northern Mississippi and Alabama area, with headquarters at the FCI regional office in Jackson, Miss. Mr. Montgomery's area is Arkansas and Tennessee, and his regional office is in Little Rock. Mr. Proctor covers northern Louisiana and northeast Texas and is headquartered in Bossier City, La. Mr. Swink has responsibilities in southern Louisiana and southern Mississippi and has charge of the Baton Rouge regional office.

In other action at FCI, N. W. "Bill" Lientz has been named vice presidentassistant officer in charge of field operations and is operating out of the Austin home office. He has had experience in financing and banking.

James R. Campbell, district manager in the firm's Kansas territory, has been promoted to assistant vice president. Robert L. Smith has been promoted to district manager in the Lubbock, Tex., office. Also promoted to district manager was Gary D. Stillwell, who has been branch manager for the New Mexico area and where he continues under supervision of the Lubbock regional office. Eugene Brodhead has been made credit manager at the FCI home office. Joseph F. Motkowski recently joined FCI as district manager in the Oklahoma area. He was a loan officer at a Shreveport bank.

Two new district managers for Missouri are Gary C. Biehslich and Jerry R. Hopkins, who work out of the Kansas City regional office. Roger E. Knox has joined FCI as district manager in the Arkansas-Tennessee area. He has experience in finance, credit, collection and sales work.

• Lawrence Systems, Inc. INA Corp., Philadelphia, has agreed in principle to acquire Lawrence Systems, Inc., a 60-year-old San Franciscobased firm. Final agreement is subject to approval of Lawrence shareholders. The exact price of the transaction was not announced, but INA officials said the amount was "in the area of \$16 million."

Lawrence's services include inventory control, accounts-receivable control and document control as well as uniformed guard services in several western cities.



Consolidated Statement of Condition, June 30, 1972

ASSETS	LIABILITIES
Cash and Due from Banks \$ 429,381,826	Demand Deposits
	Savings and Personal Time Deposits 1,295,190,464
United States Treasury Securities 266,603,775	Other Time Deposits 193,612,075
United States Government Agency	Total Deposits 2,191,864,321
Securities 6,500,585	Funds Borrowed 63,920,000
State and Municipal Securities 326,788,128	Unearned Income 14,860,532
Other Securities	Accrued Expenses and Other Liabilities. 35,892,544
Total Securities	Total Liabilities 2,306,537,397
	RESERVE
Federal Funds Sold 46,600,000	Reserve for Loan Losses 23,635,855
Commercial and Consumer Loans 833,773,366	CAPITAL ACCOUNTS
Real Estate Mortgage Loans 525,708,007	Capital Stock—\$10 par value
Total Loans	Shares Authorized and Outstanding — 3,064,170
Bank Premises and Equipment 28,181,142	Surplus 110,000,000
Accrued Income Receivable and Other	Undivided Profits 25,558,126
Assets 23,424,826	Total Capital 166,199,826
TOTAL \$2,496,373,078	TOTAL \$2,496,373,078

On June 30, 1972, securities having a par value of \$127,757,000 were pledged where permitted or required by law to secure liabilities and public and other deposits totaling \$108,623,491 including deposits of the State of Michigan of \$5,889,885.

Board of Directors

WALKER L. CISLER Chairman of the Board The Detroit Edison Company

FRANK A. COLOMBO Executive Vice President The J. L. Hudson Company

RODKEY CRAIGHEAD Executive Vice President

LOUIS A. FISHER Director

WALTER B. FORD II Chairman of the Board Ford & Earl Design Associates, Inc. EDWARD J. GIBLIN President Ex-Cell-O Corporation WILLIAM E. GRACE Chairman Fruehauf Corporation

LESLIE H. GREEN Director

WILLIAM B. HALL Retired Executive Vice President CHARLES H. HEWITT Retired President

JASON L. HONIGMAN Partner Honigman, Miller,

Schwartz and Cohn ROBLEE B. MARTIN Vice President

Fruehauf Corporation

Director **PAUL S. MIRABITO** Executive Vice President Burroughs Corporation

RAYMOND T. PERRING Chairman **H. LYNN PIERSON** Chairman of the Executive Committee Dura Corporation

ROBERT F. ROELOFS Executive Vice President Empire-Detroit Steel

C. BOYD STOCKMEYER President

ARBIE O. THALACKER President Detrex Chemical Industries, Inc.

CLEVELAND THURBER Partner Miller, Canfield, Paddock & Stone HERBERT B. TRIX Director The Standard Products Company

KENNETH J. WHALEN President Michigan Bell Telephone Company

JAMES O. WRIGHT Director Wallace-Murray Corporation

WILLIAM R. YAW President Wabeek Corporation



Member Federal Deposit Insurance Corporation

WE WORRY **GBOUT** YOU.

We worry because floorplanning mobile homes can be a tough, tricky business. Tough, trying to keep all the loose ends tied together, and tricky, because it involves doing some things you usually don't have to worry about with your other loan programs.

> We WORRY SO YOU WON'T

> > Have

TO.



But it's well worth the risks and the worry. Especially if someone else is doing all the worrying and taking most of the risks.

Someone like us.

If you're buying mobile home paper; wholesale or retail, we can reduce your risks to almost nothing. Our Lenders' Indemnity Program includes credit insurance, credit life, vendors' single interest, non-filing coverage insurance and wholesale fraud protection.

We can't guarantee to take all the risks out of mobile home lending. No one can. But with the proper planning and protection, mobile home loans will rank with the safest and surest paper in your portfolio. To see how to do it, send for our booklet: Lenders' Guide to Mobile Home Insurance. Just write us, use the coupon below, or call toll-free at 800-243-6000 (in Connecticut, dial 800-942-0655) to get your free copy.

INSURANCE COMPANY 5800 FOREMOST DRIVE GRAND RAPIDS, MICH. 49501

Please send me your "Lender's Guide To Mobile Home Insurance".

Name_______Title
Company______
Address______
City______
gitized for FRASERState______Zip_____
ps://fraser.stlou/sfed.org

MID-CONTINENT BANKER NEWS ROUNDUP

PEOPLE



BUTCHER



PODUSKA

• HOWARD J. PODUSKA will assume duties as president of Bank of New York Co., Inc. HC for Bank of New York, on September 1. He was elected a director of the HC last month. Mr. Poduska will succeed WILLIAM L. BUTCHER, who plans to retire August 31.

Mr. Poduska joined Bank of New York in 1938 as a page boy, became an assistant treasurer in 1953, assistant vice president in 1957, vice president in 1958, senior vice president in 1966, executive vice president in 1967 and director in 1969.

Mr. Butcher was instrumental in the formation of the company. He will also retire as chairman of County Trust Co., White Plains, N. Y., but will continue as a director of both organizations.

• Allied Bank International has elected RICHARD A. MELVILLE and JAMES E. HAYES senior vice presidents in the New York and London offices, respectively.

• WILLIAM G. BARRY has joined Franklin National, New York, as execu-

tive vice president in charge of administration. He was formerly president of Smith & Wesson Security Services, New York, and prior service included being a vice president of Bankers Trust Co., New York. He is a former director of



BARRY

BAI and was associated with the FBI for 14 years.

Holder-in-due-Course Limit Enacted in Louisiana

A holder-in-due-course doctrine limit was included in a consumer credit bill passed during the final days of the 1972 Louisiana legislative session.

The measure, which does not apply to credit card transactions or to those involving franchised auto dealers, makes the purchaser of a dealer's paper subject to the same defenses that the consumer might have against the dealer for a period of 30 days after the mailing of notification that the paper had been purchased.

The bill also repeals the state's small loan law, introduces the concept of unconscionability in Louisiana, places some limits on debt collection practices and provides for rebate upon pre-payment.

The legislation was the result of a coalition of interest groups whose purpose was to devise a package that would bring the regulation of most consumer credit under one law. The Louisiana Bankers Association was one of the participating groups.

Credit Bankers Warned Against Invasions of Privacy

Credit card bankers have been cautioned to avoid collection practices that amount to an invasion of privacy and to base their practices on the assumption that every debtor intends to repay or would repay if able.

The advice was from Robert Meade, executive director of the National Commission on Consumer Finance, who cited the practice of telephoning employers and neighbors of delinquent account holders as an invasion of privacy. He questioned the need for such practices.

He stated that a recent survey by the commission has disclosed that almost all debtors who fall behind in their payments do so because of circumstances beyond their control, such as unemployment and illness. He also said that the deadbeat is not a significant factor in the over-all credit picture.

Savings Seen in Subsidized, Taxable Municipals

The substitution of a subsidized taxable municipal security for taxexempt financing could save the Treasury Department \$700 million annually, according to a study prepared by two economists at Clark University, Worcester, Mass.

Tax bond legislation, currently in Congress, would provide states and localities with a 33½% interest subsidy for financing with taxable rather than tax-exempt securities.

Some bankers and municipal securities underwriters say they favor the approach, but the Treasury Department has not endorsed the legislation and has hinted that the plan might contain no tax savings.

ABA Opposes Deposit Insurance Hike

The ABA has gone on record as opposing a bill that would raise deposit insurance coverage to 100% on government funds.

George A. LeMaistre, vice chairman of the ABA's government relations council, and chairman and CEO, City National, Tuscaloosa, Ala., said that most public funds in commercial banks are already protected by more than 100% pledged collateral, so there is no need to extend deposit insurance coverage. He noted that 100% insurance coverage would free banks from holding at least \$43 billion in securities pledged against state and local deposits, and an additional \$14 billion pledged against federal deposits. He warned that this could have an adverse effect on the municipal and U. S. government securities markets.



Clockwise from left, J. Walter Peniston, William O. Weis, William J. Fisher

Call us. 816/221-2800





Keep Decision Making At Local Bank Level

-and away from Washington by maintaining strong state bankers associations

ONE OF THE things that has impressed me most about the first few weeks I have worked in Washington is that so many of the people involved in the legislative and administrative process below the elected and Cabinet levels hardly recognize that anyone outside Washington, D. C., contributes—or indeed should contribute to the decision-making process in our nation. They don't seem to recognize there are such things as states and other local entities that may have a role in our democratic process.

And they certainly leave the impression-by omission-that there are no such things as state bankers associations which are a part of the decisionmaking process of states and of the nation. The very presence, therefore, of state bankers association delegations in D. C. periodically is very important, if only as a reminder to all who may see them that they exist and are a part of our democratic process. And I want to invite each delegation on its next trip to Washington to visit our humble, but, I hope, effectively useful, facilities that house the Conference of State Bank Supervisors. And I include national bank officers in that invitation, because the Conference and national bankers have far more in common than appears on the surface, even though most of

> Editor's Note: The speech on which this article is based was given at the 1972 Indiana Bankers Association convention.

By DR. LAWRENCE E. KREIDER Executive Vice President-Economist Conference of State Bank Supervisors Washington, D. C.

our relationships are with state-chartered banks.

As the name implies, the Conference of State Bank Supervisors is a conference of the supervisors or directors of departments of financial institutions in the 50 states, Puerto Rico and the Virgin Islands.

In addition to the supervisor or director members, state-chartered banks are eligible for associate membership.

Generally speaking, a central goal of CSBS is to strengthen the supervisoryexamination function of state-chartered banks that represent nearly half the nation's banking industry. To achieve this goal, the Conference is now working toward a rather courageous educational thrust and state banking department organizational effort.

Beyond these specific nationwide efforts of CSBS, at the state and local bank level we all have one thing in common; namely, a goal of freedom in the decision-making process—with decisions in the specific allocation of resources made as close as possible to the local level as is consistent with reasonable protection of the public interest.

Maintaining the decision-making process as nearly as possible to the local

bank level—and within the framework of the powers for which each bank was chartered and of constraints by on-thejob examiners—is desirable for a number of reasons:

First, bank trade areas—the public generally will be best served if firsthand judgment prevails in most specific financial-resource-allocation decisions. For a single person or small centralized group in Washington to presume he or they can judge better the allocation of limited funds between, say, "socially desirable investments" as classified by federal authorities on one hand and, say, a construction business loan for a new poultry processing plant is rather presumptuous.

Second, loss of freedom per se should be tolerated only when offsetting tradeoff benefits are reasonably assured and are of great magnitude.

Third, quite aside from freedom per se, but somewhat related, checks and balances between local aspirations and broad national policies are essential to the broader democratic process.

Fourth, this posture of local and state influence is necessary to the vitality and viability of such groups as state bankers associations and other local banking groups.

An alarming number of proposals have been made in the past year or so which would arrogate this local element of checks and balances in the decisionmaking process in the allocation of specific financial resources. On the surface,

Decision Making (continued)

each of these proposals has some stated social or welfare merit. Yet each also has the uncomfortable characteristic of a single person or a small centralized group in Washington passing judgment on what specific loans or investments shall be considered in the best interests of each bank's trade areas. Each of these proposals implicitly assumes persons far removed from the scene can exercise better judgment on specific types of bank resource allocations than you can. To the extent the proposals would be effective, each would dilute the degree to which you exercise your best judgment over your bank's activities and would dilute the responsibilities of on-the-scene examiners-whether they be state or national. Thus, I would submit that national, as well as statechartered, banks have an interest in this apparent trend.

The following proposals have been made:

1. In April, 1970, and again in April, 1971, a member of the Board of Governors of the Federal Reserve System proposed variable and diverse levels of reserve requirements on specific types of bank investments.¹ If, for example, the FRB thought business investments were expanding too rapidly and state and local government spending too slowly, it could impose a high reserve requirement on business-investment associated loans and a low or zero (perhaps at some future date a negative or offsetting) reserve requirement on state or local government securities. This provision would place the FRB in the position of influencing not only the aggregate volume of investments and related bank loans, but also of determining in some degree the allocation of resources for each specific type of investment.

2. In March, 1972, the Board of Governors of the Federal Reserve System proposed that the Administration make more aggressive use of the investment tax credit within a wider range of "...say, from zero to 10 or 15%..." so the investment and lending mix primarily between housing and business investments could be more fully controlled by the federal government.²

3. The Federal Reserve System has proposed an *investment fund* which

could be used to control, in rather specific ways, private investments and financial resource allocations in trade areas. The stated or implied goal of such a fund is to control the volume of selected types of private investments as deemed appropriate by the board.

4. One of the Hunt Commission recommendations would give federal functionaries additional influence and/ or control over bank resource allocation. The commission recommended that

"Commercial banks be permitted to make equity investments in community rehabilitation and development corporations engaged in providing housing and employment opportunities for low- and moderate-income persons in aggregate amounts not to exceed 5% of capital, surplus and undivided profits." (Italics author's)

This recommendation implicitly assumes that (a) types of equity investments a bank would or should make would not otherwise be made by private individuals or firms; (b) such investments would provide more jobs for low- and moderate-income persons than would be provided if this same volume of resources were available to be loaned privately for investment purposes; or (c) allocation of marginal financial resources for housing consumptions in lieu of private jobcreation investments would be in the long-run best interest of trade areas. Each of these three assumptions is questionable. The latter assumption may be particularly invalid for the period starting in late 1972 or early 1973, when the nation probably will have, for the first time since 1965, more new housing units than can readily be absorbed in the marketplace. If that housing development evolves as the demographic and historical patterns of household formation suggest, favored treatment of the housing industry by federal agencies would be the antithesis of optimum allocation of financial resources of many trade areas.

5. In an indirect way, the Hunt Commission made a proposal that would allocate more financial resources to socalled "essential public services." The committee recommended that:

"Commercial banks and their subsidiaries, in addition to the authority granted by the Housing Act of 1968 and existing authority to underwrite revenue bonds classified by the Comptroller of the Currency as general obligations, be permitted to underwrite revenue bonds secured by revenues from essential public services with (1) an established record of annual earnings sufficient to cover prospective annual principal and interest charges with a satisfactory margin, or (2) rated 'A' or better by established rating services." (Italics author's)

By implication, additional loans to private persons or organizations that provide services to the public would result in less essential services to the public than would additional allocations of funds to governmental entities. This recommendation also assumes that commercial bank underwriting of "general obligation-revenue" bonds would in fact increase the allocation of financial resources to "essential public services" of states or municipalities. The validity of each of these implications or assumptions is questionable.

6. The Hunt Commission and the FDIC have proposed that certain selected socially desirable investments be afforded special treatment by bank *examiners* under a so-called "leeway provision." As with the "housing and employment opportunities" provision mentioned above, the purpose of this proposed special treatment is to change banking resource allocation in a specific manner which would be different than the allocation which the judgment of individual bankers and their respective on-the-job examiners might suggest. The adverse impact of this latter proposal could be moderated and greater freedom in bank resource allocation achieved by (1) broadening the leeway provision to include most or all types of investments a banker might judge appropriate for his trade area or (2) eliminating other selective regulatory provisions which may have necessitated, to achieve an offsetting form of equality, the leeway proposal.

7. Another Hunt Commission recommendation fortunately would reduce the degree of influence of federally centralized persons or agencies over specific individual bank loans. The commission recommended that:

"The Federal Reserve Act be amended to permit discounts of, or advances against, any class of asset held by member institutions at Federal Reserve banks at discount rates to be determined by the Board of Governors and the respective Federal Reserve banks."

This provision would eliminate a longstanding adverse element in the Federal Reserve Act which, in some degree, has subtly tended to encourage certain types of fund allocations while discouraging others.

(Continued on page 78)

¹ Brimmer, Andrew F., Testimony before the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs of the United States Senate, April 7, 1971, pages 26-28. ² Report of the Board of Governors of the

^{*} Report of the Board of Governors of the Federal Reserve System on Ways to Moderate Fluctuations in Construction of Housing, pages 23-25, March 6, 1972.

Is There a Trend to Interstate Banking?

IN ADDITION to bringing one-bank holding companies under the jurisdiction of the Federal Reserve Board, the 1970 amendments to the Bank Holding Company Act broadened the scope of bank holding company investments both de novo and by acquisition. Section 4(c) (8) permits such investments which are "so closely related to banking or managing or controlling banks as to be a proper incident thereto." Unlike out-of-state bank acquisitions that cannot be made in contravention of the law of the state of the acquired bank, investments in other companies have no geographical limitation. A bank holding company based in State A can make such an investment anywhere in any one of the other 49 states as well as its home state.

The two most important criteria for approval of the investment in a company that is not a bank by a bank holding company are whether the investment meets the "closely related" test and, if so, whether there are adverse anti-competitive effects. In instances where the activity is to be commenced *de novo*, rather than by acquisition of a going concern, only the first test has significance.

With regard to the first test, the Federal Reserve Board has liberally construed the types of activities it deems to meet the closely related test. These include mortgage, finance, credit card and factoring companies; companies that service loans and extension of credit; trust activities; industrial banks; investment or financial advising; leasing personal property and equipment; making equity and debt investments in corporations designed to promote community welfare; providing bookkeeping or data processing services for the internal operations of the holding company and its subsidiaries and storing and processing for other companies banking, financial or related economic data, such as performing payroll, accounts receivable or payable or bill-

By ROBERT P. BRIGGS* President Conference of State Bank Supervisors

ing services; acting as insurance agent or broker in certain limited ways and acting as investment advisers to investment companies.

The board also has issued proposed regulations not yet adopted, expanding the list to include leasing of real property and armored car or courier services. CSBS has filed a statement on the armored car service proposal pointing out that whatever the determination of the board, it must not conflict with the principle and spirit of the *Dickinson* case which holds that a bank may not branch in restricted areas under state law through the device of an armored car company.¹

¹ First National Bank in Plant City, Florida v. Dickinson, 396 U.S. 122 (1969).

*Mr. Briggs is commissioner, Michigan Financial Institutions Bureau. This article by Mr. Briggs is reprinted with CSBS permission from the May issue of its official publication, The Supervisor.

The first cases involving acquisitions of investments by one-bank holding companies involved companies in the immediate area of the principal bank in the bank holding company because it was familiar territory. In some of these cases, however, approval of the acquisition of a going concern has been denied on anti-competitive grounds. In the most recent instance of such a denial, on March 16, the board denied the Crocker bank holding company approval of the acquisition of a mortgage banking company because the acquisition would foreclose existing competition. In the Los Angeles area, the bank originated 1/2 of 1% of all mortgage loans in the market while the mortgage company originated 7/10ths of 1%. In San Francisco, the comparison was 2.4% versus 1/10th of 1%. The principal concern, therefore, related to foreclosing potential competition between the two.

The concurring statement of Chairman Burns in the Crocker case contains an interesting and significant statement to the effect that if Crocker wishes to expand, it should look to a company whose present activities are carried on primarily or solely *outside* of the state of California. In other words, if a onebank holding company wants to expand



With the advent of the bank holding company amendment of 1970, there has been increasing interest and discussion in the possible evolution of interstate banking systems. At present, only one state, Iowa, permits limited acquisition of banks within its borders by an out-of-state bank holding company, and then only to a limited extent. Nevertheless, interstate banking, especially via the holding company route, is a legitimate interest of state bank supervisors and state bankers alike because while the Federal Reserve Board is responsible for the regulation of holding companies, it is the state department that both charters holding company state bank affiliates and supervises their operation. Thus, in our continuing effort to keep abreast of current and potential trends, we believe a

brief discussion of the interstate banking phenomenon is timely. The subject has much relevance for those of us who believe in the efficacy of a state banking system capable of responding to the challenges of a competitive industry.— Robert P. Briggs.

CSBA Associate Membership Report

(Mid-Continent Area)

		Eligible Banks*	1971 A/Mbrs.	1972 A/Mbrs.	New Members	5/31/72 % of Eligible
1.	Texas	685	381	424	23	61.9
2.	Missouri	571	358	382	26	66.9
3.	Illinois	717	312	295	10	41.1
4.	Kansas	432	256	253	8	58.6
5.	Oklahoma	238	141	187	26	78.6
6.	Louisiana	186	121	122	3	65.6
7.	Arkansas	183	124	117		63.9
8.	Alabama	185	93	102	5	55.1
9.	Kentucky	263	134	101		38.4
10.	Mississippi	145	55	87	25	60.0
11.	Indiana	289	63	74	13	25.6
12.	Tennessee	232	62	57	3	24.6
13.	New Mexico	37	11	17	4	45.9
-				7 07 1000		7

^e Figures taken from FDIC report for December 31, 1970, except in cases where more recent data have been furnished.

its investments, it should look *outside* its immediate area—to other parts of the state or to other states.

Now let's add the assumption of a Supreme Court decision in the Greeley case, expected early in the fall, approving and endorsing the application of the doctrine of potential competition. In that case Justice brought suit to prevent acquisition of the \$43-million deposit First National Bank of Greeley, Colo., by the \$586.7-million deposit First National Bancorp. of Denver, a bank holding company. The District Court dismissed the potential competition argument of Justice, as have four other district courts. In the light of the strong Supreme Court endorsement of competition in antitrust cases involving banking matters, beginning with Philadelphia and, most recently, in Phillipsburg, it is at least a fair guess that the court will accept Justice's argument.

Interstate Acquisitions?

With potential competition firmly established as a legal principle barring acquisition of subsidiaries in the immediate area of a bank and with the increased vigor of the Justice Department in preserving bank competition and, indeed in encouraging even more bank competition, we can anticipate a move toward interstate acquisitions by bank holding companies. This will come particularly from companies in capitalsurplus states such as California. Add just one more ingredient-the incredible growth of electronic data processingand one can visualize many activities currently being conducted by a bank being performed by an out-of-state bank holding company subsidiary. Further, these activities can be expected to spread within the borders of states with restricted branching. Whereas the point will not be reached of cashing checks or making deposits in an out-of-state

office—an activity that would require an interstate compact—one wonders where this spread of closely-related-tobanking activities will end. Some students of banking would argue that this development has rendered anachronistic the argument over the expansion of branch banking. Others would suggest that we are on the way to a nationwide banking system. •

- 101 1-0

Property Management Out

WASHINGTON—The Federal Reserve Board has withdrawn a proposed regulation that would have allowed bank holding companies to provide property-management services. The regulation had been published for comment last September 14 and would have added property management to the list of approved operations for bank HCs.

In making its decision, the Fed said that allowing bank HCs to enter this field raised serious questions regarding unfair competition, conflicts of interest and unsound banking practices. The regulation defined such services as "farm management, management of office buildings and other business or industrial properties, management of residences, ranging from single-family dwellings to high-rise apartment buildings and management of air rights above, or oil and mineral rights below, a particular parcel of land."

In announcing its decision, the Fed said that bank HCs and their subsidiaries could continue to manage:

• Properties held in a fiduciary capacity.

• Properties owned by a bank HC or its subsidiaries for conducting its own bank and related operations.

• Properties acquired by a HC or a subsidiary as a result of a default on a loan.

New Educational Program For State Bank Examiners

The board of directors of the Conference of State Bank Supervisors has adopted an educational program designed to assist outstanding state bank examining personnel in preparing themselves for assumption of top-level responsibilities in banking departments.

In announcing the program, President Robert P. Briggs, director of Michigan's Financial Institutions Bureau, noted that "the basic thrust of this program is the preparation of quality examiners for assumption of the duties of higher-level positions up to deputy supervisor with emphasis in the judgment areas of bank supervision. The proposed program would emphasize and encourage excellence in bank supervision, permit recognition by state bank supervisors of their outstanding examiners, broaden the horizons of the examiners and raise the level of proficiency of individual state banking departments.

"Nominees will have to meet certain experience criteria, must have demonstrated excellence in the performance of the examiner function and be a probable candidate for advancement within their departments.

"Candidates for this program will be nominated by their respective state bank supervisors using nomination forms provided by CSBS. The completed forms will be submitted to CSBS headquarters for consolidation, screening and referral to a selection committee appointed by the CSBS president. Two candidates will be selected each year to attend one of the many available advanced banking schools that have three-year curriculums. Thus, commencing with the third year, and thereafter, six students will be in school concurrently under conference scholarships."

Two Finance Companies Acquired by Multi HCs

Two St. Louis-based finance companies have been acquired by multibank HCs in recent weeks.

First National City Corp., whose lead bank is First National City Bank, New York, has acquired Acceptance Finance Co., consumer loan company with 83 offices in 14 states. First Tennessee National Co., HC for First National, Memphis, has acquired Crown Finance Corp., which operates 60 consumer finance offices in seven states.

First Tennessee National Co. also acquired James H. Pence Co., Louisville mortgage banking firm with a servicing volume of \$183 million.

All acquisitions are subject to approval by regulatory authorities. No changes in main office locations or management of the firms is planned.

MANAGEMENT AUDIT

Another Credit Criterion?

By Howard Clay Bowles

E VERY BANK has its own methods of evaluating its corporate clients. Traditionally, it evaluates them for purposes of loans and other services in two ways: 1. Analyzing the company figures, ratios and trends derived from financial audits. 2. Interviewing executives and visiting the company's offices and plants.

This is all well and good, but not enough if the bank needs further information. One or more of these conditions might prevail:

• The bank may have a loan outstanding that is close to default or, at best, shaky.

• It may be about to make a loan to a corporation that wants to acquire another company.

• It might plan to acquire a company itself, to increase the scope of its services.

• Two customers might want to merge.

• It might have control of a company it wants to sell or beef up and then sell.

In short, the bank has, or might have or has had, an investment in the company and it isn't sure how that investment now rests. What's needed, of course, is more information, indications beyond the financial audit and information beyond the assurances of the company's executives that things are being worked out and proceeding smoothly. Understanding is needed.

The bank would like to know what, if anything, is wrong, as well as what

MID-CONTINENT BANKER for August, 1972

strengths exist to be taken advantage of, in which departments or divisions or areas, and further, what should be done about them in order to make the company healthier.

Most banks have some business-consulting skills of one kind or another and at least several officers knowledgeable when it comes to spotting major weaknesses in a company. Most outside management consulting firms do this very well and can pinpoint imbalances in marketing, production, research and development, manpower and financial controls.

But much of this doesn't go deep enough—simply because when the weakness is apparent to almost anyone from the outside, including the banker or consulting firm, the situation has become dangerous.

The key to a good management analysis (or management audit, as we call it) is to go beyond the major weaknesses and spot the danger trends that are going to develop into major considerations in the near future. And this requires a depth of investigation, of minute analysis, that is beyond the scope of most "surface" surveys.

From our experience, what is needed is a "depth audit" that goes beyond the hit-and-run approach (which usually calls for key interviews with top management, followed by a thick written report that attempts to give some problem-solving direction to the corporation).

For the most part, this doesn't work very well, simply because the consultant's report tends to remain largely unread, although circulated widely. At best, most corporate executives thumb through it to see if their own recommendations were included. The report generally spells out a program of rec-

In this article, the author develops the premise that the credit file on a company is never complete without an in-depth *management audit*. Financial audits, of course, are the backbone of the credit file, but the "problem" loan, says the author, often can be spotted when a "personnel audit" is made.

A prominent Mid-South banker, when questioned, agreed with the author's premise. Capable management, in depth, often can bolster a thin balance sheet. However, management that is ineffective and without clearcut objectives cannot be expected to compensate for a poor balance sheet.

By carefully planned visits, the banker can evaluate the managements of those companies where loans might be considered risky. This Mid-South credit man believes, however, that where a professional management audit is indicated, the banker must be extremely tactful. Such an audit, he explains, is the prime obligation of the company and not the bank. A bank account can be placed in jeopardy, he explains, if company management is caused to "lose face."

Nonetheless, he agrees with the author that often the banker must look beyond the balance sheet, particularly when a loan is in or near default or when a company considers a merger, acquisition or major new venture.

HOWARD CLAY BOWLES is president, Marquis-Bowles Associates, Washington, D. C., a management consulting firm specializing in in-depth personnel analyses.

ommendations that everyone on the executive level presumes has been known for some time anyway. In most cases a kind of inertia sets in, wherein it is agreed that something should be done, but at a later date, when there is time to spare and the press of current duties is lessened. In short, it is filed away and forgotten.

A more sensible approach would call for the understandable assumption that the people who work for a company know most about what's right and wrong with it; that these persons are employed on all levels of the company, from top executives to blue collar; and that each of these people who lives with a situation, who has experienced the successes and frustrations of a particular department or division, pretty much know what's workable and what's impractical, or blue sky. These are the people who should be interviewed in depth, given free rein of expression (and anonymity!) and encouraged to talk out their opinions, gripes and suggestions and encouraged to offer pet ideas that never were allowed to surface before.

Executives are a vocal group, and if they're given to understand that a sympathetic interviewer will listen to *them*, take notes and *not* criticize (or report the gist of the interview to the executive's boss), then they open up and say some valuable things.

Here is an example of a questionnaire that encourages free expression by an executive:

1. What are the 10 best characteristics of the company?

2. What are its 10 worst?

3. What are the most important actions you think the company should

Adams Presents ABA's Revisions On Fed HC Formation Guidelines

THE ABA has proposed extensive revisions to the guidelines issued by the Fed to regulate formation of one-bank holding companies. Eugene H. Adams, ABA president-elect and president, First National, Denver, told the Fed that, "Realistically, we believe that in terms of the realities of midwestern banking structure and bank stock market conditions, these guidelines effectively deny the use of the

one-bank device to the majority of our nation's smaller banks." Mr. Adams challenged the guideline that restricts the amount a HC can borrow to buy the voting shares of a bank. He maintained that the Fed should not make blanket determinations of the credit worthiness of all bank stock purchasers, and contended that credit worthiness should be decided on a case-by-case basis by the lender.

"In our opinion, the decision as to how much indebtedness a HC may incur belongs to the lender and borrower, and must and should be made in the marketplace," Mr. Adams said. "We see no reason for treating this kind of an extension of credit any differently from any other."

Mr. Adams proposed that maximum loan periods be extended to 15 years from the present 10 years. He also objected to a guideline limiting interest and amortization payments to 50% of the HC's share of the bank's after-tax income. He said that other HC income should also be taken into consideration and that the portion of bank earnings available for debt service should depend on the adequacy of the bank's capital.

Mr. Adams called for clarification and elaboration of the guideline requiring a HC to extend an "equitable" offer to all shareholders when seeking control of a bank and urged the Fed to make it clear that the guideline will not be applied retroactively.

The Fed issued a clarification of its original guidelines following initial response from bankers, in the form of a letter to Reserve banks. The clarification made clear that the Reserve Banks should (1) continue to use the guidelines as they stand, delineating the extent to which Federal Reserve banks can approve one-bank holding company applications under delegated authority; (2) forward to the Board for action any applications that do not meet those guidelines, or which, for any other reason, the Reserve bank recommends denial; and (3) make it clear that, in its deliberations, the Board will consider and decide each case on its merits.

A decision on the guidelines is pending and may be made after this issue has gone to press.

take *immediately*, with what means, how and on what schedule?

4. What are the most important actions you think it should take *within five years*, with what means, how and on what schedule?

5. What are your own most significant accomplishments within your area of responsibility?

6. What are your own major weaknesses or disappointments within it?

7. What are the most important actions you would like to take *immediately* within your area of responsibility? What has been preventing you? What means do you need, how will you accomplish them, on what schedule?

8. What are the most important actions you would like to take in your area *within five years*, with what, how, on what schedule?

Several kinds of information will emerge from this approach, valuable and practical information that can be acted on and made to work almost immediately. Of course, other information will be learned that, for one reason or another, is impractical for the moment or beyond the capabilities of the company, and still other information that is irrelevant, worthless or totally without merit.

Fair enough. We get just that sort of mixture every day, anyway, in our business lives, so the problem then becomes one of sorting out the practical from the impractical.

At best this is difficult, but it must be done. We do it through a technique that might be called matching. Simply stated, it means that if enough people in a department or throughout the company say pretty much the same thing, the chances are that it is true, or true to *these* people, which is reality enough for most of us.

If enough people in the marketing department believe that it takes months to get a sales brochure written, designed, printed and distributed because Mr. X insists that all such production be trafficked through him, then something is wrong. Either Mr. X shouldn't handle this, should delegate it or some of his other duties should be given to others so he can concentrate on brochures and other print-production problems. Or maybe Mr. X should be eased out of his spot, or given additional staff.

The point is not that Mr. X is at fault so much as that 25 persons (including salesmen) all see the bottleneck and recognize it as such. For the moment, it's not necessary to come up with the solution, but it's very important to ask the right question: Why do sales brochures take so long to produce?

Or take another example. Execu-(Continued on page 86)



The Reverend Henry A. Kinkel has two bases of operation—an office as chaplain at First Security National (left), where he is shown counsel-

ing a bank employee, and his own church, St. Matthews Episcopal, where he is shown conducting a wedding ceremony.

In Lexington, Ky.

Bank Employs Ordained Priest To Counsel Employees

BANKERS KNOW they must keep sharp eyes on changes in supply and demand in the money markets to protect their investments.

But a bank's employees are its most important investments—and indications are that employee demand for counseling and religious activity far exceeds the supply available in the banking industry.

Response to a fledgling chaplaincy program at First Security National, Lexington, Ky., suggests that bank employees have many of the same needs as workers in other industries, where successful programs of this nature have been maintained for several years.

R. J. Reynolds Tobacco Co., McLean Trucking Co., Ryder Truck Lines and Holiday Inns of America are among more than 100 U. S. businesses employing chaplains.

The chaplain's position at First Security was inaugurated in July, 1971, when the Reverend Henry A. Kinkel opened his office to the bank's 400 employees.

"My primary duty is to minister to the mental, emotional and spiritual needs of the bank's employees," Mr. Kinkel remarked.

"The chaplaincy program is not a

departure from the church, but an extension of the church's ministry into the business world, where many people are searching for counseling motivated by the Christian faith," he observed.

"Listening and helping people make their own decisions is especially important," commented LeRoy Miles, president of First Security. Mr. Miles supported the program from its inception and recommends that other companies investigate the idea.

The chaplain is an ordained Episcopal priest who offers pastoral counseling to persons of all faiths as well as those who claim no church affiliation.

Marital and family problems, spiritual and religious matters and job difficulties are all Mr. Kinkel's concerns. His activities include:

• Counseling employees.

• Visiting employees on the job, getting to know them and making himself known and available as a friend, thus expressing management's concern for them.

• Making visits to shut-ins.

• Coordinating various activities, such as morning devotionals and bank choir.

• Performing ministerial services for bank employees with no church affili-

ation.

"Counseling is the thing I do most," he noted, "and personally, this is the most gratifying work I do."

Although he is not a personnel officer charged with mediating solutions to job problems between disputing parties, Mr. Kinkel often talks with employees and suggests ways to solve such problems.

His role ends at the door of his office, however; all discussions are held in strict confidence. "It's touchy," he observed. "You can go from a counselor to a meddler in no time at all."

The opportunity to discuss job problems with a helpful third party is a boon to employees, Mr. Kinkel asserted.

He recalled the case of a male employee who was ready to quit—he felt mired in his position, and his employment reviews were going steadily downhill.

With reference to employment records, Mr. Kinkel and the employee discussed his problem frankly over a two-week period. A turnabout in the employee's attitude, from "sit-back-andwait" to "get-up-and-go" led to a promotion six months later.

Some people want advice, others (Continued on page 112)

Salary Structure of U. S. Bankers Homogenizes Due to Urbanization

G ENERAL shortages of experienced bankers, especially at the middle management levels, and the increasing urbanization of the country are com-



HOWARD

nancial industries management. His firm recently published a detailed review of banker salary ranges, examining 21 commercial job categories, both nationally and regionally, and seven trust categories nationally.

Perhaps the most significant finding of the review is that geographic considerations, though still somewhat influential in determining banker salaries, are becoming less so every year. Size of the bank, however, is still a major factor.

"Obviously, a region's economy will affect salaries to some extent, though it's more likely to affect openings," Mr. Howard said. "But some traditional concepts that molded salaries at one level for one region and at another for another region—never as valid as believed, incidentally—are fast disappearing."

But aren't cost-of-living differences factored into salaries? "To some extent, even today," Mr. Howard admitted. "However, we believe this is essentially a 'plus' factor, added to a banker's package for relocation, rather than basic to a region's pay levels."

He went on to contend that the

ps://fraser.stlouisfed.org

bining to create a salary structure across the United States that pays little attention to region.

Such is the opinion of Don Howard, president of Don Howard Personnel, a national organization specializing in figeneral imbalance of supply and demand with respect to competent, experienced bankers, especially in the middle-level ranges, has been primarily responsible for the flattening out of any regional difference. In these ranges, where ambitious men and women are still out to make their marks, the banking industry is currently witnessing an unparalleled surge of ambition.

"These bankers are not as likely to be swaved by the intangibles of security and prestige as they might have been in the past," Mr. Howard said. "Those now maturing recognize they are rather valuable commodities. If opportunity doesn't present itself where they are, they do not hesitate to look for it elsewhere. They can't be considered jobhoppers-I don't think banking is in danger of that particular plague-but they are considerably more mobile than, say, 20 years ago. Naturally, the salaries paid throughout the country must reflect this, taking on a greater homogeneity than ever before.

Hand-in-hand with this development, and probably almost as important, is the urbanization of the country. Differences of size and pace between the relatively small community and the nearest urban center are shrinking. "Urban sprawl" has reached many isolated areas and has tended to produce new standards that reflect urban values. Ease of travel—by jet plane or the vast interstate highway system—has furthered the trend.

"It's true that there has been something of a reverse trend in the past few years in which some bankers have sought escape from urban pressures by relocating in smaller communities at the same or even lower salaries," Mr. Howard commented. "But, statistically, this is a minor factor. Like it or not, the nation is growing into a series of metropolitan areas, most of which are getting larger and most of which have similar characteristics in life styles, general attitudes and other factors that influence pay levels."

The new salary review, titled "What Bankers Earn Today," emphasizes the trends as observed by the Don Howard organization from its five offices throughout the country. Mr. Howard singled out several major items:

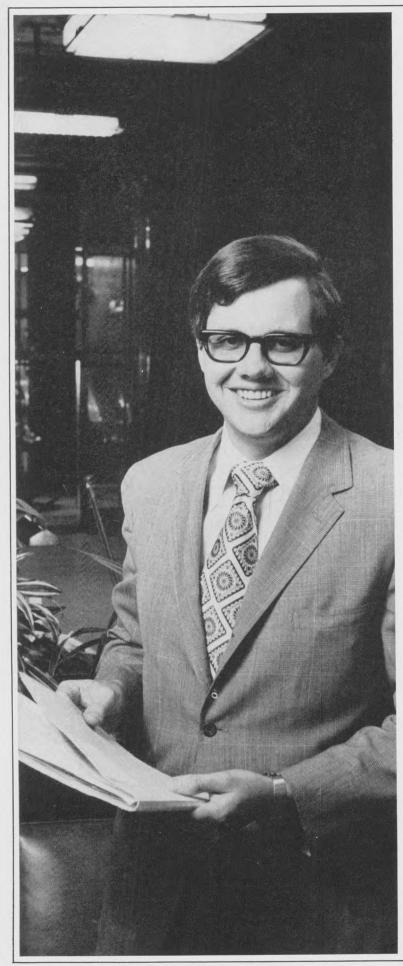
• Upper management continues to lead in salary in the traditional money centers of New York, Boston and Philadelphia, with the Southeast moving up rapidly.

• Size of bank is still an important element in salary determination.

• Trust bankers and commercial bankers alike benefit from the current shortages and general flattening out of regional salary differences.

"What Bankers Earn Today" shows the following picture of size differentials at the upper levels:

	under \$25 million		\$100 million- \$300 million	\$300 million and up
Chief Executive Officer	\$18,100-	\$23,300-	\$33,100-	\$41,700-
	\$26,700	\$35,100	\$47,100	\$67,833
Cashier/Executive Vice President	\$13,700-	\$17,700-	\$24,500-	\$37,700-
	\$19,700	\$25,100	\$33,500	\$49,500



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.





Christmas Goodwill Gestures Are Planned By Majority of Banks for 1972 Season

Christmas clubs show gains when interest is paid; Holiday bonuses remain popular as employee benefit

CHRISTMAS is the time of year when bankers sit back and watch their deposits diminish as their noncommercial customers spend money at department stores, tree lots—just about anyplace but at the bank.

True?

Not necessarily!

According to readers of MID-CONTI-NENT BANKER, Christmas is a time for banks to spread goodwill—not as promotional money thrown down the drain, but as investments in present and future profits.

Several articles in this issue tell how banks are getting the maximum benefits from their holiday activities. Bankers are taking advantage of new opportunities to get people into their banks where they can be turned into customers or, if they are already customers, where they can be sold additional bank services.

In short, Christmas provides numerous opportunities for forward-thinking banks to "get into the act" in profitable ways.

But before detailing the experiences of these progressive banks, an overview

of bank Christmas activity would be in order, taken from a sampling of banks in MID-CONTINENT BANKER's circulation area. A number of institutions were polled to learn what they are doing to observe the holidays in the areas of spreading goodwill, promoting Christmas clubs, offering holiday premiums and rewarding employees with Christmas bonuses. Ninety-six banks were surveyed.

Spreading goodwill. Sixty-six percent of the surveyed banks have staged goodwill holiday programs in the past, ranging from simply offering cookies and coffee to customers to sponsoring TV specials. As of June 15, more than 60% of the surveyed banks had decided to either repeat last year's goodwill gestures or search for alternates for 1972.

Goodwill gestures presented recently include outfitting dolls for children in orphanages; making financial donations to charities; inviting school choral

> By JIM FABIAN Associate Editor

groups to sing carols at the bank; decorating the bank lobby; throwing parties for underprivileged children; sponsoring a "Santa's Workshop" to make toys for less-fortunate children; donating food. toys and clothing to needy families; participating in a Christmas parade with bank employees decorating a float; offering photos of children with Santa. taken in the bank lobby; putting up outdoor and indoor decorations; providing gifts for people in nursing homes; decorating a tree at a local hospital; sponsoring a special Christmas TV program; sponsoring a coloring contest for children through the local newspaper; letting Santa operate the drive-up window; promoting holiday activities at local churches; serving as depository for yule funds raised by a local radio station; presenting gifts to customers and their children.

Christmas clubs. Regarding bank management's attitude toward Christmas club accounts, 49% responded that management was "positive" toward the club idea, 32% were "lukewarm" and 17% were "negative." Fifteen percent (Continued on page 66)

1 0

gitized for FRASER ps://fraser.stlouisfed.org

40

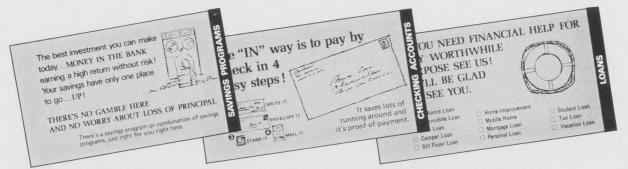
What value would you place on a service that brings your customers into your bank an average of... 35 times a year?

(35 opportunities to sell an additional service right in your bank)

Christmas Glub

and Christmas Clubs do just that! Plus...

Christmas Club a Corporation's Coupon Books do even more! Our major service coupon inserts cross-sell your customer all year long, even at home!!!



Increase your total number of Clubs! Increase the dollar value of your clubs! Increase all your service sales with your best prospect, **your own customer**! Use our all-new, all-media coordinated Christmas Club Programs!

Christmas Club a Corporation

330 Madison Avenue, New York, N.Y. 10017 CREATORS OF SPECIAL SAVINGS PROGRAMS
ADVERTISING AND MARKETING PROGRAMS Serving the Financial Industry Since 1910



St. Louis-Area Bank Thrills Children With 'Letter From Santa' Promotion

•• SURPRISE! Guess who is writing this letter to you . . . ?"

Imagine the reaction of a child who receives a letter with that beginning, reads it (or has it read to him) and then finds that it's from Santa Claus. Particularly when the letter is postmarked "Santa Claus, Ind."

And to catch the child's eye the envelope in which the letter arrives is a bright pink with a picture of Santa Claus and the legend: "A Personal Letter from Santa to:" The letter inside again pictures Santa in brilliant full color with a "hand-written" message telling about his plans for the individual child. On the back of the letter is another picture of Santa Claus which the child may color.

The mailing envelope carries the return address: "By Secret Arrangement with St. Johns Community Bank, 8924 St. Charles Road, St. Louis, Mo."

"We used the Santa Claus letter as a builder of good will for the first time at Christmas, 1971," said Fletcher E. Wells, vice president and cashier of St. Johns Community Bank. "The response from our customers and friends was enthusiastic and we distributed approximately 1,000 letters from November 15 to December 15. From the fine response and the comments of customers we feel assured that we were more than recompensed for our initial investment through additional accounts and word-of-mouth advertisments. We learned that many children took their letters to school to show to other chil-

By ARTHUR C. NORRIS Contributing Editor

dren and we're sure that many parents got just as much of a kick out of the letters as the kids did."

The service is purchased as a unit from Wyatt, Dunagan, & Williams, Inc., Los Angeles, Calif. Six different letters are available together with envelopes so that different letters may be sent to different children in the same family. The letters are displayed in the bank in a rack for about a month starting some six weeks before Christmas. The parent selects a letter, places it in the envelope, addresses it to his child and places a stamp on it. The letter is then deposited in a box in the bank. About 10 days before Christmas the box is shipped to the postmaster at Santa Claus, Ind., so that the letters are mailed and postmarked from there.

Part of the service is a supply of statement stuffers which call attention to the Santa Claus letters and explain how the program works.

The Santa Claus letters are just part of the bank's Christmas program. This Christmas for the third year the bank will give an inexpensive premium to those who open Christmas savings accounts. In 1970 the premium was a free Good Housekeeping magazine cookbook. That year the bank obtained more than 2,500 Christmas club accounts. In 1971 the free premium was an attractively colored paperback anthology of Christmas stories. The book contained selections from such renowned authors as Charles Dickens, Henry W. Longfellow, Washington Irving, Langston Hughes, Mary Mapes Dodge, Louisa May Alcott, Alfred Tennyson, Hans Christian Andersen and the Gospel according to St. Luke. Again well over 2,000 Christmas club accounts were obtained. The booklets were supplied by Christmas Club a Corporation.

"Competition forced this bank into using premium incentive programs," Mr. Wells explained, "but the results obtained have been so productive of new money and new business that our officers have become promotion minded."

The competition to which Mr. Wells referred was one large savings and loan separated from the bank only by an alley and another sizeable S&L only a short distance away. Both S&Ls were continually pounding away with premium offers and obviously they were getting new business as a result.

In 1969 St. Johns Community Bank started its first incentive program. The offer was a self-liquidating continuity premium featuring Dalton china. The first four-piece place setting was free when a new savings account was opened for \$25 or more or a new checking account for \$100 or more. Add-ons in similar amounts also obtained the free setting. After that, additional place settings could be obtained for \$2.95 with a savings deposit of \$10 or more

how to in

Boost Sales
Spark Salesmen
Build Traffic
Strengthen Loyalty
Win New Markets
And Much More!

SEND

your advance registration card

YOUR ADMISSION CREDENTIALS

National Premium Sales Executives

Premium Advertising Association of America

Trading Stamp Institute of America NATIONAL PREMIUM SHOW McCormick Place Chicago Sept. 25-28

at the

Premiums can do all these and more. They add *power* to your sales programs aimed at consumers, salesmen and dealers.

At the NPS you will meet the experts who know how to put together incentive programs that fit your needs . . . Over two miles of incentive merchandise are combined with top professional guidance to make your visit to the NPS a profitable experience.

> FIRST CLASS PERMIT No. 1727 RIVER FOREST, ILLINOIS

BUSINESS REPLY MAIL No Postage Stamp Necessary if Mailed in the United States

NATIONAL PREMIUM SHOW, INC.

Hall-Erickson, Inc. Managing Directors 7237 West Lake Street River Forest, Illinois 60305

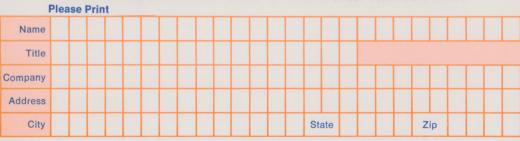
399 for real how to in NATIONAL PREMIUMA BOOST Sales - Build Traffic

 Boost Sales
 Spark Salesmen
 Build Traffic
 Strengthen Loyalty
 Win New Markets And Much More!

McCormick Place Chicago Sept. 25-28



ADVANCE REGISTRATION CARD 39TH NATIONAL PREMIUM SHOW



Type Of Business -

How Do You Use Premiums ?____

Please check your classification

 Premium User

 Advertising Agency

 Premium Jobber

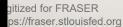
 Trading Stamp Company

Adv. Specialty Jobber
 Premium Manufacturer
 Other, Please Specify

The National Premium Show is where incentive merchandising starts... where premium knowhow makes your sales and marketing campaign a winner. Add excitement to your program with premiums. Join the sales leaders at McCormick Place.

ENDORSED BY:





or a checking deposit of \$100 or more.

The offer produced such outstanding results that the bank continued it for more than two years. Almost a year after the offer was discontinued an occasional customer still asked for his place setting, Mr. Wells recalled.

The bank kept no separate records of new accounts opened, but its purchase records show that 6,500 place settings were moved. During the china offer the bank also offered place settings of stainless steel flatware and records show that 4,200 such settings were moved.

To follow up the china and flatware offers, the bank used the Heirloom Family Bible as an incentive. Again the program was self-liquidating and the Bible was offered at \$9.95 with a new savings account or add-on of \$25 or a new checking account or add-on of \$50. Publicity emphasized that the Bible was a \$39.95 value and it was attractively displayed on a stand in the lobby so that customers could see and examine it.

During the promotion more than 700 Bibles were distributed. Mr. Wells found that some customers would obtain more than one Bible. For example, one woman with four sons bought a Bible for each of them to be given as each son married.

"From our standpoint, a major value of these promotions is that all of them increased lobby traffic," Mr. Wells said. "Obviously you can't do business with a man unless he comes into your bank. Of course, we have bank-by-mail customers, but the point is that if a customer wants an auto loan, a real estate loan or a safety deposit box, he has to come into the bank to get it. And contrariwise, if he does not come into the bank, he is not going to use any of these services. Premiums, even simple and inexpensive ones like the Santa Claus letter, bring more people into the bank." •

Booth Attracts New Accounts



This special booth was erected in the lobby of First National, Fort Worth, to handle new "First Account" checking accounts during May and June. The no-service-charge accounts are open to young people 17 through 21 and are available throughout the year. More than 200 young people opened new accounts at the booth.

MID-CONTINENT BANKER for August, 1972



Rand McNally has a colorful Christmas package for you.

It's everything you need for a complete Christmas Club program. Included are system supplies for MICR data processing coupon books, with ascending and descending balances in stub or validating styles. Special coupon books are also available for ON-LINE, non-MICR systems.

In addition, Rand McNally has a wide selection of full color display and promotion pieces that can be custom designed for your program. We've had over 40 years of Christmas Club experience. Write us today for complete details, samples and prices.



Christmas Club Division Box 7600, Chicago, III. 60680 10 East 53rd Street, New York, N.Y. 10022 202 Sansome Street, San Francisco, Calif. 94104



'Can-o-Cash' Gift Idea Popular With Customers At Christmas Season

M ORE THAN 3,000 people in Salina, Kan., received money in *cans* last Christmas! And every brightly labeled "Can-o-Cash" bore the name of First State Bank.

An ad in the Salina newspaper described the promotion as follows: "The ideal Christmas gift-MONEY in a can. Now you've seen everything! Here's the perfect gift for those who have everything, or who you think would like cash. We'll can crisp, brand new bills of any denomination right before your eyes. Your gift of cash is sealed in a No. 2size tin can, with an attractive red and green Christmas label, ready for giving. Those receiving this gift will not know how much is inside until they actually open the can with a can opener. It's fun, and it's unique. All you pay for is the money, the can is FREE. Here is the ideal gift for grandchildren, nephews, nieces and just anyone who likes money. Come on in today and ask for your 'Can-o-Cash.' No gift 'can' top this!"

The idea for "Can-o-Cash" grew out of bank management's desire to provide customers with a goodwill gesture consistent with Christmas traditions. But, according to Jerry Simpson, vice president, no one had any idea "Can-o-Cash" would be received so well. "We started out with just a few hundred cans, but four re-orders and 1,000 cans later, we knew the program was a real success," Mr. Simpson said.

"We learned two things about run-

46

ning the promotion—order enough cans initially to keep from running out and be sure to record the names of each person requesting a can because these names make for an ideal list to use for selling additional bank services." Mr. Simpson concluded, "'Can-o-Cash' is now an annual activity at First State. It's a part of our 'full-service' program."

The marketing firm that introduced and coordinated the "Can-o-Cash" program at First State—Advertising Concepts, Inc., Wichita, Kan.—has packaged the program for use in other banks.

More than 40 banks used the program last year. First National, Bartlesville, Okla., ordered 2,000 cans and could easily have used another 1,000 cans. The program brought in new customers, many of whom had never been seen in the bank before.

A representative of Herget National, Pekin, Ill., stated that the "Can-o-Cash" program "exceeded our expectations, and we only wish we had enough cans to meet the demand."

The sealing operation is a real attraction to customers. A small handcrank table-mounted unit quickly and easily seals lids on the cans. Most banks feel customers enjoy seeing this operation and they recommend that the sealer be placed in full view. One bank purchased an electric sealer for its program.

Several banks, like National Bank, Wichita, Kan., hired special "Miss Santa" employees to can money in their lobbies. Dale E. Wallace, vice president at National Bank, stated, "Our lobby traffic was excellent for the three-week period we canned money. 'Miss Santa' was real popular with both the children and their parents. We still had people asking for 'Can-o-Cash' several days before Christmas, long after we had run out of cans. Next year we plan to start the program a little later so we will have enough cans to last until Christmas Day."

Not only does "Can-o-Cash" seem to fill a need for providing a gift for lastminute shoppers, but it provides a means for commercial accounts to give Christmas bonuses to their employees. One man in Hutchinson, Kan., had \$1,000 sealed in his "Can-o-Cash" gift



Customers watch "Miss Santa" put lid on "Can-o-Cash" gift at National Bank, Wichita.

THE FORT WORTH NATIONAL

Statement of Condition

>

.

	June	30
Assets	1972	1971
Cash and due from banks	\$107,263,633	\$100,517,854
United States Government	55,496,137	53,214,366
State, county and municipal	130,209,580	108,007,791
Other investment securities	3,309,362	1,812,211
Trading account securities	2,221,360	2,650,120
	191,236,439	165,684,488
Federal funds sold	2,300,000	6,350,000
Loans and discounts	338,287,604	286,507,095
Land, buildings and equipment—undepreciated balance	15,379,689	8,854,917
Customers' liability under acceptances and letters of credit	9,310,800	7,115,371
Income receivable and other assets	5,105,211	4,624,448
	\$668,883,376	\$579,654,173

Liabilities and Capital Funds

Demand deposits	\$266,863,517	\$256,750,895
Time deposits	260,908,205	200,306,511
TOTAL DEPOSITS	527,771,722	457,057,406
Federal funds purchased and securities sold under repurchase agreement	62,549,505	52,505,000
Acceptances and letters of credit	9,310,800	7,115,371
Unearned income and other liabilities	11,759,724	7,941,227
TOTAL LIABILITIES	611,391,751	524,619,004
Reserve for loan losses	6,416,992	5,666,282
Capital funds:		
55% % Capital Notes, due 1992	9,625,000	10,000,000
Stockholders' equity:		
Common Stock, par value \$10 a share, 1,267,112		
shares authorized and outstanding	12,671,120	12,671,120
Capital surplus	17,568,880	17,568,880
Retained earnings	11,209,633	9,128,887
TOTAL STOCKHOLDERS' EQUITY	41,449,633	39,368,887
TOTAL CAPITAL FUNDS	51,074,633	49,368,887
	\$668,883,376	\$579,654,173

MID-CONTINENT BANKER for August, 1972

DIRECTORS and Advisory Directors*

VERNON BAIRD President, Mrs. Baird's Bakeries, Inc. W. HOYT BAIRD* Chairman of the Executive Committee, Mrs. Baird's Bakeries, Inc. PERRY R. BASS* LEWIS H. BOND Chairman of the Board and Chief Executive Officer DR. COLEMAN CARTER, JR.* LESTER CLARK Chairman of the Board, Petroleum Corporation of Texas WILLIAM C. CONNER Chairman of the Board, Alcon Laboratories, Inc. CULLEN DAVIS E. F. FREEMAN* BAYARD H. FRIEDMAN W. M. FULLER Oil and Ranching H. B. FUQUA* Honorary Chairman of the Board JAMES S. GARVEY Chairman of the Board, Garvey Elevators, Inc. RAYMOND C. GEE* Advisory Chairman of the Board GASTON HALLAM President, Ben E. Keith Co JOE B. HOGSETT* JOHN S. JUSTIN, JR. President, First Worth Corporation and H. J. Justin & Sons, Inc. B. J. KELLENBERGER* Chairman of the Board and President, Shenandoah Oil Corporation PORTER KING PAUL LEONARD LOUIS J. LEVY, M. D. WEB MADDOX* President, Maddox Properties ROY M. MAYS* Vice President and General Manager, Ponca City Activities, Continental Oil Company JACK W. MELCHER Vice President, Corporate Long Range Planning, Lennox Industries Inc. CORAN F. NEEDHAM Chairman of the Board, The Millers Mutual Fire Insurance Company of Texas J. C. PACE, JR. President, Buddies Super Markets L. F. PETERSON Petroleum Consultant W. H. PETERSON Executive Vice President, Retired GUY PRICE* Ranching A. L. SCOTT President, Kimbell, Inc. ROBERT F. SNAKARD Law, Snakard, Brown & Gambill, Attorneys O. ROY STEVENSON President, The Fort Worth National Corporation; Vice Chairman of the Board, The Fort Worth National Bank CHARLES D. TANDY Chairman of the Board, Tandy Corporation GLEN TURBEVILLE Chairman of the Board, Morrison Supply Company SAM P. WOODSON, JR. Executive Vice President, Fort Worth Coca-Cola Bottling Company GEORGE M. YOUNG



for his wife. Two bank officers witnessed the operation, just to be sure the customer left with the correct can!

"Can-o-Cash" was used by two banks last year as an inducement to sign up new Christmas club accounts, but it was found to be more successful as a goodwill tool.

"Can-o-Cash" may have become a permanent part of the Christmas scene for the banks using the program last year. Virtually every bank that has used "Can-o-Cash" has made plans to use it again. As one banker put it, "How else can you make 2,000 customers happy right at Christmas time, then make 2,000 more people happy Christmas Day when they receive their 'Can-o-Cash' gifts? And our bank's name is on every one of those crazy cans!" • •

■ SHERWOOD Y. JACKSON JR. has been elected an assistant vice president of Bank of New Mexico, Albuquerque.



a tin can, right before their eyes. The bright, three-color Can-O-Cash label with your bank's name imprinted on it is ready for giving. And, Christmas morning your bank's unique Can-O-Cash gift will be the topic of conversation. Can-O-Cash can be exclusive for your bank by reserving the program now. Total program provides your bank everything you need: cans, labeled with your banks name; lids and a hand operated can sealer; advertising materials include newspaper ads, radio commercials, three-dimensional lobby posters, and an outline of the program as utilized successfully in fourteen states.

Can-O-Cash will be your bank's most popular customer relations program. Call or write to reserve Can-O-Cash for your bank.

CAN-O-CASH advertising concepts, inc. / (316) 684-0461 6572 east central, suite 204 / wichita, kansas 67206

Seminar on Cash Management To Be Held August 17 and 18 By Third National, Nashville

NASHVILLE—Third National will conduct a seminar on cash management for corporate financial officers on August 17 and 18.

Attendance at the seminar is by invitation only and is limited to two representatives from any one organization. The content of the presentations and panel discussions will be oriented toward senior and junior financial executives of larger corporations.

The morning session on Thursday, August 17, will be devoted to an overview of corporate cash management, particularly as it relates to manufacturing and wholesaling. During the afternoon session, the cash management problems of chain retailing and branch office operations will be discussed.

On Friday morning, the main topic will be new techniques and new ideas in cash management, with particular emphasis on the role of the banking system.

■ PHOENIX—Valley National has named William P. Wilemon a vice president. He is manager of consumer lending services for the Downtown Tucson Office of the bank. He was an assistant vice president.

Radio-Alert System

(Continued from page 10)

80 banks on the list. This became too cumbersome, and so Mr. Corbett tried to get a "hot line" from the telephone company, but found it would be too expensive. He checked around and discovered a radio-alert system used by Civil Defense and adopted it.

From the beginning, the sponsor of the alert system has been the Kansas City Chapter of the Bank Administration Institute. Mr. Corbett pointed out that this is appropriate because members of the alert system are operations officers of BAI-member banks. At present, 57 banks take part in the plan. Each bank buys its own equipment, which has certain options. However, if all options are taken, said Mr. Corbett, the cost is less than \$300. The receiver is transistorized, and so there's little maintenance.

Mr. Corbett said that before the radio-alert system was started, a gang would develop a money-getting scheme that would work in one bank and then use it in 20 banks in the area before it was stopped. Now, such attempts are broadcast over the system, and participating banks are forewarned of such schemes. •

this man has confidence

He's Dick Heldridge, Regional Vice President of Crocker National Bank in Los Angeles. Crocker has one of the largest mobile home portfolios in the nation. INSURED PAYMENTS is helping to build and service this portfolio. This gives Dick confidence . . . comfortable, secure confidence.

Ask him.

A MOBILE HOME FINANCING SERVICE COMPANY 8561 Long Point • Suite 200 • Houston, Texas 77055



FAR LEFT: Customers were attracted to this special Christmas club booth in Lake View Trust lobby. Counter was large enough to permit two tellers to sign up new account holders.

LEFT: Lake View Trust offered four placemats as inducements to attract Christmas club accounts. They were displayed on pillars in bank lobby.

At Lake View Trust, Chicago

Internal Merchandising Boosts Sales Of Christmas Club Accounts

A WELL-PLANNED, step-by-step procedure was the key to the success of the 1971 Christmas club promotion at Lake View Trust, Chicago.

The bank's management realized the important cross-selling benefits of the Christmas club program, but was not pleased with its activity in past years, considering the bank's size and market. Christmas clubs in 1970 were barely over the 1,400 mark with a total payout of only \$189,000.

The bank decided to go after a larger number of accounts with a modest advestising budget and strong internal merchandising.

First, a newspaper advertisement was prepared announcing a free gift along with payment of 4½% interest on all completed Christmas clubs. The gift was a set of four historic American scenes, to be used as placemats or to be framed. The placemats were unusual gifts, since they were not available in local stores.

At the same time the newspaper ad and a direct-mail insert were being prepared, management began to check the bank's highest traffic areas to see which would be suitable for effective and appropriate merchandising. Chosen were the bank lobby, a large area behind the savings tellers, several outside windows facing busy streets and key locations around the various service desks in the lobby.

In the lobby, a Christmas club booth was set up where clubs could be opened and free gifts distributed. The three-sided unit, made of theatrical canvas, was designed as a Swiss chalet, featuring a painted wood surface and gaily colored flowers on the roof edges.

Next, the bank decorated six strategically located columns inside the bank lobby with the free gift placemats so customers would have the opportunity to see them up close. Each column had a large Christmas wreath at the top with a wide red ribbon flowing down. A set of placemats was spaced along each ribbon at eye level, for maximum display effect.

Premium Plugs Clubs

The type of premium selected to enhance a Christmas club promotion really makes a difference, says Larry Bayliss, public relations director at Boatmen's National, St. Louis.

The first year Boatmen's offered Christmas club accounts, the bank offered a record of Christmas music and pulled in slightly more than 500 accounts, with payout of \$76,000. The second year the bank offered a miniature kerosene-type lantern that burned incense. This premium was instrumental in doubling the number of accounts and zooming the payout figure to \$130,000.

Statement stuffers and point-ofpurchase materials were the only publicity given to the promotion. The bright red lanterns at each teller station were quite effective in turning people on to the Christmas club concept, Mr. Bayliss said. The placemats also were displayed on bright red showcards in the bank's outside windows, along with yellow cards explaining how to qualify for the gifts.

The bank installed flashing Santa Claus units next to the framed gift displays in two of its windows, in order to get the attention of the hundreds of shoppers outside the bank waiting for buses and walking down the streets. This also maintained continuity with the Santa Claus appearing in the newspaper advertisement.

A large wall behind the savings tellers was decorated with a sign displaying the placemats and another sign announcing the "double bonus" of the free gift and regular 4½% interest. As customers waited in line, the wall sign reminded them that the ideal way to save for next Christmas was through the Christmas club plan. When they finished their business at the savings window, they had to walk right by the Swiss chalet sales booth.

All these promotional plans were completed before the newspaper advertisement was printed. This was done so the bank could present the Christmas club plans to contact employees ahead of time to insure they knew what was going to happen and when.

All employees concerned with Christmas club were shown copies of statement inserts, which were reproductions of the newspaper advertisement offer, before they were mailed out to customers. To develop the enthusiasm of these

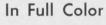
Special to Financial Institutions

"Tremendous for Your Promotional and Gift Programs"



MASTER CASE PRICE PACK: 20 SETS F.O.B. CHICAGO, ILL.

36 Deluxe Portraits of the Presidents



\$3995

PRESI DESTINYOF A GREAT NATION MEN WHO HAVE GUIDED THE

LOT #54B—Magnificent 11" x 14" full color reproduc-tions of original portraits of all the Presidents of the United States by award winning artist, includes gold foil nameplates. Printed on heavy art board, simulating oil colors, for display or framing. On the back of each portrait . . . the Presidential seal, the name, date and events of historical importance to that particular Presi-

> **GREAT PROMOTIONAL ITEM** FOR ALL TYPES OF PROGRAMS

dent. Non-glare, plastic coating for lifetime protection. In attractive folder for easy keeping, upon which the Golden Eagle has been imprinted. Ideal for use in home, office, library and school. List price \$39.95 per set. Pack 20 sets per master carton. YOUR COST: \$4.95 per set.

EXCELLENT GIFT FOR CUSTOMERS.

EMPLOYEES, LAWYERS, INSURANCE MEN, SCHOOLS, ETC.

BRANDMARK SALES CO.

America's largest supplier of unusual and useful give-a-ways, national brands and specially created promotional merchandise.

Over twenty years' experience in premium and promotional merchandise.

SEND FOR FREE CATALOG

Your complete satisfaction **GUARANTEED** or return for full cost.

MID-CONTINENT BANKER for August, 1972

tized for FRASER s://fraser.stlouisfed.org

DEPT. MC

TERMS: Open Account Net 15 Days

Sets "Portraits of the Presidents" @ \$4.95 per set F.O.B. Chicago, III.

□ Sample Set @ \$6.95 Postpaid

BRANDMARK SALES CO.

P.O. BOX 59320

Enter our order for:

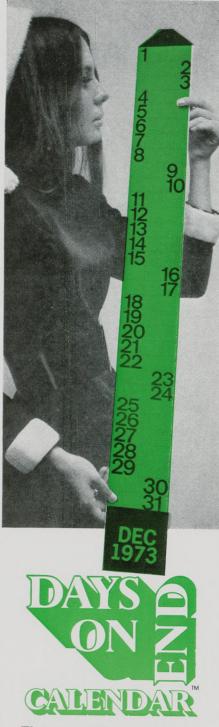
Gentlemen:

CHICAGO, ILL. 60659

Institution						•		
Address								

Signature

51



The proven Christmas Club premium and ideal year-end gift!

This exclusive 30" tall by 4" wide calendar brings back the advantages of wall calendars with a popular contemporary look. Days of the month are listed top to bottom, and there's plenty of room for notes. Your bank's name is imprinted on special adhesive backed hanger. Individual calendars rolled, labeled and packaged in clear plastic. Call or write for details.

advertising concepts, inc. 6572 east central, suite 204 wichita, kansas 67206 / (316) 684-0461

52

contact people, as well as of all employees, the bank gave them free placemat settings to take home and use.

What were the results of this stepby-step promotional procedure?

As of June 9, 1972, Lake View Trust had opened 2,843 Christmas club accounts-more than twice as many as the previous year.

Initial deposits for the 1971 clubs totaled more than \$35,569. The average club account was about \$180. The total payout for the year's clubs exceeded \$500,000, as against \$189,000 for 1970 -a 140% increase.

The chief difference between the 1971 Christmas club program and that of 1970 was the 41/2% interest on completed clubs offered in 1971. However, because of many comments made by customers who had never opened Christmas club accounts before, the bank feels its special merchandising efforts had to be responsible for many of the new accounts.

Lake View Trust is scheduling another active Christmas club effort for 1972 that is expected to double the totals of 1971. The goal for 1972 will be 5,000 or more new Christmas club accounts, with a projected total pay-out approaching the million-dollar mark.

Mortgage Firm's Ky. Assets To Be Acquired by Bank

LOUISVILLE-Citizens Fidelity is negotiating with the Laclede Bond & Mortgage Co., headquartered in St. Louis, to acquire certain of the firm's Kentucky assets. The bank announced that it has reached substantial agreement with Laclede and that utilization of the latter's assets will substantially supplement and expand Citizens Fidelity's activities in the mortgage field.

Laclede's Kentucky operations will continue much as in the past, under the same management of Gentry Harpole and under the same name.

A Western Flavor

(Continued from page 5)

-

ceeded expectations, according to a bank spokesman, who added that cost of the premium in relation to dollar volume amounted to less than 1/3%.

The shopping center in which First Bank West is located honored the facility's opening with a "western days" sale. All the stores were decorated in a western motif, and clerks wore western costumes.

News media, including television. covered the event.

The grand opening was preceded on June 1 with a gala prevue for friends, business customers and competitors. In keeping with the western theme, western party snacks and beverages were served during the 2½-hour party.

The traditional ribbon cutting was held June 5, with Mrs. H. G. Banks Sr., wife of the bank's late president, officiating. The mayor and chamber of commerce president also were present.

Joe Scallorns, vice president of First Bank of Commerce, planned and executed the advertising and promotional programs for the debut of First Bank West, assisted by Strecker Advertising of Kansas City.

■ NEW YORK—James J. O'Donnell, Richard A. Klein and Mario Capra have been named vice presidents at Chase Manhattan.

Holiday Giving at C&S, Atlanta

E MPLOYEES of Citizens & Southern National, Atlanta, made good use of the bank's Family Assistance Pro-gram last Christmas. The program, which is a continuing one that gives moral support and financial advice to indigent families, was expanded for the holidays to enable C&S employees to gather food, clothing and other goods to give to the families in the program.

Twenty-four families had been in the program for some time. Just before Christmas another 22 families were added. Early in December staff members started collecting usable clothes, toys, food, household goods and furniture for the families.

The week before Christmas, members of the bank's public affairs department and the Community Development Corporation collected the items and coordinators from the various branches and departments of the bank selected items that had been requested by the families.

Items that were not donated were provided by bank employees. For instance, when one branch found that its adopted family was in need of beds, the employees shopped around Atlanta until they found beds they could afford to purchase and give to the family.

By visiting families' homes, employees not only got to know the family members, but became acquainted with their needs. This enabled the holiday gifts to be items that were most needed-not simply items that no one else wanted.

Employees reported that the gratitude expressed by the families was the most genuine they had witnessed in a long while. • •

gitized for FRASER

Statement of Condition

The Hamilton National Bank of Chattanooga, Tennessee As of June 30, 1972

RESOURCES: Cash and Due from Banks	<pre>\$ 91,252,000 19,302,000 5,502,000 55,639,000 195,040,000 7,026,000 3,136,000 555,000 1,158,000</pre>
Customer Guaranty, Account Letters of Credit Federal Funds Sold	12,750,000
Other Assets	3,604,000
Total Resources	\$394,964,000
LIABILITIES AND CAPITAL: Deposits Federal Funds Purchased Securities Sold Under Repurchase Agreement Income Collected Unearned Contingent Liability, Account Letters of Credit Other Liabilities Reserve for Possible Loan Losses Capital Stock Surplus Undivided Profits Capital Convict	\$326,250,000 25,900,000 2,000,000 7,733,000 1,158,000 3,694,000 3,469,000
Total Capital	24,760,000 \$394,964,000
Total Liabilities and Capital	\$394,904,000



The Hamilton National Bank Chattanooga, Tennessee 37401 Member: Hamilton Bancshares, Inc.

.

The Bank for Banks says: "If you don't see what you want, ask for it."

Chemical Bank's own trust investment group works with some \$6 billion of other people's money. We have 23 Analysts, and 11 Vice Presidents who make up a Senior Policy Committee with investment experience totaling 275 years. Their full-time concern is to decide how best to invest this \$6 billion.

And while others may do a comparable amount of research for their own use, Chemical is one of the few major banks that shares so much of this investment information with subscribing Correspondent banks. It's an impressive amount of information, too. In a typical year, we may publish up to 100 separate issues covering these four investment areas: <u>Market Ratings</u>, a report (updated weekly) on some 250 stocks, as well as comments on specific situations; <u>Investment Forecast</u>; <u>Industry Studies</u>; and <u>Special Reports</u> (topical subjects of immediate interest). Some subscribers to our Trust Investment Advisory Service say we provide more information than they need. Others say they not only use it all, but frequently call Vice President Hugo Heuermann for more. Often, callers are further referred to the particular Analyst who knows the subject in depth.

The Bank for Banks helps you do more for the money in trust with you through this combination of written and personalized information service. The information we provide is yours to use — as much or as little of it as you may need. And if you don't see what you want, you have only to ask for it.

We have a new booklet that describes our service in some detail. Ask your National Division Representative for a copy; call Mr. Richard McGoldrick at (212) 770-2063, or write to him at 20 Pine Street, New York, N.Y. 10015.





Small Banks Report on Ways to Boost Christmas Club Accounts

HOW DOES your bank get the most out of its Christmas club? This question was asked of a num-

ber of small banks that have been promoting their Christmas clubs actively. Each respondent had something unique to contribute to this article.

Elliott State, Jacksonville, Ill., reports that all the banks in town cooperate in advertising the Christmas club concept each November. They place a coop ad in the newspaper stating, "This year Santa's bag has \$300,000 (1971 figure) for Jacksonville area people who started Christmas clubs last January." This advertising at payout time alerts the public that it is time to renew their club accounts. The banks find it much easier to sign people up for new accounts when they are aware that the time is at hand. The bank also runs a film trailer on its Christmas club at the local theater from November until Ianuary.

A Jacksonville industry that banks at Elliott State offers bank Christmas club accounts to its employees on the payroll deduction plan. The employees accounted for 224 accounts this year, with a payout of more than \$56,000.

First National, Camden, Ark., saw its Christmas club accounts jump from 479 in 1971 to more than 1,000 in 1972. This was accomplished by means of an employee incentive program. Employees were divided into groups—each of which had a goal. If the goal was met, the group received 10¢ for each account. If a group made 150% of its goal, each account was worth 15¢. In addition, an overall cash award was given to the first- and second-place groups.

Bank of Ste. Genevieve, Mo., places great emphasis on selecting the right gift to be presented to those signing up for Christmas club accounts. The bank plans to give decks of playing cards this fall.

Harold J. Uding, executive vice president, says that the bank tries to find a gift that will be appreciated by customers opening more than one account. He also says the bank has learned by experience to always give unbreakable gifts.

Bank of West Frankfort, Ill., also

stresses the importance of choosing the right gift for new account holders. This bank's most recent gift was a combination checkbook and wallet. The bank reports that many customers open more than one account, often in the names of grandchildren, then send the children the payout check when it comes. Others use the payout for insurance bills, vacations, auto license fees, taxes, etc.

Each year, at payout time, the local newspaper runs an article on the total amount paid out. This keeps the public aware of the popularity of the clubs. The bank reports that often new savings and checking accounts result from contact with Christmas club account holders.

Pulaski County Bank, Richland, Mo., advises that gifts should be selected with women in mind. Examples of past gifts given by the bank are sets of candles, trivets, kitchen platters and wind chimes. The bank reasons that women are primarily interested in Christmas club accounts, thus the accent on suitable gifts for women.

Magic?	ublic
Anytown, U.S. 999-990	
No, it's	19
PAY TO THE ORDER OF	\$
DIC	television where the second se
Wichita State B where the Customer is	Sank MORITA, KANSAS
abolt POR	_\vig
CNCK 1: 10 1 1: 008 4:	11011-00841
chek Wichilda State E where the Customer is POR 1: 10 1 10841:	1:1011=00841
Increase your new account activity and please	your
Increase your new account activity and please your new account activity and please your new account activity and please your present customers with Pic Chek, "the ultimate personalized checking". Imprinted photographs m	your e in Mr. Gerry Bradfield, Vice President Pic Chek Corporation,Dept MCI Box 634, Wichita, Kansas 6720 Please send me additional information on Pic Chek.
Increase your new account activity and please your new account activity and please your customers with Pic Chek, "the ultimate personalized checking". Imprinted photographs m check cashing easier for your customers and	your e in Mr. Gerry Bradfield, Vice President Pic Chek Corporation,Dept MCI Box 634, Wichita, Kansas 6720 nake Please send me additional information on Pic Chek. for
Increase your new account activity and please your new account activity and please your new account activity and please your present customers with Pic Chek, "the ultimate personalized checking". Imprinted photographs m	your e in Mr. Gerry Bradfield, Vice President Pic Chek Corporation,Dept MCI Box 634, Wichita, Kansas 6720 nake Please send me additional information on Pic Chek. for y or Name
Increase your new account activity and please your new account activity and please your customers with Pic Chek, "the ultimate personalized checking". Imprinted photographs mechack cashing easier for your customers and merchants. Be the first in your market (count	your e in Mr. Gerry Bradfield, Vice President Pic Chek Corporation,Dept MCI Box 634, Wichita, Kansas 6720 Please send me additional intormation on Pic Chek. for y or Name
Increase your new account activity and please your new account activity and please your present customers with Pic Chek, "the ultimate personalized checking". Imprinted photographs m check cashing easier for your customers and merchants. Be the first in your market (count state) to offer this exciting new program. Just call Gerry Bradfield at (316) 263-9191, col	your e in Mr. Gerry Bradfield, Vice President Pic Chek Corporation,Dept MCI Box 634, Wichita, Kansas 6720 Please send me additional intormation on Pic Chek. for y or Name
Increase your new account activity and please your new account activity and please your present customers with Pic Chek, "the ultimate personalized checking". Imprinted photographs mechack cashing easier for your customers and merchants. Be the first in your market (count state) to offer this exciting new program.	your e in Mr. Gerry Bradfield, Vice President Pic Chek Corporation,Dept MCI Box 634, Wichita, Kansas 6720 nake Please send me additional information on Pic Chek. for y or Name lect. Title

Holiday Gift Ideas

BANKS PLANNING Christmastime giveaways or premiums are always on the lookout for something new and practical. The following items are among those available for the 1972 season.

• An assortment of serving trays and place mats for use as premiums is offered by Living Color Financial Displays, Inc., 296 N.E. 67th Street, Mi-



ami, Fla. 33138. The items feature colorful Christmas decorations and are priced from 51ϕ to 99ϕ each.

• Faribault Woolen Mill Co., 1500 Second Street, N.W., Faribault, Minn. 55021, offers leisure blankets (stadium and auto robes), afghan throw rugs, bed blankets, leisure blankets in carrying



cases and specialty items. Leisure blankets can be used at the stadium, in the car, on picnics, at the beach, on patios or as nap or lap blankets. Each blanket comes in a snap-handle poly carrying bag.

• Christmas Guide is a pocket-sized booklet containing poems, stories, customs, traditions and carols associated with the holiday season. The 96-page booklets can be imprinted with the bank's logo and are priced at 30ϕ each in quantities of 1,000. The back cover of the booklets can also be imprinted with a message from the bank for an additional charge. Available through J. I. Marty Co., 725 Bates St., St. Louis, Mo. 63111.

• Holiday decorated ceramic coffee mugs that can double as pencil holders are offered by Northwestern Bottle Co., 2222 N. Second Street, St. Louis, Mo. 63160. Bank logo can be applied in holi-



day colors to match Christmas design on mugs. Minimum quantity is 12 dozen.

• Treasure chest is filled with nationally advertised household, drug and cosmetic items, for use as a premium to be offered as a general traffic builder or to those taking out loans at Christmastime. It also makes a welcome gift for employees. Available from Sampling Research Corp., 1 West Elm, Greenwich, Conn. 06830.

'Happy Holidays' Doormats

Continental Bank, Richmond Heights, Mo., offered an unusual Christmas gift during the 1971 holidays. The bank sold red doormats picturing a snowman and the words "Happy Holidays."

Besides selling about 125 of the doormats, Continental Bank maintained a holiday atmosphere by offering free candy canes for children and Christmas matches. The bank plans to sell the doormats again this year.

The doormats were supplied by Preferred Advertising, Inc., Berkeley, Mo.



• Three styles of coin banks are offered by Royalty Designs Division of Royalty Industries, Inc. 601 W. 27th Street, Hialeah, Fla. 33010. Coin banks make practical Christmas gifts that encourage young people to start saving.

• Hostess serving tray and other items are offered by Christmas Club a Corporation, 330 Madison Avenue, New York, N. Y. 10017. Fourteen-inch tray features lithographed design on metal. Useful for carrying drinks and sandwiches. Other items include holiday pins, decorator hot pad, daily reminder booklets, candles and Christmas books.

• Angel choir features three papiermache choristers with candles, individually boxed. The sets are offered at



\$1 each by Premiums for Financial Institutions, Inc., 5019 W. Belmont Ave., Chicago, Ill. 60641.

• Garland Display Corp., 126 N. Park, Glen Ellyn, Ill. 60137, offers a complete line of exterior-interior Christmas decorations for financial institutions. A 50-page full-color catalog featuring numerous display ideas is available on request.

Consolidated Balance Sheet

Assets	June 30, 1972	June 30, 1971
Cash and due from banks	\$164,712,625	\$134,491,864
Investment securities:		
U.S. Treasury securities	47,921,473	30,779,647
Securities guaranteed by U.S. Government Obligations of states and political	24,061,920	26,839,115
subdivisions	79,651,106	61,792,640
Other securities	3,865,116	3,782,784
Total Investment Securities	155,499,615	123,194,186
Federal funds sold and securities purchased		
under agreement to resell	12,450,000	6,050,000
Loans	390,165,421	350,768,429
Bank premises and equipment	15,477,062	14,410,660
Income earned — not collected	4,603,490	4,033,807
Other assets	7,388,356	2,178,571
	\$750,296,569	\$635,127,517

THIRD NATIONAL CORPORATION and Subsidiaries

NASHVILLE, TENNESSEE

June 30, 1972

Liabilities

Deposits:		
Demand	\$303,398,558	\$264,809,769
Time	312,605,280	240,234,248
Total Deposits	616,003,838	505,044,017
Federal funds purchased and securities sold		
under agreement to repurchase	42,065,000	42,750,000
Acceptances outstanding	293,561	991,074
Income collected — not earned	9,052,484	7,752,637
Dividends declared - unpaid	500,000	500,000
Accrued interest and other liabilities	4,953,393	3,809,258
Federal and state income taxes	3,053,562	2,777,131
TOTAL LIABILITIES	675,921,838	563,624,117
RESERVE FOR POSSIBLE LOAN LOSSES	6,584,686	6,584,686
CAPITAL FUNDS		
Capital notes 4¾% due 1991	7,500,000	7,500,000
Stockholders' Equity:		
Common stock, par value \$10, Authorized 4,000,000 shares; Issued and		
Outstanding 2,000,000 shares	20,000,000	20,000,000
Capital surplus	25,000,000	25,000,000
Undivided profits	17,064,045	12,418,714
Less – Treasury stock, 50,100		
shares at cost	(1,774,000)	
TOTAL STOCKHOLDERS' EQUITY	60,290,045	57,418,714
TOTAL CAPITAL FUNDS	67,790,045	64,918,714
	\$750,296,569	\$635,127,517

Consolidated Statement of Income

2.4		972	, energy	1971	
Operating Income	\$20,5	52,270	\$19	,238,854	
Operating Expense	16,7	20,242	_ 15	,073,896	
Income before income taxes and					
net securities gains	3,832,028		4,164,958		
Less income taxes	7	20,167	1,127,345		
Net income before net securities gains	3,111,861		3,037,613		
Net securities gains	1	46,982		12,290	
Net Income	\$ 3,2	258,843	\$ 3	,049,903	
Earnings per common share					
Income before net securities gains	\$	1.56	\$	1.52	
Net Income	\$	1.63	\$	1.52	

Six Months ended Iune 30.

Banks Plan Innovative Goodwill Programs for Holidays

BANKS are continually dreaming up new and effective methods for spreading goodwill at Christmastime. These methods are not always elaborate and expensive—in fact, it appears that originality and novelty carry the day in attracting the public to bank goodwill promotions.

One of the most appreciated goodwill gestures of last year's holiday season was made by Twin City Bank, North Little Rock, Ark. The bank sponsored free Christmas telephone calls between people in the bank's area and members of their immediate families in Vietnam. Any resident of the area, whether a customer of the bank or not, could make application at the bank for a three-minute call to a husband, son or brother stationed in the war area.

Forty-three calls were made, with the bank footing the bill. The bank also sent letters to each serviceman involved with the calls. The letters said, "With hope that the war will soon end, we want you to know our thoughts are with you during this holiday season. We are deeply grateful for the sacrifices you are making. Twin City Bank is happy to play a small part in bringing you together with your family at a time when families want to be together."

On a lighter note, Roeland Park State, Shawnee Mission, Kan., arranged for Santa Claus to literally "drop in" at the bank—by parachute! More than 5,000 parents and children watched Santa descend 2,000 feet into the bank's parking lot, where he helped distribute candy and bank gift certificates to the children.

Mercantile Trust, St. Louis, took time out to remember its bank-by-mail customers last year with a special Christmas card featuring a holiday thank-you message from the bank's six bank-bymail tellers. The card included a photo of the six employees, with the following message: "Happy holidays from your bank-by-mail tellers! We just couldn't resist adding our very best wishes for this holiday season and the new year to come. We have enjoyed serving you in 1971 and hope you will continue to count on Mercantile for convenient bank-by-mail service the year around."

The tellers received numerous Christmas cards from customers, most of which contained thank you messages for the thoughtfulness represented by the bank's card.

First National, Montgomery, Ala., sponsored a children's poetry contest last Christmas. All public school children from the third through sixth grades were encouraged to write original Christmas verse for the contest, with the major prize winners to appear on the bank's annual Christmas TV show. The Montgomery Public Library coop-



Leaping lizards! Here comes Santa to Roeland Park State's holiday party. Santa jumped from plane and parachuted 2,000 feet to bank's parking lot. Bank is located in Shawnee Mission, Kan.

erated by scheduling an exhibit, entitled "Christmas Poems by Montgomery Children." All the prize-winning poems were published in the city's afternoon newspaper.

The bank also asked junior and senior high school choirs to participate in choral programs at the bank and on the TV show, which was aired on Christmas night. More than 450 students took part in the TV show and about 1,200 students and teachers participated in the caroling at the bank.

The goodwill gestures on the part of these four banks adds up to a tremendous "plus" for the image of banking!

Officers for 1972-73 Elected By RMA St. Louis Chapter

ST. LOUIS—The St. Louis Chapter of Robert Morris Associates recently elected new officers for 1972-73.

Elected were: president, Merle M. Sanguinet, executive vice president, St. Louis County National; vice president, Harley E. Schwering, senior vice president, Manufacturers Bank; and secretary-treasurer, James E. Skaggs, vice president, Tower Grove Bank.



Frank Plummer (r.), chairman, First of Montgomery, awards prizes to winners in elementary school holiday poetry contest.

MID-CONTINENT BANKER for August, 1972

58

National American Bank Of New Orleans Statement of Condition As of June 30, 1972

RESOURCES Cash and Due from Banks..... \$ 78,054,300.09 United States Government Securities..... 48,455,618.03 27,977,986.64 Municipal Bonds..... 11,763,618.07 Other Securities . . Bank Buildings and Equipment..... 6,302,828.98 95,541,915.33 Loans and Discounts..... Federal Funds Sold ... 3,100,000.00 Equity: American St. Charles Co., Inc. 6,092,000.00 Customers' Liability Account Acceptances 10,035.92 Other Assets 3,243,348.67 \$280,541,651.73 Total..... LIABILITIES

Common Capital Stock	\$ 3,000,000.00	
Preferred Capital Stock	2,550,000.00	
Surplus		
Undivided Profits	2,159,489.84	18,159,489.84
Reserve for Taxes, Interest, etc		4,258,293.32
Federal Funds Purchased		
Bills Payable		-0-
Dividends Payable		30,918.75
Liabilities Account Acceptances		10,035.92
Deposits		231,132,913.90
Total		\$280,541,651.73

BOARD OF DIRECTORS

HARRY J. BATT, SR. Consultant, Outdoor Amusement Industry

ALLEN H. GENERES Chairman of the Board and Chief Executive Officer, Central Savings & Loan Association

BERNARD J. GRENROOD Special Consultant, Illinois Central Railroad

HERBERT JAHNCKE Chairman of the Board, Jahncke Service, Inc.

OFFICERS

CHAIRMAN OF THE BOARD John Legier

PRESIDENT LOUIE J. ROUSSEL, III SENIOR EXECUTIVE VICE PRESIDENT

GEORGE G. VATH

Ralph L. Dubos Jack E. Kern John M. Sibley

VICE PRESIDENTS Adrian L. Block Rodney C. Brower, Jr. Frank Castagna Jennings L. Courville Paul A. de la Bretonne Gerald J. Schwankhart Clayton V. Setze, Sr. Ernest C. Taylor

ASSISTANT VICE PRESIDENTS EDWARD L. ARNO, JR. GEORGE J. COOK JOS. A. DEVENNY, III BENJAMIN S. GRAVOLET THOMAS J. LATTIE A. JOSEPH PISCIOTTA

CASHIER Anthony P. Chisesi WILLIAM J. KROSS President, Kross Lumber and Wrecking Co., Inc. JOHN LEGIER Chairman of the Board

ROBERT S. MAESTRI Real Estate HESTER PLAUCHE Vice President, Delta Life Insurance Co.; Executive Vice President, Tharp-Sontheimer-Tharp, Inc.

Executive Vice President, Tharp-Sontheimer-Tharp, Inc. LOUIS J. ROUSSEL Oil Producer and Financier

J. C. DE BLANC

Adam H. Volk

ROBERT C. DUKE

INTERNATIONAL BANKING DIVISION

ANDREW J. SCHWABE, III

BUSINESS DEVELOPMENT

CORRESPONDENT BANKING

e President & Manag

CESAR BERISTAIN Assistant Vice President

RONALD A. MARTIN Assistant Cashier

ROBERT E. ELLIOTT

Senior Vice President

MILTON J. ZELLER Vice President

CHARLES E. FORET Assistant Vice President

CARROLL R. GRIFFITH Assistant Vice President

THOMAS J. RAFFERTY Vice President & Manager

RUSSELL J. BERGERON Assistant Vice President

CALVIN G. KAUFMANN

Assistant Cashie

ELECTRONIC DATA SERVICES

ASSISTANT CASHIERS TRUST DIVISION FREDERICK J. CHIQUET JEROME B. GLYN

JEROME B. GLYNN Vice President & Trust Officer THEODORE J. LABICHE Assistant Vice President & Trust Officer HERBERT G. HECKER Assistant Vice President GERALD G. YOUNG Assistant Vice President PHILP L. BATSON Trust Officer

President, Shilstone Testing Laboratory, Inc.

AUDITING DEPARTMENT

LOUIE J. ROUSSEL, III

President, Attorney-at-Law, Chairman of the Board Mutual Savings Life Insurance Co.

VICTOR H. SCHIRO Former Mayor, City of New Orleans, Insurance Executive

CLEM H. SEHRT Attorney-at-Law CECIL M. SHILSTONE

V. BERNARD BEVON, JR. Auditor ROBERT E. AHRENS Assistant Cashier LUCAS H. BACINO Assistant Cashier RUDOLF H. BRUNKEN Assistant Cashier

ACCOUNTING DEPARTMENT

ELWOOD H. KEIM Assistant Cashier JULES POUMAROUX Assistant Cashier W. R. WILSON Assistant Cashier

TRAVEL DEPARTMENT Mrs. Esther Steinberg Manager

June 30, 1972

30,918.75 10,035.92 31,132,913.90 80,541,651.73

OF NEW ORLEANS

Ten offices strategically located throughout New Orleans to serve a growing

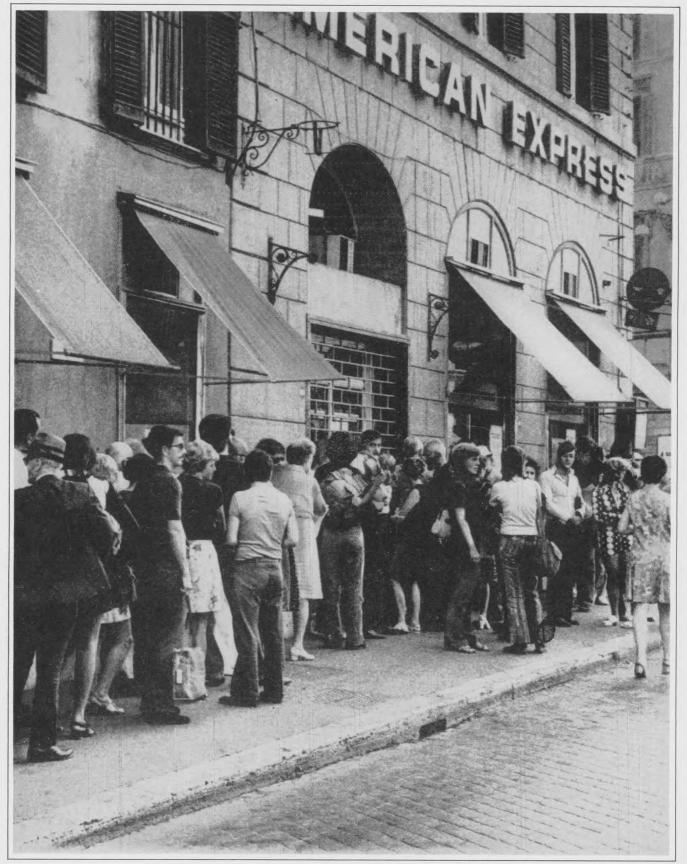
community

525-7761

Main Office: 200 Carondelet Street,

Member: Federal Deposit Insurance Corporation

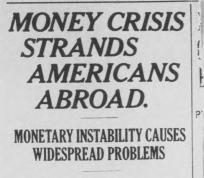
THE MONEY CRISIS: AUGUST 16, 1971.



The lines went around the block at American Express Company S.A.I., Piazza de Spagna No. 38, Rome, Italy. MID-CONTINENT BANKER for August, 1972

THE DAY YOUR CUSTOMERS WERE GLAD TO HAVE A LINE TO STAND IN.

VOL. CXXV. No. 121



ROME - AUGUST 16 - A fresh wave of mone-tary uncertainty swept around the world to-day. For people travelling overseas, caught at the height of a record-setting tourist sea-son, it was a hombshell. Travelers encountered widespread prob-lems due to the absence of stable rates of exchange. One American reported he was even unable to purchase film and postcore to because at the state of the sectore of the s

Few overseas travelers will forget this day. The monetary paralysis struck everywhere. In some countries the banks were closed. In many countries the foreign exchange markets did not open. At those hotels, shops, restaurants and ticket counters where travelers were able to exchange their money, it was usually at an unfavorable rate.

For people carrying American Express Travelers Cheques, it was a different story. American Express Company and subsidiary offices throughout the world stayed open and kept cashing **American Express Travelers** Cheques at a fair rate of exchange. So American Express customers were able to weather the financial chaos with a minimum of inconvenience. (The lines at American Express Company and subsidiary offices were long, but people didn't seem to mind. They were grateful to have a line to stand in.)

August 16, 1971. A day of crisis for Americans abroad. Except for the customers of American Express.

ALL TRAVELERS CHEQUES ARE NOT THE SAME

We would like you to consider the **American Express Travelers** Cheque as an extension of the service arm of your bank. American Express Company and

its subsidiaries extend to your customers a broader range of services than any other travelers cheque issuer in the world.

Here are a few reasons you should recommend them.

THE MOST RESPONSIVE REFUND SYSTEM IN THE WORLD.

If your customer's American Express Travelers Cheques are ever lost or stolen, he can get a refund -usually on the same day he reports the loss at any one of the 885 American Express Company, subsidiary or representative offices around the world.

Note: Each office is staffed with English-speaking personnel for your customer's convenience.

REFUNDS 365 DAYS A YEAR

The American Express Travelers Cheque has an emergency system called Refund 365^{SM} that can provide 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.

AMERICAN EXPRESS, THE WORLD'S **MOST ACCEPTED TRAVELERS CHEQUE**

The American Express Travelers Cheque is welcomed from Auckland to Zurich. Because of its name, 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 others combined.

BACKED BY THE WORLD'S LARGEST TRAVEL COMPANY

If your customer carries our Travelers Cheque, he will have the global network of American Express Company, subsidiary and representative offices at his service. In addition to cashing or refunding Travelers Cheques, these offices provide a full range of travel-oriented services: transportation, car rental, and hotel reservations; passport and visa information; sightseeing tours.

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. It's the only one issued in all these important currencies.

WHAT AMERICAN EXPRESS TRAVELERS **CHEQUES CAN DO FOR YOU**

They insure customer satisfaction. The kind of satisfaction that allows the relationship you have with your customer to continue untarnished. And in his lifetime, a customer will come to you for his mortgage, car loans, personal loans, home improvement loans, etc.

Why jeopardize your relationship with him because he has an unfortunate incident with the wrong travelers cheque?

With American Express you can rest assured he has the right Travelers Cheque.

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.



The Travelers Cheque

Banks Earn Goodwill Points at Christmas With Dress-A-Doll Costuming Programs

WHAT DO YOU GET when you combine individual involvement, a chance to make a child happy, Christmas and rewards for achievement?

You get Dress-A-Doll, a public relations program for financial institutions.

With this unique combination of ingredients, anyone could predict "can't miss" results. Who, indeed, can resist the basic emotional appeal of a child and her doll at Christmas?

Not many people do resist, for in 1971, 12,000 dolls were distributed to needy children through 200 financial institutions sponsoring the Dress-A-Doll program. And the lobby of each institution was filled with color and excitement as the dolls were displayed before distribution at Christmastime.

The Dress-A-Doll idea goes back to 1951, when the Sertoma Club of Minneapolis and Northwestern National Bank cooperated to present a new idea to the public. The idea was simple: Provide dolls to anyone interested; ask them to create and sew outfits for the dolls; return them to the bank; have them judged; award prizes; display them and see that needy children get them as Christmas gifts.

Response was immediate and the program spread until today, financial

institutions in 26 states sponsor Dress-A-Doll.

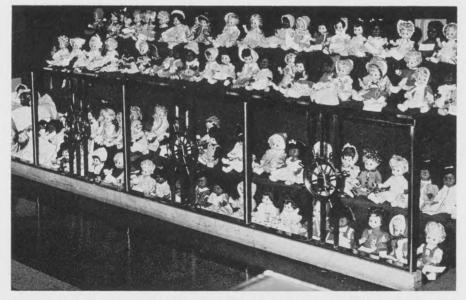
Much of the nation-wide impact of Dress-A-Doll is due to ex-Northwestern ad man Dick Stebbins. When he started his advertising agency in 1953 he presented what he knew was an excellent public relations program to his bank clients. Then he packaged the idea for use by financial institutions anywhere in the country, providing the dolls, ribbons, advertising, publicity and promotional know-how gained over many years.

Many banks have sponsored the program for years with continued response by the public and publicity for the banks. Apparently as long as there are children who love dolls and people who wish to fill that need, Dress-A-Doll will flourish.

Many Benefits

Sponsors report that the program benefits them in many ways. It gets the public involved, rather than just casually observing some bank event. It evokes credit upon the institution because the entire program is public-spirited, not business oriented. It provides a warm, human display for the bank lobby. It creates publicity in papers, on radio and

Employees Outfit Christmas-Gift Dolls



Boatmen's National, St. Louis, has sponsored doll dressing contests each Christmas for 22 years. For the past few years, the bank has provided 200 dolls to its female employees, who take them home and outfit them. The dolls are displayed at the bank for about three weeks prior to Christmas, where they are judged by non-bankers. The dolls are distributed to underprivileged children during a bank-sponsored Christmas party held in the bank's lobby.



Winners in Twin City Bank's Dress-A-Doll contest pose with the dolls they costumed. Standing is bank employee Mrs. Ruby Corley.

television that builds lobby traffic. And it gives the bank an opportunity to express its gratitude to a communityminded public rather than blowing its own horn.

Twin City Bank, North Little Rock, Ark., has used Dress-A-Doll for the past two years. Each year, prior to the holiday season, the bank has offered up to 100 dolls to the public and conducted a contest to see who does the best job in dressing the dolls. After the dressed dolls have been on display at the bank for a short period, they are donated to needy and underprivileged children at various local children's homes and orphanages.

Other Mid-Continent-area banks using Dress-A-Doll in the past include Boatmen's National, St. Louis; First Trust & Savings, Kankakee, Ill.; Frost National, San Antonio, Tex.; and Merchants National, Aurora, Ill. •

Computer Software Programs Offered on Monthly Basis

BIRMINGHAM—Banks can now arrange for software programs on a monthly rental basis through "rent-acat" offered by Computer Wares, Inc.

Computer Wares' systems include a modular design of eight individual programs trademarked CATS—computerwares automated total systems. Four of these programs are on the market and the others are in various stages of development.

CATS programs now on the market include CATS-A/R—accounts receivable—open item; CATS-A/P—accounts payable; AREARS II—automated retail accounts receivable system; and CATS-I/R—inventory record keeping.

According to John E. Finch, vice president, marketing, for Computer Wares, "rent-a-cat" means that customers have an opportunity to have software programs installed and working for them on a monthly rental basis. Training, installation and complete documentation is covered by the installation charge. Computer Wares offers a 90-day termination agreement to guarantee satisfaction.

62

Here are 1000 good reasons for your bank to have a "due to" account with ours.

Over 40% of all checks processed in California flow through Bank of America's 1000 branches. This means we can handle your "due to" account faster and more efficiently. Availability is cut to a minimum. For details about this and many other correspondent services, write directly to Chuck Simek, Assistant Vice President, Bank of America Center, San Francisco, California

(415) 622-3456.



•BANK OF AMERICA N.T. & S.A. MEMBER F. D. I.C. MID-CONTINENT BANKER for August, 1972

Newscaster Edwin Newman to Be Keynote Speaker At City National's Correspondent Conference

KANSAS CITY—The correspondent bankers and corporate treasurers conference of City National—coming, as it does, August 19-20 between the Demo-



cratic and Republican conventions will have a theme geared to the upcoming elections. In fact, the keynote address will be given by Edwin Newman, NBC-TV news correspondent, who will come directly from Miami, where he

NEWMAN

will be preparing to help cover the Republican national convention the following week. The election theme also was used in the invitations.

During the two-day affair, a Saturday luncheon will be held at the Hotel Muehlebach, to be followed by a business session at the Music Hall of the Municipal auditorium. At this session, Mr. Newman will speak, and there will be a panel, "A Vote for Profit," of City National officers. The panel will cover the major areas of banking and will be moderated by Ben B. Schifman, financial vice president, Kansas City Star. That evening, guests will be treated to a dinner at the Muehlebach and an assortment of entertainment.

The Glenn Miller era will be relived with vocal stylings of Ray Eberle and the Modernaires with Paula Kelly. Guests will come back to the present with the unconventional politicking of David Frye, political mimic and humorist. The evening will end with dancing to the music of Tony DiPardo and his orchestra.

The next day, there will be a brunch, to be followed by a trip to Municipal Stadium for the Kansas City Royals-Milwaukee Brewers baseball game.

About 1,500 persons are expected to attend the conference.

Bank Directors Assembly To Be Held September 2-5 In Colorado Springs

The 15th Assembly for Bank Directors is set for September 2-5 at the Broadmoor in Colorado Springs.

The assembly is sponsored by the Foundation of the Southwestern Graduate School of Banking at Southern

Santa Helps Open Branch Office in New Orleans



Opening a bank building in December? Let the holiday spirit serve as the grand-opening theme. This was done by International City Bank, New Orleans, last December when it opened its new Gentilly Office. Santa and some of his reindeer rode a special float that took part in a parade from Downtown New Orleans to the site of the branch. Another feature of the float was a replica of "Smoky Mary," the steam engine that pulled a train years ago from Canal Street to Gentilly Boulevard. The parade followed the former route of the train and Santa served, not as a sleigh driver, but as engineer of "Smoky Mary."

Methodist University, Dallas. Directors of the assembly are Dr. Richard B. Johnson, president of the Foundation, and Dr. William Baughn, dean, School of Business, University of Colorado, and director of the Stonier Graduate School of Banking.

Robert Mayo, president, Federal Reserve Bank of Chicago, will give the opening address on "The Economic Situation." In addition, Theodore D. Brown, executive vice president, First National, Denver, will address the first session on bank directors' responsibilities.

Jack Conn, chairman and chief executive officer, Fidelity Bank, Oklahoma City, and former ABA president, will address the final luncheon September 5. Twenty-six other bankers and educators also will serve as lecturers and counselors.

Talks will begin at 8:30 a.m. In midmorning, registrants will divide into small discussion groups, each under the guidance of two or more faculty members.

Lesher Joins Sandomar Corp. As Executive Vice President

Earl E. Lesher has been appointed executive vice president of Sandomar Corp., Wynnewood, Pa., investment company with cattle divisions operating in Kansas and Texas.

Mr. Lesher retired as vice president and com-

LESHER

mercial loan officer of Fourth National, Wichita, last April. He joined the bank in 1948 and was appointed manager of the cattle loan department in 1952.

Burford Joins C&I Bank, Memphis; Heads New Bond Department

MEMPHIS—Horace L. Burford has joined the C&I (Commercial & Industri-

al) Bank as vice president and head of the bank's new bond department.

Mr. Burford came from First National here, where he also was a vice president. During his career, he has been president of A. Duncan Williams, Inc., and vice presi-



BURFORD

dent of A. S. Hart & Co. He has been connected with the investment business for the past 11 years.

Mr. Buford is a graduate of Memphis State University.

64

You're looking at one of the largest oil fields in the world.

Headquarters for more oil companies than you can shake a dipstick at.

It takes a big, knowledgeable bank to serve the big financial needs of the oil industry.

And, Bank of the Southwest has been serving those needs for years. We've worked with every phase of the oil industry — exploration, production, refinery construction, distribution, petrochemical and all related business.

Our approach to this market is quite simple. We've organized our Oil and Gas Department around men who know the oil industry — because they've been there firsthand. Before we brought them into banking, most were employed by major oil companies. So, they know major oil problems.

If your customers are in gas and oil — or interested in getting in — call our Correspondent Banking Department, (713) 225-1551. We'll put you in contact with our bankers who know about oil. And our oilmen who know about banking.

Bank of the Southwest 910 Travis Houston, Texas 77002 Member Southwest Bancshares, Inc. Member F.D.I.C.

Goodwill Gestures

(Continued from page 40)

of the surveyed banks do not sponsor Christmas clubs.

Advertising, lobby displays and statement stuffers are the most popular means of promoting Christmas clubs. Ten percent of the surveyed banks reported incorporating employee incentive programs with solicitation of Christmas club accounts.

The principal reasons banks offer Christmas club accounts are to provide a valuable service (54%), to perpetuate a tradition (43%), to meet competition (38%) and to take advantage of crossselling opportunities (34%). Only 8% reported offering Christmas club accounts for the profit involved.

The majority of surveyed banks pays no interest on Christmas club accounts, although 4% pay 4% interest, 15% pay 4½% interest, 4% pay 5% interest and 5% make the final payment on accounts that have been kept up-to-date. Those banks paying 5% interest get around the 4½% interest rate ceiling by treating Christmas club accounts as CDs, requiring 90 days' notice for withdrawal of funds or limiting withdrawal to emergency situations.

Banks were asked to compare the number of current Christmas club ac-



counts with the number on the books a year ago. Forty-seven percent of the surveyed banks reported an increase in the number of accounts with increases averaging 21%; 26% reported no change in the number of accounts, although many said the total dollar amount had risen; and 9% reported a decrease in the number of accounts with the decreases averaging 5.3%. By and large, banks offering interest were the most successful in increasing their account totals. Other contributing factors to account increase were advertising, employee incentive promotions and giveaways.

Premiums. Sixty percent of the surveyed banks said their managements' attitudes toward the use of premiums during the holidays were "negative." Twenty-two percent reported "lukewarm" attitudes, while only 14% indicated a "favorable" attitude toward holiday premiums not given in connection with Christmas club account promotions.

Those banks offering holiday premiums favored candles, records, books, small gifts, photos, ornaments and jewelry, in that order.

Two banks provided figures on the results of their 1971 holiday premium promotions. A bank in Louisville reported 2,500 new accounts and add-on deposits, involving \$4.5 million in new funds, with the use of silverplated holloware during the holidays. A bank in New Orleans offered cultured pearls, which resulted in 1,886 new accounts or add-on deposits, involving more than \$500,000 in new funds. Both banks plan to use premiums during the 1972 holiday season.

Bonuses. More than 60% of the responding banks reported that they normally pay a bonus to employees at Christmastime. Most banks pay a percentage of an employee's salary, ranging from a week's to a month's wages.

It is interesting to note that 33% of the surveyed banks do nothing special at Christmastime and that 52% of the banks planning goodwill gestures for 1972 expect to repeat what was done in 1971. This would seem to indicate a need for fresh ideas that can be used to promote banks during the holidays.

Other articles in this issue are designed to provide these ideas—to encourage banks not now taking advantage of the goodwill potential of holiday gestures to re-think their policies, and to provide fresh ideas to those banks that feel that "more of the same" is the best route to take regarding goodwill gestures at Christmastime. •

• SAN FRANCISCO—Rodger M. Bivens, D. James French and T. Richard Kuhl have been promoted to assistant vice presidents in the national division at Bank of America.

New Promotions Announced At First American Nat'l

NASHVILLE-Mack S. Linebaugh, commercial loan officer in the metro-



LINEBAUGH

politan division of First American National, has been promoted from assistant vice president to vice president. He has been with the bank since 1962.

New appointments in the correspondent bank department includ-



SMARTT

HUNTER

ed: Robert L. Smartt, from assistant cashier to assistant vice president; and Samuel T. Gates and Larry W. Hunter, assistant cashiers.

Newly named assistant vice presidents are: Charles R. Bobo, controllers division; and Jerry T. Hartley, finance department. Norman A. Carl was elected an assistant trust officer.

Three Scholarships Awarded By TBA Trust Division

Three senior finance students at the University of Texas have received scholarships of \$500 each from the trust division of the Texas Bankers Association.

Robert W. Lau, vice president and trust officer, Frost National, San Antonio, and chairman of the education committee of the TBA trust division, presented the awards.



MID-CONTINENT BANKER for August, 1972

66

CITY NATIONAL BANK AND TRUST COMPANY

Byron Thompson Hal Hollister Pat Thompson Phil Youngs Gayle Dietz Gil Bledsoe

YOUR CorresBONDent BANK

Our bond department is an integral part of our correspondent services. That's because we know so much about municipals, government securities, federal agency securities. And because we know how to manage them so well. Give our knowledgeability some real thought. Then call us at 816-221-6800. We'd like to give you ours!

TATUTI

Future of Banking and Hunt Commission Topics at Merc Trust Baseball Party

B^{ANKING'S FUTURE and the Hunt Commission dominated the serious portion of last month's baseball party for correspondents of Mercantile Trust, St. Louis.}

Speakers included Donald P. Jacobs, professor at Northwestern University and co-director of the President's Commission on Financial Structure and Regulation; Daniel H. Gray, consultant with Arthur D. Little, Inc., Boston; and Donald Lasater, chairman, Mercantile Trust.

Mr. Jacobs said the Hunt Commission report recommended changes in the structure of financial institutions that would eliminate advantages of one type over another.

Mr. Lasater, host for the gathering, urged his audience to work together more closely to obtain the things they want from legislatures. He noted that banks were not good at lobbying, while S&Ls were good at it. He urged bankers to consider what is good for the consumer, not what is good for banks.

Mr. Gray presented seven trends that would affect the future of banking. These include a continuation of federallevel economics as a follow-up of phases one and two of President Nixon's economic policies; the formulation of a "social agenda" that will greatly influence investing; a blurring of the distinction between banking and other businesses; intensive labor activity during the next decade; an increased use of automation; the creation of a highly sophisticated and mechanistic type of nation-wide payment system; and the rising tide of multi-national corporations that will require banks to master international finance.

He also offered three areas of managerial competence that banks must cultivate in order to exploit the trends of the future. These include the creation of a new kind of accounting system to deal with new types of problems; an improvement in the planning capability of management; and the development of a basic managerial style or philosophy concerning management's acceptance of responsibility for the productivity of the system, rather than a long lament about how unproductive the system is.

Mr. Grav said that Keynesian economics has been able to cure great depressions, but not the double dilemma of high inflation and high unemployment. Thus the need for an "era of micro-tampering" by Washington, which means a prescription by the government to control the behavior of small units in the economy. Such a policy represents the fact that a political regime of either party cannot survive if it does nothing about large-scale unemployment and large-scale inflation. "It is necessary for a politician with a survival instinct to find some new experimental devices and when we have no new theory on which to base policy,

the policy must be ad hoc and improvised as we see it today," he said. He predicted that banking would be

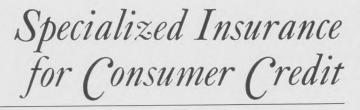
He predicted that banking would be identified as a potential "inflation breeder" and will find itself squarely in the middle of the regulatory trend.

Mr. Gray stated that social agendas will be created to help remedy the mismanaged collective needs of society, such as crime, pollution, urban decay, etc. "We can anticipate such an agenda before the decade is over . . . and its impact on banking will be such that we will discover that if people wish to invest, they will have to do more than pay the appropriate rate of interest to gather the capital. They will also need a license to invest and will be given a place in the queue," he said. This would mean, he said, that if investment plans do not square with the social agenda, the investments will have to be postponed, downgraded, or moved closer to the bottom of the list. He said that banks will probably be the enforcers



GUEST SPEAKERS Donald P. Jacobs (2nd from I.) and Daniel H. Gray (r.) are pictured here with Mercantile Trust Chairman Donald E. Lasater (I.) and James A. Smith, v.p., who heads the banks and bankers department for Mercantile. Professor Jacobs, of Northwestern University, was co-director of the Hunt Commission. Mr. Gray is a consultant with Arthur D. Little, Inc., Boston.

68



I. Yanan & Associates

A. Credit Life and Health And Accident

- 1. Credit Life Up To \$25,000
- 2. Credit Life In Excess Of Normal Amounts And Older Ages
- 3. Health And Accident In Excess Of Normal Amounts And Older Ages
- 4. Health And Accident Without Credit Life
- 5. Commercial Loans a. Level Term b. Level Term In Excess Of Normal Amounts and Older Ages

B. Physical Damage And Liability

- 1. Automobiles
- 2. Mobile Homes
- 3. Motor Homes
- 4. Recreational Vehicles
- 5. Snowmobiles

C. Single Interest And Non-filing For Automobiles And Other Loan Portfolios

D. Consultants In Forming Reinsurance Companies

E. Special Bonding Services

- 1. Bankers Blanket Bond
- 2. Officers And Directors Liability
- 3. Extortion Or Kidnap Insurance

F. Credit Bonds

- 1. Mobile Home
- 2. Home Modernization

G. Group Coverages—Bank Controlled Mailing Programs To Bank Customers

1. Mortgage Insurance a. Life And Disability b. Life Only c. Disability Only d. Individual e. Commercial

2. Group Homeowners Insurance

3. Specialized Individual Insurance For Bank Customers—Both Life And Hospitalization

H. Establishment Of Time Deposits Or Demand Accounts

I. Consultants In Establishing Or Selling Loan Portfolios

J. Assistance In Training Personnel When Using Our Services

K. Home Modernization Service Company Representing Both Banks And Dealers

You can have complete confidence in J. Yanan & Assoc., Inc. Our agency provides an Errors and Omissions Policy Through Lloyds of London For Protection of Our Accounts and Companies.

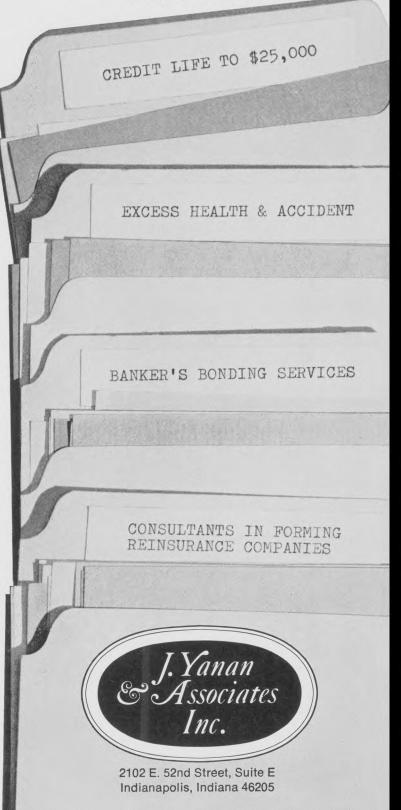
The J. Yanan agency has been a pioneer and leader in writing special insurance coverage for higher amounts of consumer credit.

We can offer prompt processing and placement of your excess insurance needs with one or combination of twenty of the nations leading insurance companies.

The J. Yanan agency is presently serving numerous major accounts in the banking field.

Call for complete details on any of the following services.

Area (317)-253-4444





Mercantile Trust Entertains at Baseball Party

and monitors of licensed investments.

Regarding the increasing blurring of business identities, Mr. Gray stated that businesses are beginning to take upon themselves some of their own banking functions, while banks are showing an interest in entering other businesses. "Banking may permeate the economy, instead of being present in big lumps called banks," he said. He suggested that there is an urgent need in most cities for economic development consortiums, which would be right up banking's alley.

In the personnel sector, Mr. Gray predicted that the black and female platform officer are not far away. "If banks do not cope with their employee problems imaginatively and skillfully, there are people waiting in the wings to exploit any weaknesses you may show."

He also said there was a great change developing in union leadership that will see many old-time union leaders leaving the scene to be replaced by restless, activist leaders who "will be casting their hungry eyes on the service occupations long un-unionized, to the extent that employees feeling alienated

70

or mismanaged or under-utilized . . . will find someone to tell them that organizing and bargaining collectively is the solution to their ills."

Regarding the creation of a nationwide payments system, Mr. Gray said that no one bank could handle such a chore, but that bankers should be prepared to influence the type of system that is set up.

Concerning the need for a new system of accounting, Mr. Gray stated that "we are increasingly concerned, not with the quantity of transactions, but with the quality of transactions and we have very little accounting for that purpose." He said banks had been inventive in the past in the field of accounting and they must be so again.

He said that it is the business of planning to question today's assumptions and to rewrite the book. "An appetite for dealing with uncertainty has to be cultivated if people are to deal with the problem of cultivating management planning capability. Conflict always occurs with change," he said, "and if this conflict is handled intelligently it can be called learning, and businesses must be learning organizations."

He said a basic premise must be accepted in order to properly develop managerial competence. This is that change is coming and there is no way it can be stopped. Therefore, it behooves bankers to stop complaining and decide to go along for the ride, thus placing themselves in the position to take over as drivers when the time comes. \bullet

McReynolds Elected President Of RMA Kansas City Chapter

KANSAS CITY—Byron D. McReynolds, vice president, City National, has been elected president of the Kansas City Chapter of Robert Morris Associates.

Other new officers include: first vice president, Stephen F. McCammon, assistant vice president, Commerce Bank; second vice president, Michael L. Calcara, assistant vice president, Commercial National, Kansas City, Kan.; and secretary-treasurer, G. Philip Smith, assistant vice president, First National.

Nine Promoted, Seven Elected At Fort Worth National

FORT WORTH—Fort Worth National has promoted three officers to

vice president, four officers to assistant vice president and elected nine to official status.

Charles E. Barnes, correspondent banking officer, was raised from assistant vice president to vice president. David G.



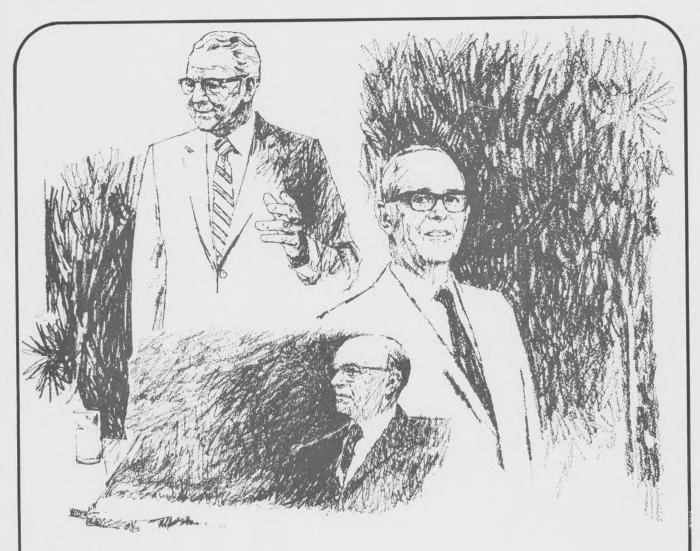
BARNES

Peebles and Dana E. Sullivan both went from assistant vice presidents and trust officers to vice presidents and trust officers.

New assistant vice presidents include George D. Andrews, J. L. Lydick, Rufus F. Parr and Philip R. Shewmake.

Elected trust officers were Harry L. Bartay, Robert C. Davis and Dewey A. Noles. New operations officers are Lawrence J. Baum and Grady H. Paul. James R. Clayton was named security officer; Jack L. Gregory, accounting officer; William P. Liles, personnel officer; and Charles T. Wilson, loan officer.

Mr. Barnes joined the bank in 1959 and has been in the correspondent banking department since 1964. He was appointed an assistant cashier in 1965 and assistant vice president in 1968.



When **More Than** a Loan is Needed.

The function of the investment banker supplements your own vital role in finance.

The investment banker specializes in raising the kind of money that businesses and governments (cities, counties, and school systems) need for long-term use.

We raise such capital through the sale of securities to investors, either by public offering or private placement.

As the best-capitalized investment banking firm between Chicago and the West Coast, we at Stern Brothers & Co. bring a Wall Street kind of expertise to our specialty.

We invite your inspection of a list of both corporate and municipal underwritings handled by us in the last few years.

When long-term capital is required-when more than a loan is needed-we invite our friends in commercial banking to work with us in helping their depositors grow.

Stern Brothers & Co. Established 1917

9 West 10th Street / Kansas City, Missouri 64199 (816) 471-6460

Denver

Albuquerque (505) 242-2665

Chicago (312) 356-0677

Ft. Worth (817) 336-4667

Omaha (402) 341-9500 (303) 292-1150



A Centennial Party For Missouri Bank Involves Whole Town

Polk County Bank's centennial celebration included free merry-go-round rides for youngsters.



Purebred Holstein oxen, named Willy and Wally, re-enacted event of 100 years ago by pulling wagon containing old bank safe (in background) to town square in Bolivar. Animals and safe created much comment. Holding animals is Tom Deveno, son of Joe Deveno of Hillside Farms, Purdy, Mo., who furnished oxen for celebration.



These are some of more than 40 antique cars that took part in bank's centennial parade.

AS THE POLK COUNTY BANK of Bolivar, Mo., approached its centennial this year, it was decided to give a giant birthday party with something for just about everyone in the area. The bank is located in a rural county seat of 5,000 population and has deposits of \$17 million. For being situated in a non-industrial area, Bolivar is unique in banking circles, showing bank deposits of \$6,000 per capita.

The party the bank gave in June certainly could not have disappointed anyone. It included a free, old-fashioned ice cream social, a concert band, oldfashioned-dress contest, a giant parade featuring horses and antique autos and even old-time melodrama. A spectacular highlight was the entrance into the town and to the city square of a 21/2-ton team of purebred Holstein oxen, pulling an authentically designed 1870s wagon, complete with a water barrel on the side. The oxen, furnished by Joe Deveno's Hillside Farms in Purdy, Mo., brought "ohs" and "ahs" from the crowd, as did their cargo, a safe, nearly 100 years old, weighing a ton, and bearing in old-fashioned lettering the inscription, "Tolfree, Dunnegan and Company, Bankers." This was the bank's original name. The delivery of this safe was a re-enactment of the delivery of the bank's first safe in 1872 by 12 oxen. which brought it some 30 miles from Springfield, Mo. The 1972 oxen, by the way, are said to be the only such animals in southwestern Missouri.

Earlier this year, because of its con-

tinuing growth and its approaching centennial, the Polk County Bank retained the services of the MAP Advertising Agency of Springfield, Mo., which assigned Mrs. Mary Lou Brixey as account executive for the bank, Mrs. Brixey was called on to plan and coordinate one of the largest, single-firm centennial celebrations ever put on in that area of Missouri. Her background in TV, radio and newspapers enabled her to tie together what Bolivar officials called "the biggest thing in Bolivar since 1948, when then President Harry Truman and Romulo Gallegos, then president of Venezuela, came here to dedicate the statue of Simon Bolivar.'

The centennial celebration began with a free, old-fashioned ice cream social Friday evening, June 16, in the bank's gaily decorated drive-in area. The centennial cake was cut first by T. H. B. Dunnegan Jr. and John Dunnegan, sons of a founder and the first president, Judge T. H. B. Dunnegan. The cake was served, along with ice cream and soft drinks, to nearly 2,000 well-wishers as a 20-piece concert band from Springfield played musical favorites spanning a century.

At the north bank entrance, bank employees blew up thousands of colored balloons for the many children who gathered around them. Inside the bank, which had been remodeled in the mid-1950s, visitors by the hundreds toured the bank's three floors, including the three beautiful art exhibit rooms. In one corner, the last portrait painted of Judge Dunnegan, done in 1928, when he was 86, looked down on the visitors.

Outside, people strolled "just like they used to" around the square, peering into store windows filled with displays of priceless antiques, heirlooms and historic items. These stores held "oldfashioned days sales" in conjunction with the bank's centennial, and store



Centennial parade featured many kinds of conveyances and drew largest crowd since 1948, when President Harry Truman and Romulo Gallegos, then president of Venezuela, were there to dedicate statue of Simon Bolivar.

At First American, there's a team behind the team.

First American's staff of correspondent representatives can help you with all of your financial services. But if you can't reach your man in Nashville, don't worry. Behind every good man, there are other good people at First American. For your specific need, you can go directly to an expert. INDUSTRIAL DEVELOPMENT

Are you looking for new industry? Our industrial

development pro can help you plan industrial parks in your community; talk with industrial development groups and encourage such expansion in your trade area.

In Tennessee use WATS line 1-800-343-8392, bordering states use WATS 1-800-251-8514.



LEFT: This is portion of crowd that attended free ice cream social during Polk County Bank's centennial. Twenty-piece concert band performs in background. RIGHT: Sons of founder and first president

of bank open centennial by cutting 100th-anniversary cake. At left is T. H. B. Dunnegan Jr., pres. of bank. Next to him is John Dunnegan, v.p. & cash.

employees wore costumes of other eras. Later, both displays and costumes were judged and special prizes awarded. Hosts and hostesses for many of the events included Chester Wainscott, senior vice president of the bank, and other bank personnel and members of the Historical Society of Polk County.

Visitors were serenaded by the concert band, which moved from the bank drive-in after the social to the courthouse green, with many visitors spending the remainder of the evening just listening to the music.

Very early Saturday morning, June 17, the campus of Southwest Baptist College in Bolivar became the gathering place for those who were going to take part in the parade that day. About 15 minutes before the parade began, the oxen—Wally and Willy—and the safe arrived at the square.

The parade, headed by a six-man color guard from the Springfield Naval Reserve, included marching bands, drum corps, 40 or more antique cars of every make and vintage, dozens of beautiful horses from numerous saddle clubs (including Bolivar), horse-drawn vehicles (some even predating the bank's founding), llamas and TV comedians. The parade and accompanying activities were broadcast by remote control over Springfield and Bolivar AM-FM stations. There were on-thespot interviews with various personalities, including the MAP agency's Mrs. Brixey, Joseph H. Straughan Jr. and Mrs. Jean Cates. The antique cars were judged by a team of experts.

In the midst of all this excitement, Wally and Willy, the oxen, stood patiently in front of the bank as wideeyed children hesitantly approached them and bravely stroked their giant



sides or heads. Older men stood about discussing the size and weight of the pair.

At the south side of the courthouse, the Bolivar Boy Scouts sold popcorn in red and white striped bags. Snow-cones, cotton candy, sandwiches, fresh fruits and other "goodies" were dispensed from other booths. Not far from the refreshments was a brightly colored merry-go-round that children rode free as often as they liked during the entire day and evening—compliments of the Polk County Bank.

On Saturday night, the bank presented something quite unusual—a live presentation of a gay '90s melodrama, "He Ain't Done Right by Nell." It was given at 7, 8 and 9 p.m. to standingroom-only audiences in a giant, 80x40foot striped tent and featured a large, portable stage, full drawn curtains, oldtime piano stylings played on a large upright, specialty vaudeville acts and door prizes.

The playlet was acted out by students of Southwest Baptist College and directed and emceed, respectively, by the college's dramatics director and alumni relations dean.

On Tuesday, June 20, the bank held a formal open house, with guided tours and refreshments. Visitors saw old bank journals, ledgers and other bank memorabilia, along with the widely acclaimed coin collection from Chase Manhattan Bank, New York City. In addition, on display were the art works mentioned previously and a firearms collection also started many years ago by Judge Dunnegan.

Both T. H. B. Dunnegan Jr. and his brother, John, were overwhelmed by the size of the crowds, estimated at 7,000 during various events. As T. H. B. Dunnegan Jr. put it, "I had visions of something rather quiet, but memorable

Centennial's old-time melodrama featured traditional fight between hero (in checkered shirt) and mustachioed villain, with heroine (in black in rear) standing by apprehensively. ... this is unbelievable, but so wonderful! One would find it difficult to keep up a pace such as this indefinitely, but —for now—well, it happens only once in a lifetime!"

The Polk County Bank, which started with capital of \$10,000, is one of the oldest-and possibly the oldest-correspondent banks of Chase Manhattan. Its first formal records of transactions with Chase date back to December, 1877. Judge Dunnegan was the first and only president of the Polk County Bank during his lifetime, which ended in 1934. At that time, he was the oldest banker in the U.S. with continuous service as a bank president. His son, T. H. B. Jr., took over as president in 1934, and his other son, John, is vice president and cashier. Both brothers are graduates of Cornell University.

Throughout its century of existence, the Polk County Bank has been open every business day. In fact, the Dunnegans recall that on Thanksgiving eve, 1932, its competitive bank posted a notice on its door that "depositors' money and records had been transferred to the Polk County Bank and would be available there on Friday morning—the next business day after Thanksgiving." Thanksgiving Day was spent transferring records, monies and other items to the Polk County Bank (which didn't leave much time for eating turkey).

The Dunnegans of Polk County Bank have made Bolivar unique in its cultural scope by promoting the Community Concert Series, donating land for the Carnegie Library and a 22-acre park and, throughout the years, building up one of the most outstanding art collections in the country. In addition, the family was instrumental in bringing Southwest Baptist College to Bolivar, supporting it and helping it grow in every way possible. The family's latest contribution is a perpetual scholarship fund, to be known as the Polk County Bank Centennial Scholarship. • •



What's Harold Smith doing down at the River Bank?

When he's not out calling on the correspondent banks he serves, Harold is down at Boatmen's—the "River Bank"—for one reason: to provide his customers with prompt personal attention to their needs.

Like Bob Toburen, Lee McNorton, and all the other members of Boatmen's crew, he has an "Aye, Aye" attitude toward such requests as fast collection service, data processing, investment counseling, overlines, credit information, letters of credit, and safekeeping.

> Your man from the "River Bank" will go overboard for you. Why not drop him a line?

here money things happen...

NATIONAL BANK OF ST. LOUIS Broadway & Olive • 314-421-5200 Member Federal Deposit Insurance Corpora

BOATME

Banks Urged to Have 'Alert System' In Case of Kidnap/Ransom Threat

By KATHY FLOOD

Assistant Editor

A SIMPLE "alert" system has been suggested by the FBI that is designed to help bankers in the event of a kidnap/ransom telephone threat.

The system should be used by all bank officers since all are possible targets for a threat of this type. The system centers around a small colored index card taped to the underside of each officer's telephone.

The color of the card is unlike any other index card used in the bank for normal office procedures. If personnel of the bank usually use white cards for filing, etc., the "alert" card should be another color—pink or yellow, for example. The unusually colored card serves as a code so that when it is displayed there can be no doubt that a kidnap/ransom threat is occuring.

Typed on each officer's card should be the following information:

• His home address and telephone number.

• The names of all persons living in his household. If there are children in the family who usually are not home all day, he should list the names and telephone numbers of their schools or jobs.

• A full description of the automobile he normally drives to work—including license number. • Names and telephone numbers of several neighbors who have agreed to help in the emergency of the officer's wife and family being held hostage.

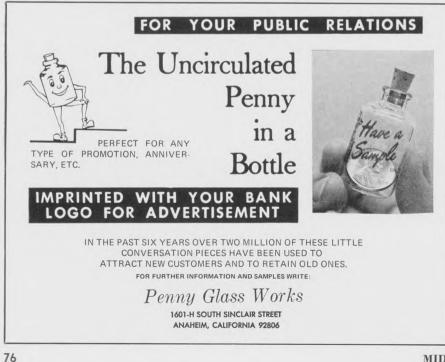
• Telephone numbers of local police, sheriff's office and nearest FBI office.

If a bank president, for example, receives a kidnap/ransom telephone threat, he removes the card from underneath his telephone, circles the name of his family member reportedly being held hostage and holds up the card for another officer to see or hands it to his secretary who will give it to another officer. Without speaking, the president already has alerted others in the bank to the extortion plot in process.

The passing of a code card usually is a safe method since the telephone extortionist, who usually is calling from a public telephone booth, rarely can see the banker he has called. The extortionist will not be anxious to call the banker from nearby, for example from the bank lobby, thereby risking observation.

The officer who receives the alert card from the president should try to reach the would-be hostage, in most cases, the president's wife. If she cannot be reached, he should contact the neighbors listed on the card to see if they can verify the whereabouts of the wife.

These neighbors must be contacted by the bank president beforehand. He



should explain to them, in confidence, the potential danger of a kidnap/extortion threat he faces. He should emphasize that all they may have to do to verify the whereabouts of his wife is to look out the window. However, if they have to go to the home in search of the wife, they run the risk of being held hostage themselves.

If they are willing to help, the neighbor and the banker's wife should set up a code. For example, if the neighbor goes to the home and the banker's wife answers the door, the neighbor could ask a code question such as "Have you seen my son David?" (When in actuality, she has no son named David.) If the wife says, "Yes, I saw him about 10 minutes ago in the backyard," the neighbor will know the wife is in trouble and can return home and notify the bank.

While one officer is verifying the whereabouts of the would-be hostage, another officer should contact local authorities, who will in turn contact the state patrol and FBI. The officer should give the police the description and license number of the president's car. The extortionist probably already has observed this car and will direct the president to drive it in delivering the money.

The FBI suggests that it is well to set up a security system preparing for a kidnap/ransom threat in advance with local authorities.

Bankers should remember that time is the most important element in a kidnap/ransom threat. This simple alert system can start the bank's security procedure in motion even while the banker is still on the telephone with the extortionist.

Following these steps not only quickly alerts the authorities to the extortion threat but also satisfies requirements demanded by many insurance companies. These requirements usually are:

• Notify law enforcement authorities.

• Notify another officer of the bank of your intent to deliver the ransom money.

• Attempt to verify if the extortionist actually has the hostage or if the threat is a hoax.

These steps are required to be taken before the money is delivered to the extortionist.

Some insurance companies cover kidnap/extortion on the bankers blanket bond policy. Some companies cover it but also charge an additional premium and some companies write a separate policy.

Each bank is urged to contact its own legal counsel and insurance carrier concerning this new type of insurance.

CONSOLIDATED STATEMENT OF CONDITION

June 30, 1972



RESOURCES

**

Cash and Due from Banks	\$ 397,101,000
U. S. Treasury Securities Public Housing Authority Securities State and Municipal Securities Other Securities	48,389,000 179,865,000
Total Securities	462,492,000
Federal Funds Sold	12,300,000
Commercial Loans	
Insured or Guaranteed	228,821,000
Other	368,178,000
Total Loans	1,348,135,000
Bank Properties and Equipment Accrued Income and Other Resources	52,048,000 24,460,000
Total Resources	

LIABILITIES AND CAPITAL FUNDS

Demand Deposits Personal Time and Savings Deposits	\$ 731,443,000 1,120,828,000
Other Time Deposits	191,593,000
Total Deposits	
Federal Funds Purchased and Securities Sold under	
Agreements to Repurchase	45,875,000
Accrued Expenses and Other Liabilities	33,014,000
Total Liabilities	2,122,753,000
Reserve for Possible Loan Losses	22,463,000
Capital Funds:	
Capital Notes—4.65%, Due 1989	23,000,000
Convertible Capital Notes—5%, Due 1994	14,795,000
Shareholders' Equity:	
Common Stock—\$10 par value:	
Authorized—2,400,000 shares	
Outstanding-2,054,928 shares	20,549,000
Surplus	59,656,000
Undivided Profits	33,320,000
Total Shareholders' Equity	113,525,000
Total Capital Funds	
Total Liabilities and Capital Funds	

NOTE: Securities carried at approximately \$235,326,000 were pledged at June 30, 1972 to secure public deposits (including State of Michigan deposits of \$18,237,000) and for other purposes as required by law.

DIRECTORS

LOUIS G. ALLEN Executive Vice President

WENDELL W. ANDERSON, JR. Chairman of the Board and President, Bundy Corporation

ALBERT J. BERDIS Vice President and Director, National Steel Corporation

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

E. PAUL CASEY President, McCord Corporation LEROY W. DAHLBERG Partner, Dahlberg, Mallender & Gawne MAX M. FISHER Chairman of the Board, Fisher-New Center Co. SHERMAN J. FITZSIMONS, JR. Chairman, FitZSimons Manufacturing Company WILLIAM CLAY FORD Vice President and Director, Ford Motor Company MERVYN G. GASKIN Chairman of the Board, Taylor & Gaskin, Inc. PIERRE V. HEFTLER Partner, Bodman, Longley, Bogle, Armstrong & Dahling

KENNETH G. HERRICK Chairman and Chief Executive Officer, Tecumseh Products Company GEORGE M. HOLLEY, JR. Director

HARRY J. LOYND Director

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

WILBER H. MACK President, American Natural Gas Company

WILLIAM A. MAYBERRY Director

WILLIAM G. MEESE President and Chief Executive Officer, The Detroit Edison Company Member Federal Deposit Insurance Corporation

OF DETROIT ROLAND A. MEWHORT Chairman of the Board

MANUFACTURERS NATIONAL BANK

DONALD R. MITCHELL Chairman of the Board, The Mitchell-Bentley Corporation

WILLIAM T. PATRICK, JR. Director of Central City Services, Department of Environmental Research and Development, American Telephone and Telegraph Company

DEAN E. RICHARDSON President

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

Presidential Portfolio Offered to Banks



"Portraits of the Presidents" portfolio contains 36 full-color reproductions of nation's chief executives, ready for framing.

IT ISN'T OFTEN that an item with the potential of "Portraits of the Presidents" is offered to financial institutions for use in their promotional and gift programs.

"Portraits of the Presidents" consists of a portfolio of full-color reproductions of paintings of each of the U. S. presidents. Their size—14"x11"—makes them suitable for framing. Each portrait includes historical facts about the subject, printed on the reverse side.

Typical of the information found on the reverse of the portraits is the following: Date of birth; place of birth; ancestry; names of parents, wife and children; education; religion; occupation; years of military service; political affiliation; offices held; age at inauguration; terms served; name of vice president; date and cause of death. Also documented are highlights of historical events during the subject President's administration. In addition, information is supplied about the artist.

Financial institutions have been using the portfolios as gifts to schools and libraries and as premiums for customers. They also make excellent gifts to preferred customers.

The collection was awarded the George Washington Honor Medal Award in 1969 by the Freedoms Foundation at Valley Forge.

"Portraits of the Presidents" is available from Brandmark Sales Co., P. O. Box 59320, Chicago, Ill. 60659. Valued at about \$40 originally, the portfolios are available in quantity lots as low as \$4.95 each.

Alert banks will be making good use of this item in months to come.

J.F.

• To help achieve or maintain a banking system which will assure the most appropriate allocation of bank resources;

• Maintain responsible judgment and control as nearly as possible to the source of funds of the trade area and the uses to which they will be put;

• Maintain and enhance the strength and vitality of the state bank supervisor-examination function and preserve its relationship with state-chartered banks — —

we should all adopt a policy position on freedom in bank-resource allocation urging that individual banks, limited only by the powers of their charters and constraints of respective on-the-job bank examiners, be permitted to allocate resources with maximum freedom from federally concentrated powers to assure that the decision-making process is maintained as closely as possible to the community or trade area being served by respective banks.

For a federally centralized govern-

ment agency to arrogate the powers and judgments of individual banks and examiners in determining the relative worthiness of specific types of loans assumes that, in the long run, federally centralized officials are capable of better judgment than local bankers or individual examiners. Such a proposition is extremely difficult to defend as general policy.

The question of freedom in allocation of resources is vital. It must be guarded. The quest for power by some is insatiable. To offset this quest for concentration of the decision-making process, we all must maintain strong state and local banker grounds and support legislation that will maintain the decisionmaking process on the specific allocation of banking resources as close to the local level as possible. •

■ SAN FRANCISCO—Bank of America has promoted Charles W. Donovan Jr. to assistant vice president.

Calendar Promotes Clubs



This unique "Days-on-End" calendar was used as a Christmas club premium last year by Hutchinson (Kan.) National and East Side National, Wichita, Kan. Both banks reported substantial gains in numbers of accounts, due to the use of this premium. East Side National almost doubled its accounts and Hutchinson National achieved a new high in membership totals. Calendars are available from Advertising Concepts, Inc., Wichita, Kan.

MID-CONTINENT BANKER for August, 1972

Decision Making

(Continued from page 32)

The first six items listed would tend to shift the bank-resource allocation function further from the level at which the worthiness and soundness of newly created bank assets can best be judged.

It seems self-evident that the question of the most appropriate allocation of bank assets for specific purposes in a trade area can best be determined by individual on-the-scene bankers operating within the framework of the broad functions for which they were empowered when chartered and under the supervision and examination of state banking departments or national bank examiners who examine various types of assets without bias other than that each asset be within the broad limitations for which each institution was chartered.

Morgan Guaranty Trust Company

OF NEW YORK

Consolidated statement of condition

June 30, 1972

Assets

.133013				
Cash and due from banks		•		
U. S. Treasury securities				716,192,923
Obligations of U.S. government agencies	s .			37,683,286
Obligations of states and political subdiv	isic	ons		701,670,452
Other investment securities				257,678,436
Trading account securities				149,075,858
Federal funds sold and securities				
purchased under agreements to resell				10,266,000
Loans				7,234,128,517
Bank premises and equipment				83,514,280
Customers' acceptance liability				257,947,535
Other assets				483,740,289
Total assets				\$14,128,768,924
Liabilities				¢ 1 20C 07C 227
Demand deposits				
Time deposits				
Deposits in foreign offices				
Total deposits		•	•	10,716,477,997
Federal funds purchased and securities				
sold under agreements to repurchase				1,229,366,000
Other liabilities for borrowed money .				133,339,884
Accrued taxes and expenses				116,394,887
Liability on acceptances				287,631,956
Dividend payable				14,597,440
Convertible debentures of a subsidiary				
$(4\frac{1}{4}\%, due 1987)$		•		
Mortgage payable				
Other liabilities		•	•	407,461,937
Total liabilities	•	•	•	\$12,972,148,737
Reserve For possible loan losses				\$ 116,720,296
r or possible toan rosses				·,,

Capital accounts

Capital notes (63/8%, due 1	978)					.\$	100,000,000
Capital notes (5%, due 199							94,000,000
Equity capital:							
Capital stock, \$25 par value	(9,1	23,4	100	sha	are	5)	228,085,000
Surplus							336,500,000
Undivided profits							281,314,891
Total equity capital							845,899,891
Total capital accounts .							
Total liabilities, reserve, a	and c	apit	ala	acco	oun	ts \$	14,128,768,924

Assets carried at \$1,459,657,073 in the above statement were pledged as collateral for borrowings, to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

Member, Federal Reserve System, Federal Deposit Insurance Corporation

New York	23 Wall Street, Fifth Avenue at 44th Street, Madison Avenue at 58th Street, 40 Rockefeller Plaza, Park Avenue at 48th Street
Abroad	London, Paris, Brussels, Antwerp, Frankfurt, Düsseldorf, Munich, Zurich, Milan and Rome (Banca Morgan Vonwiller S.p.A.), Tokyo, Nassau
	Representative offices in Madrid, Beirut, Sydney,

Hong Kong, São Paulo, Caracas

Directors

ELLMORE C. PATTERSON Chairman of the Board

WALTER H. PAGE President

- J. PAUL AUSTIN Chairman of the Board The Coca-Cola Company
- R. MANNING BROWN JR. Chairman of the Board New York Life Insurance Company
- CARTER L. BURGESS Chairman of the Board Sky Chefs, Inc.
- FRANK T. CARY President International Business Machines Corporation
- W. GRAHAM CLAYTOR JR. President, Southern Railway System
- EMILIO G. COLLADO Executive Vice President Standard Oil Company (New Jersey)
- CHARLES D. DICKEY JR Chairman of the Board Scott Paper Company
- JOHN T. DORRANCE JR. Chairman of the Board Campbell Soup Company
- LEWIS W. FOY President, Bethlehem Steel Corporation

THOMAS S. GATES

CRAWFORD H. GREENEWALT Chairman, Finance Committee E. I. du Pont de Nemours & Company

HOWARD W. JOHNSON Chairman of the Corporation Massachusetts Institute of Technology

DONALD P. KIRCHER President, The Singer Company

- RALPH F. LEACH Chairman of the Executive Committee
- JOHN M. MEYER JR.

HOWARD J. MORGENS Chairman of the Board The Procter & Gamble Company

- THOMAS L. PERKINS Chairman of the Trustees The Duke Endowment
- DEWITT PETERKIN JR. Vice Chairman of the Board
- DONALD E. PROCKNOW President Western Electric Company, Incorporated
- THOMAS RODD Vice Chairman of the Board
- OLCOTT D. SMITH Chairman, Executive Committee of the Board of Directors Aetna Life and Casualty Company
- HENRY S. WINGATE Director and Chairman Advisory Committee The International Nickel Company of Canada, Limited

ABA Task Force Set Up to Find Solution To Blanket Bond Protection Problems

THE ABA has created a task force committee to solving the increasing costs and problems of blanket bond protection. Former ABA President Nat S. Rogers is chairman. He is president, First City Nation-

al, Houston.

"An increasing number of banks are experiencing difficulty in obtaining satisfactory blanket bond coverage," said Mr. Rogers, "and the problems involved are indeed complex. We hope to



ROGERS

identify alternatives available to the banking industry to solve or minimize coverage problems."

Among alternatives being considered is the possibility of formation by bankers of a mutual insurance company to serve the industry.

The task force cited the following as some of the problems: cancellations by bonding firms, difficulty in replacing canceled bonds, disagreements over amounts of deductible coverage and lack of current factual data concerning internal and external losses.

Three units within the task force have been established to handle specific responsibilities. They are:

• Banking industry liaison—Raymond V. Brady, second vice president, Chase Manhattan, New York City, heads a subgroup that will work toward more efficient compilations of data. Serving with Mr. Brady are O. E. Anderson, executive vice president, Ohio Bankers Association, Columbus; and Thomas E. Olson, president, First National, Starbuck, Minn.

• Regulatory agency liaison—Everett E. Walker, senior vice president and controller, First National, Canton, O., heads this group that is charged with coordinating task force activities with those of regulatory agencies such as the FDIC, the Comptroller of the Currency and the Federal Reserve Board. Assisting Mr. Walker are Delano E. Scott, chairman and president, Routt County National, Steamboat Springs, Colo.; and Harold Cromiller, vice president and controller, Hibernia National, New Orleans.

• Insurance industry liaison—This group will coordinate task force progress with the insurance industry. Its chairman is Fred W. Silverthorn, vice president and corporate insurance manager, Republic National, Dallas. Serving with Mr. Silverthorn are Carl W. Desch, senior vice president and cashier, First National City, New York City; and Owen Daly, president, Equitable Trust Bank, Baltimore.

Other task force members are: Bryan K. Koontz, executive director, Wisconsin Bankers Association, Madison; Thomas E. Lofgren, vice president, Mercantile Trust, St. Louis; Linton C. Lull, president, Smith County State, Smith Center, Kan.; Leslie C. Peacock, president, Crocker National, San Francisco; and Miss Helen A. Powers, vice president and cashier, Bank of Asheville, N. C.

• NEW YORK—Bank of New York has elected Christopher A. Smith vice president, William E. Miller and Julius J. Wilfinger assistant investment officers and Thomas E. Stone assistant operations officer.

Industrial Development Authority Begins Operations in Tennessee

As a result of a bill passed by the Tennessee legislature and signed by Governor Winfield Dunn this past spring, the state now has an Industrial Development Authority. Membership includes three bankers to be appointed by the governor. The authority went into operation July 1.

Purpose of the authority is to facilitate industrial development in underdeveloped areas of the state by providing certain economic stimuli in those areas, to provide for its internal management and to provide for its funding and other operations.

To provide funds for the new authority, the state of Tennessee was empowered to issue and sell, either at public or private sale, direct generalobligation, interest-bearing notes in an amount not to exceed \$5 million. Such notes may be issued and sold in one block or in several installments as the authority's board determines. Maturity dates of these notes cannot exceed five years from dates of issuance. The notes and interest payable on them are exempt from taxation by the state of Tennessee or any of the state's counties, municipalities or taxing districts.

Proceeds realized from sales of the notes are to be deposited in the Tennessee Industrial Development Authority fund to carry out the purposes for which the authority was created.

JACKSON, TENNESSEE Statement of Condition June 30, 1972 RESOURCES Cash and Due from Banks U. S. Bonds and Securities Other Bonds Loans & Discounts Federal Funds Sold Stock in Fed. Reserve Bank Bank Premises Furniture & Fixtures Other Real Estate Interest Accrued—Not Collected Other Assets \$ 7,470,548.54 11,161,244.77 7,525,998.24 29,354,495.87 1,700,000.00 54,000.00 779,775.84 184,443.67 47,000.00 724,321.48 \$59,123,157.07 LIABILITIES 800,000.00 1,000,000.00 2,268,864.85 449,958.75 222,741.77 Capital Stock Capital Stock Surplus Undivided Profits Reserve for Loan Losses Interest Collected but Not Earned Accrued Payables Dividend Payable July 1, 1972 \$ 271,863.78 32,000.00 54,077,727.92 \$59,123,157.07 OFFICERS HUGH W. HICKS Chairman W. E. TERRY Vice Chairman & Senior Trust Officer LILLIAN J. CASON Vice President & Trust Officer WALTER BARNES President WILL H. FOSTER Vice President & Cashier RAYMOND MOTT Comptroller Vice Presidents J. HOUSTON COCHRAN JAMES FREEMAN JOE GOBELET WM. A. GUNTER, JR. BURNS L. HICKS J. RAY HIGHT J. BENJAMIN SHELTON, JR. GEORGE SHELTON EARL WILLIAMSON Assistant Vice President MARY L. HAMILTON Assistant Cashiers A MARGUERITE L. HOLDER K. GERALD LONGMIRE CHARLES W. (BUTCH) MADDOX TOM PHELAN FLOYD T. WATKINS, JR. JAMES L. ELLIS Auditor TED MOORE Assistant Comptroller WILLIAM P. MOSS Attorney Member of Federal Deposit Insurance Corporation

THE FIRST NATIONAL BANK

Here's how we looked at mid-year.

STATEMENT OF CONDITION At the close of business June 30, 1972

	At the close of business June	30, 1972	
	RESOURCES	(C	ompared with June 30, 1971)
	CASH Cash on Hand and Collection Items	\$ 122,004,076	
	On Deposit in Federal Reserve and Other Banks	183,210,139	
	TOTAL	\$ 305,214,215	
	BONDS AND INVESTMENTS U.S. Government States and Political Subdivisions Federal Agencies Other Securities Money Market Investments TOTAL	\$ 131,798,532 354,770,382 24,172,815 2,145,424 <u>39,319,038</u> \$ 552,206,191	/ Bonds and Investments / up 10.6%
	LOANS Agricultural and Livestock Commercial and Industrial Instalment Loans Credit Card Loans Mortgage Loans TOTAL	\$ 163,998,652 462,371,187 357,364,961 47,023,831 <u>338,556,407</u> \$1,369,315,038	Loans up 15.1%
	OTHER Accrued Interest Receivable	\$ 17,222,193	
	Bank Premises and Equipment (Net of Depreciation) Customer's Acceptance Liability Other Assets TOTAL TOTAL RESOURCES	\$ 17,222,133 66,531,202 37,152,746 8,131,091 \$ 129,037,232 \$2,355,772,676	Resources up 18.5%
	LIABILITIES		
	Demand Deposits Individuals, Businesses and Banks U.S. Government and Other Public Funds Total Demand Deposits	\$ 695,852,361 61,483,505 \$ 757,335,866	Deposits up 12.5%
	Time Deposits Savings Accounts Certificates of Deposit — Regular Certificates of Deposit — Public Funds Total Time Deposits TOTAL DEPOSITS OTHER LIABILITIES	\$ 421,425,932 692,814,419 53,617,365 \$1,167,857,716 \$1,925,193,582	Capital up 7.2%
	Funds Borrowed and Repurchase Agreements Unearned Income Acceptances Outstanding Accrued Expenses and Reserves Accrued Income Taxes Other Liabilities	\$ 185,804,000 43,211,772 37,152,746 7,139,821 6,387,869 3,365,257	
100	TOTAL OTHER LIABILITIES RESERVES ON LOANS	\$ 283,061,465	One word sums it up. Growth. The specifics are here: all indices are up substantially.
1	Reserve for Possible Loan Losses (Under Treasury Tax Formula)	\$ 17,846,136	Again in the first half of 1972, Valley Bank is a growing bank
	CAPITAL ACCOUNTS Convertible Capital Notes	\$ 13,076,600	helping Arizona grow. The photo shows how our
	Equity Capital Capital Stock (\$2.50 Par Value) Surplus Undivided Profits	\$ 22,158,385 52,052,946 42,383,562	new headquarters complex — Valley Center — looked at mid- year. We'll be moving in this fall.
II -	Total Equity Capital TOTAL CAPITAL ACCOUNTS TOTAL LIABILITIES AND CAPITAL	\$ 116,594,893 \$ 129,671,493 \$2,355,772,676	VALLEY NATIONAL
	Earl L. Bimson, Pre	esident	VALLEY NATIONAL BANK OF ARIZONA Home Office: P.O. Box 71, Phoenix 85001 MEMBER F. D. 1.C.
			PERCENT, PROD

MID-CONTINENT BANKER for August, 1972

Hearings Are Held to Present Arguments Involving New Downtown St. Louis Bank

KANSAS CITY-Arguments pro and con regarding the establishment of United Missouri Bank in downtown St. Louis were presented during two days of hearings here last month.

R. Crosby Kemper Jr., chairman, United Missouri Bancshares, Inc., HC that would control the St. Louis bank, said that the HC needs a bank in down-

town St. Louis to effectively carry on a wholesale banking operation.

Opposing St. Louis bankers, led by Harry L. Bell, vice president, Bank of St. Louis, said that no new bank was justified since the downtown area is decaving. Other St. Louis banks opposing the charter include Missouri State, Cass Bank, Boatmen's National and

THE FEDERAL LAND BANK **OF WICHITA** in Wichita, Kansas Serving Kansas, Oklahoma, Colorado and New Mexico **Statement of Condition** June 30, 1972

ASSETS

Mortgage loans, purchase money mortgages, and contracts (un- \$778,843,7 Unmatured balance) \$778,843,7 [.661,9 Accrued interest 1.661,9 Accrued interest receivable on mortgages, and contracts 24,302,33 Total \$804,808,0 \$364,808,0 Less reserve for Josses 6,368,57	967.82 324.01
Loans called for foreclosure, judgments, etc	177,004.69 13,933.90 10,785,027.29 .00
Total \$ 273,00 Less reserve	077.75 .00 273.077.75
Banking house (cost)	
Furniture, fixtures, and equipment \$ 230,65 Less accumulated depreciation 147,56	
Other assets	1,183,967.80

LIABILITIES

Unmatured consolidated Federal farm loan bonds outstanding s	706,900,000.00	\$696,900,000.00
Notes payable: Federal Land Bank Associations \$ Other Farm Credit Banks \$	5,490,792.93	16 490 792 93
Accrued interest payable Future payment funds from borrowers and others Trust accounts Payments received on unmatured indebtedness Other liabilities and deferred income Capital stock owned by Federal Land Bank Associations Legal reserve Surplus reserve Earned surplus		14,524,259.48 5,703,089.88 1,782,234.91 848,063.42 911,650.18 45,189,245.00 18,087,520.00 13,590,000.00 660,635,68
TOTAL LIABILITIES		\$814,687,491.48

NOTES:

NOTES:
A. Of the mortgage loans \$742,558,609.64 are assigned as collateral for unmatured consolidated Federal farm loan bonds; also, \$25,799.36 are assigned as collateral for individual farm loan bonds called (face amount) of this land bank.
B. The twelve land banks are jointly and severally liable for consolidated Federal farm loan bonds outstanding in the total amount of \$7,539,485,000.00.

OFFICERS

DIRECTORS

Sherwood Culberson, Chairman, Lordsburg, New Mexico Lyle L. Hague, Vice Chairman, Cherokee, Oklahoma James R. Isleib, Shawnee Mission, Kansas William D. Lakey, Sayre, Oklahoma Oklahoma Leo Paulsen, Concordia, Kansas E. L. Hatcher, Lamar, Colorado Virgil A. Prewett, Cherokee,

Oklahoma

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

Manufacturers Bank.

Last December, United Missouri Bancshares was declared the successful bidder for the right to seek a charter for the bank which is to be established to settle an antitrust suit brought against Mercantile Trust over its merger with Security Trust in 1965.

Mr. Kemper supported his position for a downtown St. Louis bank by pointing to the growth of existing St. Louis banks. He said that deposits of Bank of St. Louis increased over 60% from 1960 through 1971. He also said that deposits of Missouri State have risen more than 211% since its establishment five years ago.

William C. Dowd, chairman and president, Missouri State, said, "We don't think there is enough pie to go around."

The hearings were reminiscent of those held last January regarding the establishment of a bank in downtown St. Louis by Kansas City-based Commerce Bancshares. Despite opposition from St. Louis banks, the charter was approved for Commerce Bank of St. Louis. • •

DETROIT—Edmund R. Sutherland has joined Manufacturers Bank's trust department as a second vice president and investment officer in the trust investment division. He was a trust officer at the National Bank, Ann Arbor, Mich.

Charter Reversals Sought

ST. LOUIS-Two suits have been filed here to reverse the charter approvals permitting the establishment of Commerce Bank of St. Louis and Boatmen's National of North St. Louis County. The former bank charter was approved early this year, while the latter charter was granted in June.

The suit against Commerce Bank was filed by Missouri State Bank and the suit against Boatman's was filed by Lewis and Clark State. Both suits also name the Comptroller of the Currency and the Fed.

The suits charge "irreparable harm and damage through loss of deposits and earnings" if the new banks are allowed to open. The suits also charge that the openings would violate Missouri's ban on branching, a matter that is pending clarification in the courts.

Missouri State is the smallest and youngest bank in downtown St. Louis, future site of Commerce Bank. Lewis and Clark State opened its doors in May, 1971, and is located in north St. Louis County, site of the proposed Boatmen's National of North St. Louis County operation.

BB

5

7

-

he

>

>

*

NATIONAL BANK OF DETROIT

CONSOLIDATED BALANCE SHEET-JUNE 30, 1972

ASSETS

Cash and Due from Banks Securities—At Amortized Cost: U.S. Treasury		\$1,620,489,662 515,879,637
States and Political Subdivisions Other Securities		693,007,691 42,420,343 1,251,307,671
Federal Funds Sold and Securities Purchased Under Agreements to Resell Loans:		364,725,000
Commercial and Consumer Real Estate Mortgage		1,723,807,206 638,347,231 2,362,154,437
Bank Premises and Equipment— (at cost less accumulated depreciation of \$26,111,418)		49,108,673
Other Assets		47,606,946 \$5,695,392,389
LIABILITIES, RESERVE AND CA	PITAL FUNDS	;
Deposits:		
Demand Certified and Other Official Checks		\$1,747,220,173 427,145,297
Individual Savings and Time		1,655,081,685
Other Savings and Time		392,615,965
London Office		580,382,516 4,802,445,636
Other Liabilities:		4,002,440,000
Federal Funds Purchased and		
Securities Sold Under Agree- ments to Repurchase Unearned Income and Sundry	\$323,703,325	
Liabilities	89,243,398	412,946,723
Total Liabilities		5,215,392,359
Reserve for Possible Loan Losses Capital Funds: Capital Notes:		53,224,203
Capital Notes (67/8 % due 1979) Convertible Capital Notes	50,000,000	
(5% due 1993)	50,000,000	
Shareholders' Equity: Common Stock—Par \$12.50 (Authorized 7,000,000 Shares;		
Outstanding 6,000,000 Shares) Surplus	75,000,000 175,000,000	
Undivided Profits	76,775,827	426,775,827
Total Liabilities, Reserve		¢5 605 000 000
and Capital Funds		\$5,695,392,389

Assets carried at approximately \$356,000,000 (including U.S. Treasury Securities carried at \$34,000,000) were pledged at June 30, 1972 to secure public deposits (including deposits of \$36,580,200 of the Treasurer, State of Michigan) and for other purposes required by law.

MID-CONTINENT BANKER for August, 1972

BOARD OF DIRECTORS

BUAND UP	DIRECTORS
A. H. Aymond	
Chairman and Presi	
Consumers Power C	
Henry T. Bodma	n
Detroit, Michigan	
Ivor Bryn Former Chairman—N	IcLouth Steel
Corporation	
Harry B. Cunnin	
Chairman of the Exe	
Committees-S. S. K	resge Company
William M. Day Former Chairman—1	he Michigan Bell
Telephone Company	/
Charles T. Fishe	r 111
President	
A. P. Fontaine Director and Chairm	an of Financo and
Executive Committe	
The Bendix Corpora	
John F. Gordon	
Former President—G Corporation	eneral Motors
Joseph L. Hudso	n .lr
Chairman—The J. L.	
vice-Chairman-Day	ton Hudson Corporation
Ralph T. McElve	
	n Natural Gas Company
Don T. McKone Executive Vice Pres	ident
ibbey-Owens-Ford	
Ellis B. Merry	
Petroit, Michigan	
W. Misch	
Detroit, Michigan	
Peter J. Monagh	Campbell, Loprete
& McDonald	oumpoint coproto
George E. Parke	r, Jr.
Detroit, Michigan	
George Russell	lators Corporation
Director-General M Robert B. Sempl	
	andotte Corporation
Nate S. Shapero	
Honorary Chairman	
and Chairman of Ex Cunningham Drug S	ecutive Committee- tores. Inc.
Austin Smith, M.	
Chairman—	
Parke, Davis & Com	
George A. Stins	
President-National Peter W. Stroh	Steel Corporation
	h Brewery Company
John C. Suerth	
Chairman—Gerber F	
Robert M. Surda	
Chairman of the Bo	
Norman B. West Vice Chairman of th	
noo onannan of th	0 Douro
The states to	
Hale Office	, Woodward at Fort
Main Office	

MICHIGAN'S LEADING BANK



TRAIN OPENS STATION BANK

WHEN YOU open a bank that is built on top of a railroad station, a train should burst through a paper barricade to celebrate the occasion! That's what happened when Chicago's Mercantile National opened its new headquarters at Gateway Center, which straddles huge Union Station. The bank hopes to tap a vast new market by offering service during commuting hours to the 73,000 people using the station daily. Special teller windows on the station mezzanine are open from 7:30-9 a.m. and 4-6 p.m., supplementing the bank's regular hours. Engineer of the mock train is bank Chairman General John S. Gleason.



EMPLOYEES' CHILDREN COMPETE IN DESIGN CONTEST

WHEN IT was time to come up with original artwork for the bank's employees' magazine at Christmas, Detroit Bank solicited material from youngsters of its employees. From 141 entries, these 12 received recognition, with designs of three children published in the magazine. Winners were selected by a panel of adult artists, and all drawings were displayed in the bank's main office exhibit area.

idea page

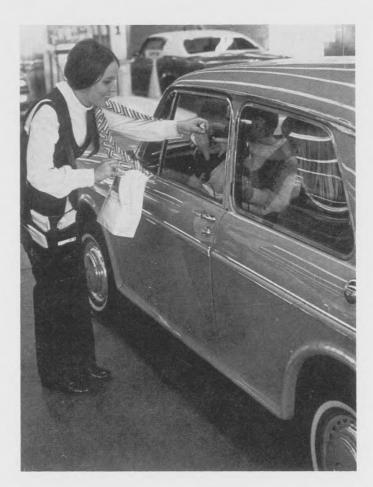
IT'S FUN TO BE IN LINE!

FIRST NATIONAL, Fort Worth, thinks customers waiting in line for drive-up service should not have to amuse themselves—or their children. The bank has assigned "First Ladies" (right) to make "life in line" more interesting, which includes supplying customers with any bank forms (deposit slips, etc.) that will make their transactions speedier at the window. If the customer doesn't need bank forms, his child might have use for a colorful balloon! Drive-up banking is more fun in Fort Worth!

idea page

BANK OPENS POST OFFICE

W HY NOT make use of a portion of the bank floor that is underutilized by installing a post office branch? That's what Southgate State, Prairie Village, Kan., did recently. Now bank customers can benefit from the convenience of taking care of postal matters at the bank. And postal patrons who are not bank customers find they can do their banking at the post office branch! A very convenient arrangement for all concerned!





WALKTHROUGH ANNUAL REPORT

G ET YOUR annual report read thoroughly by encouraging customers to stroll through it! That's what Northwestern Bank, Minneapolis, did recently. The display is composed of blow-ups of each of the report's 32 pages. Theme of the report was how selected industries contributed to the growth of the state. Striking photography and layout design caught attention of passersby.

Two Named Exec. V.P., Nine Others Advanced At Republic Nat'l, Dallas

DALLAS—Republic National has elected two new executive vice presidents and announced a number of other promotions.

W. C. Hatfield and Nicholas F. Roberts, both former senior vice presidents, are now executive vice presidents. Mr. Hatfield is in charge of the finance and administration department and Mr. Roberts is in charge of the bond division.

Mr. Hatfield joined the bank in 1957 as head of the trust tax division. In March of this year he was placed in charge of the banking services, personnel and controller's divisions.



ROBERTS



HATFIELD



LINDGREN

MARTIN

Mr. Roberts has been with the bank since 1943. He was elected an assistant cashier in 1946, vice president in 1954 and senior vice president and member of the executive committee in 1969.

HEN7I FR

Among the other promotions, Kenneth K. Lindgren was advanced from assistant vice president to vice president, Robert P. Martin went from data processing production manager to vice president, Kenneth Henzler was advanced from assistant vice president and trust officer to vice president and trust officer.

David K. Clint, James H. Quinn, Gary M. Norris, Jerry L. Robinson and E. Harrison Woods were all advanced to assistant vice presidents. Maurice L. Peeples Jr. rose from trust officer to assistant vice president and trust officer.

BANK OF KENNETT **KENNETT, MISSOURI** Statement of Condition as of June 30, 1972 RESOURCES \$ 1,804,699.23 1,400,000.00 Cash and Due from Banks Federal Funds Sold 1.400.000.00 4,512,927.20 495,287.54 11,305.056.52 Real Estate Loans—Conventional and Insured or Guaranteed Other Loans to Corporations, Firms and Individuals 6,772,714.94 5,349,612.39 12,122,327.33 Overdratts Bank Building, Leases, Drive-In Facilities and Parking Lots Furniture, Fixtures and Equipment Other Real Estate Accrued Interest Receivable Prepaid Expenses Other Assets 11.373.64 122,469.71 32,840.02 1.00 368,267.29 22,786.22 4 307 21 TOTAL RESOURCES \$27,194,128.17 LIABILITIES Capital 1,000,000.00 500,000.00 Surplus Undivided Profits 2,289,666.53 789.666.53 Reserve for Interest Received in Advance Accrued Interest Payable, and Reserve for Accrued Taxes. Expenses and Dividends Other Liabilities Valuation Reserves 386,401.12 339 361 64 10,801.12 Deposits 23,996,660.84 TOTAL LIABILITIES \$27,194,128.17 OFFICERS JOSEPH C. WELMAN Chairman of Board W. F. SHELTON III, V. Chmn. & Sr. Trust Off. LONNIE L. KINCHEN President JIM ROBISON Executive Vice Pres. THOMAS H. KINSEY, Sr. Vice Pres. & Cashier JOSEPH S. KERR V. Pres. & Ag. Rep. CLYDE H. MATTHEWS Vice President ELMAN M. MERRITT LARRY D. SWINDLE ROBERTA JACKSON WILLIAM W. MARSHALL R. L. MITCHELL WILDENE MOORE Vice President Vice President Asst. Cashier Asst. Cashier Asst. Cashier Asst. Cashier Asst. Cashier WILODENE MOORE JANE TODD GRACE WESTERFIELD, Asst. Cashier

Member Federal Deposit Insurance Corporation

McDonald Named Vice President At Central National, Chicago

CHICAGO— Larry L. McDonald recently joined Central National as a vice president in the agricultural banking department.

He formerly was with the El Centro Branch of Security Pacific National, Los Ange-



McDONALD

les, where he served as assistant vice president. He worked in commercial lending, with specialization in agriculture.

Management Audit

(Continued from page 36)

tive turnover in Company A has been very high during the last two years, since the new president took over. That's the fact of the matter, but even that's not easy to come by if a consultant relies on discussions with the company president and the two vice presidents who have been there 15 years. On this level, no one is going to volunteer that turnover is excessive. On a lower level, however, you can be sure that it will come out-such as a sales manager complaining that he's had four bosses in two years-or the plant manager pointing out that his engineering budget keeps changing every six months or is always frozen at the lowest level.

The solution, of course, will have to be worked out at the executive-planing level, but it's important for the president or the directors (or the bank) to know that massive dissatisfaction (by the president *or* the executives who left) lies beneath the problem and that it has to be solved if business is to proceed.

Encourage Discussion

Everyone in the company can't be interviewed, of course, but a surprisingly large number of people can be encouraged to have their say. But any good management audit should go beyond discussions with company people. It should encompass the various "publics" the company deals with—banks, suppliers, customers, public relations and advertising agencies the company deals with, community officials, etc.

After all, we're looking at or attempting to look at the total company, much as a medical internist looks into every physical aspect of a person. We don't

gitized for FRASER ps://fraser.stlouisfed.org believe a spot check here and there will tell us the whole story.

Talks with suppliers could point to erratic ordering procedures; talks with customers could point to delivery, sales or product quality problems; talks with banks could give a better picture of the financial practices of the company.

Each interview level must be more or less tailored to the people it interviews. There's no sense asking a warehouseman what his five-year plan is, nor is there any point in asking an executive to explain which work shift is most productive for him.

The Next Step

Compilation and comparison of interview findings, along with crosschecking and analysis, are the next step in the management audit. (This in itself is no easy matter, inasmuch as we normally ask over 700 different questions in the course of our interviews.)

Following publication of the findings, the next logical step is the comparison of this information with that compiled from executive interviews. This is to determine how closely executive thinking fits with middle management and other employee thinking, or whether or not there are many points of agreement or disagreement.

Getting executives of the corporation to sit down and analyze the findings is a problem, but it has to be done. It should be done with the top executive group so that agreement can be reached about what to do.

Then a further session on which problems have to be met, in which priority (along with budget considerations, if any), must be held. This is to ensure that action will be taken and that a particular executive will be charged with the task of seeing to it that, in a later report, either the solution is at hand or that a new approach must be taken to seek another solution.

At this point, a curious thing happens. Company people begin to share information, to exchange ideas more freely and soon determine that much of their thinking is in agreement, and further, a number of smaller problems begin to clear up. Managers and supervisors and others open up and begin bull sessions of their own, and things generally begin to get done. Morale improves and a noticeable change in attitude takes place.

Meanwhile, the big problems are being attacked by management. Part of the psychology behind the concern shown by management is the evidence presented to them: In our corporate management audits, we give management from 15 to 20 volumes of interviews for their careful consideration. Not a summary. Not a brief presentation, but a total assessment of the evidence at hand.

Needless to say, it takes considerable time to go through this material, but if what top executives have to say who've been through it means anything, it's worth it.

It changes their attitudes toward things and alters their current mode of thinking. It presents new evidence, much as any research does, so that new solutions are possible. Also, it reaffirms, in many cases, what they've suspected all along about this or that problem and gives them new insights into which indices to trust and which to discard.

But most of all, it gives them a revitalization, a new outlook, so that they, too, see evidence of corporate transformation. This is encouraging and charges up the creative batteries.

What's in it for the banker? He sees first hand the changes that need to be taken. He views the company in a more realistic light. He knows what has to be done to protect his interest, to extend further credit or not, to determine whether a merger or acquisition is necessary. He gets a better picture of the company—beyond the financial audit—and with this can make better, more sound decisions that will both protect his investment and help the corporate customer.

It makes good business sense, and that's what it's all about. •





Melvin Schroeder is the new Vice President in charge of the recently-expanded Correspondent Banking Division, Mercantile Bank and Trust Company, Kansas City.

And with his experience hitched to our growth, we're now in a position to offer correspondent customers more than ever before.

Services like loans for Bank Stocks and Overlines;

Investment services;

- Safekeeping;
- Federal Funds;
- Cash Letters;
- Special Collections;
- Data Processing Services; and Trust Assistance.

Take a look at your present correspondents. Maybe it's time for a change.

Mercantile Bank and Trust Company (816) 842-2000 1119 Walnut, Kansas City, Missouri 64106 You Can Count on Mercantile!

An Affiliate of Mercantile Bancorporation

Illinois News

Abate Named Pres. & CEO **At Elgin National Bank**

ELGIN-Robert P. Abate has been named president and chief executive officer of Elgin Na-

tional.

Formerly, he was group vice president at American National, Chicago, where he was responsible for machinery and equipment financing, education, automobile, home improvement and all types



ABATE

of personal loans. In addition, he headed the bank's marketing division, which directed business development, sales and advertising.

Sullivan Elected Vice President **Of Central National, Rockford**

ROCKFORD-Central National has elected James J. Sullivan vice president and supervisor of the data processing department. Formerly, he was general manager of North Central Data Processing Center.

Other new appointments included Douglas L. Mitchell, cashier, and Richard J. Cassard, personal loan of-ficer. Mr. Mitchell had been operations officer, State Bank of Freeport, and Mr. Cassard was cashier of Community Bank of Plano.

■ MRS. MARIE KONITZER has been elected a director of First Commercial Bank, Chicago. She is president of Konitzer Distributing Co., Aurora, a beer distributorship.

■ FIRST NATIONAL, Pekin, promoted Robert D. Somers from assistant cashier to assistant vice president. He has been with the bank since 1968.

First of Chicago Names Stuart Head of Bond Sales Division

CHICAGO-R. Douglas Stuart III, vice president in the bond department at First National, has been named head of the bond sales division. He replaces Joseph C. Fenner, who now heads loan division L.

Mr. Stuart joined the bank in 1965, was named assistant vice president in 1968 and vice president last February.

Promoted to assistant vice presidents at First National were: John M. Eggemeyer III, loan division A;

Alan R. Giever, loan division J; and Dale A. Arahood, information management services division.

Other newly elected officers include: George C. Adams, William F. Love and Daniel A. Lupiani Jr., loan officers; Robert L. Joynt, Lawrence T. O'Connell, Miss Diane M. Welling and Welton W. Wells, trust officers; Charles L. Morrical, personal banking officer, BankAmericard; Willard A. Nelson, operations officer; and James R. Woolwine, personnel officer.

Pullman Bank Holds Seminar On Corporate Ownership

CHICAGO-Pullman Bank recently sponsored a seminar on "Problems of Corporate Ownership Changes,' which was attended by corporate and business executives from throughout the Chicago area.

Purpose of the meeting was to point out problems relating to transfer of ownership or disability of the owner of closely held businesses and how these problems can be solved through the use of insurance programs.

Presiding over the meeting was Frank LeGere, CLU, who works with the Pullman Agency, Inc., as financial consultant.

Three New Appointments Made At Harris Trust, Chicago

CHICAGO-Lambert W. Bredehoft. senior vice president, has been named head of Harris Trust's international banking group. He formerly was in charge of the U.S. group.

Mr. Bredehoft joined the bank in 1934 and was elected a vice president in 1953. He became senior vice president and executive of the U.S. group in 1967.



BREDEHOFT

TAYLOR Succeeding Mr. Bredehoft as head

BANKER

of the U. S. group is Edward K. Banker, recently promoted to senior vice president. He came to the bank in 1949 and most recently was in charge of the U. S. group's division 7.

Moving to the head of division 7 is

Forbes M. Taylor, vice president. The 28 states comprising his division's territory include Arkansas, Kansas and Nebraska. He has been with the bank since 1955.

Promotions at Mid-City Nat'l

CHICAGO-Mid-City National has announced several changes in its top officers.

E. M. Bakwin, president since 1962, has been elected chairman while L. L. Giff, former senior vice president, was named vice chairman. Succeeding Mr. Bakwin as president is Kenneth A. Skopec, former vice president.

■ PROMOTED from assistant vice presidents to vice presidents at Pioneer Trust, Chicago, were G. Wayne Anderson, consumer loan division, and Joseph J. Thomas, general banking department. David C. Lindgren, credit manager, was elected assistant cashier and James W. Iversen Jr. was appointed manager of trust operations and assistant secretary.

NATIONAL BOULEVARD BANK, Chicago, recently announced three promotions in its bond department. Advanced were: John Hartshorne, senior bond officer; J. Matthias Lepo, assistant vice president and Richard G. White, bond officer.

■ MILLIKIN NATIONAL, Decatur, has named Dale E. Aupperle farm manager. He holds a degree in agriculture from the University of Illinois.

■ JOHN L. SLAGER recently was appointed business development officer by County Bank, Blue Island.

BANK OF ELMHURST has begun an extensive interior and exterior remodeling program that will add a new entrance, double the size of the main lobby and add new offices on the lower level of the building.

■ WILLIAM T. KARROW, customer service and marketing, and William E. Horn, installment loan department, have been named assistant cashiers at Bank of Naperville.

OLD ORCHARD BANK, Skokie, appointed John D. Gateley vice president in the business banking and loan department. He had been an assistant cashier in the commercial loan division of Pioneer Trust, Chicago.

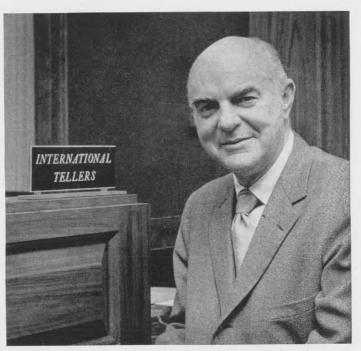
■ COSMOPOLITAN NATIONAL, Chicago, promoted Miss Corinne Bek to vice president and trust officer; Alex Vercillo to assistant vice president and assistant trust officer and Miss Rose Trulis to assistant trust officer.

88

This week you could get foreign monies for one of your traveling-overseas customers... Next week you could help that local bootery import shoes directly from Paris or Italy. The week after that...

Well, any week, any day at all, there's an entire American National International Banking Division, with a Branch in London and a network of over 1600 foreign correspondent bank connections, ready to act as a branch of <u>your</u> bank—developing foreign markets or finding foreign sources for your customers—providing letters of credit, or through our overseas offices and foreign connections, arranging financing or a business meeting, or even an all-important social introduction.

There's a world of opportunity out there. Maybe all the businessmen of your community need, is a word from you. Talk it over with us. We think we can help.



Ask Roy West to tell you how our International Banking Division can serve you and your customers.

The Idea Bank American National Bank and Trust Company of Chicago

LaSalle at Washington 60690 Phone (312) 661-5000 Member FDIC

A'MUST'

for Directors of State-Chartered Banks!



"Bank Shareholders' Meeting Manual"

A 60-page book designed to enable directors of state-chartered banks to bring their operations up-to-date. It was developed in recognition of several new trends in business and society trends involving an increased sensitivity of the public regarding conflicts-ofinterest; greater concern for minority rights; greater demand for fuller disclosure; data on control and ownership and of related business interests, including voting of trust-held securities.

The book also provides a means for state bank directors to modify procedures to bring their banks into compliance with current state banking statutes and regulations. Its use can result in economies and efficiencies for banks.

Can Your Bank Afford to be Out-of-Date?



SEND YOUR ORDER AND CHECK (sorry, no billed orders) TO THE PUBLISHER:

The BANK BOARD Letter

408 Olive St. (Room 505) St. Louis, Mo. 63102

Indiana News

Sweeney to Retire as Chairman Of Merchants National Bank

INDIANAPOLIS—R. E. Sweeney Jr., chairman, Merchants National, has announced he will retire on December 31. His successor has not yet been named.

Mr. Sweeney joined the bank as assistant cashier in 1945. He was named president in 1966 and chairman in 1970.

In other action, Richard M. Rogers was named vice president and senior commercial banking officer. He joined Merchants National in 1959 and has been in the commercial loan department for the past 12 years.



SWEENEY

ROGERS

Robert P. Wright was promoted from assistant cashier to assistant vice president in the commercial department, while Miss Carol Poole was named assistant operations officer and Gary Eichler and William Hoog were elected branch managers.

■ FIRST NATIONAL, Richmond, recently held groundbreaking ceremonies for its new \$1.2-million two-story addition and remodeling project.

■ PEOPLES TRUST, Fort Wayne, has appointed Mrs. Willadene Hill assistant vice president. She has been with the bank since 1968.

■ JEROME B. KEARNS was promoted from executive vice president to president of St. Joseph Bank, South Bend. Richard A. Rosenthal, former president and chairman, will continue as chairman.

■ LARRY H. BENNER and Joseph W. Claesgens have joined Northern Indiana Bank, Valparaiso, as loan officers. Mr. Benner is in the real estate department and Mr. Claesgens is in the installment loan department at the bank's Calumet Office.





DUGAN

YOUNG

Assistant Vice Presidents Named At American Fletcher National

INDIANAPOLIS—Three new assistant vice presidents have been named by American Fletcher National. They are Dan S. Dugan and Roger A. Young, Indiana division, and John E. Kistner, mortgage loan department.

Mr. Dugan joined the bank in 1968 as a credit analyst and became Indiana division officer in 1970. With the bank since 1967, Mr. Young was elected a metropolitan division officer in 1969 and was assigned to the Indiana division later that year.

Mr. Kistner joined American Fletcher in 1958 and was assigned to banking center administration in 1959. He was transferred to the mortgage loan department in 1971.

■ FARMERS STATE, LaGrange, recently began construction on its new bank building. The structure will have three drive-in lanes and one walk-up window. Completion is expected in early 1973.

BAI Chapter Elects Officers



Newly elected officers of the Indianapolis Chapter of Bank Administration Institute are: (from I.) pres., John J. Maxwell, asst. auditor, American Fletcher National, Indianapolis; v.p., W. C. Eggers, pres. and trust off., First National, Danville; and sec., Paul A. Fiedler, cashier, New Palestine Bank. Not shown is the new treas., Howard D. Passage, CPA, First Bank, Speedway.

90

WHEREVER HENRY AND JIM GO, THEY'VE GOT A CROWD BEHIND THEM.

Almost 200 trained specialists ready to provide you with complete correspondent service.

Put Jim McKenzie's knowhow as a banking jack-of-all-trades with Henry Ormsby's insight as an area representative, and you get the help you need to reach more big business more successfully than any other bank in your area.

Their immediate access to bank management gives you the authority and support of the bank with a lending capacity of five million dollars.

Along with a full range of correspondent services, we offer our Minute Management bond portfolio program, which gives you the supervision of the same professionals who handle more than a billion dollars in assets of individuals, endowments, and corporations.

When you get the help of Henry Ormsby and Jim McKenzie, you gather a crowd every time.



Officer Elections Announced At Central Bank, Owensboro

OWENSBORO-Central Bank has promoted Steve Murphy from senior vice president to executive vice president in charge of administration. He has been with the bank two years.

Ben F. Meador has joined Central Bank as vice president and controller. Formerly, he was assistant controller at Texas Bank, Dallas.

Elected assistant cashiers were Mrs. Pat Helm and Mrs. Martha Lucas. Mrs. Helm joined the bank in 1958 and Mrs. Lucas in 1965.

Ky. Bank Announces Acquisition

MADISONVILLE-Kentucky Bank recently announced that it has acquired Planters Bank, Mortons Gap. Planters Bank became a branch of Kentucky Bank, effective August 1, without any change in personnel.

Kentucky Convention

Information on the 1972 Kentucky Bankers Association convention will appear in the September issue of MID-CONTINENT BANKER. The con-vention will be held September 10-12 at the French Lick-Sheraton Hotel in French Lick, Ind.

Kentucky News

Four Vice Presidents Elected At Citizens Fidelity Bank

LOUISVILLE-Citizens Fidelity recently named four new vice presidents. Promoted in the commercial loan division were John A. Brenzel, Richard A. Hess and Richard L. Lehmann. James M. McFadden was named vice president and manager of the Citizens Plaza Office.

Thomas N. Ryan III, mortgage loan division, was advanced from assistant cashier to assistant vice president, while William F. Koch Jr., James J. Robben Jr. and Robert T. Georgi were elected assistant cashiers.

Named operations officers were Phillip K. Buckner, Charles Foster and William P. Sims.

In other action, Willis J. Price, president of Standard Oil Co.-Kentucky, was elected a director of Citizens Fidelity. William C. Smith, former chairman of Standard Oil Co.-Kentucky, has been appointed a member of the bank's advisory committee. He has been a director for 13 years.

First Security Wins Ad Awards



First Security National, Lexington, recently received advertising awards from Affiliated Ad-vertising Agencies International and from the Sixth District American Advertising Federation. Shown with plaques noting the awards are: (from I.) LeRoy M. Miles, pres.; Edward S. Dabney, ch.; Walter Hillenmeyer, exec. v.p.; and Fred Kitch, v.p. and dir. of client services for Keller-Crescent Co., the bank's advertising agency.

■ LEONARD E. HEYDT, assistant credit manager of the installment loan department, Louisville Trust, has been elected an assistant vice president. With the bank since 1969, he has served as manager of the bank's Fourth Street Branch and was elected assistant treasurer in 1970.

THOMAS M. LATTA and Harvey W. Mitchell have been elected assistant trust officers at Ohio Valley National, Henderson.

Commerce Union, Nashville, **Names Haskew Senior VP**

NASHVILLE-Jerre R. Haskew, manager of the international department at Com-merce Union, has

been elected a sen-

ior vice president.

cently directed an

East/West trade

mission, sponsored

by Commerce Un-

ion, that visited the

Soviet Union, Hun-

gary, Romania and

Mr. Haskew re-

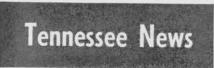


HASKEW

Yugoslavia. In other action, Commerce Union elected Mrs. Wanda Harrison and Mrs. Wilma Rehm administrative officers. Mrs. Harrison is trust administrator and Mrs. Rehm is supervisor of corporate trust operations.

Elected a director of the bank was Dan W. Maddox, founder and chairman of Associates Capital Corp.

EARL A. MARLER SR. has retired as a vice president in the commercial loan department of Hamilton National, Chattanooga. He had been with the bank 43 years.



■ WILLIAM T. GERALDS resigned as president of First American Bank, Memphis. Operation of the bank will be under the direction of Donald E. Russell, executive vice president, until a new president is elected.

Hamilton Nat'l, Chattanooga, **Appoints Two Senior VPs**

CHATTANOOGA-C. Duffy Franck Jr. and T. James Lockhart have been promoted from vice presi-



LOCKHART

dents to senior vice presidents at Hamilton National.

Mr. Franck, head of the commercial loan department, joined the bank in 1957. He was assigned to the commercial loan department in 1966.

Mr. Lockhart, chief operations officer, has been with the bank since 1957. He has served in the loan and marketing divisions and as personnel director.

Teller 24 Equipment Installed By American National Bank

CHATTANOOGA-American National recently introduced new Teller 24 equipment, manufactured by Docutel Corp., Dallas, which offers customers the convenience of 24-hour banking seven days a week.

The unit is activated by a special magnetic-stripe Master Charge card or a Teller 24 card, which is not a credit card.

Customers may use the Teller 24 for: cash withdrawals from checking, savings or Master Charge, in the form of a cash advance; transfers from checking to savings or savings to checking; deposits to savings, checking or payments to a Master Charge account; and payment to an installment loan.

Welcome to the K.B.A.

from the folks who "do their corresponding in person"



Don't just wave. Come visit with us during the K. B. A. Convention at French Lick.



LOUISVILLE, KENTUCKY 40202



Want this Experienced Banker and over 500 others working for you throughout Alabama?

Call Area Code 205 262-5711 and ask for James L. Streetman Auditor



Montgomery, Alabama 205 262-5711 Your Capital City Correspondent



Alabama News

State National Bank, Decatur, Names B. N. Hunter President

DECATUR—B. N. Hunter has been elected president and a director of State National. C. Willard Nelson, former president, was elected vice chairman.

Mr. Hunter was elected executive vice president and chief administrative officer last February. He joined the bank in 1965 as vice president and manager of the credit department.

Mr. Nelson had served as president 10 years and has been with the bank 44 years. A past president of the Alabama Bankers Association, Mr. Nelson is a director of State National and of its parent company, Central & State National Corp.

Lloyd Rains Elected President Of Central Bank, Birmingham

BIRMINGHAM—Lloyd G. Rains has been elected president and a di-

rector of Central Bank. He succeeds as president Harry B. Brock Jr., who is now chairman of the executive committee and chief executive officer, as well as president of the bank's parent company, Central & State National Corp. of Alabama.



RAINS

Mr. Rains was named senior vice president and chief administrative officer last February. Previously, he served as senior vice president and vice president/loans for the Downtown Branch.

In other action, Central Bank named Jess R. Mitchell commercial lending officer and J. Peyton McDaniel national accounts representative.

■ LELAND P. HOWARD JR. has joined Shoals National, Florence, as senior vice president. He had been assistant vice president and a commercial loan officer with Birmingham Trust National, which he joined in 1963.

• EWELL SMITH has been elected assistant cashier and manager of the Jefferson Street Branch at First National, Athens.

■ BRUCE G. HANEY has joined First National, Brewton, as vice president and trust officer.

• RALPH COLLINS has been elected chairman of State National, Albertville. He is owner of an automobile dealership.

• CHARLES E. PINION JR., former assistant cashier, has been named auditor of City National, Birmingham. He has been with the bank since 1967. Elected a director of the bank was Willard P. Brown, president and chief operating officer, Jim Dandy Co., marketer of dry dog food, grits and cornmeal.

• PEOPLES BANK, Montgomery, has elected Overton A. Lewis and Donald R. Bass assistant cashiers at the Normandale Office.

• A. MITCHELL COBB JR. has been promoted to assistant cashier at American National, Mobile. Mr. Cobb, who joined the bank last January, is assistant to the manager of the international department.

■ PEOPLES BANK, Montgomery, has transferred R. Dudley Ross, assistant vice president, from director of marketing to trust officer in charge of all trust operations. Robert T. Ashurst, formerly marketing assistant, was named director of marketing.

■ FRANK A. PLUMMER, chairman, First National, Montgomery, and chairman and president, First Alabama Bancshares, Inc., has been appointed a member of the banking, monetary and fiscal affairs committee of the Chamber of Commerce of the U. S.

■ FIRST NATIONAL, Eufaula, promoted Edward H. James from assistant cashier to cashier.

• STATE NATIONAL, Haleyville, has elected William S. Coats to its board. He is the former owner of a lumber company.

■ DAVID O. GOLDEN was named assistant collection officer and collection manager of the Master Charge commercial division of State National, Decatur. He has been with the bank since 1970.

• CITY BANK, Goodwater, promoted Mrs. Virginia Futral to assistant cashier. She joined the bank in 1966.

• COVINGTON COUNTY BANK, Andalusia, promoted Mrs. Shirley B. Helms from assistant cashier to cashier and Mrs. Gayle H. Collins from assistant trust officer to trust officer.

■ LEROY J. PITTMAN III has joined First Western, Bessemer, as assistant vice president-administration with cashier responsibilities. He was an operations officer in the Aiken Office of South Carolina National.

94



Everything you always wanted to know about Fanny Mae...but were afraid to ask.

Fanny Mae is always in the news. You read about her in the Wall Street Journal and in your local newspaper... the price of Fanny Mae is up, the yield of Fanny Mae is down... There's a direct line in Birmingham to famous Fanny Mae. It's 328-5120, ext. 593. That's the number of the Bond Department of First National Bank. There, they can tell you about U. S. treasury obligations, negotiable CD's, commercial paper, federal funds... and of course the Federal National Mortgage Association. Everything you always wanted to know about bonds. So don't be afraid to ask.

Bond Department

The First National Bank of Birmingham

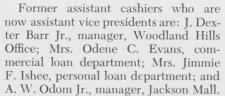
Member FDIC

Mississippi News

Officer Promotions Announced By First National, Jackson

JACKSON-First National has announced a list of recent promotions.

Advanced from assistant vice presidents to vice presidents were: Clyde J. Chapman, manager, Battlefield Office; Miss Mary Lee Osborne, personnel officer; and Roy B. Wright, auto finance manager.



Named assistant cashiers were: Doug McCrory, credit department; Mrs. Eudora Henderson, commercial loan department; Kerry Ressler, manager, South State Office; and Ray Freeman, manager, Westland Office.

■ FIRST MISSISSIPPI NATIONAL, Hattiesburg, recently held ribbon-cutting ceremonies for its new Westgate Office.



Enter the French Quarter lifestyle-your room will be an adventure in gracious living; overlooking a secluded patio where a sparkling swimming pool beckons.

Stay in the French Quarter

Exquisitely furnished rooms and suites-king and queen sized beds, color TV, complimentary newspapers at your door, free local phone calls, free enclosed parking, complimentary Continental Breakfast. Home of the famous Bagnio Lounge, with charming entertainment nitely. Surrounded by world famous sights and soundsor for business trips, financial/business district is nearby.

Experience the true flavor of New Orleans-live it -in the intimate, unique Dauphine Orleans.

Advance reservations suggested. For reservations, dial: 800/AE8-5000 (toll free)

DAUPH

MOTOR HOT

415 Dauphine

NEW ORLEA

LOUISIANA 701



All this and more at the AUPHINE	We're on our way! Dept. 41(Please send brochure and rate card!
RLEANS	NAME
IOTOR HOTEL	ADDRESS
15 Dauphine St. EW ORLEANS	CITY
UISIANA 70112	STATE, ZIP

Sewell Appointed Senior VP At Deposit Guaranty Nat'l

JACKSON-Deposit Guaranty National has promoted Charles Sewell



from vice president to senior vice president. He came to the bank in 1970 and is in charge of corporate planning and research.

Thomas M. Hontzas was promoted to assistant vice president in the corporate staff department. He join-

SEWELL

ed Deposit Guaranty in 1968 and was named economic research officer in 1971.

William L. Watson III was named executive assistant in the corporate staff department and Warren C. Dorsey Jr. was elected an assistant trust officer. Mr. Watson joined the bank in 1968 and Mr. Dorsev in 1969.

■ ANDRE CLEMANDOT has retired as vice president and manager of the international department of First National, Meridian. He was in banking 30 years and with First National since 1961.

■ CITIZENS BANK, Hattiesburg, has elected Charles Coward assistant vice president and manager of the Petal-Harvey Branch. He had been associated with First National, Jackson.

■ BANK OF CLARKSDALE has named W. Rice Elliot manager of its Lula Branch Office. Mr. Elliot is presently serving his third term as mayor of Lula.

■ COMMERCIAL NATIONAL, Laurel, has appointed L. Thelton Bryant Jr. an assistant vice president. Before joining the bank, he was associated with First National, Mobile, Ala., for 10 years.

■ FARMERS & MERCHANTS BANK. Forest, elected James H. Wicker vice president and cashier and Homer Lewis Jr. vice president. Mr. Wicker has been with the bank 29 years and has been cashier since 1959. Mr. Lewis joins the bank from CIT Financial Corp. with seven years' experience in consumer loan specialization.

Mississippi Deaths

- GRANVILLE H. WILLIAMS, 43, vice president and director, First National, Picayune, and mayor of Picayune.
- W. C. QUINN, 50, vice president and director, Mechanics Savings Bank, Water Valley. He had been with the bank 33 years.

DEPOSIT GUARANTY'S SYMBOL OF SERVICE COVERS THE DYNAMIC DEEP SOUTH

Deposit Guaranty – the bank that grew up in the booming Deep South – is always alert to the correspondent needs of banks in this dynamic area. Our staff and services are yours to command. Please write or call when we may help.

We're in touch with the Deep South



DEPOSIT GUARANTY NATIONAL BANK Jackson, Mississippi, Main Office

P.O. Box 1200/39205/AC 601-354-8076

Centreville, Farmers Exchange Bank/Clinton, Bank of Clinton Greenville, Greenville Bank/McComb, Mechanics Bank Natchez, City Bank & Trust Co./Monticello, Monticello Bank Newhebron, Newhebron Bank

MEMBER F.D.I.C.

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

FAMILY PLAN.

Good for husband and Good for husband, wife 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%. Chil-

parent accompanies) pays 75%. Chil-dren 12 through 21 pay 2/3 and those 2 through 11 pay 50%. Fares are good anytime except from 2:00 pm to mid-night 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 group member can save 2/3 on the return air fare, and they can return separately. Good any time.



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 mid-night on Fridays and Sundays.

LONG WEEKEND FARES.

Good for anyone who can days and Mondays. Savings of 2/3 of return trip air fare.



Whichever fare you choose - even our regular face-you will always en-joy 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.



the very nicest way we know.

Louisiana News

Mitchum Elected Vice President Of 1st Nat'l Bank of Commerce

NEW ORLEANS-Billy E. Mitchum has been elected vice president of First National Bank of Commerce and vice president and treasurer of First Commerce Corp., the bank's holding company. He formerly was assistant controller at First & Merchants National, Richmond, Va.

First NBC also promoted J. Philip Thelin from assistant vice president to vice president, metropolitan and regional division. He came to the bank in



MITCHUM

THELIN

1968 as assistant cashier and was made assistant vice president in 1969. He now serves as a commercial loan officer.

J. Bradford Thomas has joined the bank as assistant vice president, data processing department. He had been with Texas Commerce, Houston.

Other new appointments at the bank included: A. Michael Dawson Jr., systems officer; Ernest L. Eustis III, banking officer; Joseph C. Kennedy, accounting officer and assistant controller; and Robert M. Leaman, marketing officer.

Kors Wins Golden Deeds Award



Preston V. Kors (l.), v.p., Louisiana National, Baton Rouge, receives the Golden Deeds Award plaque from Douglas Manship, publisher, Capital City Press. The annual award is made by the Baton Rouge Inter-Civic Council for outstanding humanitarian or civic deeds. Mr. Kors has served as organizer and fund raiser for many civic groups in Baton Rouge.

Snellings, Guthrie Promoted At Central Bank, Monroe

MONROE-Central Bank has named George M. Snellings Jr. chairman and J. Gravson Guthrie president.

Mr. Snellings, senior member of a law firm, has been a director of the bank since 1949. He has served as the





GUTHRIE

SNELLINGS

bank's attorney since 1946 and chairman of its policy committee since 1965.

Mr. Guthrie, former executive vice president, succeeds as president Conway Crossland, who has resigned. Mr. Guthrie joined Central Bank in 1929 and was elected executive vice president and a director in 1958. He is a past president of the Louisiana Bankers Association.

Quartemont Appointed Vice Pres. At Guaranty Bank, Alexandria

ALEXANDRIA -J. A. Quartemont has been elected a vice president of Guaranty Bank.

He joined the bank in 1970 as manager of the credit department and was elected an assistant vice president in 1971. He is a member of



QUARTEMONT

Robert Morris Associates and is on the board of governors of the Louisiana Finance Association.

■ MICHAEL P. MARAIST has been named president of Acadiana Bank, Eunice. Mr. Maraist, 25, is said to be the youngest bank president in the state. He has served at Morgan City Bank, First National, Lafayette, and Houston National.

■ WALTER E. BUSBY was named trust officer of Capital Bank, Baton Rouge. He formerly served with the fourth circuit court of appeals and as a judge of the 19th judicial district court.

■ FIRST NATIONAL, DeRidder, elected Eugene E. Hawley Jr. assistant vice president and manager of the consumer loan department.



Signs of another period of recordgrowth for BNO:10721071

1972	1971	Growth
\$237.7	\$205.9	+15%
141.5	109.9	+29%
85.5	70.6	+21%
\$ 278.3	242.2	+15 %
	\$237.7 141.5 85.5	\$237.7 \$205.9 141.5 109.9 85.5 70.6

Comparative Statement of Condition

June 30, 1971	June 30, 1972	ASSETS
\$ 39,796,163	\$ 39,777,660	Cash and Due from Banks
30,588,171	. 26,752,433	U. S. Treasury Securities
15,186,834		Securities of Other U. S. Government Agencies
24,560,341		State and Municipal Bonds
270,000		Stock in Federal Reserve Bank
-0-		Investments in Subsidiaries Not Consolidated
109,935,751	141,505,868	Loans Outstanding Federal Funds Sold and Securities Purchased
18,250,000	6,200,000	Under Agreements to Resell
1,194,523		Furniture, Fixture and Equipment
1,667,759		Interest Earned, but Not Collected
13,738		Customers' Liability on Acceptances
719,214		Other Assets
\$242,182,494		TOTAL ASSETS
		LIABILITIES
\$106,595,746		Demand Deposits
27,958,709		Savings Deposits
71,435,075	. 101,852,360	Time Deposits
\$205,989,530	.\$237,660,661	TOTAL DEPOSITS
\$ 15,625,000	.\$ 18,575,000	Federal Funds Purchased and Securities Sold Under Agreements to Repurchase
2,261,693		Accrued Taxes and Interest
3,057,228		Unearned Interest and Income Collected
93,042	. 116,302	Quarterly Dividend Payable
13,738		Liability on Acceptances
205,374		Other Liabilities
\$227,245,605		TOTAL LIABILITIES
\$ 2,075,505	.\$ 2,084,714	RESERVES Provision for Possible Loan Losses CAPITAL
1,600,000	. 1,495,000	Capital Notes
2,684,500	. 2,684,500	Common Stock, \$12.50 Par Value, 400,000 Shares Authorized 214,760 Shares Issued and Outstanding
6,340,500	. 7,440,500	Surplus
2,236,384	. 2,473,863	Undivided Profits
\$ 12,861,384		TOTAL CAPITAL
\$242,182,494	.\$278,293,086	TOTAL LIABILITIES, RESERVES AND CAPITAL



THE BANK OF NEW ORLEANS AND TRUST COMPANY

HEAD OFFICE: BNO Building, Common & O'Keefe TELEPHONE (504) 581-7511 MEMBER FDIC

Arkansas News

Grand National, Hot Springs, **Receives Charter Approval**

HOT SPRINGS-A group of local businessmen have been granted a charter authorizing the organization of a new national bank here, to be known as Grand National Bank.

The bank will be located in a new building. A drive-in facility is contemplated.

The capital structure of the bank is: capital-\$1 million; surplus-\$750,-000; and undivided profits-\$500,000.

Young Presidents' Organization Names Kane to Membership

LITTLE ROCK-Edwin C. Kane, president, First National, has been elected a member of the Young Presidents' Organization, Inc., an educational organization with an international membership of 2,600 young, successful chief executives.

All members have become presidents of sizeable companies before the age of 40 and remain members until age 49.

The organization was founded to help members become better presidents through education and idea exchange.

■ FIRST SECURITY BANK, Barling, recently held the formal opening of its new bank building. Since opening for business in March, 1971, the bank had operated from a temporary mobile home office.

■ JIM JEFFERSON has joined City National, Fort Smith, as assistant cashier and data processing manager. Formerly, he was with First National, Fort Smith. Also named an assistant cashier was Clark Dugan, who is responsible for processing loans.

Worthen Bank Prepares Booklet

LITTLE ROCK—Worthen Bank's correspondent division recently prepared a booklet listing the closing hours observed by Arkansas banks.

The booklet gives each bank's name, location and telephone number, in addition to its regular banking hours, late Friday hours and days closed.

(D) FIRS	T NATIONAL BAI	
Condons	ed Statement of Condition June 30, 1972	
OFFICERS H. C. McKINNEY, JR.	RESOURCES	
President W. D. MEACHAM Exec. Vice-President JAMES Y. CAMERON	Cash on Hand and Due from Banks \$10,503,240.54 United States Securities	
Vice-President JOE W. MILLER Vice-President R. G. DUDLEY Vice-Pres. & Cashier CHARLES HANKINS Vice-President E. PERRY SCHIEFFER Auditor	State, County and Municipal Bonds Stock in Federal Reserve Bank Loans and Discounts Income Earned, Not Collected Bank Premises and Equipment Other Resources Customer Liability—Letters of Credit	438,670.63 933,771.17 417,612.77
CHARLES AINSWORTH Asst. Vice-President ROBERT BLACKWOOD	TOTAL	\$60,305,240.18
Assistant Cashier MILAS REYNOLDS Assistant Cashier PETER M. O'CONNOR Assistant Cashier MRS, BETTY A. BALLARD Assistant Cashier TRUST DEPARTMENT ARLEN WALDRUP Vice-President &	Deposits Demand \$31,321,626.37 Savings and Time 21,655,401.14 Total Deposits Reserve for Taxes, Interest, Etc. Income Collected, Not Earned Outstanding Letters of Credit	384,548.07 494,848.88 40,000.00
Trust Officer ARLEY KNIGHT Trust Officer TIMEPAY DEPARTMENT E. L. ADAMS, JR. Vice-President & Manager	Other Liabilities LIABILITIES RESERVE FOR BAD DEBTS Capital Stock \$ 1,400,000.00 Surplus 3,600,000.00 Undivided Profits 731,575.88 Reserve for Contingencies 200,000.00	\$53,918,219,35
D. E. CÁNADY	CAPITAL ACCOUNTS	\$ 5,931,575,88
Vice-President & Asst. Manager	TOTAL	
BILL GIVENS Asst. Vice President		\$60,505,240.18
DATA PROCESSING DEPT.	Member of Federal Reserve System	
JOE T. TAYLOR Data Processing Officer	Member of Federal Deposit Insurance Corpor	ation

Students Receive Certificates From School of Basic Banking

Fifty selected bank employees from all areas of Arkansas recently graduated from the School of Basic Banking, sponsored by the Arkansas Bankers Association. The one-week school is held each June at the University of Arkansas Medical Center in Little Rock.

The school is designed as an extension of bank training programs and offers a concentrated 40 hours of familiarization with all functions and services in banking. It is a preparatory course for graduate banking schools and offers information and an overview of bank operations and public services for bank employees selected for promotion and recent college graduates.

Dr. John Dominick, who holds the Chair of Banking at the University of Arkansas, is director of curriculum.

More than half of the total of 300 students who have completed the School of Basic Banking have entered graduate banking schools.



Officers of the 1972 class of the School of Basic Banking are: (from I.) sec.-treas., Miss Nelda Pennington, exec. sec. and note teller, Earle State; pres., Ray Smith, a.c., Citizens National, Walnut Ridge; and v.p., Charles O. Stewart, branch off., First National, Little Rock.

First Nat'l, Conn. Mutual Life **To Construct New Bank Building**

LITTLE ROCK-First National has announced it will enter into a joint venture with Connecticut Mutual Life Insurance Co. of Hartford to construct its new downtown bank building.

The 33-story building will have about 529,000 square feet of gross building area and will cost about \$20 million. Construction is scheduled to begin late this summer and is due for completion in late 1973 or early 1974.

■ PATRICK V. McKAY has joined Exchange Bank, El Dorado, as vice president and cashier. He also will serve as assistant secretary to the board and as a member of the executive committee. Mr. McKay formerly was executive vice president of Planters & Merchants Bank, Gillett.

■ BANK OF ELKINS recently held an open house to celebrate its 60th anniversary.



Regulation changes pose many questions. For accurate, informed answers...

count on Mercantile in St.Louis

- What will be your reduction in reserve requirements?
- How can you collect your checks faster?
- How will your earnings be affected?
- Should you change your cash letter sort because of the expanding St. Louis Regional Check Processing Center? (Ask us for a cash letter analysis.)



Let your Man from Merc tell you how banking regulation changes will affect you. In the fast-moving business of banking today your Man from Merc is more important than ever.

Texas News

Underwood Promoted to VP At First National, Dallas

DALLAS—First National has announced several promotions including



that of Robert L. Underwood II to vice president in the correspondent banking division.

Also named a vice president was Charles H. Hedrick, assistant director of advertising and public relations. Larry E. McCarver was ad-

UNDERWOOD

vanced to assistant vice president-international.

Others promoted include: Benny D. Duncan, Littie M. Grooms and Edward B. Summerhill, trust officers; Denny C. Darby and Altus E. Wilder III, administrative officers; David L. Ramsour, assistant economist; Stephen D. Fisher, Alexander W. Mitchell Jr. and Vaughn C. Pearson, banking officers; and James F. Carroll Jr., Dixie Jordan, James W. Lake and David Rogers, data processing officers.

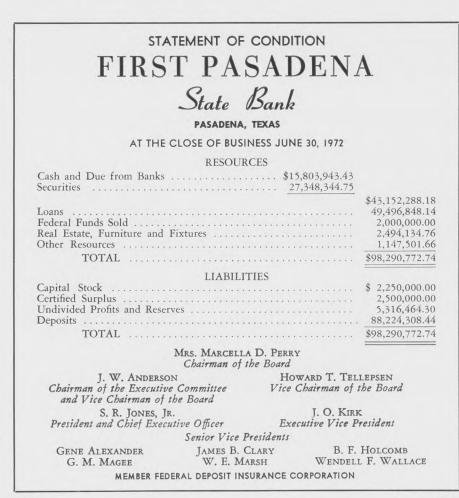
Remodeling Program Completed By Nederland State Bank

NEDERLAND—Nederland State recently completed construction of a 6,600-square-foot addition, along with extensive remodeling.

The bank's lobby has been enlarged, fully carpeted and redecorated. Added to the building were seven new private loan offices, new accounts department and a bookkeeping work room with a security vault attached. The bank expanded its note department and doubled the size of the note vault.

The upstairs portion of the bank now has a leisure seating area for employees and customers and a fire-proof record vault. A new directors' room was added, featuring reproductions of paintings by old Dutch master artists.

■ TEXAS COMMERCE, Houston, elected David H. Smith an assistant vice president in the family banking center. He had been a customer service officer. In other action, the bank elected J. Edward Mann Jr. a trust development officer.



McKnight Named Vice President At Republic National, Dallas

DALLAS—Sam A. McKnight has joined Republic National as vice presi-



dent in the municipal bond group of the bond division. He had been assistant vice president and regional manager for John Nuveen & Co., Inc., Dallas.

Recently advanced at the bank were: Jeffrey G. Chase, assistant

vice president and trust officer; Jack L. Tucker and Richard R. Cloutier, assistant vice presidents; and Peyton M. Lake, Jack Bell, Frank J. Budreck and Will S. Davies Jr., banking officers.

Heritage Nat'l Opens in Tyler In Temporary Quarters

TYLER—Heritage National recently opened its doors here in temporary quarters. The bank has the first national charter to be granted in Tyler since the turn of the century, according to its president, Allen M. Burt, former president of First National, Jefferson.

Heritage National opened its doors fully automated. All the bank's records, including its general ledger and payroll, are run on-line to a Honeywell 1250 computer in Dallas.

Groundbreaking for the bank's permanent building is scheduled for November 1, with completion expected in the spring of 1973.

Other officers of the bank, in addition to Mr. Burt, are: Edmund Serur, vice president and cashier; and Charles G. Grimes and Joseph M. White Jr., vice presidents.

MGIC Appoints Robert Lauchner South Tex. Regional Director

Mortgage Guaranty Insurance Corp., Milwaukee, has appointed Robert H. Lauchner regional director-development. He will offer the financial guarantee programs of MGIC to institutional lenders in southern Texas, a newly created sales territory.

Mr. Lauchner replaces Granvel Smith, who will devote full time to serving the Houston sales territory.

■ BERNARD GONZALES was promoted to assistant vice president and J. Ernest Rodriguez was elected personal banking officer at Frost National, San Antonio. Mr. Gonzales came to the bank in 1964 and is a member of the real estate loan department. Mr. Rodriguez has been with the bank since 1968.

Keough Elected Vice President At Frost Nat'l, San Antonio



SAN ANTON-IO-Larry Keough has been promoted to vice president in the trust investment division of Frost National. He has been with the division since joining the bank in 1963.

KEOUGH

A graduate of the University of Notre Dame, Mr. Keough is a member of the San Antonio-Austin Society of Financial Analysts.

First City National, Houston, **Names Clark Vice President**

HOUSTON-E. Wayne Clark was promoted from assistant vice president to vice president in the administrative division of First City National. He joined the bank in 1970.

Named assistant vice presidents were: Donald G. Melton, administrative division; Robert L. Kirk and G. Ralph Johnson, banking division; Jack M. Little III and Robert H. Poer, trust officers; and Harvey D. Jones, trust investment officer.

Southwest National of El Paso Names Senior VP, Directors

EL PASO-Southwest National has elected William E. Abel senior vice president and trust officer. He has been in banking in Arizona, Pennsylvania and New Jersey.

Elected directors were F. O'Neil Griffin and Gaston E. Heffington. Mr. Griffin, who also was named a director of United Bank Shares, Inc., is executive vice president of First City Bancorp. of Texas, Inc., and chairman of Humble State.

Mr. Heffington is senior vice president of First City Bancorp. and chairman of Fayetteville Bank. He also is president of Executive National and a director of Heights State Bank and Highland Village State, all of the Houston area.

DONALD R. SMITH was elected a trust administrative officer in the trust and investment services division of First National, Fort Worth. Mr. Smith, a CPA, formerly was with Price Waterhouse & Co., Fort Worth, where he served as a tax accountant for four years.

EXCHANGE BANK, Dallas, recently announced formation of an international department. Ernest P. Williams, vice president, is manager of the new department.

ROGER HAWKINS was promoted from assistant cashier to assistant vice president at First National, Arlington. He joined the bank in 1968 as a computer operator in the data processing department.

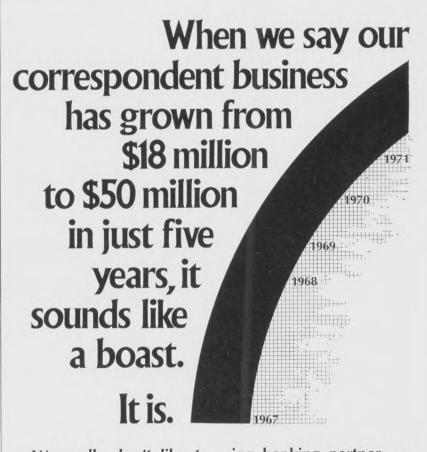
■ IAMES R. ALLISON was elected a trust officer in the corporate trust department of National Bank of Commerce, Dallas. He joined the bank in May.

JERRY DAVIDSON has rejoined Beaumont State as vice president-installment loans. Previously, he was with the bank from 1966 to 1969.

■ INWOOD NATIONAL, Dallas, has promoted Aurelia M. Quinn and Thomas Jones to assistant cashiers. Mr. Quinn has been with the bank since 1969 and Mr. Jones since February.

■ W. G. KIRK has been promoted from vice president and trust officer to senior vice president and trust officer at First National, Brownwood. He has been with the bank one year.

■ FIRST CITY NATIONAL, Houston, advanced Larry G. Justiss and Thomas R. Mongan from trust investment officers to assistant vice presidents and trust investment officers.



We really don't like to brag at National Bank of Commerce; it's just that we can't help being proud of our record. We think the fact that we've almost tripled our correspondent business in less than five years speaks for itself!

We don't say or contend we are an outstanding banking partner — We PROVE it! Over and Over! Day in and day out!!!

Our mushrooming correspondent balances and long list of happy customers prove we're doing something right. **Right?**

National Bank of Commerce 1525 Elm Street • Dallas, Texas 75221

Member FDIC

Urban Development Commission Approves First Nat'l Complex

ALBUQUERQUE—The contract for First National's \$30-million pedestrianoriented downtown complex has been approved by the Urban Development Commission.

The bank will purchase seven acres in the Tijeras urban renewal area and develop a 700,000-square-foot complex that will include the bank's headquarters, office and retail space and a hotel.

• LOS ALAMOS NATIONAL has promoted William C. Enloe to assistant loan officer and branch manager, John R. Carpenter to assistant loan officer and Mrs. Gloria P. Turner to assistant cashier.

■ FIRST NATIONAL, Clovis, has elected Don Brewer an assistant cashier. He had been serving as an installment loan officer.

■ GEORGE E. FRAZIER has retired as senior vice president and secretary of American Bank of Carlsbad. He will remain a director.

■ FIRST NATIONAL, Tucumcari, recently celebrated its 70th anniversary with a three-day open house.



■ FIRST NATIONAL, Albuquerque, recently elected five new assistant cashiers. Promoted were: Paul L. Follmer, credit manager in the dealer department; Everett R. Kitterman, manager of the installment loan department, North Fourth Street Office; Miss Joyce Koger, loan officer, East Central Office; Terril D. Norris, loan officer, personal loan department, Main Office; and John D. Stewart, assistant manager, East Central Office.

■ MISS RUTH HARRELL, assistant vice president, Albuquerque National, recently marked her 25th anniversary in banking. She is a past president of the National Association of Bank-Women.

■ AMERICAN BANK OF COM-MERCE, Albuquerque, has elected Burt L. Rawlings assistant cashier and Michael Morris bank officer. Mr. Rawlings previously was manager of Western Finance Co., Las Cruces. Mr. Morris has been with American Bank of Commerce for a year and a half. • H. C. HARVEY has retired as chairman of Carlsbad National, but will remain a director. He has been with the bank 27 years and served as chairman since last January.

■ WALTER T. FALLS JR. has been elected assistant vice president and agricultural officer of First National Bank of Lea County, Hobbs. Formerly, he was with Citizens National, Lubbock, Tex., where he served in the correspondent banking department and as an agriculture specialist.

■ FIRST NATIONAL, Las Cruces, appointed Donald E. Beal auditor. Formerly, he was assistant professor of accounting at New Mexico State University.

• CITIZENS BANK, Albuquerque, has elected Dr. Leroy J. Miller a director. He is a neurosurgeon.

■ GALE IZZARD has joined First National, Clayton, as a vice president. He had been vice president of First National, Ponca City, Okla.

■ JIM PURCELL has joined Citizens Bank, Farmington, as assistant manager of the installment loan department. Formerly, he was office manager at San Juan Hospital.

Alexander Named Executive VP At First of Oklahoma City

OKLAHOMA CITY—First National has elected William O. Alexander executive vice president and a member of the executive committee. He also has become head of the trust department.

John H. Miller, senior vice president and trust officer and former head of the trust department, will now assume fulltime duties in the development of new trust business and new trust programs as senior trust consultant.

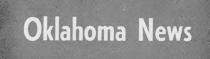
Mr. Alexander joined First National in 1961 as head of business development. He became president of First Life Assurance Co. when it was organized as a sudsidiary of First Oklahoma Bancorp., Inc.

In other action, J. Kendall Hert was elected a vice president in the corre-



HERT

ALEXANDER



spondent bank department. He joined the department last March.

Other new vice presidents are George H. Frank Jr., head of the installment loan department, and Robert L. Oliver, Tulsa representative of First National Leasing. Named assistant cashiers were Miss Betty J. Adkins, David J. Montgomery and William B. Strecker.

■ FIRST STATE, Keyes, recently completed a major remodeling project which included new offices and teller counters, central air-conditioning and wall-to-wall carpeting.

■ DURANT McINNIS has joined City National, Guymon, as senior vice president, succeeding Richard Bennett, who has resigned. Mr. McInnis had been president of First National, Clayton, N. M.

■ FOURTH NATIONAL, Tulsa, advanced Nicholas E. Fitzgerald from assistant cashier to assistant vice president. He is officer in charge of the discount and collateral department and joined the bank in 1968.

Oklahoma Chapter of BMA Appoints New Officers

New officers of the Oklahoma Chapter of Bank Marketing Association were installed recently at special ceremonies held as part of a BMA-sponsored financial marketing seminar in Tulsa.

The new officers include: president, Barry M. Hudson, vice president, First National, Bartlesville; vice president, Fred Setser, senior vice president, Fourth National, Tulsa; secretary, Tracy Kelly, president, American National, Bristow; and treasurer, Gene Allen, vice president, First National, Oklahoma City.

■ F&M BANK, Tulsa, has announced a proposed 20% stock dividend that would boost capital by \$440,000 to \$2,640,000. Stockholders were voting on the plan at MCB press time.

• MAY AVENUE BANK, Oklahoma City, has elected William T. Payne an advisory director. He is chairman of Big Chief Drilling Co. and of Seneca Oil Co.

• CHARLES R. HOLLINGSWORTH was promoted from assistant vice president to vice president of Security National, Norman, while James D. Carter was appointed assistant vice president in the loan department.

I04 gitized for FRASER ps://fraser.stlouisfed.org

U. S. Government Securities 19,247,210.78 Municipal Securities 38.856.355.54 Trading Account and Other Securities 11.180.991.17 Securities Purchased Under Agreements to Resell . 31,500,000.00 Federal Funds Sold 5.000.000.00 Loans, Less Unearned Income of \$2,697,630.42 173,553,494.57 Bank Premises and Equipment 7 953 930 84 2,297,131.55 Other Assets Total Assets\$348,497,296.07 LIABILITIES Demand Deposits, \$172,070,229.45 Federal Funds Purchased 6.750.000.00 Securities Sold Under Agreements to Repurchase . 28,125,735.00 Accrued Taxes, Interest, and Other Expenses 1,757,071.33 Total Liabilities 315,890,836.24 RESERVES 2,861,074.85 Reserve for Loan Losses STOCKHOLDERS' EQUITY Common Stock - \$5.00 Par Value 11,000,000.00 2,500,000 Shares Authorized 2,200,000 Shares Issued Surplus 12,000,000,00 Undivided Profits 6,745,384.98 Total Stockholders' Equity 29,745,384.98

Stockholders' Equity \$348,497,296.07

STATEMENT OF CONDITION June 30

Cash and Due From Banks\$ 58,908,181.62

we get around

Kansas is flat/hilly, bare/forested, rural/citied, conservative/liberal. Visitors from some parts of the nation wouldn't even recognize our worst slums as such, would be properly impressed by our finest residences, and would be astounded at the "good life" that even the average Kansan takes for granted.

We speak with the authority of businessmen who see more of the state more regularly than most. And with the insight of bankers who know what's going on money-wise. If you want the benefit of our experience and information, a confidential call to Jim Boyd, Senior V.P., Mortgage Banking Division, will get it: (316) 268-4306.



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

1972

Total Liabilities, Reserves, and

ASSETS

Kansas News

Luerding Named Vice President At First National, Wichita

WICHITA—First National has promoted John J. Luerding from assistant



vice president to vice president. He joined the bank in 1966 and has been in the marketing department for the past three years.

George T. Spencer, credit manager for the Master Charge division, was advanced from assistant cashier to

credit card officer. He came to First National in 1965 and worked in the installment loan department until moving to the Master Charge division in 1969.

Kansan Visits Amsterdam



S. N. Moffet (r.), ch., First Nat'l, Larned, presents a silver Larned centennial commemorative coin to J. William Middendorf, U. S. ambassador to the Netherlands. They are standing atop the Amsterdam Hilton overlooking the city of Amsterdam. Mr. Moffet was among 12 U. S. bankers who made a trade mission, sponsored by the U. S. Department of Commerce and the ABA, to the Netherlands, Denmark and Norway. The trip was not financed by the Department of Commerce. Its purpose was to broaden this country's trade, especially exports, with the three countries. Mr. Moffet represented Kansas industries and products in general, but he also carried detailed information from a number of these firms.

Capital City State Expansion Nears Completion

Capital City State, Topeka, has begun an expansion program that will double its main bank floor. The drive-up at right was completed in June.



New Appointments Announced At Security National Bank

KANSAS CITY—Kenneth A. Domer has been elected assistant cashier in the

> agribusiness correspondent department of Security National. He formerly was cashier at Turner State.

> Gerald L. Mildfelt has resigned as vice president in the agribusiness correspondent department to become president of

DOMER

Home State, Erie. He specialized in cattle loans and had been with the bank since 1968.

Several new appointments included Jay Breidenthal, vice president and director, and Martin Istock, assistant vice president, who were named to the bond and stock evaluation-analysis committee, reporting directly to the executive committee.

J. Vin Belcher was assigned to student and consumer loans while Philip Summerson will work in the expanded real estate department. Both are newly elected assistant loan officers.

Douglas Haynes, assistant vice president, has assumed duties in the real estate department, as well as the commercial loan department.

Central State Control Purchased By Langenwalter and Wells

WICHITA—Control of Central State has been purchased by Robert G. Langenwalter and Ted A. Wells, principals in the firm of Central Investment Co. Mr. Langenwalter was elected chairman and president and Mr. Wells was named vice chairman. The two purchased control from Ben P. Robinson, former chairman, and S. P. McKinney, former president. Mr. Robinson will remain with the bank as a director and Mr. McKinney as an officer.

Mr. Langenwalter is president of the investment firm of Abbot & Associates, Inc., and was president of Wichita State from 1965 to 1971. Previously, he was vice president of Kansas State.

Mr. Wells is president of Central Engineering Corp. He served as vice president and chief engineer at Beech Aircraft Corp., until forming his own company in 1953.





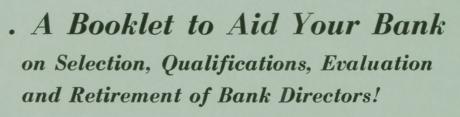
WELLS

LANGENWALTER

■ WILLIAM COLE, former executive vice president, Planters State, Salina, has been elected president and chairman. He succeeds as president the late C. Delbert Miller. Howard B. Eagle, former chairman, is now honorary chairman. Other promotions included: Richard C. King, from vice president to executive vice president; Graham A. Larson, from vice president and cashier to senior vice president, cashier and secretary to the board; and L. Dean Tinkler, vice president and assistant secretary to the board.

■ JOHN J. STEWART has joined First National, Kensington, as a vice president. Formerly, he was assistant vice president at Consolidated State, Hill City.





• 24-page Booklet, 8¹/₂ x 11. Answers key questions concerning director selection, retention and retirement. Special section: the prospective director and how he should be expected to contribute to the bank's success. Suggested rating system and checklist, model forms for board analysis, cost and remuneration and retirement policy statement included.

Check Box No. 101, \$2 per copy.

OTHER MANAGEMENT - DIRECTOR MANUALS

• Bank Shareholders' Meeting Manual. For directors of state-chartered banks. 60-pages, discusses conflict-of interest, minority rights, fuller disclosure, voting of trust-held securities, preparation of stock purchase and stock option plans and capital notes and capital debentures. No. 102, \$6.95 each.

NOW

Bank Directors

• 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. No. 103, \$2 per copy.

• Annual Review For Officer Promotions. 4-page study, contains 12 pointby-point appraisals of officer performance and potentials. No. 104, 4 copies for \$1.

• Check List of Audit Procedures For Directors' Examination. 23-part outline encompasses review of major audit categories. Special 4-page study. No. 105, 4 copies for \$1.

• Bank Board Policy And The Prerogatives Of Operating Management. Special study focuses on utilization of skills and knowledge of "outside" directors; should the board do more than merely set policy?; who should operate the bank—the board or management? No. 106, 4 copies for \$1.

• The Board of Directors And Effective Management. Harold Koontz, 256 pages. Critical look at directors' role: functions and responsibilities, decision • Policy Statement for Equal Employment Opportunity. 4-page study, contains suggested Equal Opportunity Program aimed at preserving a bank's eligibility to serve as federal depository. No. 112, 4 copies for \$1.

• The Bank Board and Loan Policy. 28 pages. Discusses reasons for a bank having a *written* loan policy. Presents loans policies in use by two well managed banks. Will aid your bank in establishing broad guidelines for your lending officers. No. 113, \$2.25 per copy.

areas, control, relationship of success to more productive management. No. 107, \$8.50 per copy.

• Deferred Compensation Plan for Directors. Explanation of an important IRS Ruling that will allow your directors to collect directors fees after retirement, thus offering substantial tax savings. No. 108, 4 copies for \$1.

• A Business Development Policy. A plan for the small bank in setting up objectives and establishing responsibilities in the officer staff for getting new business, holding present business. No. 109, 4 copies for \$1.

• SALES: How Bank Directors Can Help. Detailed outline of a program that has developed more than \$40 million in new business for a holding company chain in the Southeast. No. 110, 4 copies for \$1.

• Planning the Board Meeting. 24 pages. Suggests agendas, briefing sessions, reports to the board (topics to be reported, weekly, monthly, quarterly, semiannually and annually). No. 111, \$2 per copy.

Please Send Me Th	ne Following Management Aids:
No. 101 copies	\$
No. 102 copies	\$ Send Completed coupon WITH CHECK to:
No. 103 copies	\$ Commerce Publishing Co., 408 Olive St., St.
No. 104 copies	\$ Louis, Mo. 63102, publishers of Mid-Con-
No. 105 copies	\$ tinent Banker, Mid-Western Banker and The
No. 106 copies	\$ BANK BOARD Letter.
No. 107 copies	\$ (Please make check payable to
No. 108 copies	\$ The BANK BOARD Letter)
No. 109 copies	\$
No. 110 copies	\$ Name
No. 111 copies	\$ ···· Bank or Company
No. 112 copies	\$
No. 113 copies	\$
Total	\$ City State Zip
(In Missouri, add 3% SIs Tax)	\$

Missouri News

Boehm Named to Banking Board; Officer of Pioneer Bank

William T. Boehm, chairman and president, Pioneer Bank, Maplewood,



has been named by Governor Warren Hearnes to the state banking board. He succeeded Howard C. Kellett, chairman, First National, West Plains, who died June 19.

Mr. Boehm, who served in the Air Force during World

War II, was in sales work before joining Big Bend Bank, Webster Groves, in the early 1950s. He later joined Security Trust, St. Louis, and, on its merger with Mercantile Trust, became vice president of commercial lending. In February, 1969, Mr. Boehm joined Pioneer Bank, then called Maplewood Bank, as president and was elected to the additional post of chairman the following September. The bank's name was changed in 1970, and it moved into a new building early this year.

Annual Market Day to Be Held By First Stock Yards Bank

ST. JOSEPH— First Stock Yards Bank will hold its 16th annual Market Day September 6.

Registration will begin in the bank's lobby at 9 a.m. and will be followed by a tour of Armour & Co.'s new hog slaughtering plant. A luncheon will feature a report on the current day's market.

A. S. Drain, executive vice president, Armour Food Co., a division of Armour & Co., will speak at the afternoon session at the St. Joseph Country Club. He will discuss the packing house industry of the '70s. A panel discussion on present and future trends is scheduled for later in the afternoon.

The Market Day will be climaxed with a social hour and steak dinner.

■ IRON COUNTY SECURITY, Ironton, has announced plans to construct a new drive-in facility.

■ RICHARD C. SPONG has joined First National, Joplin, as assistant trust officer. He had been administrative officer in the personal trust department of Commerce Bank of Kansas City.

City National, Kansas City, Lists New Appointments

KANSAS CITY—Several new promotions have been announced by City National.

Elected assistant vice presidents were Thaine T. Anderson, business development department, and Eugene J. Calcara, installment loan division. Mr. Anderson, who recently joined the bank, is in the metropolitan area group. Mr. Calcara has been with the bank since 1947 and was elected an assistant cashier in 1961.

In the trust department, John F. Thomas was named senior mutual funds operations officer. With the bank since 1958, he was appointed trust operations officer in 1970.

Michael T. Dowd was advanced to mutual funds operations officer and Gary D. Horne to programing officer. Mr. Dowd joined the bank in 1967 and Mr. Horne in 1966.

Elected an advisory director of City National was Robert H. Lange, president, R. B. Jones Corp.

• MANCHESTER COMMUNITY BANK, Ballwin, has elected Vernon E. "Bud" Anderson a director. He is owner and president of Bud Anderson Ford.

■ FARMERS & VALLEY BANK, Tarkio, recently held an open house to honor Miss Kathleen Vette, cashier, on her 25th anniversary with the bank. She joined the bank in 1947, was promoted to assistant cashier in 1951 and to cashier in 1963.

■ JAMES E. CUNNINGHAM has been promoted from vice president to executive vice president of Commerce Bank, Joplin. Before joining the bank in 1970, he was a commercial loan officer at Exchange National, Columbia, and was secretary of the bank's real property holding company.

Officers of MBA Young Bankers



J. Michael Searles (l.), v.p., Mercantile Trust, St. Louis, accepts congratulations on being elected ch. of the Young Bankers Committee of the Missouri Bankers Association from Ben A. Parnell Jr., MBA pres., and pres., Peoples Bank, Branson. At right is William W. Gillmor, newly elected vice ch. of the Young Bankers, and cash., Missouri Bank, Kansas City.

Fashion Show at 1st of St. Louis



Arthur W. Spellmeyer, a.v.p. and mgr. of First National of St. Louis' Stadium Drive-In, assists models during an informal fashion show held in the garden plaza area adjacent to the drivein. The box-lunch fashion show was presented for downtown working women to attend during the lunch hour.

W. B. Hupp Retires as President Of Farmers Savings, Marshall

MARSHALL—W. B. Hupp, president of Farmers Savings since 1959, has retired after serving 71 years with the bank.

William C. Gordon Jr., former vice president and trust officer, was elected chairman and chief executive officer, while Alfred R. Hupp was advanced from vice president and cashier to president.

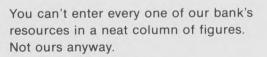
Other promotions included: Ray E. Hayob, from vice president and trust officer to executive vice president and cashier; H. Edward Gordon, from assistant vice president and assistant trust officer to vice president; and Mrs. Betty B. Vest to assistant secretary.

Holding Company Seeks Charter For Bank in St. Louis County

ST. LOUIS—Donald E. Lasater, chairman, Mercantile Bancorp., Inc., and several other officers of the holding company and of its lead bank, Mercantile Trust, have applied for a national charter for a bank to be located at Clayton and Woods Mill roads in St. Louis County.

It is proposed in the application that when approved, the new bank will become an affiliate of Mercantile Bancorp. and that the organizers will transfer all stock in the proposed bank, except for directors' qualifying shares, to Mercantile Bancorp.

■ EXCHANGE BANK, Kahoka, has promoted Robert W. Schutte to assistant vice president and agricultural representative. With the bank since 1970, Mr. Schutte had been serving as loan officer and agricultural representative.



We at Union National Bank believe our resources are made up of a lot of things. Our people. The people we serve. The banks we serve. Even our growing area and its total economy. That includes, of course, our area's

THIS IS PART OF OUR TOTAL RESOURCES.

natural resources that draw millions of families to this region every year. As the recreation business has grown so have we to meet the challenge.

Next time you have a perplexing recreational financing problem, call on Union National. Make us part of your resources, too.



CENTRAL SQUARE • SPRINGFIELD, MISSOURI • CALL (417) 869-3511 • MEMBER FDIC

PARK CENTRAL SQUARE . SPRINGFIELD, MISSOURI . CALL (417) 805-3311 . WEWBER T

Union National of Springfield Elects Johnson Senior VP

SPRINGFIELD—Union National has named Robert E. Johnson senior vice



IOHNSON

president to coordinate and supervise the bank's loan functions.

He had been executive vice president of Omaha National, where he was in charge of the commercial banking division. While with Omaha National, Mr. Johnvice president and

son also served as vice president and director of a travel agency affiliate.

C. J. Furrer Sr. Dies

ST. LOUIS—Cyril J. Furrer Sr., 59, a director of South Side National, died July 17 of a cerebral hemorrhage. He was the brother of Joseph F. Furrer, chairman of the bank, who died last June 16. Cyril Furrer Sr. operated a real estate and insurance business here for more than 40 years.

■ AL ARB has retired as vice president and cashier of Jefferson-Gravois Bank, St. Louis. He had been with the bank 47 years. Charles A. Vogel, vice president, was elected cashier to replace Mr. Arb. Mr. Vogel has been with the bank 33 years.

■ COLUMBIA UNION NATIONAL, Kansas City, promoted Mrs. Geraldine Zitariuk and William Waye from assistant cashiers to assistant vice presidents. Mrs. Zitariuk is manager of the international department and Mr. Waye manages the data processing department.

MBA Awards Students



The Missouri Bankers Association recently provided cash awards for the best bank advertising campaign developed by a team of senior students in the advertising department of the University of Missouri School of Journalism. Winners of the 1972 competition were Ben Lisenby (I.), St. Joseph, and David Baker, Springfield.

Miller Joins Big Bend Bank As Vice Pres. and Cashier

W E B S T E R GROVES—Albert A. Miller has joined Big Bend Bank as vice president and cashier. He formerly was assistant vice president and assistant cashier at Edgemont Bank, East St. Louis, Ill.



MILLER

Before joining

Edgemont Bank, Mr. Miller served at National Stockyards (Ill.) National and with Security Trust, St. Louis.

Rayl Purchases Citizens Bank

CLIMAX SPRINGS—Citizens Bank recently was purchased by Joe Rayl, chairman, First City Bank, Springfield, and president, Greene County Bank, Strafford. There will be no changes in operation or personnel of the bank.

■ FIRST NATIONAL, Liberty, has announced plans to open a new drivein facility in the Crossroads West shopping center. The new one-story structure will have both drive-in and walkin facilities, as well as a night depository.



Common Trust Fund

(Continued from page 22)

gives you the opportunity to move slowly out of undesirable holdings without upsetting grantors or beneficiaries, which one always has to keep in mind since these are the people who pay the trust investment men's salaries.

Everyone has his own investment goals and projections on investments and common trust funds provide a flexible investment vehicle. So today, when one has to compete for the dollar, those departments giving service plus performance through the use of funds will get more of their share of the business and can continue to outperform their competitors.

The trust department then can meet its growth projections because it has done the tedious job of whittling down the cost of administration, increased its effectiveness to administer small- to medium-size accounts, and-what management always likes to see-paid off in trust earnings.

As my boss once said, "Your job is what you make of it." Such is true in this competitive field. Your goals are what you make of them and the common fund can be part of achieving your goals. The growth of common trust funds is accelerating, since institutions are using them more effectively. The customer, because of additional exposure, knows what you are talking about, and hopefully, the fund is more than surpassing the goal set forth, which in turn, satisfies those people you service. • •

St. Louis Fed Names Silva **Senior Vice President**

ST. LOUIS-Charles E. Silva has been appointed a senior vice president of the Federal Reserve Bank of St. Louis. He succeeds Joseph C. Wotawa, who has retired.



MID-CONTINENT BANKER for August, 1972

Mr. Silva joined the bank in 1937 and was appointed assistant vice president in 1967 and vice president in 1971.

In other action, the Federal Reserve Bank of St. Louis appointed David T. Rennie an assistant vice president at the Little Rock Branch. He has been with that branch since 1952.

Stewart Named Dir. of Education For AIB Kansas City Chapter

KANSAS CITY-John R. Stewart. former director of accounting for the Kansas City school district, has been named director of education for the Kansas City chapter of the American Institute of Banking. He replaces the late Shelley F. Peters.

In his new post, Mr. Stewart will help the local AIB chapter prepare class schedules and will work with the national office on program changes and requirements. He will study courses to be offered and work with local bank officials regarding proposed or needed courses, in addition to assisting instructors in preparing and evaluating their teaching.

 BOATMEN'S NATIONAL, St. Louis, elected Kelley J. Isherwood assistant trust officer and Milton A. Weis assistant auditor. Mr. Isherwood joined the bank in 1970 and Mr. Weis in June.

Index to Advertisers

	_
Advertising Concepts, Inc. 48, American Express Co. 60 American Nat'l Bank & Tr. Co., Chicago)-61
Bank Board Letter 90, Bank of America 90, Bank of Kennett Bank of New Orleans Bank of the Southwest, Houston 90 Boatmen's National Bank, St. Louis Brandmark Sales Co. Brandt, Inc. 90 Bunce Building Corp.	107 63 86 99 65 75 51 7 110
	54 41 67 21 9 106 111 66
Dauphine Orleans Motor Hotel De Luxe Check Printers, Inc. Deposit Guaranty National Bank, Jackson, Miss.	96 25 97

You'll enjoy it o much more at the
FOR LOCATION · SERVICE ACCOMMODATIONS AND FOR ECONOMY
Singles: From \$17 to \$29 Doubles: From \$24 to \$33
Perfect midtown location on the pres- igious East Side, close to Grand Cen- ral Station. Subways, buses, airport imousines at the door. Walking dis- ance to U.N., Fifth Avenue shops. Soundproof rooms for comfort and sleep.
THE HOTEL COMMODORE
Park Avenue at 42nd Street A REALTY HOTEL
See your Travel Agent or call FREE the continental U.S.A. 800-221-2690

In New York State

In New York City (Local Call)

Coming to New York?

Financial Counselors, Inc. Financial Placements First American National Bank, Nashville First National Bank, Birmingham First National Bank, Blorado, Ark. First National Bank, Laokson, Tenn. First National Bank, Kansas City First National Bank, Louisville First National Bank, Montgomery First National Bank, Montgomery First National Bank, St. Louis First National Bank, St. Louis First National Bank & Tr. Co., Oklahoma City First Nat'l Bank & Tr. Co., Tulsa First National Bank, O Commerce, New Orleans First Pasadena State Bank, Pasadena, Tex. Foremost Insurance Co. Fort Worth National Bank Fourth Nat'l Bank & Tr. Co., Wichita	13 24 73 95 100 80 30 91 17 94 114 4 19 3 102 28 47 105
Hamilton National Bank, Chattanooga Harris Trust & Savings Bank, Chicago Hegco Industries, Inc. Hibernia National Bank, New Orleans Hotel New Yorker	53 23 66 15
Insured Payments	49
Liberty Nat'l Bank & Tr. Co., Louisville Liberty Nat'l Bank & Tr. Co., Oklahoma City	93 2
Manufacturers National Bank, Detroit Meilink Bank Equipment Mercantile Bank & Trust Co., Kansas City Mercantile Trust Co., St. Louis Morgan Guaranty Trust Co., New York	77 10 87 101 79
National American Bank, New Orleans National Bank of Commerce, Dallas National Bank of otroit National Bank of Tulsa National Premium Show, Inc. 43 National Stock Yards National Bank	59 103 83 39 -44 113
Palumbo & Co., Inc., George Penny Glass Works	8 76
Rand McNally & Co 12,	45
Security Corp. Southern Airways, Inc. Stern Brothers	11 98 71
Third National Bank, Nashville	57
	109
Valley National Bank, Phoenix	81
Wichita State Bank Womeldorff & Lindsey	55 18
Yanan & Associates, J.	69
Ziegler & Co., B. C.	20
	20

Detroit Bank & Trust Co.

Federal Land Bank, Wichita

82

800-522-6449

340-2776

Alabama Bank Sponsors Daily 'Morning Meditations' Program

FARMERS & Merchants Bank, Centre, Ala., reports receiving excellent reactions from its daily "Morning Meditations" radio program. The 15-minute programs, aired from 8:30-8:45 a.m., feature local religious leaders—each one serving for a week at a time.

The bank plays no part in preparation of the inspirational messages. Rather, it insists that the participating clergymen prepare their own material. The work of the clergymen is donated.

The program has been sponsored by the bank for 12 years. Response has come in primarily from shut-ins and others who are at home in the morning. These people send thank-you letters to the bank and to the radio station carrying the program.

Once a year the bank sponsors a special dinner for the participating clergymen and their wives. It's called an "appreciation dinner," and the bank always presents each participant with a gift in recognition of the work done throughout the year preparing and delivering the inspirational messages featured on the programs.

Mrs. Mary George Waite, chairman

Priest

(Continued from page 37)

consolation. "Most people who come in with departmental problems just want to get something off their chests," Mr. Kinkel said.

"They don't want me to go in and ask for a raise," he explained. "They may just say, 'I didn't get a raise. I don't know why. I've worked hard.' Then we can discuss the matter."

Although it's too early to tell in the First Security experiment, Mr. Kinkel thinks employee turnover—especially among younger people—can be reduced greatly through counseling. "Some of the reasons young people quit their jobs are so trivial," he noted.

Mr. Kinkel added that the First Security chaplaincy program is a young one—barely a year old. A counselor, whose service is private and personal, requires time to build a reputation among employees, he said.

An annual visitation to retired employees is part of Mr. Kinkel's program. The chaplain also visits hospitalized employees, their families and even close associates of the bank.

Morning devotionals were held every day at the outset but were only minimally successful. Devotionals are



Mrs. Mary George Waite, ch. and pres., Farmers & Merchants Bank, Centre, Ala., chats with clergymen at bank's annual appreciation dinner for religious leaders who have participated on bank-sponsored "Morning Meditations" radio program.

and president of Farmers & Merchants, says she can't tie the sponsorship of "Morning Meditations" in with any new business, but she is sure that the goodwill the bank has created for itself has borne fruit through the years. $\bullet \bullet$

now held on special occasions, such as Christmas, Thanksgiving and Easter. Featuring a message from a local minister, lay person, employee or the chaplain, the devotionals are held before working hours and usually last 15 minutes.

A choir program attained some success last summer, but it is difficult to conduct year-round because of fall and winter AIB courses and other outside activities, Mr. Kinkel said.

In time of tragedy, Mr. Kinkel offers his help and consolation to the employee and his family. At the very least, the chaplain composes a letter to the family expressing the bank's sympathies.

Of course, not all of the chaplain's activities are so somber. Take the case of two young people who recently met at the bank, fell in love and were married by Mr. Kinkel. (Another "bank marriage" was performed in which the woman was an employee, but the man was not.) The chaplain stresses, however, that he does not try to usurp the role of an employee's own pastor.

Mr. Kinkel, 51, has been pastor of St. Matthews Episcopal Church, Lexington, since 1967, and he continues there while working at the bank. "Being pastor and chaplain keeps me busily occupied practicing my faith seven days a week," he remarked. \bullet

D&O Liability Insurance Offered By New York Guaranty Corp.

New York Guaranty Corp., a subsidiary of MGIC Investment Corp., has announced the nationwide availability of personal liability insurance for directors and officers of commercial banks. The program is available for small and moderate-sized banks with deposits over \$2 million but not exceeding \$100 million.

Dennis J. Layne, chief underwriter for the D&O program, said, "The insurance protects directors and officers against direct personal financial loss arising from any claim of wrongful acts performed by them while serving in their individual or collective capacities with the bank. The insurance also reimburses the institution itself for obligations due to claims made against them in their capacities as directors or officers."

The new program covers the bank, its directors and officers as a group. It covers losses up to \$1 million per occurrence, with an aggregate limit of \$1 million per officer or director per year.

• NEW YORK—First National City has elected M. Allyn Gallup Jr., John K. Hammes, Henry R. Brenner and Thomas C. Dittrich vice presidents.

Man For All Seasons

Even the worst of seasons brings out the best in the hard driving men of Stock Yards Bank.

When a correspondent bank's traditions of knowledgeable service are



based on continuous visits throughout its area of operation, the best season for making these visits is any and all.

This is what gives the correspondent specialists at SYB such clear vision and insight into your individual needs and problems, so whatever the season, whatever the reason, it's a good idea for you to call Jim Montgomery or any of the staff at 618-271-6633 to get your correspondent matter on the road to a successful conclusion.

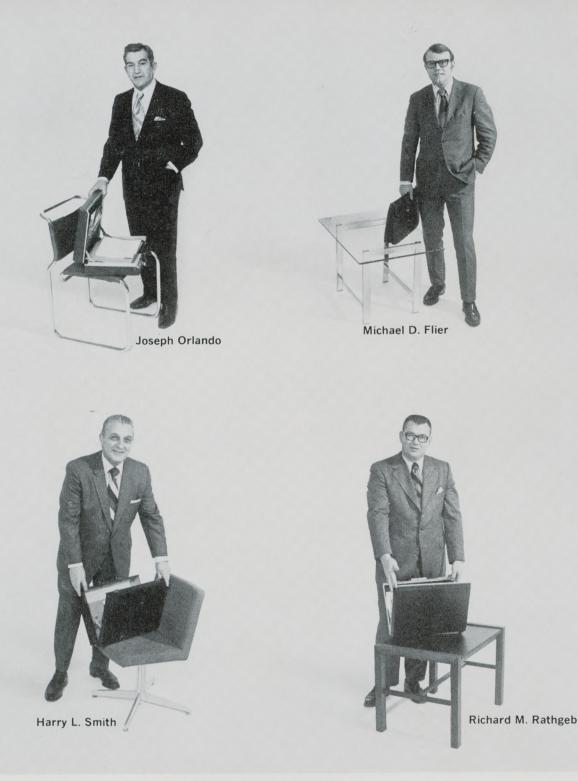
THE NATIONAL STOCK YARDS NATIONAL BANK OF NATIONAL CITY



Just across the river from St. Louis

N

Member Federal Deposit Insurance Corp



They can help. We can help.

These are some of First National's correspondent men. They spend their working days helping other banks. And making sure we're helping properly back here at First National.

Together, there's no end to the help we can give.

International banking services, real estate or commercial loans, credit information, check collection, government and municipal bond trading, investment portfolio analysis, business development and marketing, or maybe some advertising and public relations assistance.

You see, we'll help you with it all, because your business is big business to us.

Lef.

So big, in fact, that last year our deposits from correspondent banks accounted for 32% of our total demand deposits.

Call your Correspondent Representative in St. Louis at 421-2000, Area Code 314. Give him and First National the opportunity to be of help.

First National Bank in St.Louis

314/421 2000 St. Louis. MO 63101 Member FDIC



gitized for FRASER ps://fraser.stlouisfed.org