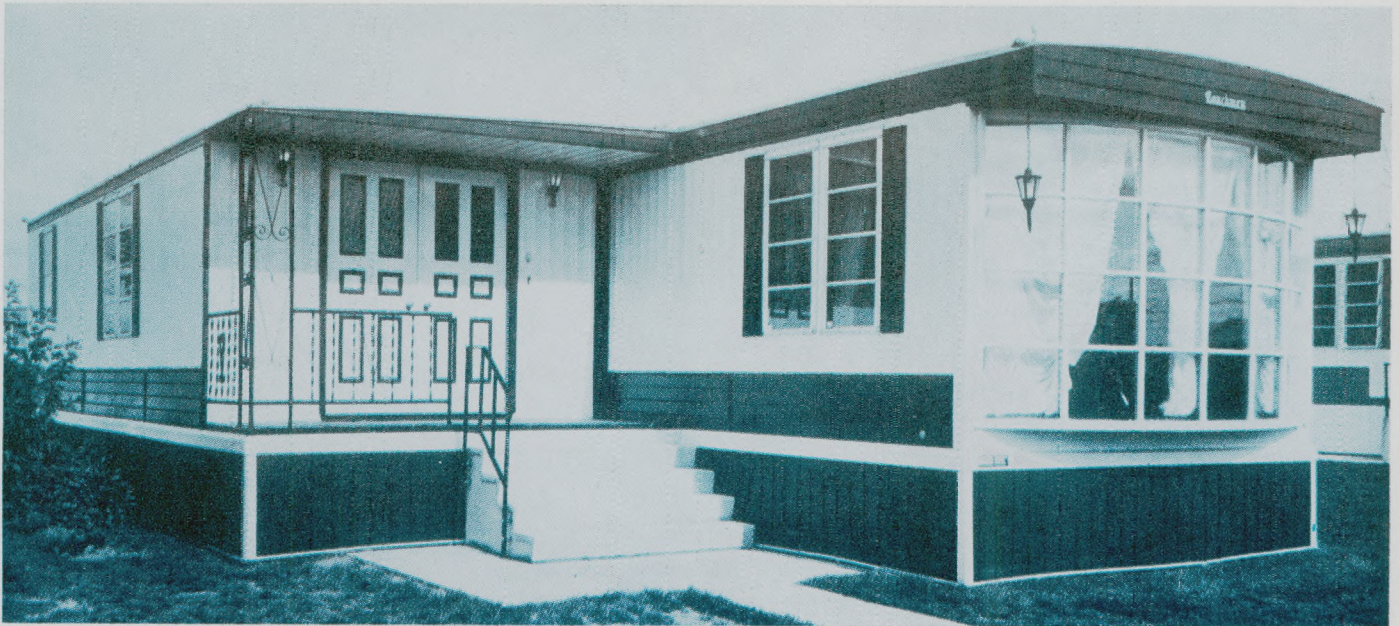


# MID-CONTINENT BANKER

*The Financial Magazine of the Mississippi Valley & Southwest*

OCTOBER, 1972



## Mobile Home Financing

- Mobile Home Loan Yields Rated 'Excellent' Page 37
- MH Financing Complex, but Profitable . . . Page 40
- Mobile Home Living—Life Style of '70s . . . Page 46
- Trends in the Mobile Home Industry . . . . Page 52





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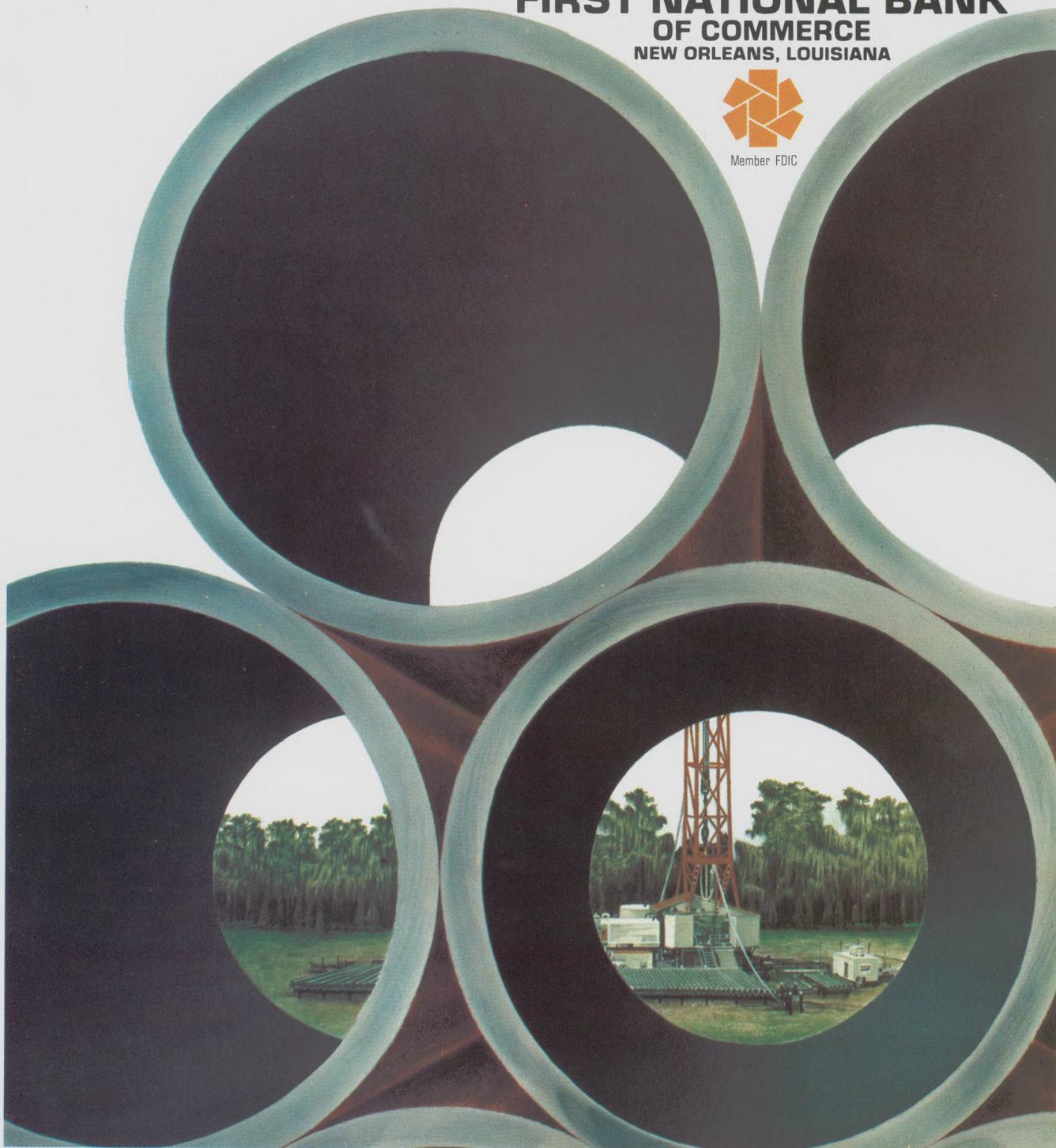
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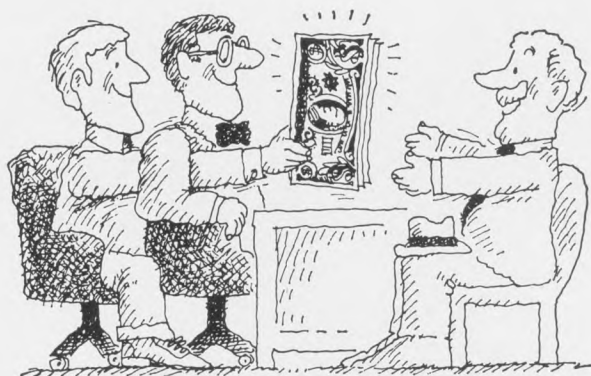


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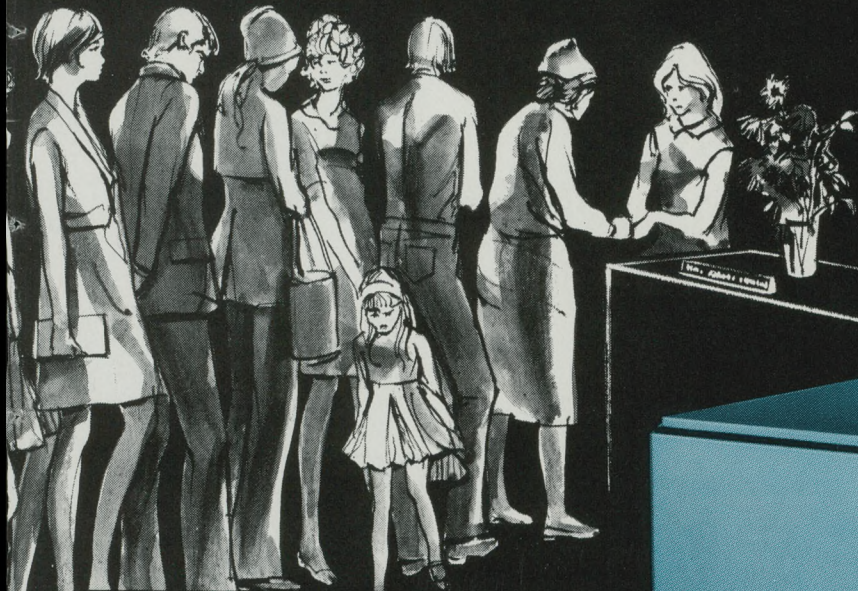
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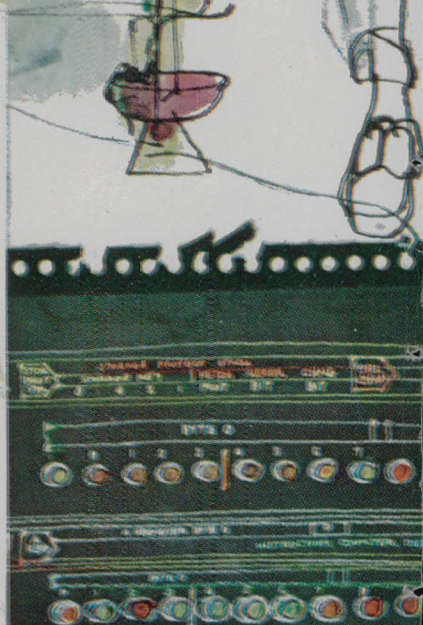
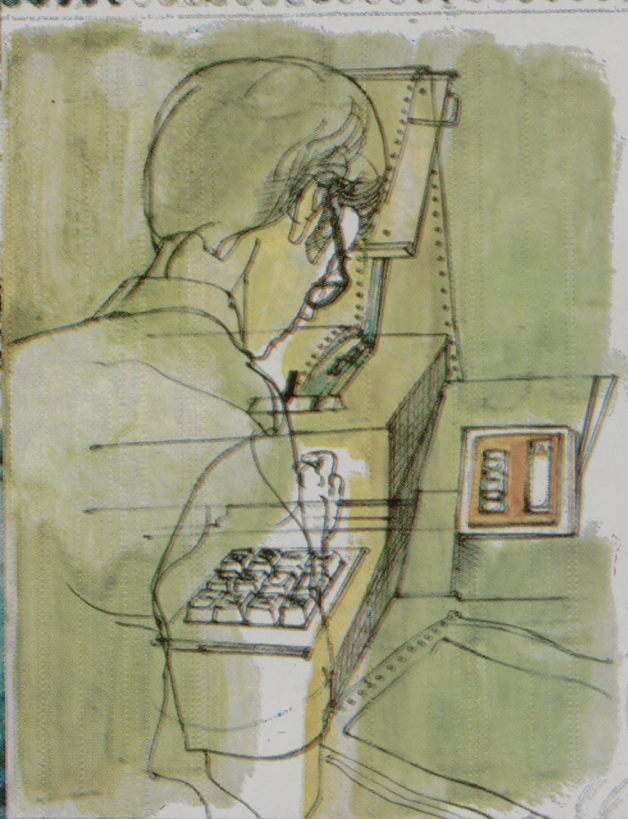
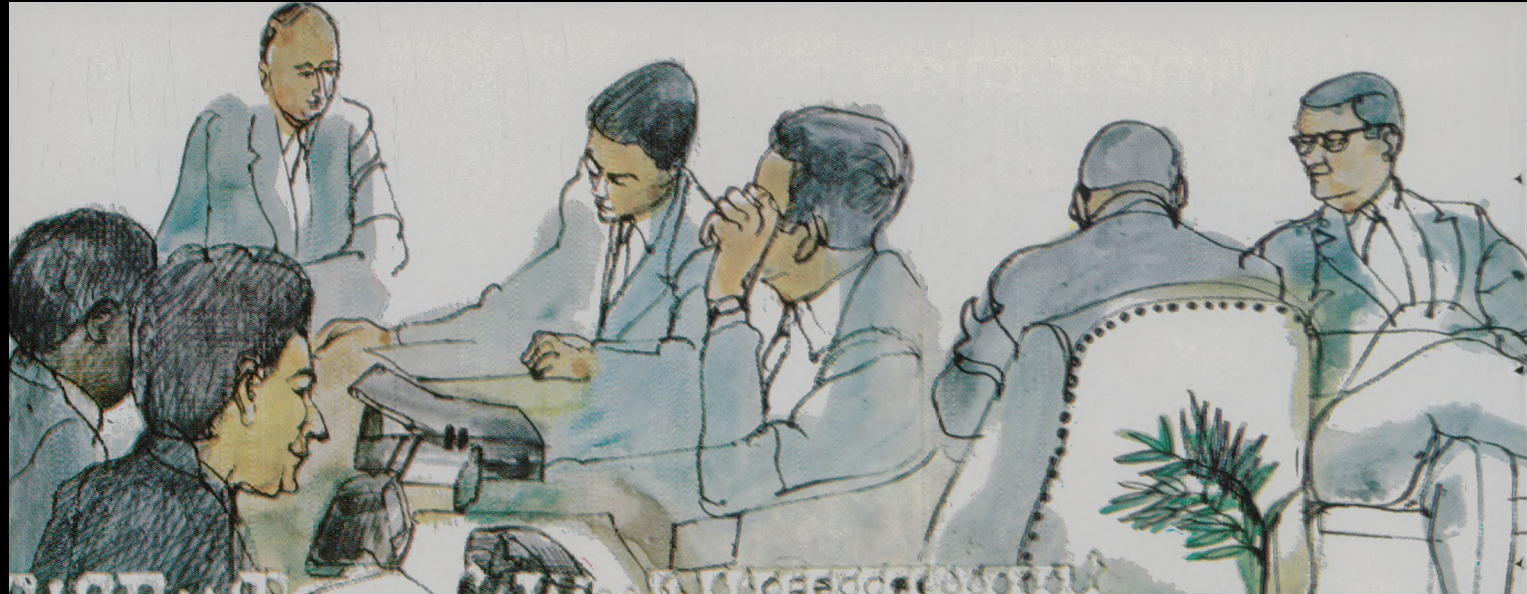
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# Charge Account Bankers Consolidated With ABA; Elfrank Heads Division

The Charge Account Bankers Association and the American Bankers Association's Bank Card Division were officially consolidated last month. During a special session September 12 at the



ELFRANK

ABA's sixth national bank card conference in Washington, D. C., CABA members voted unanimously to incorporate their organization into a newly formed ABA Charge Account Bankers Division. Charles A. Elfrank, vice president, Mercantile Trust, St. Louis, was elected chairman of the new division in a separate meeting of the executive committees of the CABA and Bank Card Division. Jack L. McSwain, vice president, First National, Birmingham, and former CABA president, was elected vice chairman. Both men hold the same posts on the division's executive committee.

In a joint statement, Messrs. Elfrank and McSwain said the consolidation of interests provides more effective support for government relations activities as well as reducing duplication of effort and expense in such areas as newsletters, standard schools and conferences.

Mr. Elfrank pointed to the bank card business as one of the nation's fastest growing consumer credit industries. He said that between 1967 and 1972, total consumer credit among the nation's five major credit sources, such as bank, travel and entertainment and oil cards, charge accounts and check credit, rose 86%. During this period, he continued, the proportion of bank credit climbed 10% to 30% of the total; check credit rose from 6% to 11%; T&E and oil card credit remained stable, and retail charge account credit dropped from 76% to 46% of the total.

Mr. Elfrank named the following committee chairmen: *government relations*, John T. Cummings, president, Industrial National, Providence, R. I.; *communications*, D. Dale Browning, senior vice president, Colorado National, Denver; *education*, Gerald S. Kessler, vice president, National Bank of North America, New York City; and *research and planning*, Frank P. Lewis, senior vice president, Birmingham Trust National.

MID-CONTINENT BANKER for October, 1972

# MID-CONTINENT BANKER



The Financial Magazine of the Mississippi Valley & Southwest

Volume 68, No. 11

October, 1972

## FEATURES

- 33 BANKERS RATE HIGH WITH PUBLIC  
New Harris Poll reveals attitudes
- 35 HOW THE UNION ORGANIZER RATES YOUR BANK  
Researcher presents checklist on susceptibility  
*Matthew Goodfellow*
- 37 MOBILE HOME LOAN YIELD PRAISED BY READERS  
High return, low risk, customer service cited  
*Jim Fabian*
- 40 MOBILE HOME FINANCING IS COMPLEX, PROFITABLE  
A report from a bank with 39 years' experience  
*B. L. Stephens*
- 52 TRENDS IN THE MOBILE HOME INDUSTRY  
Developments of importance to bankers
- 91 KENTUCKY BANKERS MEET IN FRENCH LICK  
John Williams elected president
- 113 KANSAS GROUP MEETINGS IN OCTOBER  
Concurrent session, humorist on programs

## DEPARTMENTS

- |                      |                          |                   |
|----------------------|--------------------------|-------------------|
| 10 THE BANKING SCENE | 16 COMMUNITY INVOLVEMENT | 24 NEW PRODUCTS   |
| 12 BANKING WORLD     | 18 HOLDING COMPANIES     | 26 BANK SECURITY  |
| 14 CUSTOMER SERVICES | 22 AGRICULTURAL NEWS     | 28 CORPORATE NEWS |
| 31 NEWS ROUNDUP      |                          | 80 CHARGE CARDS   |

## STATE NEWS

- |              |                 |               |                |
|--------------|-----------------|---------------|----------------|
| 96 ILLINOIS  | 100 TENNESSEE   | 104 LOUISIANA | 110 NEW MEXICO |
| 98 INDIANA   | 102 ALABAMA     | 106 ARKANSAS  | 110 OKLAHOMA   |
| 100 KENTUCKY | 104 MISSISSIPPI | 108 TEXAS     | 116 KANSAS     |
|              | 121 MISSOURI    |               |                |

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# THE BANKING SCENE



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

## Conflicts and Changes in Banking

**M**ATURE BANKERS in the decade of the '60s invariably used such phrases as "dynamic," "innovative" and "aggressive" to describe the then state of the banking art. They were quite correct. In the 1960s, commercial banking in the United States had shifted into high gear and showed the world's financial communities that it could and would provide new and better financially related services both in the United States and in those free world nations where American commercial banks operated.

Somehow, there was the impression that the 1970s would be a decade in which those banking innovations of the 1960s would be consolidated—and commercial banking would have a "breather" before taking on new and major changes. That impression has proved to be incorrect.

If anything, we are experiencing greater changes: technical; personnel; administrative; regulatory; competitive; philosophical and ethical than in the dynamic 1960s.

Why is this so? Historians tend to view changes as being initiated by great men, by social forces, by economics, by political pressures, by important innovations or by major discoveries. And this is true of banking history, too. In my travels around the country and my discussions with many bankers, several topics concerning changes in banking seem to be mentioned more frequently than others. They are the implications of the Hunt Report (the Presidential Commission on Financial Structure and Regulation) and the philosophical differences between the several federal banking regulatory agencies.

The banking industry especially is concerned about the apparent conflict between the office of the Comptroller of the Currency and the FDIC and the outcome of the conflict.

To a lesser but still a significant degree, there is concern about the inordinate amount of time required by the Federal Reserve to rule on applications that are before it and its "conservative"

bent toward banking innovations, loan production offices and structure of banking.

There seems to be a dichotomy of views by bankers. Bankers from larger institutions, whether nationally chartered or state chartered, tend to side with the "liberal-expansionistic" position of the Comptroller of the Currency, while smaller unit banks tend to favor FDIC Chairman Frank Willie's basic opposition to unrestricted branching, bigness and the expansion of bank holding companies.

In fact, many of the larger state-chartered banks confidentially indicate that they are making studies of what would be the cost related to the "liberal" benefits of switching from a state to a national charter. To a considerable degree, this is still explained by Fed-member banks in terms of dissatisfaction with the "conservative" attitude of the Federal Reserve. These same larger state-chartered Fed-member banks acknowledge that the Fed appears to have become slightly more "liberal" in its posture. Some top spokesmen of the Fed talk along the liberal lines favored by Comptroller William Camp, although the Fed's actions don't seem to reflect this posture as yet.

Here is what Fed Governor Mitchell in part said recently to bankers:

"... Regulatory zeal has sheltered weak competitors to the disadvantage of their customers. Anti-competitive arguments based on concentration ratios have been used to halt mergers and holding company acquisitions that would have been pro-competitive by strengthening the capability of the merged or affiliated unit to become a strong competitor instead of remaining a marginal or sheltered institution. 'Problem' banks aside, there are many institutions that lack management or management opportunities because of the limited scale of their operations relative to the market they are attempting to serve.

"A competitive banking system must be based on the capacity to compete.

For many types of services, this capacity requires large size!!"

One of the virtues of the unique dual-banking structure of the United States lies in the option a bank has to switch its charter and be governed by a different bank regulatory agency. By the same token, such "switching" is a form of voting by the banks as to which federal or state regulators meet their needs best.

Frankly, these "votes" are very seriously noted by the agencies—and none like to note the fact that one or more of "their" banks is opting to be regulated by another agency. It is sad but true that executives, agencies, public officials tend to be evaluated by criteria of numbers and bigness. This puts pressure on the agencies to grow.

**Conclusion.** What is the outlook for banks when one considers the foregoing? Probably more of the same. These may be generalized as follows: More larger banks will switch from state to national charters because this will permit them to more readily expand into the more dynamic, but not necessarily (in a short run sense), profitable areas of financial services.

These areas will include holding company expansion of systems. There probably will be more de novo branching and a form of de novo bank acquisition by the bank holding companies. This activity will be rather spotty, mostly associated with such states as Alabama, Colorado, Florida, Iowa, Maine, Minnesota, Missouri, Montana, New Jersey, New York, Ohio, Tennessee, Utah, Virginia and Wisconsin. However, the other states will be under continuing pressure to revise their laws and get into the merging and holding company act. Thus, legislative-wise, there will tend to be more "liberalization" of state banking codes along branching and holding company lines.

Smaller banks will not fail, but may find the premiums offered for "control" will diminish as de novo considerations are weighed. Further, the increasing

(Continued on page 16)



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# NEWS OF THE BANKING WORLD



SPEARS



MILES



BARR



MILLARD



KIENHOLZ



WALKER

• **Keith C. Spears**, president, First National, Louisville, has announced he will retire December 29. At that time, John W. Barr III, executive vice president of administration, will become vice chairman and A. Stevens Miles, executive vice president in charge of the banking division, will be president.

Mr. Spears will continue as a director. He joined the bank in 1927 and was elected president in 1968.

Mr. Barr joined First National's trust affiliate, Kentucky Trust Co., in 1946 as a real estate salesman. One year later, he moved to the bank as assistant vice president and became vice president in 1950, senior vice president in 1963 and executive vice president in 1969. He has been a director since 1965.

Mr. Miles came to the bank in 1954 and was named vice president-commercial lending in 1963. He became senior vice president in charge of retail banking in 1968 before being named executive vice president in charge of the banking division in 1969.

• **Marvin Millard** has announced he will retire as chairman of National Bank of Tulsa and NBT Corp., effective January 1. He will remain as adviser to the board until October 1, 1973.

Mr. Millard began his career at Exchange National, predecessor of National Bank of Tulsa, in 1927 as a messenger. He became president of the bank in 1960 and chairman in 1964. Mr. Millard is a past president of the Oklahoma Bankers Association.

• **First National**, Denver, has promoted Theodore D. Brown from executive vice president to senior executive vice president and chief administrative officer and Lee C. Ashley from senior vice president and cashier to executive vice president and cashier.

In other action, the bank elected the first woman director in its 112-year his-

tory—Mrs. Robert F. Six, who, as Audrey Meadows, played Jackie Gleason's wife, Alice, for several years on the TV program, "The Honeymooners." Her husband is president of Continental Airlines, now headquartered in Los Angeles, but formerly headquartered in Denver.

Mrs. Six's new directorate post creates a unique situation: Her husband is on the board of Denver's second largest bank, United Bank of Denver.

Mr. Brown also is chairman of Security State, Sterling, and Farmers State, Yuma, both in Colorado. Mr. Ashley is chairman, First National, Bear Valley, Denver.



ASHLEY



BROWN

• **First National**, Oklahoma City, has appointed Dean Ingram, vice president, to its correspondent bank department. He will call on bankers in southern and southwestern Oklahoma and in towns along the Texas border.

Mr. Ingram joined the bank in 1963 and served as auditor. Before joining the correspondent department, he was manager of the credit department.

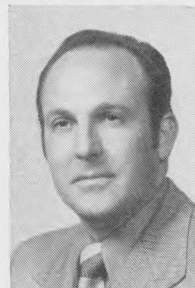
• **Worthen Bank**, Little Rock, changed from state-chartered to national-bank status September 20. Its name now is Worthen Bank & Trust Co., N.A. (National Association).

The bank's board approved the proposed change in August, and stockholders approved it at a special meet-

ing September 12. Worthen, established in 1877, had been operating under authority of the state's second oldest state-bank charter. The bank is a subsidiary of First Arkansas Bankstock Corp. (FABCO), a registered bank HC formed in 1969. The corporation owns two other banks in Arkansas: First National, Hot Springs, and Stephens Security Bank.

• **Liberty National**, Oklahoma City, has named James L. Kienholz, Larry Walker and P. V. "Vic" Barrios correspondent banking officers.

Mr. Kienholz, an assistant vice president, was transferred from the personal banking department to the correspondent banking department. He went to the bank in 1963. Before joining the bank in 1970, Mr. Walker was an instructor at Cameron State College, Lawton, Okla. Prior to his correspondent bank assignment, he was a trust officer and farm and ranch specialist at Liberty National. Mr. Barrios was with the Bank of Crescent, Okla., and in the insurance business in Crescent before going to Liberty in 1968.



INGRAM



BARRIOS

• **Walter B. Fisher** has joined Detroit Bank as vice president to coordinate the bank's present and future holding company planning and development.

Mr. Fisher is a CPA and has been a member of the firm of Touche Ross & Co. since 1960.



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**C. Single interest and non-filing for automobiles and other loan portfolios.**

**D. Consultants in forming re-insurance 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.

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# New Customer Services

## Shareholder Investment Service Offered by First of Chicago

CHICAGO—A shareholder investment service that enables shareholders of participating corporations automatically to convert their dividends into additional shares is being offered by First National here.

The plan provides shareholders the benefits of planned savings, cost averaging, total investment through the purchase of fractional shares and low cost, according to the bank. The bank makes a block purchase for the additional shares through brokers at a more advantageous rate than applies to smaller, individual purchases. An accounting statement advises participants of their share balance following each transaction.

The bank need not act as transfer agent or dividend disbursing agent for the participating corporation, an official said.

## Marine Midland Introduces Automated Trust System

NEW YORK—Marine Midland has developed a new automated trust accounting and portfolio management system.

The new, disk-oriented system designed for use on third-generation equipment, provides a central computer file with all essential information on trust accounts. Account reviews are produced on an overnight basis using the maintenance of tax-lot records on all holdings.

The new system was designed and implemented with the assistance of R. Shriver Associates, a consulting firm in Denville, N. J. According to the firm's managing director, Fred O. Jensen, "The system not only provides efficient operating features, but also contains unique methods of measuring the investment performance of individual trust accounts in terms of both income received and changes in market values."

## Personal Investment Program Offered by Wells Fargo

SAN FRANCISCO—Wells Fargo Bank, in cooperation with an investment firm, is offering a new personal investment program for individuals with capital ranging from \$10,000 to \$200,000.

The program enables investors of moderate means to obtain professional, individualized portfolio review, analysis and advice at reasonable cost, according to the bank.

The program is designed for long-term growth, or growth and income, rather than short-term trading objectives. Based on their research and analysis, Wells Fargo counselors will make purchase or sale recommendations to the client, while order executions, registration and paperwork will be handled by the investment firm.

## Bank Furnishes 'Know How' For Home Improvements

BIRMINGHAM—When First Western Bank says "we'll lend a hand" in connection with its home improvement loans, it really means it! Not only does the bank provide the wherewithal for such improvements, it supplies the "know how" to assist customers in doing the work or getting it done.

Lists of contractors that specialize in home improvement work as well as lists of suppliers are available at the bank's offices in Birmingham and Bessemer. Displays relating to the program are exhibited in the bank's branch lobbies.

During the first six weeks of the campaign, staff members wore overalls!

## Status of Local Detroit Economy Reported in 'Business Briefs'

DETROIT—Manufacturers Bank is offering a monthly publication, called Business Briefs, covering the state of the local economy.

The publication presents a comprehensive package of information, including an economic write-up of both topical and theoretical interest, the Detroit area business activity index and a vital area statistics section, according to the bank.

The business activity index, which was developed by the bank, uses 1967 as a base year and shows what has happened in Detroit area business since that time.

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• **Hamilton National**, Chattanooga, has announced the names of five area high school students receiving scholarships to the University of Tennessee at Chattanooga, bringing to 20 the number of students under a program the bank started four years ago. The program was initiated in lieu of an open house and dedication upon completion of the remodeling of the bank's Main Office building.

The bank has also presented a bank education program that will reach some 4,000 students on the high school level in the city and county school systems. The program is entitled "How Your Bank Serves You," and is designed to acquaint high school students with the basic purpose of the bank and to illustrate how its services can be used.

The program simplifies the story of banking to enable students to get insights into the vital role banks play in the community. The program includes a color sound filmstrip and a 24-page workbook and instructor's guide.

#### Baseball Holiday



The Continental Bank Club of Continental Illinois National, Chicago, recently treated 70 youngsters from a Chicago orphanage to a baseball game at Wrigley Field, Chicago.

## Community Involvement

• **Fidelity Bank**, Oklahoma City, is planning to publish a history of the city in 1974, the 85th anniversary of the "Run of '89." The book will cover events from prior to 1889 to the present.

The illustrated commemorative issue will be written by Roy P. Stewart, with Pendleton Woods as a research associate. Mr. Stewart is a former *Daily Oklahoman* newspaper staff writer and now is executive director of the state advisory council on vocational-technical education. Mr. Woods is director of the Living Legends Library program originated by Oklahoma Christian College.

• **Two Chicago-area banks** have offered the use of their large, illuminated outdoor signs as message centers for announcements of civic and community interest. The banks are Standard Bank, Evergreen Park, and First Security, Glendale Heights.

Both signs are operated by computer and consist of a large number of light bulbs that are programmed to form letters that can be read by passersby from great distances. Both signs also include time and temperature units.

The banks also use the signs to announce the availability of bank services.

• **Southgate State Bank**, Prairie Village, Kan., recently held its fourth annual Southgate Open Golf Tournament, at which 50 leading golfers competed with 150 business and professional men. Proceeds of the tournament benefited

Shriners Hospitals for Crippled Children.

The tournament was founded by the bank and featured \$3,000 in first-prize money. Each year about 200 volunteers assist in the planning and operation of the tournament.

This year's winner was Kathy Whitworth, all-time leading money winner in women's professional golf.

• **First National**, Fort Worth, has joined other business firms in providing packages of tokens for bus riders as a public service and at no extra charge. Demand for the tokens mushroomed when the city transit service converted bus fare boxes to an exact-change system as an anti-crime measure.

• **Citizens & Southern National**, Atlanta, has established teaching funds at two local universities to enable the institutions to establish trusts that will result in students taking part in real-world investment decisions to test the theories they've learned and the skills they've acquired in school.

Each school received a \$5,000 grant and each will be supplemented by loans from C&S to the trusts in the amount of \$20,000 each. The teaching funds thus created will form an integral part of the curriculum in each university's school of business administration.

## Changes in Banking

(Continued from page 10)

regulatory constraints on financing purchase of smaller banks will work to depress their value and price.

Competition will become more noticeable even in one-bank towns because of implementation of new financial technology, including giro and third-party-payment-remission systems and overt actions on the part of bank regulators. And regulators of financial intermediaries, too, will promote competition. Financial intermediaries also are becoming more competitive in the small loan, mortgage and payment-remission areas.

Complacent bankers would well remember President Harry Truman's comment: "If you can't stand the heat, get out of the kitchen." Changes are continuing at a fast pace. For aggressive, dynamic bankers this is truly a decade of opportunities in banking. Opportunity is a two-way street. One can seize the opportunity wisely or unwisely. It is up to each banker what path he takes for his bank. So—bankers should do their homework wisely and well in weighing the golden opportunities ahead. • •

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## The Assemblies for Bank Directors

*The 16th Assembly at Camino Real Hotel  
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For information: write The Assemblies for Bank Directors, SMU Box 1319, Southern Methodist University, Dallas, Texas 75222. Or Call: A.C. (214) 691-5398.





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Which is probably why Mr. Adams has also been selected as vice chairman of First National Bancorporation and as a director of several other important companies and civic organizations.

He has served as president of the International Trust Company, the Colorado Bankers Association and the Colorado Association of Commerce and Industry!

That's quite a record. But, our Mr. Adams is quite a man. If you haven't met him, make a point of it. And then you'll understand the point we're trying to make.

From the people at...



**First of Denver**

The First National Bank of Denver



# NEWS OF HOLDING COMPANIES

## Fed Defines Four Major Areas In Which HCs Can Sell Insurance

The Fed has defined four major areas in which it would be permissible for bank HCs to sell credit-related insurance and listed several lesser insurance activities that will be open to HCs regardless of a credit affiliation.

The four major areas are auto liability and collision, homeowners, credit life and accident and group insurance.

### Booklet on Bank HCs

WASHINGTON, D.C.—The Association of Registered Bank Holding Companies has published a booklet called, "The Bank Holding Company, Its History and Significance in Modern America."

In the booklet is information on early bank HC development, factors in HC growth, the regulatory climate as an inducement to growth, bank HCs during the depression, their growth in the post-World War II period, the Bank Holding Company Act of 1956, significance of the act, bank HC development after 1956, Bank Holding Company Act amendments of 1966, post-1966 growth, Bank Holding Company amendments of 1970, growth of one-bank HCs, regulation by the Fed, state laws affecting bank HCs, bank expansion and the antitrust question, HC characteristics and advantages of a bank HC—to the community, the banker, the employee and the investor.

Also included is a bibliography of bank HC references, including U. S. Congress publications, Fed Board of Governors publications, books and pamphlets, periodicals and unpublished works. In addition, the booklet contains a listing of members of the Association of Registered Bank Holding Companies.

Information about the booklet may be obtained from Donald L. Rogers, executive director, Association of Registered Bank Holding Companies, 730 15th St. N.W., Washington, D. C. 20005.

The latter category applies only in cases where the group policy is written for employees of the HC.

Few banks and HCs have ever sold auto and homeowners policies, although many have been selling credit life coverage.

Only portions of the four areas would be opened to banks, to be determined by three tests, all tied to bank loans. In the first test, the bank could write policies, such as credit life and accident, covering the repayment of a loan. In the second, policies could be written which directly protect the bank's collateral interest. In the third, banks could sell insurance that was indirectly related to a loan, providing it was sold in conjunction with a policy that had a direct connection with a loan.

Coverage falling in the last two categories would include homeowners insurance protecting a property on which a bank holds a mortgage and auto liability insurance offered in conjunction with property damage insurance protecting the bank's collateral interest in an auto loan.

Other areas, all with direct connections to bank business, would also be open for insurance sales, including insurance sold against loss of securities kept by a bank for a customer; insurance covering valuables left in a safe deposit box; life insurance equal to the difference between the maturity value of a deposit plan and the balance in the account at the time of the depositor's death; insurance on mortgaged property or on a mortgager when connected to a mortgage loan serving handled by a bank or other HC subsidiary; and insurance related to trust services where permitted by state law.

The Fed said that other types of insurance might be permitted if a HC can prove they are directly related to loan business.

• **Thomas M. Miller** and **O. Leslie Nell**, both executive vice presidents, Indiana National, Indianapolis, have been elected directors of Indiana National Corp., HC for the bank and other financially related subsidiaries. Both are vice presidents of the HC.



MILLER



NELL

Mr. Miller has been in charge of Indiana National Bank's corporate banking group since 1971 and is responsible for the metropolitan, Indiana, national and leasing divisions.

Mr. Nell has headed INB's consumer banking group since 1968 and supervises branch banks, installment loan and BankAmericard divisions and the bank's travel department.

• **First Union, Inc.**, St. Louis, has announced the purchase of substantially all the capital stock of Peoples Bank, Branson, Mo., and Bank of Crane, Mo. The HC has also announced that First National, Independence, Mo., plans to affiliate with First Union. Completion of these affiliations will make for a total of 12 affiliations between the HC and Missouri banks located outside the St. Louis area.

• **Union Planters National**, Memphis, has announced its intention to acquire Percy Galbreath & Son, Inc., a Memphis-based mortgage banking firm. The bank will operate the mortgage loan business as a subsidiary.

It is anticipated that stock of the bank's parent, Union Planters Corp., would be exchanged for stock of Galbreath in the transaction. The insurance, property management and real estate brokerage divisions of Percy Galbreath & Son will be spun off and will operate independently as the Galbreath Co.

The acquired firm services approximately \$180 million in mortgages and has branches in Knoxville and Jackson, Tenn.

• **First American National Corp.**, Nashville, has named John C. Fox financial vice president and controller. Mr. Fox was formerly with Peat, Marwick, Mitchell & Co., in Philadelphia.

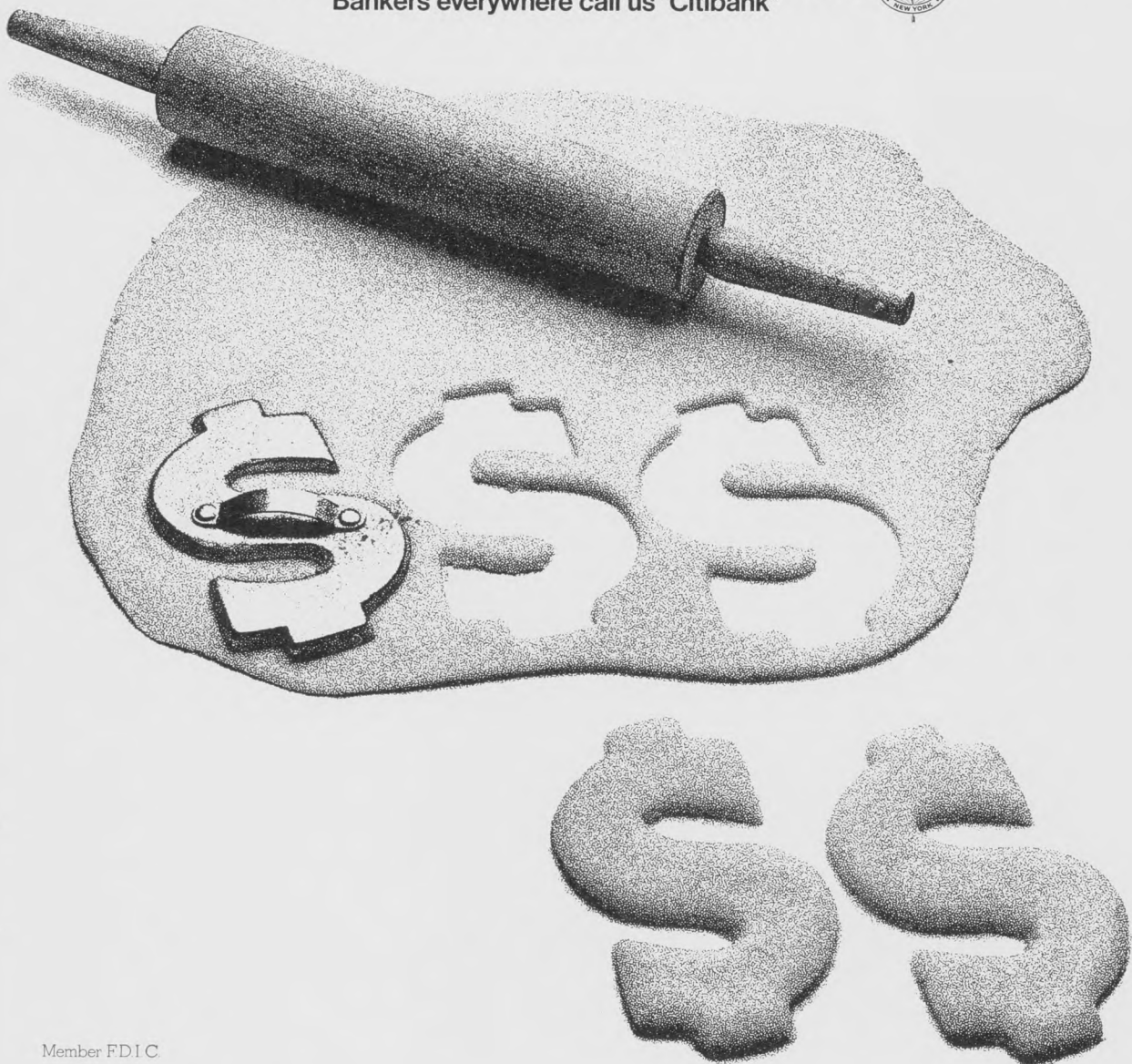
In other action, the HC has announced plans to purchase Atlantic



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MID-CONTINENT BANKER for October, 1972

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Discount Co., Inc., Jacksonville, Fla., and three of its subsidiaries—Securities Guaranty Life, Dependable Insurance Co., Inc., and Richmond I. Barge & Associates, Inc.

Atlantic Discount is a subsidiary of Gulf Enterprises, Inc., which is a subsidiary of Stonewall Insurance Co., the fire and casualty subsidiary of Gulf Life Holding Co. Atlantic Discount owns 49 finance company subsidiaries, of which 45 are in Florida and four in Georgia.

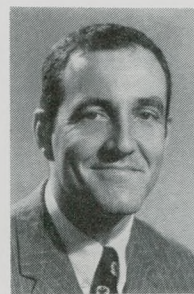
First American National plans to sell the three subsidiaries of Atlantic Discount, since they do not fit in with the HC's future plans.



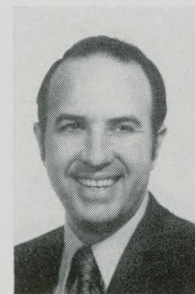
FOX



CAFFEY



GILBERT



MALONE

• Alabama Financial Group, Inc., Birmingham, has elected G. H. Caffey as vice chairman and chief administrative officer; Wallace D. Malone Jr. as president and director; and Roy W.

Gilbert Jr. as executive vice president. Mr. Caffey was formerly president of the HC; Mr. Malone is also chairman and president, First National, Dothan; and Mr. Gilbert was formerly senior vice president of the HC. Mr. Caffey and Mr. Gilbert remain as president and senior vice president, respectively, of Birmingham Trust National.

The Fed has approved three acquisitions by the HC: First National, Dothan; Peoples National, Huntsville; and Commercial Guaranty, Mobile.

• Shareholders of First National Charter Corp., Kansas City, have voted to increase the number of directors of the HC from 13 to 15. The two new directors are Dutton Brookfield, president, Unitog Co.; and Charles Curry, former presiding judge of the Jackson County Court and now chairman, Charles F. Curry & Co. and Home Savings Association.

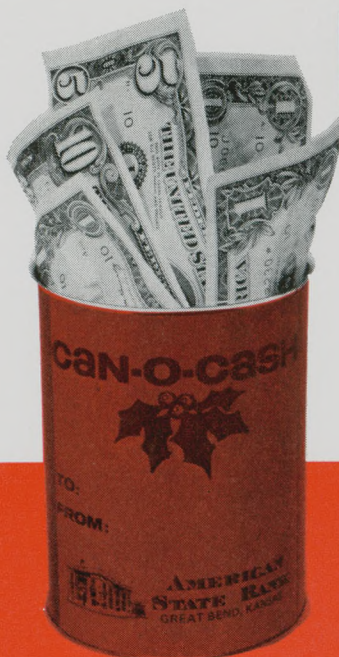
• First Alabama Bancshares, Inc., Montgomery, has announced the proposed affiliation of the HC with City National, Tuscaloosa. Details of the proposal will be presented after various approvals have been obtained.

• Third National Corp., Nashville, has reached agreement in principle to acquire Bank of Knoxville, subject to approval by stockholders of the two firms and regulatory agencies. The HC previously announced plans to acquire First National, Lawrenceburg, and Merchants Bank, Cleveland. In addition, the HC is awaiting approval to acquire Friendly Finance, Inc., Paducah, Ky.

• First United Bancorp., Inc., Fort Worth, and Cleburne (Tex.) National have announced plans for Cleburne National to become a subsidiary of the HC. Directors of both organizations have approved a stock exchange plan, subject to final approval by the Fed.

• Hamilton Bancshares, Inc., Chattanooga, has announced the proposed acquisition of Hardeman County Savings of Bolivar.

In other action, the HC has elected David R. Madigan assistant vice president of retail services and Joseph R. Lourey Jr. auditor.



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MID-CONTINENT BANKER for October, 1972



## A Checklist of Things to Consider When Financing A Brood Cow Operation

By **BERNARD A. CURVEY**

**Vice President  
First Trust & Savings Bank  
Taylorville, Ill.**

AS A BANKER who likes to finance brood cow operations, I would like to go through some of the things we look for when we receive an application for a beef cow loan.

- We look at the man—his character and reputation, his experience in livestock and business, his desire and enthusiasm, his knowhow or cattle sense, his goals.
- We look at his capital and financial position—his working capital, his margin for error, his net worth and total liabilities.
- We look at his capacity—his total management ability and the size of his unit.
- We expect good communications by means of a farm visit and an in-bank visit.

In general, is the applicant a good farmer, does he have the acres, improvements and labor to handle a beef cow herd; can he manage the cow herd and grain operation and do well with both operations; can he afford to handle the extra financial load and can he afford to take a loss if economic conditions change or if he has a serious death loss?

We expect quite a lot from the farmer but he also should expect a lot from the lender. The money lender should have a qualified staff to service livestock loans. This usually requires a man (or men) with a farm background who understands the cattle business and knows what is happening to current market trends. This lender should be aware of new technologies and be able to discuss them with the borrower.

The banker should be able to go over the farmer's business records and offer him advice in accounting, taxes or estate planning.

Finally, the farmer should expect the banker to get out of his nice easy chair and visit the farm to see what he is trying to do.

Making cattle loans is about like making any other farm loan. The collateral

is there and you should use it. Be aware of the requirements of the Uniform Commercial Code. File the financing statement in the county where the cattle are kept and fill out a detailed security agreement. The security agreement should contain breed, sex, weights, brands and numbers. It should also describe the location of cattle if different from the farmer's address.

The banker should inspect the collateral periodically to identify the bank's collateral and to appraise the operation.

Basically, cattle are a good package to finance. They just keep growing and there is a market almost every day.

Our bank has been financing beef cow operators for several years, but the procedures followed today are considerably different than they were five or 10 years ago. Our old program consisted of lending a man 80% of brood cow cost up to \$200 and for a period of two years. Under this old program, we expected the farmer to subsidize the cattle operation for feed and labor from his grain operations and expected him to sell the entire calf crop to pay off the cow loan.

Under our present system, we use projected cash flow statements and try to set the loan up accordingly.

You might say at the present time we will plan the payout for a cattle loan over a five-year period, if necessary, in order for the farmer to recoup his feed and operating costs and still retain some heifers for herd improvement. The remaining calves that are sold should pay off the longer term cattle loan. We try to work with him on his cash flow rather than work against him.

If you use the projected cash flow system, I'm sure you will soon realize its importance. It doesn't take long to determine that a beef cow herd can be as important to a farm operation as additional acres. Therefore, if you include the expense of keeping a cow herd in your analysis, I think you will see that this farm enterprise needs to pay off its overhead expenses and labor as well as any other enterprise. If you take the expenses related to the cow-calf enterprise and deduct them from the selling price of the calves, you will find that

the net profit from such an operation will leave just enough money to retire the beef cow herd loan in about five years, under normal conditions.

If your customer is a good herdsman you should expect a 95% calf crop and weaning weights at 205 days of from 450 to 500 pounds, or more.

In today's market you can expect a farmer to gross about \$200 a head for feeder calves. But, don't think that just because this calf has nursed its mother and eaten grass that the \$200 per head is clear money.

The good cow/calf man with records will probably tell you that it costs him from \$90 to \$125 a head to raise a calf if all actual costs of land, labor, interest, etc., are included:

Pasture land is getting much more expensive in our area and, therefore, a cattle man must know a lot more about good pasture management to make it pay. He will need to fertilize and reseed his old pastures and keep them rotated and mowed.

I'm not a believer that all herds should be registered. As a matter of fact, I question whether most farmers should consider registered herds. Registered herds will require more breeding skills and better record keepers and managers. Registered herds also require larger capital investments.

I like to see good herd performance rather than a good quotation of blood lines and nothing else in performance that is above average.

I also question whether a farmer should keep his feeder calves and feed them out. The brood cow operation and feed lot operation are two different operations and should be analyzed accordingly.

If the farmer feels he can't afford to go out and buy feeder steers to put in his feed lot for what his feeder steers are worth, then he has no business keeping his feeder calves to feed out. If he can convince me that his brood cow operation is profitable and also his feed lot operation is profitable, then I would consent to his feeding the cattle out for market. • •

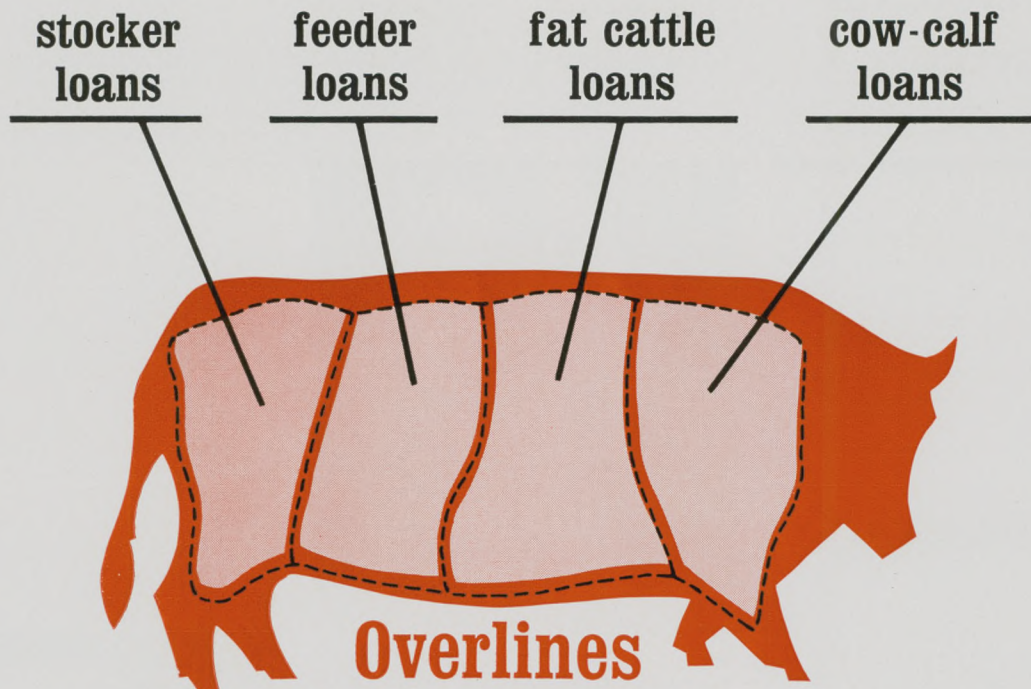
### **Ind. Agricultural Banking School To Hold First Session Oct. 22**

The Indiana Bankers Association is sponsoring the Indiana Agricultural Banking School in cooperation with the department of agricultural economics at Purdue University.

The school is designed to help further the education of bankers in the field of agricultural lending. Students will receive instruction from university faculty members and experienced bankers.

The first session of the two-year school is October 22-27.





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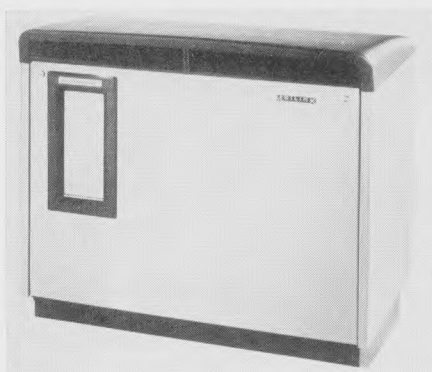
MID-CONTINENT BANKER for October, 1972



# New Products and Services

• **Meilink Bank Equipment.** The new Sentinel II drive-up system has been introduced by Meilink Bank Equipment, Toledo, Ohio.

The outdoor unit of the Sentinel II has a self-contained blower which is said to answer the problem of inadequate or unavailable space for a central blower within the building.



Conversational clarity between customer and teller is assured, according to the manufacturer, by the ultra high-fidelity directional audio system which eliminates unwanted background sound.

Further information may be obtained from Meilink Bank Equipment, 3100 Hill Avenue, Toledo, Ohio 43607.



• **Brandt, Inc.** Brandt, Inc., Watertown, Wis., and Pennsylvania Research Associates, Inc., have signed an agreement whereby Brandt will exclusively market and service PRA's currency and document counter, called the Countess, in the U. S., Puerto Rico and Canada.

The Countess counts a wide range of documents of varying size, weight, fin-

ish and condition, even when intermittently mixed, without the need for operator adjustments.

The unit, which is portable and weighs 25 pounds, also endorses or cancels checks and food coupons it counts at speeds up to 1,000 items per minute.

Write Brandt, Inc., Watertown, Wis. 53094.

• **LeFebure Corp.** A new demonstration center specially designed to display the latest in banking equipment has been completed by LeFebure Corp., Cedar Rapids, Iowa.

The building's demonstration and display areas, according to LeFebure officials, provide a fresh and different atmosphere in which to show "key" banking equipment to financial officers.

Displays feature the new Tel-Air System Five drive-up banking system, the new 6000 Series vault door, safe deposit boxes, cash-handling equipment, night depositories, security systems and other special equipment.



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# Bank Security

## Customer Securities' Sales, Purchases Demand Sound Control Principles

*Editor's Note: The following article is reprinted with permission from a recent issue of the Loss Protection Bulletin published by Scarborough & Co., Chicago, insurance counseling firm for banks.*

**Q**UITE FREQUENTLY, your bank may be called on to execute securities transactions for your customers. Are these requests channeled through the officer designated to buy and sell the bank's own securities? And are the statements received from your brokerage houses reconciled by bank personnel not directly associated with these transactions?

Recently, in a small bank, there was an exposure of an embezzlement that had been perpetrated through misapplication of customers' funds entrusted to the bank for the bank's purchase of securities. The embezzler—an officer of the bank, though not handling the bank's own securities transactions—would purchase securities for various bank customers. In many instances, however, where the bank was to hold the securities in safekeeping for the customer, the officer did not actually purchase the securities but converted the funds to his own market operations

from which he hoped to make a quick profit.

But the bank officer's quick profits did not materialize. Instead, losses resulted. When a customer whose securities were supposedly being held decided he wanted them, the embezzling officer could not make them good. He confessed to the embezzlement and submitted his resignation. The bank's loss? \$347,000.

Obviously, there was a flagrant violation of sound control principles in this bank. For the officer here should not have been permitted to handle securities transactions for the bank's customers, but such transactions should have been channeled through the officer who had been authorized to purchase and sell the bank's own securities, thereby causing a record to be created not only of the bank's own securities transactions, but also of customers' transactions as well.

Perhaps your bank is called on from time to time to execute such securities transactions for your customers. In handling the purchases and sales orders, the bank acts only as agent for your customer. As was the case in the instance cited above, there is always the

possibility of unauthorized speculation by an officer or employee of the bank. He can take a position in a security by placing an order in the name of a fictitious customer with the brokerage house. Or he may simply misapply the funds of a bona fide customer transaction on the expectation that his own position will lead to a quick profit. In fact, there are many possibilities when unauthorized securities transactions are permitted. As a protection to the bank, all customers' requests for securities transactions should be channeled through the officer handling the bank's own securities. As an added protection to the bank, all brokerage house statements should be delivered to the auditor or control officer for review and appropriate testing to assure the regularity of all transactions.

Also, as a further precautionary safeguard, receipts to customers who entrust their funds to the bank for the purpose of executing securities transactions should be sequentially prenumbered. Each receipt should have a carbon register copy and should require countersignature by one other officer or employee besides the officer who actually handles the securities transaction for the customer. These sequentially prenumbered receipt copies, kept by the bank and having dual signatures, will constitute the main ingredient of audit control over the funds entrusted to your bank by your customers.

An added simple, but effective, plan for preventing or discouraging the numerous methods for manipulating customers' funds pointed out above can be established through a continuous program of confirmation by direct correspondence with the customers themselves. Brokerage house statements may be reconciled against the outstanding sequentially prenumbered receipt copies, and the customers thus identified who have outstanding securities items being handled by the bank.

No system of audit or internal controls will, in every case, prevent defalcations. Those suggested here are no exceptions. However, if they might be instrumental in *early detection*—before losses become catastrophic—then certainly their usage is to be recommended. • •

■ SAN FRANCISCO—Bank of America has promoted Dexter A. Roberts and James W. Cross to vice presidents, Mr. Roberts in the credit department and Mr. Cross in international banking, both in the headquarters office here. Timothy L. Gardner and Otto L. Reisman were named assistant vice presidents, with Mr. Gardner to manage international investments for Bamerical International Financial Corp. Mr. Reisman is in the multinational division.

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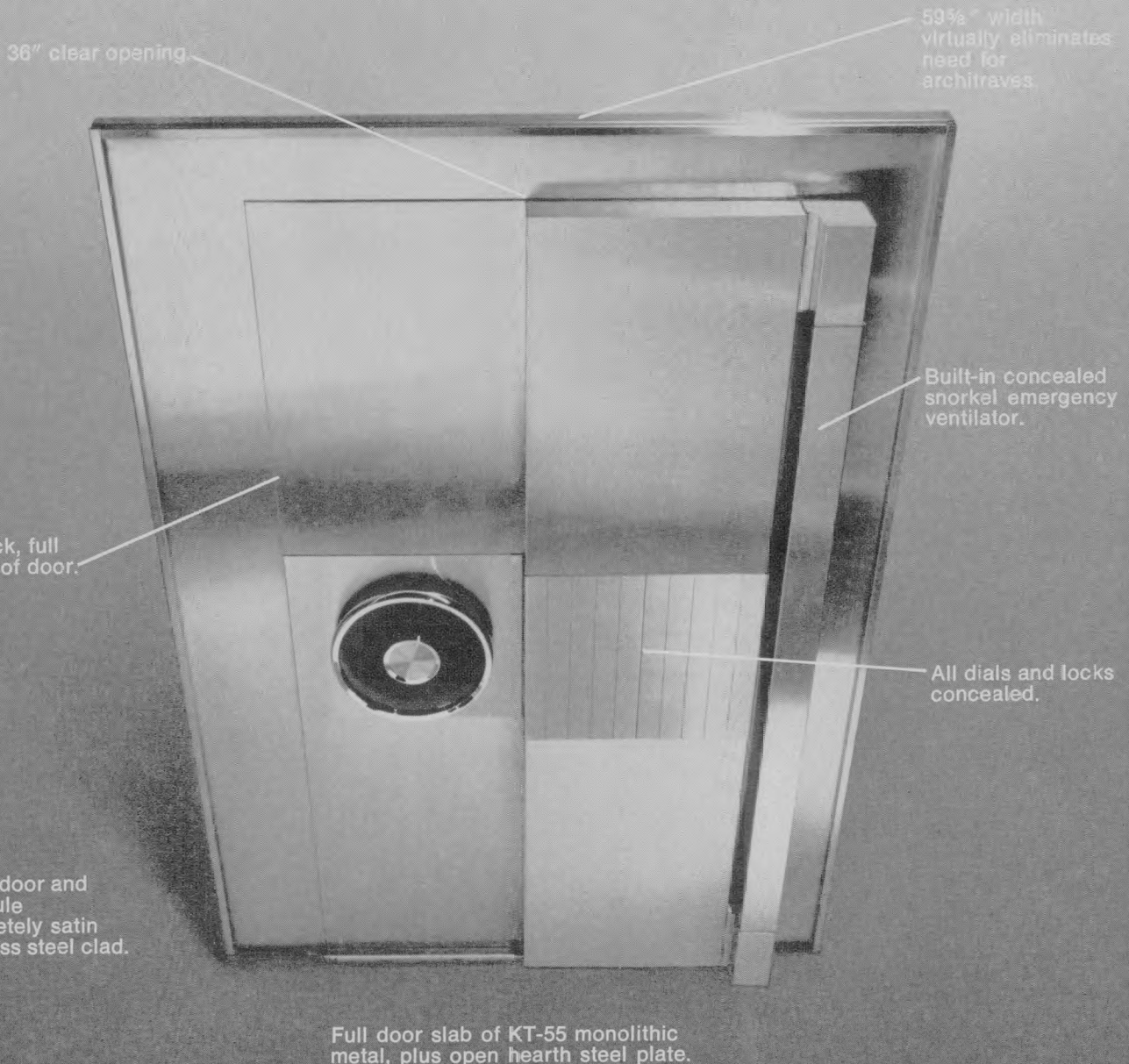
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## CORPORATE NEWS ROUNDUP

• **MoAmCo Corp.** Stock of MoAmCo Corp., Minneapolis, is now being traded on the American Stock Exchange, beginning September 1.

David Fleming, president and chief executive, said, "Listing on the American Stock Exchange will help to increase and diversify the number of MoAmCo shareholders. Our stock now is available to investors such as banks and other institutions whose portfolios are limited to listed stocks."

MoAmCo, a publicly held company since 1966, previously was traded on the national over-the-counter market. It has 800,000 shares of common stock outstanding.

The firm markets mortgage-guarantee finance plans to banks and other financial institutions making loans on mobile homes and recreational vehicles. The company also develops mobile home properties and sells mobile homes in Florida and operates Americana State Bank of Edina, a subsidiary in suburban Minneapolis.

The firm has announced the purchase of a \$1.5-million subdivision in Naples, Fla., for development of mobile home sites, condominium apartments and commercial enterprises. The 338-acre subdivision includes an 18-hole golf course and several man-made lakes and contains sites for more than 800 mobile homes.

• **Stephens, Inc.** Glenn Schultz, manager of the public finance department, Stephens, Inc., has been named vice president and elected to the executive committee of the Little Rock investment banking firm.

Mr. Schultz joined the firm in 1967 as manager of the out-of-state municipal department. He was named to head the municipal department in 1969. In 1971, the name of the department was changed to reflect the firm's entry into the government bond field.

Previously, Mr. Schultz was vice president and head of the municipal bond department of Continental Illinois National, Chicago.

• **Hughes-Martindale & Associates, Inc.** Raymond N. Klaus has been elected vice president of Hughes-Martindale & Associates, Inc., Chicago-based advertising agency specializing in financial communications. He will serve as

## News of Firms Serving Banks

a resident consultant for three client banks.

Mr. Klaus formerly was advertising-public relations manager for Harris Trust, Chicago. Before that, he headed up his own marketing communications company and served with several leading advertising-public relations firms in various capacities.



JEWELL

• **Security Corp.** Gordon Jewell has been named south-eastern district manager for Security Corp., Santa Ana, Calif. Mr. Jewell will be responsible for dealer sales and service in Tennessee, Alabama, Mississippi and other southern states. He was formerly with Mosler Safe Co.

• **Mobilehome Guaranty Corp.** Richard H. Allen and Kenneth R. Keith Jr. have been appointed area managers for Mobilehome Guaranty Corp., Miami. Mr. Allen will service Georgia and Alabama and Mr. Keith will be located in North Carolina.

Mr. Keith was formerly with Hamilton National, Chattanooga, which he served for seven years. Upon leaving the bank he was an assistant cashier in the installment loan department.

• **Delta Corp. of America.** Arthur T. Bastian and Gilbert A. Haas have been elected president and chairman, respectively, of Delta Corp. of America, Miami, a mobile home finance service company.

Mr. Bastian was formerly executive vice president and has been with the firm since 1964. Mr. Haas is founder of the firm and served as its president from the time of its founding in 1961 to the present.

Leslie M. Jones, vice president of Delta, has announced his retirement, which will conclude a banking and finance career of some 40 years.

• **Douglas Public Service Corp.** John Cuccia and Danny Lyons have been named vice presidents of Douglas Public Service Corp., New Orleans.



# Correspondent Bank Department Expands To Maintain Tradition of Service At The First



**HASKELL McCLAIN,**  
Senior Vice President  
272-4092

Completing 45 years of service to his many friends and customers, retires October 31, 1972.



**RON MURRAY,**  
Vice President  
272-4093

A veteran of 12 years with The First, has assumed new duties as head of the Correspondent Bank Department.



**JEAN WALKER,**  
Secretary  
272-4091

A mainstay of the Correspondent Bank Department, who has been serving customers effectively for more than 10 years.



**DANA FARLIN,**  
Secretary  
272-4097

Another problem-solver and question-answerer, with the skill and knowledge to serve you most effectively.



**CHARLES HILL, JR.,**  
Vice President  
272-4096

Well-experienced in all phases of correspondent service, assumes new duties as assistant department head.



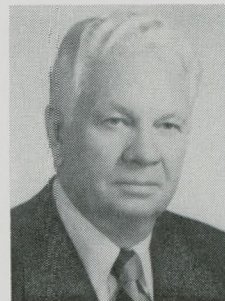
**JOHN PARRISH III,**  
Vice President  
272-4095

Has been with the department 2 years and will continue to call on banks in the Northwestern area.



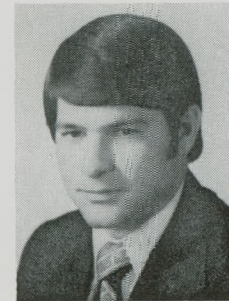
**DEAN INGRAM,**  
Vice President  
272-4099

A veteran of 10 years with The First, joined the department in January and serves in the Southeastern and Southwestern area.



**KENDALL HERT,**  
Vice President  
272-4094

Recently joined the Correspondent Bank Department, will be calling on banks in the Oklahoma City area.



**JOHN BAKER,**  
Assistant Vice President  
272-4098

Has recently joined the department, and will serve in the Northeastern area.



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# The First Symbol.



Was it carved in a cave? Or drawn in the sand? The importance of the first symbol was not how or where—but what it represented.

Because man was talking to man, with his heart and with his hand. Explaining and describing.

Today there are thousands of symbols representing thousands of goods and services.

At First American, ours is a new symbol. It represents the men and women of our organization talking to the men and women of your organization. People talking to people about working, helping, and the future.

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## PEOPLE

• DONALD C. PLATTEN became president of Chemical New York Corp. and its principal subsidiary, Chemical Bank, September 1. In his new post, Mr. Platten succeeded HOWARD W. McCALL JR., who reached mandatory retirement age September 1. Mr. McCALL, who joined Chemical in 1928, had been president since 1966. He continues as a director of the HC and bank.

Mr. Platten continues as a director of both organizations, which are served by the same board. The chairman and president of the parent corporation also hold the same posts with the bank. Mr. Platten has been with the bank since 1940 and first vice president since 1970.

WILLIAM S. RENCHARD, chairman, will reach mandatory retirement age next February 1, at which time Mr. Platten will succeed him as chairman and CEO.



PLATTEN



McCALL

• CARROLL M. RICHARD, vice president, Continental Illinois National, Chicago, has been named general manager of an Edge Act subsidiary of the bank which was opened in Los Angeles last month.

Continental Bank International (Pacific) is the West Coast counterpart to the bank's New York Edge Act subsidiary, Continental Bank International.

• DR. JEROME H. HOLLAND, diplomat and educator, was elected a director of New York City's Manufacturers Hanover Trust last month. Dr. Holland recently ended 2½ years' service as U. S. ambassador to Sweden and was elected a public director of the New York Stock Exchange in July.

## Fed Calls Off Check-Clearing Plan

On the eve of implementation of its nationwide overnight check-clearing system, the Fed called off the plan, setting no new implementation date. The cancellation was prompted by a court injunction, granted two days before the plan was to go into effect last month, which ordered a 10-day halt in the implementation. The ruling gave indication that the Fed had not made adequate disclosure of the impact its planned changes in Regulations D and J would have on small, non-member banks.

The restraining order resulted from a request for a delay made by the Independent Bankers Association of America and the Western Independent Bankers. Members of these groups have charged that small banks would suffer larger proportionate deposit losses than large banks and in some case would face severe losses due to implementation of the system. The Fed had disputed the claim.

Under Regulation J, the Fed had instructed district banks to stop clearing checks for banks that failed to make overnight payment on checks drawn on them.

The restraining order affected only the Regulation J portion of the system, but the Fed said it was calling off implementation of the entire system to avoid possible adverse effects should only a portion of the proposals be effected.

## Secrecy Act Portion Ruled Unconstitutional

The domestic reporting portions of the Bank Secrecy Act have been ruled unconstitutional by a three-judge federal court in San Francisco. The judges issued a preliminary injunction enjoining the Treasury Department from implementing that portion of the act.

The court ruled that those portions of the act that require the reporting of foreign financial transactions do not violate any constitutional provision. The portions deal with the export and import of monetary instruments and with foreign monetary interests or accounts.

The court also found no constitutional violations in the act's record-keeping provisions, which require financial institutions to retain various savings and demand deposit account records for from two- to five-year periods.

## Nader-Stults Joust Over Policing of Loan Customers

Ralph Nader has called on banks to check on complaints by consumers against producers of consumer goods before doing business with them. The idea was roundly denounced by Allen Stults, ABA president and chairman, American National, Chicago.

Mr. Nader has countered by stating that bankers approved of self-re-examination but do not consider outside criticism as being proper.

## FDIC Asks for Racial Data on Housing Loans

The FDIC has proposed that banks under its jurisdiction begin collecting racial data on all housing loans, including information that would show regulators if a bank was discriminating on loans in certain areas of a city.

The recommendation is part of a new proposed open-housing regulation for lenders. It is considered to be the most controversial civil rights reform suggested to lenders in recent years.

A similar attempt by the FHLBB last year was withdrawn because of opposition. The FDIC is the only one of the major bank regulatory agencies currently recommending the plan. The proposal would require lenders to make available to borrowers a form showing race and acknowledging that discrimination is illegal. The form also would require the lender to report approval or disapproval of the application, including reasons.





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

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*“Americans are living in a time today when constructive community leadership is desperately lacking. They are turning toward people and institutions such as Full Service banks hoping that the bankers’ record of solid accomplishment in the business world can be translated into help and concern in the community. This is the challenge banks and bankers face in 1972 and probably throughout the rest of the decade.”*

In New Harris Poll—

## *Bankers Rate High With Public And With Community Leaders*

**B**ANKS have a highly positive profile at a time when other institutions are being subjected to increasing criticism. That is just one of the findings in two new studies of banking made early last summer by Louis Harris and Associates for the Foundation for Full Service Banks, Philadelphia. These studies show that banking earned high marks with the public in most areas. In fact, they showed overall improvement in the public’s attitudes over the previous Harris banking poll taken in 1970. The latter study showed that people, in general, thought well of bankers.

The 1972 study—similar to the 1970 project—consisted of two parts: a comprehensive attitude survey conducted among a scientifically selected cross-section of the American public and a companion study of the attitudes and opinions of a carefully drawn sample of community opinion leaders. In total, 3,168 personal interviews were conducted in the public portion of the project—between June 1 and 17—and an additional 828 personal interviews were conducted among community leaders between June 10 and 21.

A comprehensive picture of how the American public views banks and bankers today, on both the public and leadership levels—as well as the direction in which the center of gravity is moving—emerges from the study.

**Banks’ Reputation.** Bearing out the study’s conclusion that the business rep-

utation of banks and bankers—found positive in 1970—is continuing to improve are these findings: 78% of the public and 85% of the leaders *disagree* with the criticism, “Most banks and bankers make you feel *not* very welcome when you go into a bank.” Fifty-seven percent of the public and 72% of the leaders *agree*: “Banks are changing and in the past few years they have really tried to get me to do business with them.” Seventy-two percent of the public and 79% of the leaders *disagree* with this statement: “Banks want to take your money on deposit, but they tend to forget you once you are a customer.” Sixty percent of the public and 70% of the leaders *agree* that: “Without Full Service banks, it would be impossible for people to pay bills by check, borrow money or have a savings account in the same place.” Finally, 51% of the public and a high 65% of the leaders *agree*: “The big difference between a Full Service Bank and other financial institutions is that you can have a checking account in the Full Service Bank and not in the others.”

According to the Harris study, Americans are somewhat better off economically today than in 1970, but are still troubled by the continuing pressures of inflation. When asked whether they had any discretionary income—money left over from regular income to put aside after expenses are paid—51% responded affirmatively this year, compared with

45% in 1970. However, the number of persons who report they are saving less today outstrips those who are saving more by nearly two to one (37% and 20%, respectively).

In spite of these mixed trends, the 1972 study findings indicate an upward surge in use of major financial services over the past two years. Among the public, real gains have been made in use of regular checking accounts (up eight points to 76%), savings accounts (up six points to 73%), drive-in banking (up six points to 45%), travelers checks (up seven points to 26%) and certified checks (up six points to 19%).

Among the community leaders, a source of high-frequency usage of banking and financial services in 1970, further gains were reported in penetration of regular checking, cashing personal checks, drive-in banking, home mortgage loans and savings certificates. However, other selective services show little or no growth or even actual declines since 1970. The key, said the Harris organization, is that the public is becoming more selective about the financial services it’s willing to use with greater frequency. In turn, this portends two upcoming trends: more intense competition between financial services and a greater demand for quality in individual services.

In 1972, the number of people who have heard of Full Service banks rose to 63%, up significantly from the 56%



level two years ago. The present level of awareness represents a gain of 22 points (or more than 50%) from the 41% mark of 1962.

This year a majority—51%—of the public were able to recall seeing or hearing Full Service Bank ads, up from the previous high of 48% two years ago. Among community leaders, the rise in advertising recall is even more dramatic, up from 66% in 1970 to 75% this year.

Recognition of the Full Service Bank emblem also is up sharply. Among the public, 40% recalled seeing the FSB emblem after being shown a likeness of it, a substantial increase from the 31% who recalled the emblem in 1970. These gains are even more impressive among community leaders. The 1970 study showed two out of five (41%) leaders who had seen the FSB emblem. This year, the number rose to 63%.

Finally, in tracking the meaning of the phrase "Full Service Bank," the 1972 findings showed some important, but divergent, trends. While three in 10 (30%) of the public felt the phrase "Full Service Bank" meant something special to them in 1970, the number feeling that way today stands at 32%—hardly an increase at all. Among community leaders, the previous high-water mark of 51% rose dramatically to 69%.

In probing what comes to mind when the phrase "Full Service Bank" is mentioned, the Harris group found a falloff in general associations among the public—identification of "offering a full range of services" dropping from 52% to 42% in the past two years, with increases in specific associations such

as offering loans, savings and checking accounts.

Among community leaders, a similar trend was evident. Although the number of leaders who associate "complete service" with Full Service banks rose from 56% in 1970 to 61% in 1972, the increase in specific services—such as loans (up from 6% to 18%), savings and checking accounts (up from 6% to 15%) and "takes care of all your needs" (up from 6% to 10%)—show greater relative gains. On the other hand, the number of leaders who said "can take care of all banking in one place" dropped significantly from 13% in 1970 to 5% this year.

From these findings, the research concludes that Full Service banks clearly are penetrating the upper levels of the market. Community leaders, generally more affluent and articulate, show a fuller appreciation of the phrase "Full Service Bank" than they did two years ago. Unlike the general public, they also have a more specific idea of what is involved in Full Service Banking.

Among the public, the results also are positive, with one dark spot. The findings indicate that the Foundation's advertising and public relations programs are having measurable effect. But they also point to the conclusion—evidenced by the fact that the special meaning attached to the phrase "Full Service Bank" has not grown—that in line with changing consumer desires, perhaps the Foundation might consider modifying its general theme of a full range of banking services under one roof to make it more specific in pinpointing the advantages of dealing with Full Service banks. In addition, the findings

strongly suggest that people in 1972 are not as interested as they were in 1970 in a large *quantity* of services available, but rather the *quality* of service. Selectivity is becoming the order of the day, and quality of service matters a great deal.

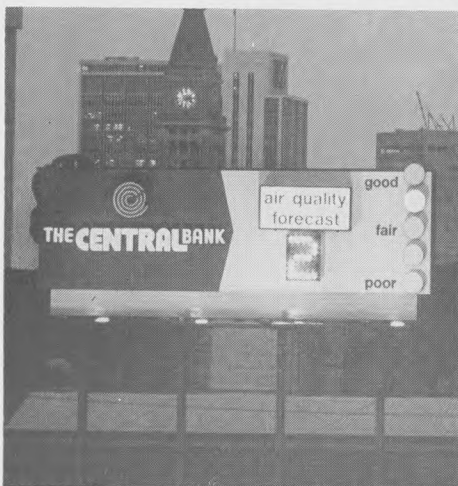
Despite this one cloud on the horizon, the 1972 study findings point up a highly positive picture, with the unique qualities of Full Service banks compared with competing financial institutions evident across the board.

The report concludes that despite the fact that no more than 32% of the public attach any special meaning to the phrase "Full Service Bank," this institution does enjoy a unique reputation in the minds of customers in filling a vital need. This is underscored by the finding that 73%—higher than for any other institution—have a great deal of trust in Full Service banks to handle their money.

The Harris questionnaire also was designed to obtain opinions on the community reputation of banks and bankers. People were handed a list containing 14 major types of institutions within the community and were asked how much confidence they had in the people running each institution. Among the public, Full Service banks are at the top of the list, with 59% voicing "a great deal of confidence" in bank executives. Coming in second are savings banks with 50%, followed by S&Ls with 42% and life insurance firms with 36% of the public expressing "a great deal of confidence." Among the leadership group, Full Service banks also hold top position, with 71% ex-

(Continued on page 62)

## Central Bank, Denver, Provides Air-Pollution Forecasts



In an effort to create a greater public awareness of the air-pollution problem in metropolitan Denver, Central Bank there is sponsoring development of an "Air-Quality Forecast" bulletin (photo at left), which is visible to motorists entering the downtown area via the North Speer Boulevard viaduct. The 14 x 48-foot bulletin—believed to be the first of its kind in the nation—forecasts a three-hour prediction of the quality of downtown Denver's air, identified by numbers and colored

discs ranging from "good" to "poor." The numerals and lighted discs are coordinated to have the same meaning. Four-foot lighted numerals, 1 through 5, coincide with Denver's Air-Quality Index (DAQI) as supplied by the Colorado Department of Health. The numerals indicate an average of the haze-causing solid particles and/or carbon monoxide in the air. The forecast also is shown simultaneously on a console (photo at right) in the bank lobby.



# How the Union Organizer Rates Your Institution

SUPPOSE you were studying 329 companies over a five-year period. Suppose further that 169 of these companies had to go through National Labor Relations Board elections with this result: 102 lost to the union; 67 won. Would you like to know *why* the difference?

Our latest study deals with a comparison between companies: those that made some preparation to avoid unionization and those that did not. We studied 329 non-union companies, of which 260 were manufacturers, 18 wholesalers, 34 retailers and 17 service (bank and insurance). Employee size ranged from 196 to 4,800. Of these 329 companies, over this five-year period 273 experienced *some* kind of union activity, but only 169 had to sweat through NLRB elections; 102 companies lost; 67 won. The lesson we learned from this five-year project is that any employer can avoid being unionized IF. . . .

To detail the many unique facts about each company here would be impossible. What is possible, however, is to indicate the salient lessons by use of a checklist. This checklist was derived from our study of these 329 companies, in addition to our previous studies published. Finally, the checklist was evaluated by one of the most astute consultant firms in the country specializing in this field of activity. That firm has been involved in 284 NLRB elections on behalf of management and has won 90.8%.

*The University Research Center is a not-for-profit, independent research organization supported by about 5,500 industry members and is devoted entirely to research on employee relations.*

By **MATTHEW GOODFELLOW**  
Director  
University Research Center  
Chicago

More important, the firm had been able to *avoid* more elections than that, which is always preferable to winning. Therefore, the resultant checklist on company susceptibility to unionization may be of wide help.

## Checklist

- *Number of Shifts.* Normally, we find that the first shift is most "loyal" to the company, with the second and third less loyal. This is true in many banks and insurance companies. Poorer supervision on the second and third shifts usually is responsible. Sometimes the third shift has no qualified supervisor at all, but only some leadmen. Then also, the third shift rarely sees the "brass." As a result, the employees tend to feel overlooked, forgotten, forsaken. Their susceptibility is high.

- *Female-Male Ratio.* The study shows that females are less interested in unions than males. Women often provide a second income in their families and hence do not feel the same amount of pressure as men who are the sole breadwinners in their families. Also, women abhor the threat of strikes and picketing. A high male population ratio means great susceptibility.

- *Housekeeping.* A dirty, poorly maintained office or department—with boxes and materials in the aisles—stimulates employees to feel that the company cares little about hourly employees and even denigrates them. If eating areas have unclean chairs and tables, dingy lights, empty coffee cups and

dirty ash trays, employees resent it. If they must eat at their desks, or in some corner of the room, the feeling is just as bad. If the parking lot is unpaved and muddy when it rains, or if the executives have all the front parking stalls and the hourly people have to walk from the far end, the effect is the same as unclean housekeeping. The major consultant in this field corroborated our findings on this point.

- *Wage Rates.* These are a *good* reason for joining a union, but rarely the real reason. This is something we shall discuss below.

Are there regular wage increments for longer service? If newer bank or insurance company employees receive substantially the same rates as older employees do, then trouble will ensue, as we have found.

Are merit increases given regularly? Normally, merit increases are given during the first few months, and only general increases follow. This buys no loyalty. On the other hand, if there are merit increases from time to time, who determines them and how? We found that too many insurance company and bank employees believe their supervisors are arbitrary and play favorites in giving increases. Using some sort of merit evaluation or performance-appraisal system is far preferable, but most supervisors have had little or no training on how to go through a merit evaluation or appraisal with an employee. The result of such inept procedures often is employee resentment at (alleged) favoritism in merit increases or in the evaluation procedure.

- *Incentive Pay.* From time to time some employees complain that some rates are too "tight" or the daily quota too high. Tight rates or high quotas ob-



viously breed dissatisfaction if management engineers do not respond by making an effort to restudy the situations. When they do this, they can often indicate to employees what they are doing wrong. Sometimes that isn't possible. But if enough employees of a given department complain about tough rates or quotas, and if their earnings support this complaint, the management can well conclude that the rates *really* are too tight and a restudy is in order. If nothing is done, serious trouble lies ahead. Where restudy is done, the employees' feeling of arbitrary injustice often is ameliorated, even if no change follows.

- **Overtime Practices.** These are important in two respects. Sometimes a bank or insurance company schedules overtime (or Saturday work or both) week in and week out in certain departments without asking employee acquiescence. Managements always think that employees ought to love overtime because it enables them to earn more money. This is the same fallacy as believing that wages are the most important element in a job. Continuous overtime is disruptive of family life, particularly for women who need to do their family laundry and week's shopping after hours. For companies in this position, there is little alternative to overtime except to hire and train more employees. Few companies like to do that since there is no knowing how long the overtime will last and hiring and training cost money. Any prolonged period of overtime, we found, produces strong anti-company feelings. One week on and one week off for compulsory overtime helps. If not, companies might try free coffee and rolls or some other "sweetener" for overtime workers.

- **Seniority.** Employees prize seniority (length of service in a department or job classification). However, managements would prefer not to place seniority ahead of skill and health in promotion decisions. Compromises are important, and employee feelings about

seniority ought not to be overlooked. Managements usually can function efficiently even if they give senior employees first chance at promotion, unless the choice is obviously wrong. This latter is rarely the case.

In a number of bank instances in which managements tried to bypass seniority or minimize it and gave the higher rated jobs to faster workers with better potential, the policy turned out to be self defeating. Other managements that chose the most senior employees and coupled that with some in-house training were far more successful in maintaining company loyalty and good productivity. The effect on other employees was much happier.

- **Promotional Policy.** If a new job opens up and present employees are not given an opportunity to try for that job, they will resent it greatly. The insurance company and bank argument was that promoting a present employee may necessitate extra training and, in addition, involves trouble in filling the spot that has been left vacant by the promotion. But most often, we found the extra trouble was worth the cost; managements that encouraged in-house promotions were repaid with better work and widespread goodwill among the work force.

- **Job Transfer.** Quite often, it is the good, ambitious worker who would like to be promoted or transferred to a more convenient shift or to a branch closer to home. We found that supervisors habitually sabotaged promotion from within or any job transfer plan, because both create problems for the supervisor. He not only loses a good employee from his department, but it means he has to break in someone else. Most supervisors are poorly prepared to do training well, so surreptitiously they discourage any promotion from within or transfer. Astute consultants in this field corroborated this finding time after time.

From management's side, promotion and transfer ought to be encouraged. Those insurance companies and banks

that followed that practice were far less troubled by union organizers. Similarly, there is no reason why someone on the second or third shift should not be permitted to transfer to a more convenient shift, rather than hiring someone off the street to work the desired shift, leaving a present employee disgruntled and dissatisfied.

- **Fringe Benefits.** In our study, we found that most managements underrated their importance. This was a common error. Since most employees are more concerned with job security and company stability than they are about money, the benefit package is closer to the heart of more employees than almost anything. That includes vacations, hospitalization and medical plan, life insurance and if possible, pensions. The *Wall Street Journal* for May 9, 1972, reports, for example: "A psychological study of Teamster union members in Detroit and Pontiac finds 67% are 'completely' or 'well' satisfied with their present wages. But 74% would like greater health care. . . ."

We found that many companies believed that employees resented paying for some small portion of the cost of hospitalization or medical insurance or life insurance or retirement. Not so. Many employees asked to pay for extra coverage on their own. On the other hand, a skimpy benefit package, even if it is 100% paid for by the company, is resented. Management always thinks this resentment is outrageous: Why should employees resent something they're getting for nothing? The answer is that most employees prefer better protection even if they have to pay part of the cost themselves.

- **Discipline and Grievance Procedures.** These go together. So does an employee handbook. If there are no printed rules about what is punishable and what is not, and to what degree, you may be certain that many supervisors will abuse their authority to punish.

(Continued on page 70)

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## 'Banking Serves America' Sponsors Consumer Education Program

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A THREE-STAGE consumer education program designed to enable professionals and consumers to better understand their rights and responsibilities as consumers is being sponsored by Banking Serves America in cooperation with the bankers and county government officials of Mecklenburg County, N. C.

The program was launched with a major conference that consisted of plenary sessions and workshops. Those in attendance were professionals and para-professionals whose work responsibilities bring them into regular contact

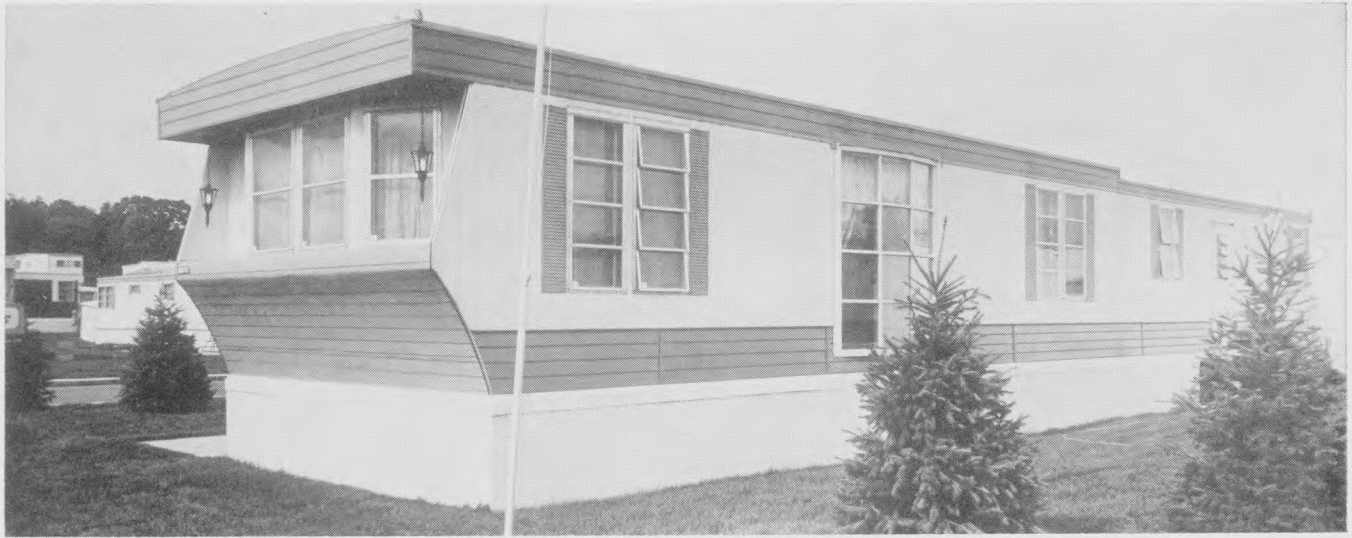
with consumers. These people include educators, county officials, social workers, law enforcement officials, business executives, community civic leaders and others who are involved with consumers in the course of their professional activities.

The second stage of the program will consist of a curriculum plan that will be developed for in-depth training of community college extension workers. The objective of this second stage will be to "teach the teachers" how to work with community members in the instruction of consumer information. The

teacher training course will be conducted for 10 weeks at a local community college.

The program's third stage will be community instruction under the direction of the extension workers.

Banking Serves America is a public education effort of the Foundation for Full Service Banks and ABA. The program was conceived and initiated by Banking Serves America and it is hoped that it will be duplicated by banking communities and county organizations in other parts of the nation. • •



# Mobile Home Loan Yield 'Excellent' According to Majority of Readers

*High return, low risk, valuable customer service cited*

ONCE A BANK establishes itself in the mobile home lending business, its loan experience is very good, judging from returns from a recent survey of readers of this publication.

Survey results indicate that the majority of banks handling mobile home loans do so for the high yield, which averages 10% on a 60-month loan that was secured with a 10% down payment. The majority of reporting banks consider their mobile home lending experience to be "excellent"; they do not use mobile home service companies; neither do they finance mobile home parks. They consider the prime benefit of offering mobile home financing to their customers to be the low interest rate they charge.

Only 7% of those banks responding said they do not participate in mobile home lending of any type. Reasons for non-participation include little or no demand for it, too lengthy terms and lack of suitable facilities for mobile homes in their trading areas.

More than 66% of responding banks consider the primary reason for financing mobile homes to be the good yield these loans produce. Other reasons include low risk (17.5%), providing a necessary customer service (12.5%), a way to attract new customers (9.5%), a means of creating cross-sell opportuni-

By **JIM FABIAN**  
Associate Editor

ties (6%) and a way to increase installment loan volume (6%).

A full 62% agreed that lower interest rates are the prime benefit for a customer taking out a mobile home loan at a commercial bank. Other benefits to customers include personal service

(12.5%), establishment of credit ratings (10.5%), convenience (10%) and the possibility of a better deal through local financing (8.5%). Surprisingly, 3% stated there were no benefits in dealing with a bank.

The return on mobile home loans varies from 4% to 15%. However, 21% of the responding banks averages a 10% yield on its loans. Running a close second (20.5%) is the 9%-yield category. The 11% category is third, with 15.5%

## Mobile Home Boom

More than 500,000 mobile homes should roll off the production lines this year, representing estimated retail sales of about \$3.5 billion.

These units are being produced by some 334 firms and the square footage of these mobile homes is constantly expanding.

Average retail price of a mobile home, including all widths, is \$6,640, or about \$9.07 per square foot. This figure includes furnishings and appliances. By comparison, the average site-built home costs about \$17 per square foot, unfurnished, exclusive of land.

More than seven million people live in mobile homes.

The ABA reports that mobile home outstandings have increased dramatically in the last year. Such outstandings now represent 8.1% of the total installment loan portfolios of ABA-member banks, compared with 5.5% a year ago.



of respondents posting that figure.

Mobile home loans mature anywhere from 36 to 144 months. The most popular maturity period is 60 months, with 31.5% of the responding banks indicating that figure. The next most popular figure is 84 months (23%). A far-distant third place goes to 96 months (10%).

Down payments required on mobile homes range from 5% to one-third, with the most popular figure being 10% (reported by 34% of respondents). In second place is 20%, which was indicated by 21% of the banks. In third place is 15%, a figure stated by 12.5% of respondents.

Banks were asked to indicate how the returns on their mobile home loans compared with those from other categories of installment loans in their portfolios. Of the 200 banks responding, 59% termed their mobile home loan yields "excellent" while 33% said their yields were "fair." Only 1% considered their experience to be "poor."

Twenty-eight percent of the responding banks use a mobile home service company, either on all loans or on some of them. Sixty-seven percent do not use the firms. That leaves 5% who skipped the question.

Banks using mobile home service companies appreciate the variety of services these firms provide. Mentioned most frequently were the repossession and collection services, with recruitment of dealers and insurance arrangements also high on the list.

Twenty percent of responding banks finance mobile home parks. Of the 80% that don't, several stated that there have been no mobile home park projects to finance in their trade areas. Thus, more than 20% of the responding banks would like to finance mobile home parks if they could.

There is little doubt in the minds of a large majority of bankers responding to this survey that mobile home financing is a good business to be in! • •

### Hamilton Bancshares Makes Plans To Start Mortgage Service Firm

CHATTANOOGA, TENN.—Hamilton Bancshares, Inc., has announced plans to apply to the Federal Reserve Board for permission to start a mortgage service firm. The company would be headed by Philip S. Barrett, formerly executive vice president of Citizens & Southern National, Atlanta, and president, Citizens & Southern Realty Investors. Mr. Barrett also was elected to Hamilton Bancshares' board.

The new subsidiary, to be known as Hamilton Mortgage Corp., would be headquartered in Atlanta and have offices in Macon, Ga., Memphis, Nashville, Knoxville and Chattanooga, Tenn.

### Offer Benefits Candidates

Customers depositing \$200 into a new savings account or adding \$100 to an existing savings account at Winters National, Dayton, O., are being given the option of contributing \$1 of the bank's money to the presidential candidate of their choice.

The bank, serving as the customer's agent, sends the money to the candidate. Purpose of the promotion is to encourage citizen participation in the election process and generate campaign funds for the candidates—not to mention bringing new deposits to the bank.

Customers have the option of depositing the bank's dollar in their savings account if they do not wish to contribute to a candidate.

Although banks are prohibited by law from making direct contributions to political campaigns, they can do so as agents for their customers.

### Portrait Charge Card Introduced By Six St. Louis-Area Banks

ST. LOUIS—The six St. Louis-area General Bancshares banks last month began offering portrait BankAmericards. The banks are: Bank of St. Louis, Baden Bank, Jefferson-Gravois Bank and Northwestern Bank, all of St. Louis; Commercial Bank of St. Louis County, Olivette, and Lindbergh Bank, Hazelwood.

According to Bank of St. Louis, the new portrait card is the first bank credit card to be offered locally that features a full-color photo of the cardholder. The card utilizes the Polaroid "hard" card. Thus, said Jack Minton, president, General Bancshares and Bank of St. Louis, card theft is removed as a problem and the chance of misuse for the consumer is virtually eliminated.

### Sickle Cell Fund Boosted



Comedian Bob Hope (center) recently led a host of more than 100 entertainers, sport celebrities and business and community leaders in the first annual Ernie Banks Golf Classic, sponsored by Continental Illinois National, Chicago, to raise funds for sickle cell anemia research. At right is Chicago Cub baseball star Ernie Banks.

### First Nat'l Bank of Commerce Forms Petroleum Division

NEW ORLEANS—First National Bank of Commerce has formed a petroleum and natural resources division to serve the oil, gas, timber and mineral industries in the New Orleans area and the Gulf South.

Heading the new department is Franklin Dartez, who has joined the bank as a vice president. Mr. Dartez, who has 15 years' experience in the oil industry, formerly was assistant vice president in the petroleum department of First National City Bank, New York.



DARTEZ

### Permission to Start Memphis Bank Sought by Nashville Bank HC

First American National Corp., Nashville-based multi-bank holding company, has applied for a charter to form a new bank in Memphis. Capitalization would be \$5 million.

Fred W. James would be chairman and Jeans W. Pattinson president. Mr.



JAMES



PATTINSON

James is former senior vice president and head of the metropolitan division at First National, Memphis. Mr. Pattinson had been a vice president in First of Memphis' national division. Mr. James had been with First National 23 years, serving in most major departments. Mr. Pattinson has spent 25 years in Memphis banking. Both men are located temporarily in the White Station Tower in Memphis.

### Boatmen's National, St. Louis, Announces Two Promotions

ST. LOUIS—Boatmen's National has promoted James C. Greene to vice president. He is manager of the Master Charge department.

Miss Theresa J. Carnaghi, banking representative, was elected an assistant cashier. She has been with the bank 25 years and is a lending officer in the metropolitan division of the banking department.

# Profile of a Professional Pacesetter

Since joining NBT in 1966, Bill Nash has carved a special niche for himself . . . both in Oklahoma banking circles and in Tulsa community affairs. After you meet this dynamic young banking executive, you'll agree he has a special "knack" for tackling problems head-on . . . in a *person-to-person* situation. A talent that uniquely qualifies him to head NBT's Correspondent Bank Department.

Don't let his low-key Georgia drawl fool you. His list of civic accomplishments and accolades are far more numerous than his years. In 1970, he was honored as Tulsa's Outstanding Young Man by the Junior Chamber of Commerce. Currently, he is a member of the board of regents of Oral Roberts University, a director of the Tulsa Boys Home, first vice president of the Downtown Lions Club, vice chairman of Tulsa Area Youth for Christ, as well as a member of the Junior League's Business Advisory Council.

And his list of professional credits is equally impressive. A graduate of Northwestern University's School of Bank Marketing, Bill joined NBT in 1966 as advertising manager and director of public relations. Named an NBT officer in 1967, he was promoted to Vice President and head of the Real Estate Loan Department in 1970. He is also a graduate of Oklahoma State University's Intermediate School of Banking.

But don't take our word for it. Find out for yourself. There's a *difference* in the brand of banking service you'll get from a *professional* Pacesetter. So, look for Bill . . . he'll be looking for you.

Phone (918) 584-3411, Ext. 443



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





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# Mobile Home Financing Is Complex, But Is Profitable for Banks

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**M**OBILE HOME financing is an extremely specialized field, but one that can be profitable. Any bank wishing to engage in mobile home financing should consider several factors.

First, what amount of money does the bank wish to invest in mobile home paper? What approach will be necessary to reach this objective?

In order to be competitive, it will be necessary to offer up to 10-year financing. If the bank wishes to accumulate a large retail outstanding, it should be prepared to floor plan dealer inventories.

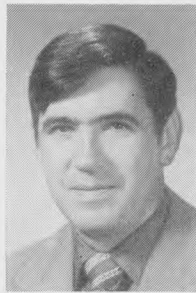
The bank's installment loan department should be adequately staffed to service mobile home loans. One of the most important parts of any mobile home financing program is the collection function. Personal contact prior to an account becoming 30 days' delinquent is necessary to minimize overall delinquency. An inadequate staff can result in a high delinquency ratio.

Even with proper collection efforts, repossessions will occur. When they do, prompt repossession, reconditioning, merchandising, delivery and setup are necessary to keep losses at a minimum.

Insurance coverage is another important consideration. If a customer provides his own insurance, the bank will find that many times coverage is not adequate to protect the bank's interests. The bank will also face the possibility of a non-insured mobile home being moved and wrecked in the process. The bank may also repossess a home and find all the furniture missing—with no insurance coverage to protect the bank.

All of these problems can be avoided by setting up a program that takes the following factors into consideration:

*Floor planning*, which is the most risky part of any mobile home program. If properly handled, however, there is little likelihood of loss. Here are some



STEPHENS

By B. L. STEPHENS

Assistant Vice President  
Commerce Union Bank  
Nashville

suggestions for reducing the risks of floor planning:

- Check out prospective dealers closely.

- Record all floor plans properly with the state.

- Hold certificates of origin for mobile homes.

- Advance all funds directly to the manufacturers.

- Advance no more than 100% of any invoice, excluding freight.

- Deal with reputable manufacturers.

- Require manufacturers to print on invoices that they abide by the uniform invoicing regulation of the Mobile Homes Manufacturers Association. This will help avoid the possibility of packed invoices.

- Require repurchase agreements from manufacturers.

- Require curtailment of floor planned units of at least 10% each 90 days and payment in full within one year.

- Require personal guarantees if the dealer is a corporation.

- Physically audit floor plan at least every 30 days to avoid selling out of trust.

- Always go inside mobile homes when auditing to be sure the furniture has not been removed.

- Require the dealer to furnish a physical damage insurance policy on homes in inventory.

*Physical damage insurance* is an important part of any mobile home financing program. It is advisable to require that the premium for a mobile home policy, including vendors single interest coverage, be included in every contract for the term of payment or for as many years as is legally permissible. This type of insurance will protect the bank in several ways, most of which follow:

- It eliminates the necessity of renewing policies each year.

- It enables the bank to work with one insurance company to settle losses.

- It assures customers of several years' coverage with no premium increases.

- Vendors single interest insurance provides the bank with several protections, including on-road collision coverage by repossessing the salvage, transportation expense for returning repos located over 100 miles away, pays the value of items removed from repos and pays off the loan if the customer skips and cannot be located.

There are several methods of retail financing and each has some advantages.

*Direct financing* is usually the best type program from the standpoint of

## Mobile Home Outlook Is Bright

Experts agree that the future of the mobile home industry is bright, citing the following reasons:

- Mobile homes presently represent over 90% of all single family housing selling for under \$15,000.

- Construction costs of conventional housing continue to increase and more people are finding it difficult to afford such housing.

- The average mobile home can be purchased for \$6,100, with a down payment as low as \$700 and monthly payments of less than \$100.

- The industry has shown tremendous growth over the past 10 years as evidenced by the increase of shipments from 118,000 in 1962 to 480,000 in 1971.

- Factors indicate that this growth will continue and that mobile home housing will become more attractive as population increases.

# Someone in your area is going to make a lot of money in mobile home lending.

Amcourt's out to make sure it's you.

Far from sitting back and waiting for the paper and money to roll in, we're coming up with financing-service innovations to help you get your share of this booming business.

You see, our key people grew up in the mobile home lending business.

In fact, one reason there's a shortage of people who know really good paper when they find it is that a big share of them are working for Amcourt. Also, we've created a unique "Dealer Enrichment Plan" to get dealers to gen-

erate more and better-quality borrowers.

We've given them a Marketing Assistance Program to show them exactly how to do it.

We're assuming all the risks, and all the headaches that go with them.

We're taking all the legwork and paperwork off your shoulders and onto ours.

We're eliminating your need to add new people to do a professional job in the mobile home field.

We're handling all the collections, repossessions and resales ourselves, at

no extra cost to you.

And we're building a larger nationwide network of dealers to expand your operations outside your own neighborhood, city and state.

For the complete story on how Amcourt can help you get the mobile home lending profits you've got coming to you, call or write:

Amcourt Financial Services Corp., a Subsidiary of Amcourt Systems, Inc., a publicly owned company, Suite 1200, Ainsley Building, Miami, Florida 33132. Or phone 305/358-1380 or 379-2878, collect.

**Amcourt  
Financial Services Corp.**



**We share  
our wealth.**



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# Mobile Home Financing

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credit risk because the borrower is usually a customer of the bank. A bank cannot, however, build a volume loan operation with this method. Direct financing should be a part of your program but it should not be the only method of financing unless the bank is satisfied with a small volume of business.

Be sure the bank is willing to offer terms long enough to be competitive with dealer plans.

*Indirect financing—repurchase basis* was the only method of indirect financing used until a few years ago. It is now being used less because of dealer reluctance to endorse the larger amounts needed today and because of 10-year financing.

Such a plan will be only as good as the dealer. Make sure the dealer is financially strong enough to pay off several repossessions if adverse economic conditions should cause an abnormal number of repossessions.

## Possible Problem

This plan may also cause problems for a small bank, as the examiners may question the amount of contingent liabilities of one dealer compared to the bank's deposits.

More collection effort is needed under this plan, as the dealer will want some slow paying customers to be financed and, because of the dealer's endorsement, you are likely to agree with his requests.

Generally speaking, only banks with specialized departments should use indirect financing on a repurchase basis.

*Indirect financing—non-recourse* is becoming more attractive and will likely be the method used in most markets in the future.

When this plan is considered, the necessity of liquidation of repossessions or associating the bank with a qualified service company must be faced.

Banks should be discouraged from non-recourse financing without a service company contract unless they have the protection of a credit bond and are staffed for collection and repo liquidation.

A non-recourse service company plan works as follows:

The bank signs an agreement with a company qualified to service mobile home loans and agrees to pay for the service. The services provided by this type of plan include:

- Obtaining dealers to provide the bank with retail contracts.
- Providing business relations representatives to call on dealers.

- Helping to train bank employees to process mobile home loans.

- Advising banks on how to properly set up floor plan lines.

- Physically auditing floor plans for banks.

- Purchasing credit bonds from insurance companies to protect loans from loss.

- Collecting past-due loans.

- Physically repossessing homes when necessary.

- Selling repossessions and paying loans in full without loss.

- Providing forms, such as installment sales contracts, rate charts and credit applications.

Choosing a service company should not be done without considerable thought. The following points should be considered:

- Financial strength of the service company. The bank will depend on this firm to service loans for up to 10 years. You must be sure the company will remain in business to do so.

- Number of years' experience the service company has in mobile home financing.

- Location of office and staff. How prepared they are to service your loans or replace the representative in your area should he leave the firm and how easily you can reach someone by phone when you need assistance.

- The service company's reputation with dealers in your area.

- Their credit approval practices.

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## Mobile Home Owner Surveys

Commerce Union Bank recently conducted a survey of its mobile home loan contracts to gather information about the average mobile home buyer.

The survey revealed that average family size is three persons, the average age of the owner is 25 years, his income is \$500 per month, he borrowed an average of \$5,375 on a mobile home with an average cash selling price of \$6,131 and the term of the loan was 96 months. These figures reflect the situation in Commerce Union's trading area. The bank is located in Nashville.

Exchange National, Chicago, made a somewhat similar survey of the central Illinois area, and came up with the following averages:

Family size—three persons; age of owner—35; monthly income—\$695; loan advance—\$5,200; term of loan—91 months.

Mobile Home Service Co., located in Temple, Tex., and Oklahoma City, has come up with somewhat similar figures:

Family size—four persons; age of owner—30; monthly income—\$585; loan advance—\$6,800.

Avoid any company that encourages the bank to make marginal loans which might result in the bank having a high delinquency ratio and too many repos.

- Ability of the company to refund service fees in the event of prepayment of loans.

- The financial strength of the insurance company writing the credit bond.

There are several methods of mobile home financing and every bank must decide which is the most suitable for its needs.

And now, a little about my bank's experience in mobile home financing.

Commerce Union has been actively engaged in mobile home financing for over 30 years. The bank financed its first mobile home in the late '30s. At the time mobile homes were 20 to 30 feet long and eight feet wide. They sold for less than \$1,000. By the early '40s, the bank had several active dealers from which it purchased contracts.

Prior to 1955 the bank had financed new units for up to five years, but because of the increased cost of the larger units coming on the market the bank began to offer seven-year financing for new units. This plan proved quite successful and we continued to increase our outstandings.

## Terms Extended

In 1962 the industry produced the first 12-foot-wide units and it became necessary to extend terms again. In 1962 we began to offer eight-year financing and in 1965 we began to allow nine- and 10-year financing on a limited basis. As the industry continued to improve the quality of mobile homes and to increase their size, financing terms continued to increase and a new concept of dealer financing began to evolve.

As the terms of financing and the retail prices continued to increase, dealers began to be concerned with endorsing contracts. This concern caused banks to begin to think about non-recourse financing.

This type of financing began on a limited basis in the mid-'60s, and by 1971 had become a popular financing plan. The bank's dealer program was all on a repurchase basis, but we began to see signs that the market in our area was about to turn toward non-recourse financing. After closely examining the experiences of lenders using non-recourse plans and the service companies servicing them, we decided to market a non-recourse plan. In January, 1972, we presented this plan to dealers.

At the same time, the bank decided to market another service—a non-recourse mobile home plan—to other banks, with Commerce Union acting

# New loss-free plan for financing mobile homes



Now you can start your own financing program in mobile homes through the facilities and know how of a financial/merchandising force recognized as the pioneer in this burgeoning industry.

Associates acts as a sales arm merchandising your program to dealers in a specified market area. Under this loss-free plan you get a guaranteed rate on all mobile home paper purchased... collection assistance... plus years of experience in mobile home marketing,

dealer operations, and the intricacies of financing this increasingly popular form of housing.

For full information on these and many other advantages now available to you call Associates collect for either Mr. Walt J. Milner at 219-284-2337 or Mr. David L. Herring at 219-284-2683.



**ASSOCIATES FINANCIAL SERVICES COMPANY, INC.**  
Subsidiary of  
Associates Corporation of North America  
South Bend, Indiana 46624  
A GULF + WESTERN COMPANY



as the service company. As of this writing, we have signed up a number of banks on this plan.

We have found mobile home loans to be attractive for several reasons, as follows:

- Larger amounts can be loaned, thereby reducing the effect of acquisition costs.

- More dollars of outstanding may be serviced with fewer people.

- Fewer insurance problems occur.

- Fewer collection problems occur.

- Average pay-back time of seven-year loans is 37 months.

- Mobile homes produce more retail outstandings compared to floor plan carried than automobile financing does.

- A community service is performed, enabling people who cannot afford conventional housing to purchase mobile home housing.

If your bank is not financing mobile homes, you should seriously consider the possibility of starting a program.

### Officer Promotions Announced By City Nat'l, Kansas City

KANSAS CITY—City National has promoted John M. Miller to vice president and trust accounting officer and William A. Hann to pension trust officer.

Mr. Miller joined the bank in 1955, became assistant trust officer in 1959 and trust accounting officer in 1963. He was elected assistant vice president and trust accounting officer in 1970.

Mr. Hann has been with the bank since 1968 and was elected assistant pension trust officer in 1970.

## Millikin Nat'l of Decatur Plays Host to 240 Bankers at Correspondent Party

DECATUR, ILL.—Millikin National played host to 240 bankers at its 32nd annual correspondent bank party held September 14 at the Country Club of Decatur.



Ray G. Livasy (r.), pres., host bank, and Milton Brahier (l.), a.v.p., host bank, visit with Kenneth T. Frost, pres., First Nat'l, Rantoul, at social hour prior to buffet dinner. Mr. Frost was recognized at the dinner as an IBA 50-Year Club member.



Five additional IBA 50-Year Club members were recognized at the dinner. They are (l. to r.) H. E. Voglsinger, Pontiac Nat'l; Howard Thorp, DeWitt County Nat'l, Clinton; H. F. Nalefski, E. E. Joynt and D. B. Hastings, all of Millikin Nat'l.

Approximately 70 golfers participated in a golf tournament.

The annual function features a golf tournament, social hour, buffet dinner and the awarding of golf and attendance prizes. Ray G. Livasy, president of the host bank, welcomed guests and Milton Brahier, assistant vice president, awarded golf and attendance prizes.

Jack R. Towson, chairman and president, State Bank of Blue Mound, won the top golf prize for achieving low gross score. Ivan D. Wood, a director of First National, Sullivan, won top honors for the low net score.

### Two Vice Presidents Retire From First American Nat'l

NASHVILLE—First American National has announced the retirements of George R. Knox III, vice president and manager of the Melrose Branch, and Rudolph Lauper, vice president and manager of the bank investment division. Mr. Knox joined the bank in 1930 and Mr. Lauper in 1948.

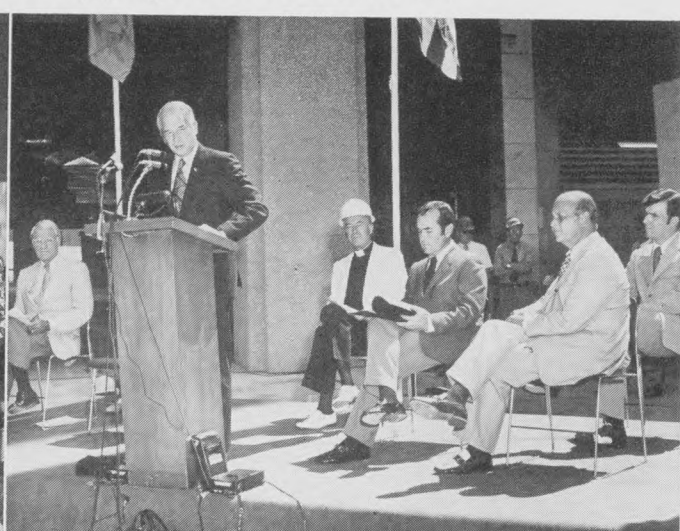
John M. Oden, assistant vice president and former manager of the Hillsboro Branch, succeeds Mr. Knox as manager of the Melrose Branch. William H. Coles Jr., assistant vice president and former assistant manager of the Hillsboro Branch, succeeds Mr. Oden as manager of that branch.

■ SAN FRANCISCO—David A. Shepard Jr. has been named vice president, investment management service, in Wells Fargo Bank's head office financial analysis department. He was an assistant vice president.

## First National, Tulsa, Observes Topping Out of New Tower



LEFT—Some 4,000 Tulsans accepted the invitation of First National to "get on the beam" and sign the 22-foot topping out I-beam that was displayed in the bank's lobby for three days recently. The beam, when hoisted into place atop the bank's new 41-story tower, completed the structural work on the building, which is the state's tallest.



RIGHT—At ceremonies observing First National's topping out were civic and banking leaders. Tulsa Mayor Robert La Fortune is at the podium. Bank officials include Russell F. Hunt (far l.), vice chairman; Lindsay L. Alexander (3rd from r.), vice president, marketing; F. G. McClintock (2nd from r.), chairman and CEO; and Rhese Hoylman (far r.), president, First National Employees Club. Man in center is local clergyman.

# Mobile home financing. Another way our correspondent banks can profit by our experience.

Many bankers balk when they hear the word "mobile." They think transient and shaky credit. They think high return, but with high risk. They would be surprised to find out just how stable financing mobile homes can be.

Take our experience. In the seven years we at Exchange National Bank have been involved with mobile home financing, we've purchased over \$70 million in retail paper at an excellent yield. Our losses have been zero. Even floor plan financing losses have been less than 0.001%.

As you can see, when you know what you're doing, mobile home financing can be a means of earning about average profit without having to take above average risk.

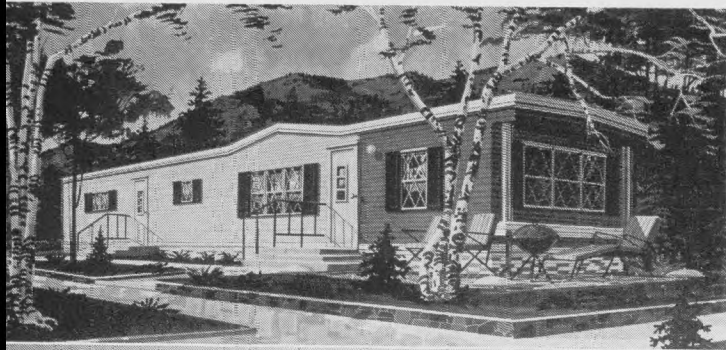
We'd like to show you how you can profit by our experience. Just give Ed Delaney or Lou Hanson of our Correspondent Banking Division a collect call.



## Exchange National Bank

Exchange National Bank of Chicago  
La Salle & Adams, Chicago, Illinois 60690  
Phone: (312) 332-5000; Member FDIC





## Mobile Home Living— New Life Style for '70s

**A**T SARASOTA, Florida, Mr. and Mrs. Floyd Cronin start almost every winter day watching the television weather report for news of the snow depth in Buffalo, N. Y.

Mr. Cronin spent 45 years working as a machinist in Buffalo. "It's a good town," he says. "We had a good life there. But when I retired two years ago, we took a hard look at ourselves. We decided right then that we were tired of taking care of our old house, tired of the snow, crabgrass and peeling paint. We wanted more time for ourselves and now we've found it."

In Rockford, Ill., time also is a problem for Glenn and Donna Darbin. After 13 months of married life, both hold demanding jobs. In addition, Glenn is enrolled in a course in business management and Donna does volunteer work with retarded children.

"Some days," says Donna, "everything seems to be one gigantic hassle. There just aren't enough minutes to go around. We're both basically people-lovers and we hate to get wrapped up in houses and yards and things like that. We're just grateful for our evenings and weekends when we can spend a few hours with friends or with each other."

Busy people like the Darbins and retired people like the Cronins are both representative of the kinds of customers who have created one of America's boomingest industries—the manufacture and sale of mobile homes.

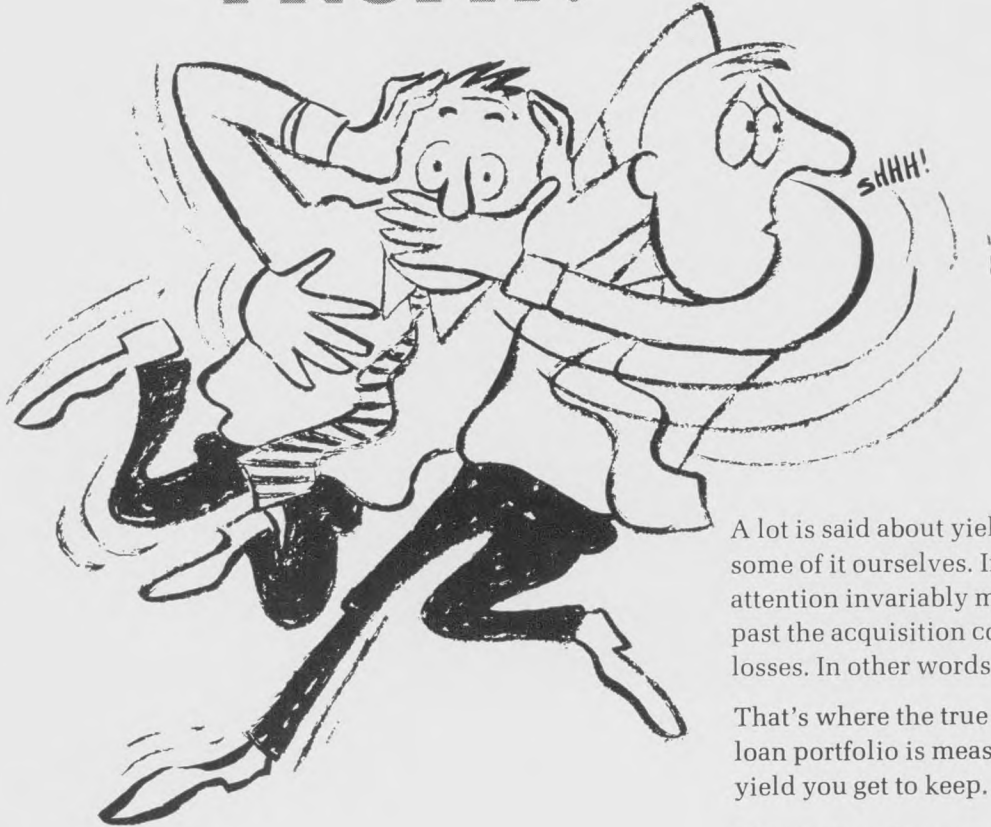
Despite differences in age, location and interests, the Darbins and Cronins share the belief that they should be masters of their home and not vice versa. They want to enjoy fishing or bridge, music or friends. They don't want to be chained to an endless round of clean-up, fix-up, paint-up chores, or to suburbia's no-quarter competition for lawn-of-the-year or house-of-the-block honors.

It is this point of view—this desire for a minimum involvement in housing—that has helped make the mobile home one of the most important elements in the housing industry. In 1972, an estimated 600,000 mobile homes will roll from assembly lines to customers like the Cronins and Darbins in Sarasota, Rockford, Raleigh, Little Rock, San Jose, South Bend and hundreds of other places.

Information on both families (with the names changed in the interest of privacy) was supplied by Arthur J. Decio,

**MID-CONTINENT BANKER for October, 1972**

# Not to change the subject but how about PROFIT?



A lot is said about yield. We even say some of it ourselves. In passing. But our attention invariably moves way on down past the acquisition costs, expenses and losses. In other words, bottom line.

That's where the true worth of your loan portfolio is measured. The part of the yield you get to keep.

That's also where our people are measured. And with 122 years of experience in the mobile home financing field among our key executives, we have to use a long ruler.

We provide direct and immediate attention to your loans through 11 offices serving 21 states. Let experienced UMS personnel give you something new to talk about at the next board of directors meeting, such as profit.

Change the subject. It's surprising how intently people will listen.



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MID-CONTINENT BANKER for October, 1972

47



# Mobile Home Financing



## does it still look like peanuts to you?

The belief that mobile home loan yields are too small in proportion to the risk involved . . . a lot has happened lately to change that picture.

First, the market has changed. Today, two-thirds of all single family housing sales under \$25,000 are mobile home sales.

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president and chief executive officer of Skyline Corp., Elkhart, Ind., said to be the world's largest mobile home producer.

Mr. Decio, who also is a past president of the Mobile Homes Manufacturers Association, has directed his company to a phenomenal 2,106% increase in sales in just nine years.

"I am convinced," said Mr. Decio in a recent interview, "that a growing number of Americans no longer can be satisfied with the traditional patterns of housing. Some of these people are thinking about retirement. Others are young marrieds, military personnel, executives on the move and college students. All of them hate the idea of being handcuffed to a conventional home with its 30-year mortgage, its constant need for maintenance and its inescapable identification with social status.

"We know through our research that many of the buyers of mobile homes are consciously withdrawing from the time-eating job of home maintenance and from the social struggle that sometimes seems to typify suburbia. They want to be free to enjoy a lifestyle that centers, not on a building or a piece of real estate, but on human relationships.

"In a mobile home, you can do your housecleaning with a damp cloth and you can take care of your yardwork by picking up an occasional gum wrapper. You, not your house, decide when and how you spend your time."

"We have found that many buyers like the idea that they can buy a mobile home with a minimum down payment and commit themselves to a relatively few years of loan repayments. It's also true that for many families with low incomes, the mobile home is the only housing within economic reach. But many who can afford conventional housing choose the mobile home way of life.

"During the past decade, construction costs for conventional housing have increased 65%. But today you can buy a mobile home with 700 square feet of living space for almost exactly the same price you would have paid 10 years ago for a similar mobile home with only 500 square feet of living space."

Mr. Decio also pointed out that great strides are being made in the development of mobile home parks. "The concept of a mobile home park as a kind of barren, unplanned lot is dead and buried. Today's parks are carefully designed to make the best possible use of the land and its natural features. Landscaping, home sites and community facilities are interrelated for the best possible visual effect and for the highest level of convenience.

*(Continued on page 52)*

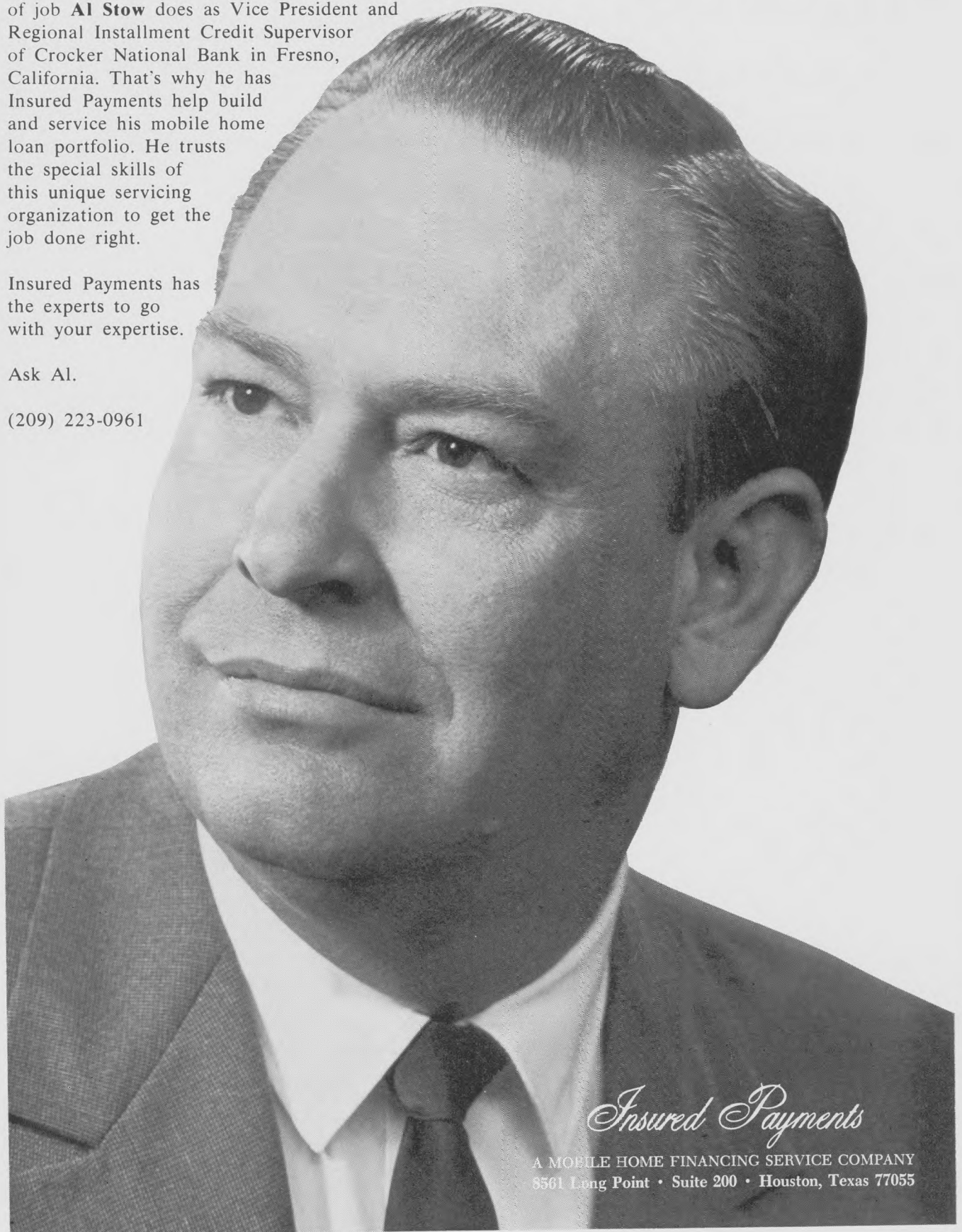
# this man has expertise

It takes competence and know how to do the kind of job **Al Stow** does as Vice President and Regional Installment Credit Supervisor of Crocker National Bank in Fresno, California. That's why he has Insured Payments help build and service his mobile home loan portfolio. He trusts the special skills of this unique servicing organization to get the job done right.

Insured Payments has the experts to go with your expertise.

Ask Al.

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# TRENDS

## *in the mobile home industry*

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### **MHMA Establishes Consumer Action Bureau**

A consumer action bureau has been established by the Mobile Homes Manufacturers Association to help owners resolve problems that may occur following the purchase of a new mobile home. The special bureau will give owners a central clearing-house where they can define their problems and have them settled in a satisfactory manner.

The bureau was established because mobile home owners have been uncertain as to where to look for assistance. Owners needing assistance are asked to write to MHMA for service report forms which, after being completed by the owners, should be returned to MHMA for action.

MHMA's address is 6650 N. Northwest Highway, Chicago, Ill. 60631.

### **Tie-Down Legislation Urged by Insurers**

Members of the insurance industry have been asked to point out the advantages of legally required tie-downs in all states by a representative of Foremost Insurance Co., Grand Rapids, Mich. Legislators who are concerned with the problems of their constituents should be more willing to sponsor, push and secure the passage of legislation requiring mobile home tie-downs, the representative said.

If mobile home losses are reduced, insurance rates will naturally reflect the improved picture. If lives are saved and fewer people injured, it will be those people who benefit, he said. Tie-downs protect mobile homes from winds that can tip the homes from blocks and cause extensive damage. Tie-downs can be installed for about \$150 per mobile home—a one-time cost with lasting benefits.

### **Community Life Goes With Mobile Homes**

The mobile home owner buys a way of life rather than physical housing, according to a report distributed by First National City Bank, New York. Mobile home owners become involved in community living of a kind that is now rare in conventional housing.

Total cost of possession of the average mobile home is somewhat less than for the lowest-rent new apartment and significantly less than the lowest-cost new house available today without subsidy.

### **Mobile Homes Depreciate Slowly**

Wholesale values of major brand mobile homes depreciate an average of 10% the first year and 5% a year thereafter. After eight years, the units depreciate 45%. After 15 years, when most units have been discarded as year-round housing, the homes still retain between 20% and 35% their original cost as resale value. The rule of thumb accepted by most lenders and dealers is that depreciation is 50% in five years.

### **Mobile Homes Located in Many Areas**

Where are mobile homes situated after purchase? Some 30% are located on farms or on scattered lots in rural areas and small towns; slightly under 25% are situated in mobile home parks; 10% are used as second homes, temporary housing in disaster areas or as commercial buildings; and 3% go either to dealers' inventories or to offset vacancies in owned or rented stock.

No one seems to know what happens to old mobile homes, but most end up as vacation retreats or storage sheds.

### **Mobile Home Subdivision Trend**

The creation of mobile home subdivisions is a growing trend, although such projects account for a minute share of all mobile home sites being established. Mobile home owners residing in subdivisions own their sites and put down permanent footings for the units. The package of mobile home and lot may be purchased with standard mortgage financing and is taxed as real property. Most of these lots are in parks, with a management providing standard park services.

### **FHLBB Eases Lending Rules**

The Federal Home Loan Bank Board has liberalized its rules to allow S&Ls to put more assets into mobile home loans. Present regulations permit a maximum of 10% of S&L assets to be in mobile home loans, up from the previous limit of 5%.

FHLBB board member Carl O. Kamp Jr. has said that the liberalization will benefit lenders who find the previous limits too restrictive as well as home buyers looking for low-cost housing.

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- (b) MoAmCo evaluates the mobile home dealer's success and future.
- (c) If the right potentials exist, MoAmCo contacts the dealer's recommended lender and proposes a complete, balanced plan of **guaranteed profits** for the lender.
- ✓ (d) All of the above.

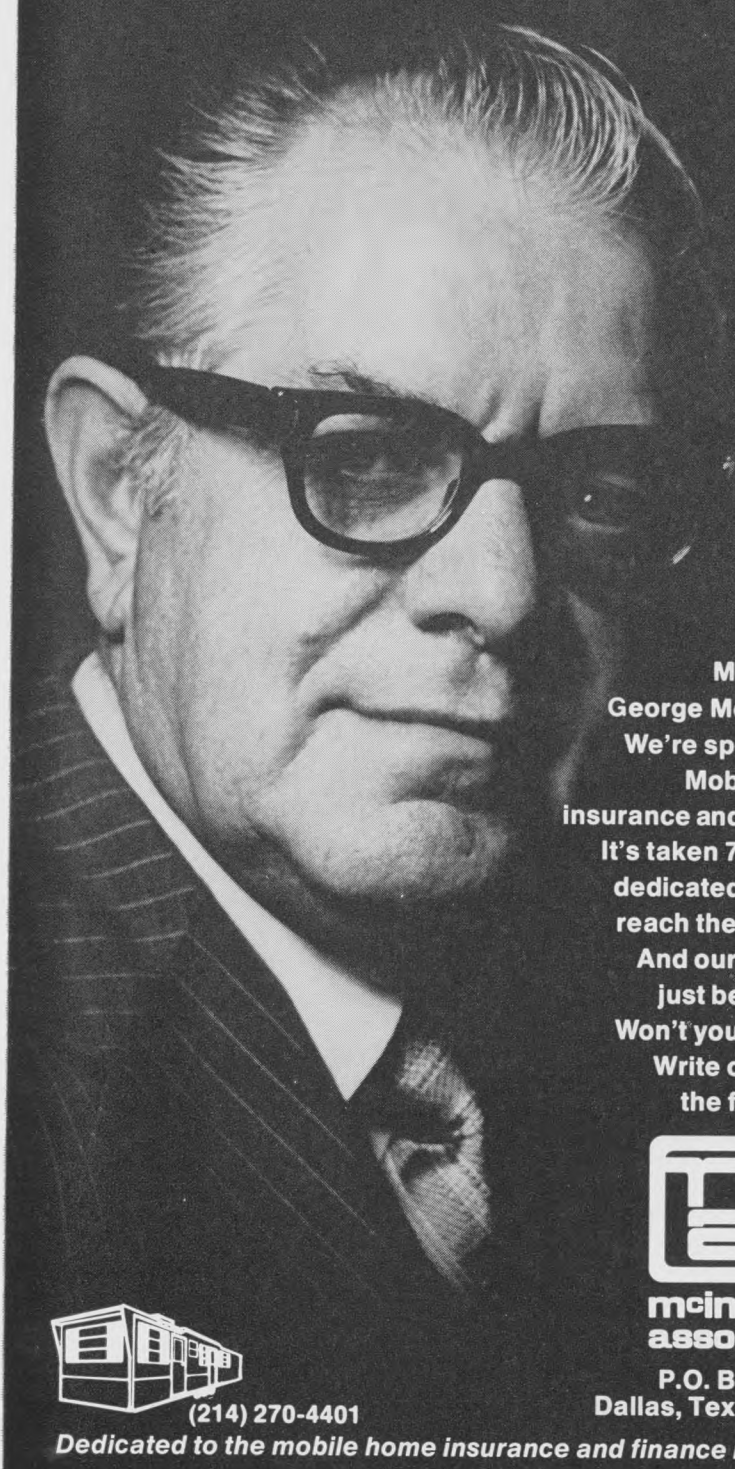
(d) When a MoAmCo representative calls on you, he means business — profitable mobile home financing business with absolutely no risks! You are the **last** person he wants to see! He won't call you until he's checked out both the mobile home market and dealers in your area. Then, if he's sure he can offer you guaranteed profits, he'll present you with a perfectly-balanced plan tailored to your specific needs . . . one that brings you immediate business with **high net earnings** on loans **insured 100% against loss!** That's what makes MoAmCo's mobile home loan program uniquely better. And that's why you should contact "all-of the above" Gary Mills, Vice President, Northern Region at 800-328-4455, Bill Miller, Vice President, Central Region at 319-355-6441, or Ed Davis, Vice President, Southern Region at 816-461-8800.

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## Mobile Home Living

*(Continued from page 48)*

Despite the attractiveness of the newer mobile home parks, they rarely are welcomed by nearby residents. Controversies over zoning regulations, building codes and taxing procedures constantly have dogged the steps of the mobile home industry.

"One of the remarkable aspects of our industry is the way its development has taken place in a climate that almost always has been hostile," Mr. Decio said. "We've had opposition from homeowners, farmers, local zoning officials, building inspectors, assessors and sometimes from the financial community. But despite this opposition—and some of it from influential citizens and groups of citizens—more than seven million Americans now live in mobile homes and in 1972 mobile home production will account for more than 35% of all single-family residential construction.

"I do believe we now have turned the corner into a new period of much broader mobile home acceptance. Our industry has come of age. We produce a quality product and we meet a genuine need. The public is coming to understand that the mobile home industry is an important national resource, a resource that can play a role in overcoming our country's critical shortage of decent housing." • •

### Glennon Appointed Vice Pres. Of Central National, Chicago

CHICAGO—W. E. Glennon has joined Central National as a vice president. He also will serve as an executive vice president of Central AgFinance Corp., a subsidiary of Central National Chicago Corp., the bank's holding company.



**GLENNON**

Mr. Glennon will focus on the servicing and counseling of accounts in the field of agriculture and agribusiness. He recently retired as president and chief executive officer of the American Feed Manufacturers Association. He had been with the association since 1945.

■ SAN FRANCISCO—Wells Fargo Bank has promoted Watson M. McKee Jr. from vice president to senior vice president. He has charge of day-to-day activities of the bank's state-wide data processing program and northern California central services operations.

# We know a world about computers.



Dan Neiswender and Larry Acosta know a world about computers. Dan (left) is head of Hibernia's Electronic Data Processing Department. Larry (right) is a member of Hibernia's Correspondent Banking team. With the help of the largest financial computer complex in Louisiana, they can tell you whatever you want to know about electronic data storage and retrieval. Dan Neiswender and Larry Acosta. The Men of Hibernia. They know a world about computers.



**HIBERNIA NATIONAL BANK** in new ORLEANS



# Service Company Meets Lender's Needs Through Understanding of Consumer

By DONALD B. WIGGINTON  
Chairman, Insured Payments

IT IS IMPOSSIBLE to properly service a single market in the mobile home business.

Although our primary market is financial institutions, we have found it paramount to keep abreast of both mobile home dealers and the ultimate home buyer.

In essence, if we learn how to meet the needs of the lender, we serve him best by being prepared to meet the needs of the dealer and the consumer.

What are the needs and wishes of the mobile home buyer?

They are many—and varied—and, somewhat surprising.

On a national average the mobile home owner is under 40 years of age. He is married with a high school education and, if he has children, usually not more than one.

He is living in his first mobile home and likes it. He either intends to stay

or buy a new one in the next three to four years.

He paid under \$8,000 for his home—generally in the \$4,000 to \$6,000 price range.

He particularly likes the 12-foot-wide home with a general preference for 50 to 60 feet in length.

The unit has one bath, two bedrooms and the favorite room is a front kitchen.

The owner moved into his mobile home from a single family dwelling that he owned.

He found the dealer he bought from by driving around and he purchased from that particular dealer because the dealer had what he wanted at a good price.

There is a good chance he will not buy from the same dealer again, although he probably will purchase the same make of home when he seeks a replacement.

He pays under \$40 for his park site which he chose by driving around or on a recommendation from friends after he bought his mobile home.

He rates the park where he lives as "fair" to "good," generally feeling it could be improved in the areas of play grounds, maintenance service, laundry facilities and social and recreational activities.

Although he describes the condition of the home when it was delivered as "good" to "excellent," he still had maintenance problems immediately after moving in. The problems were mostly with the plumbing and appliances. He also experienced trouble with the furnace. It took his dealer from one week to one month to get the problems fixed.

On the whole, the mobile home owner was most satisfied with the floor plan, kitchen and appliances after the problems were solved, least satisfied with air conditioner noise and the furniture.

When he buys again, he will pay extra for better furniture, more insulation, a better carpet and a larger water heater. He is less interested in higher ceilings, window air conditioners or dishwashers.

So, there he is: the average mobile home buyer, based on surveys taken throughout the heartland of America.

There are some notable exceptions in mobile home buyers on either end of the continent, however.

The Florida home owner is 44 years of age with an average income of \$7,800. The California buyer is 50 years old, generally retired, with an aver-

age income of \$9,700.

The Floridian stayed close to the national average when he paid \$7,600 for his home, but the Californian chose his in the \$10,000 bracket and more frequently paid cash for it.

The California owner has two bathrooms with a front living room and is not as interested in air conditioning as the Florida home owner.

In Florida, the owner chose his home because it fit his overall needs while the Californian selected primarily because of the floor plan.

Both went against national averages in considering quality over price.

Both the California and Florida markets were atypical in park selection, especially in the area of facilities and location, but this is understandable because of the geography involved.

All of this data certainly points up some problems we in the industry are going to have to set about solving.

Dealers will need to become more efficient in handling initial installation problems, and it would certainly behoove them to get their names and reputations out before the public.

Quality becomes more important as the buyer becomes more select. He's already said he is going to buy a mobile home again, but he will be a good bit more sophisticated when that time comes.

And lenders and service companies are going to have to rise to meet the challenge of this rapidly growing market—in more efficient and expeditious handling of transactions.

It's a booming business we find ourselves in; but, as in any successful endeavor, we must not let opportunity overshadow our responsibilities. • •

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## Hubert Is Feted

CHICAGO—Hubert, Harris Bank's adopted lion at the Brookfield Zoo, had a birthday party at his cage last month.

More than 5,000 balloons were distributed by bank personnel to children visiting the lion's cage. A "meat cake," complete with hot dog candles, was presented to Hubert during his afternoon feeding.

The celebration was to commemorate the first anniversary of Hubert's adoption by the bank. Last year, the zoo invited the bank to contribute to the maintenance of an animal. Because the lion has been the traditional symbol of Harris Bank since its founder, Norman W. Harris, adopted the code name "lioness" when signing business telegrams, the bank decided to support a lion.

The animal was named Hubert in honor of the bank's advertising symbol.



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deliver \$100,000 from the bank vault. You get nightmares just thinking about it.

We can ease your mind a little. Ask your agent to call us about Ransom insurance. Or Directors & Officers liability. Or Lenders' Protective, Errors & Omissions, or anything else in our up-to-date coverages for banks.

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# Rap Sessions, 'Dawndusters,' Departmentals Await Delegates to BMA's 1972 Convention

**R**AP SESSIONS, departmentals, "dawndusters," workshops—all these and more await delegates to the Bank Marketing Association's 57th annual convention October 29-November 2 in Bal Harbour, Fla. The Americana Hotel will be convention headquarters. William N. Flory, vice president, Harris Trust, Chicago, is general convention chairman. He also is BMA's first vice president. Program chairman is Norwood W. Pope, vice president, First-Citizens Bank, Raleigh, N. C. The convention is open to non-members of the association.

The general sessions will feature *Newsweek* magazine's Periscope Panel, Jerry Della Femina and Huw Wheldon.

Mr. Wheldon, managing director of the British Broadcasting Corp., will give the keynote address October 30. He has written TV series, produced TV talk shows and directed and appeared on numerous BBC TV programs.

The *Newsweek* panel, scheduled to appear October 31, will be moderated by Osborn Elliot, chairman and editor, *Newsweek*, Inc. The panel, composed of senior editors, bureau chiefs and correspondents, will analyze and comment on important news events of the day. Questions may be submitted to the panel the day before the session.

The November 1st general session will be addressed by Mr. Della Femina, who holds the top post at the advertising agency of Della Femina, Trivisano and Partners, New York City. He wrote the book, "From the Wonderful Folks Who Brought You Pearl Harbor."

Advertising departmentals will be held on: "What's Happening in Radio, Television and Print," "Reaching Today's New Financial Markets" and "Truth in Bank Advertising—Tell It Like It Is!" As bonus events, there will be two special departments to be given by the European Financial Marketing Association, BMA's equivalent on the

European Continent. Representatives of Great Britain and Germany will speak on "The Creation and Introduction of a New Continuous Credit Service" and "Marketing for Savings," respectively. A departmental on "Computer Models Which Can Aid Bank Marketing Planning" will be conducted by a Paris representative of EFMA.

Marketing organization departmentals are planned on: "Marketing Managers and Product Managers—What Are They? Do They Have a Place in Banking? How Should They Be Organized Into Banks?," "Multi-Bank Holding Company Marketing—Organization and Role" and "Marketing—Staff, Line or Both?"

There will be planning departmentals on: "Commercial Marketing—Planning for Deposit Growth," "A Marketing Approach to Liability Management and How It Works" and "Organizing for Effective Marketing Planning."

The following topics will be covered in the research departmentals: "Here Is What They Did!," "New Developments in Branch-Location Analysis,"

"Psychographics . . . Practical Concept, Not Fad," "How to Institute a Research Program at a Small Bank," "International Banking Research," "Commercial Banking Research," "Trust Research," "Advertising Research" and "Holding Company Research."

Sales departmentals will cover: "Compensation of the Bank Salesman," "Explosion of the Myth That Management Does Not Support the Concept of Officer Call Programs" and "How to Establish a Sales-Oriented Philosophy in Your Large or Small Bank."

Workshops will be held on: "A Proven Method of Budgeting for Advertising," "Structuring a Holding Company Marketing Structure," "Developing and Communicating the Corporate Image," "A Trust Marketing Plan That Works," "10 Ideas About the Electronic Teller Machines That Could Save You a Bundle," "How to Evaluate Your Present Advertising Agency or Hire a New One," "What to Do When Your Bank Joins a Holding Company," "How College Students REALLY View Banking," "The Computer as an Instrument in

## BMA Officers



DUNCAN



FLORY



RENAUD



FREY

The bankers pictured here have served as BMA officers during the past year. Buell G. Duncan Jr., BMA president, is vice president, First National, Orlando, Fla.; William N. Flory, first vice president, is vice president, Harris Trust, Chicago; T. E. Renaud, second vice president, is president, Twin City Bank, North Little Rock; and Richard K. Frey, treasurer, is executive vice president, Lake Shore National, Chicago. Mr. Flory also is general chairman of BMA's 1972 convention.

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MID-CONTINENT BANKER for October, 1972

57



Developing Trust Business," "Point-of-Sale Terminals and the Plastic Future for Banking," "New Ideas for Branch and Bank Openings," "Can You Turn Your Marketing Department From a Cost Center to a Profit Center?," "How to Make Officer Sales Calls Pay Off," "Pre-Approved Installment Loans—Can They Work in Your Bank?" and "Marketing Work for the Commercial Side of Banking."

Convention delegates from large banks will have an opportunity to attend rap sessions on: "Combined Statement-One-Statement Banking," "Money Management Counseling—the Answer to All of Our Retail Problems?," "New Developments in CIF," "Why Holding Company Marketing Should Be Different," "Do You Need to Reach an Ethnic Group With Your Advertising?," "Research—a Few New Wrinkles That Work," "Income Tax Service," "Segmentation—a Safe Way to Increase Your Market Penetration," "Uniform Identification Programs for Holding Company Banks," "Changing Demographics—a Challenge to Your Research" and "Coordinating the Marketing Effort Throughout the Bank."

Representatives of small banks will be offered the following rap session topics: "A Marketing Officer Does Her Homework," "One-Statement Banking," "Direct Mail—Direct and Indirect Results," "The Smaller Bank Ad Budget—a Conceptual Approach," "Grand Openings—Smashers and Bombers," "Staff Competence and the Marketing Effort," "A Travel Agency in a Smaller Bank—Profit Builder or Storm Center?," "Personal Banking—Zeroing in on the Target," "The Central Information File—Marketing Bonanza or White Elephant?," "Syndicated Ad Programs—to Buy or Not to Buy," "Pre-Approved Personal Loans—Why and How to" and "Premiums—Let's Swap Ideas."

BMA's "dawnusters" will cover: "What Next in the Marketing of Bank Credit Cards?," "Preparing Bank Customers for Cash Dispensers and Automated Teller Equipment," "The Combined Statement—How It Is Being Sold," "Developing the 'Progressive' Banking Label," "The Retail Point-of-Sale Revolution," "Case History—a Bank 'Money Management Club' Plan," "The New U. S. Postal Service—Implications for Direct Mail," "CATV—Banking System of the Future?," "Marketing Breakthrough in the Computer Room" and "Your Neighbors—the Financial Services Industry."

A bonus event also is planned—a film, "Banks and the Poor," which will be introduced by Mr. Flory. Also scheduled is a presentation by the Foundation for Full Service Banks.

On Sunday, October 29, there will be a first-timer's orientation designed to

help delegates get the most out of the convention, plus a first-timer's reception, an early-bird reception and the opening of educational exhibits.

Entertainment will include a poolside brunch and style show for women and a flag pageant by the Pensacola Naval Aviation cadets on October 30 and a general reception and a banquet featuring the "Brothers and Sisters" dancing and singing company and an after-hours party November 1. • •

■ SAN FRANCISCO—Wells Fargo Bank has elected five new assistant vice presidents—Joseph H. Batchelder, Arthur L. Meadows, Alan C. Gordon, Donald A. Oliveira and Stephen E. Anderson.

### Bank Marketing Outlays Hit Peak \$403 Million

WASHINGTON—Bank marketing expenditures will climb to \$402,829,500 this year, an increase of 2.5% over last year, according to a survey conducted jointly by the Bank Marketing Association and the American Bankers Association.

Among the findings of the study:

- Newspaper advertising is used by 97% of the nation's 13,648 commercial banks, accounts for 20% of their marketing budget.

- Some 57% of all banks used the services of an advertising agency.

One portion of the survey was an opinion study, which revealed these attitudes:

- Some 70% thought banks would turn to non-bank-related services—such as preparing tax returns—to increase profits.

- There will be more women employed each year at the officer level in banks, in the opinion of 83% of the respondents.

The BMA/ABA report is based on responses from 1,529 banks. This data, based on statistical tests for reliability, is reasonably accurate and representative of marketing expenditures by bank size, according to the report. Projections of the data yield total industry marketing expenditures, by bank size.

The study contains statistics on different aspects of bank marketing operations, with breakdowns of advertising expenditures by bank size in 10 different advertising media, plus data on direct mail, marketing research expenditures and premiums.

Copies of the report can be obtained from either BMA or ABA. Contact: Robert F. Schlax, Bank Marketing Association, 309 W. Washington St., Chicago, Ill., 60606 or Stewart A. Lambie, American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036. Both associations charge \$5 to members, \$7.50 to non-members.

## 33rd Annual Gathering of Correspondents Held by Citizens Nat'l, Decatur

DECATUR, ILL.—Citizens National held its 33rd annual correspondent bank party September 11 at the Country Club of Decatur with approximately 300 bankers in attendance.

The party featured the traditional golf tournament, stag dinner and awarding of golf and attendance prizes.

More than 190 bankers played golf on a near-perfect golfing day.

Presiding at the festivities following dinner were William Barnes III, chairman, and J. L. Hunter, president. Dale P. Arnold, vice president who handles the bank's correspondent relationships, awarded golf and attendance prizes.



John Crocker (l.), retired ch. of Citizens Nat'l, and founder of the annual gathering, visits with W. B. Trenchard (c.), ch., Deland State, and Dale P. Arnold, v.p., host bank.



J. L. Hunter, pres., Citizens Nat'l, greets guests as they pass through buffet line.

### Coppedge to Retire as Senior VP Of American Nat'l, Chattanooga

CHATTANOOGA—Walter P. Coppedge has announced he will retire officially as senior vice president in the installment loan division of American National on January 1, 1973.

Mr. Coppedge has ceased active management of the installment loan division and is serving in an advisory position. He joined the bank in 1929 and was elected senior vice president in 1957.

In other action at the bank, William R. Stansbury and Don Davis were elected assistant vice presidents and Steve Cloud was named an operations officer.

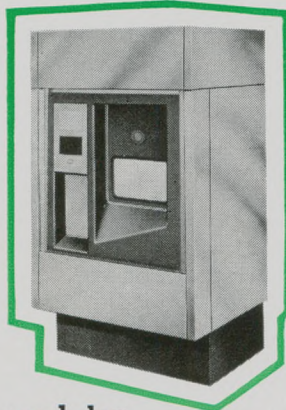


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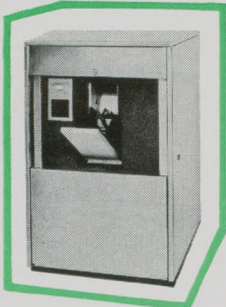
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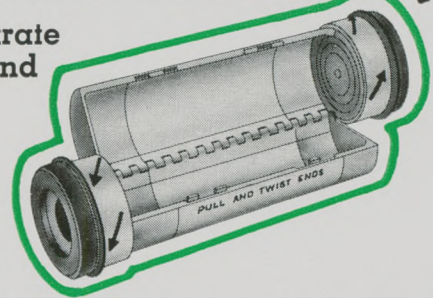
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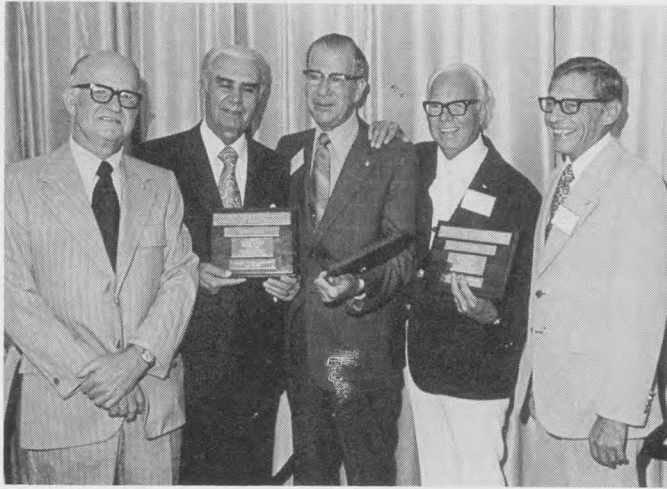
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LEFT: Glenn P. (Red) Ward, master of ceremonies, on left, and Harry E. Leonard, OBA president, who awarded the plaques, far right, are shown with Haskell McClain, Art Troll and Jack Lents, long-time correspondent bank officers who were honored at "Roadrunners



Recognition Reception and Dinner." RIGHT: Retirees and wives as they leave the party honoring them. From left, Mr. and Mrs. Hasell McClain, Arthur L. Troll, Mr. and Mrs. Jack Lents.

## Oklahoma 'Roadrunners' Stage Party For Retiring Correspondent Heads

CONTRARY to what the public sometimes thinks, bankers in the main are a gregarious lot—especially correspondent bankers. And because of the nature of their work, correspondent bankers have occasion frequently to entertain their customers, but seldom one another.

When Glenn P. (Red) Ward, senior vice president and head of the correspondent department of Fourth National, Tulsa, realized three of the stalwarts of Oklahoma correspondent banking were about to retire, he decided it would be a good idea to honor the three retirees with a "Roadrunners Recognition Reception."

The three to be thus honored were Haskell McClain, senior vice president and retiring head of the correspondent department of First National, Oklahoma City; C. D. (Jack) Lents, senior vice president and retiring head of the correspondent department of Fidelity Bank, Oklahoma City; and Arthur L. Troll, vice president and retiring head of the correspondent division of National Bank of Tulsa. Invitations to the reception and dinner—a husband-and-wife affair—brought immediate acceptances from almost all invited guests.

Hosts at the party at the Petroleum Club, Oklahoma City, were the correspondent bank departments of Okla-

homa banks. Guests from Oklahoma were limited to members and wives of the correspondent bank departments of Oklahoma banks plus two senior officers and their wives from each Oklahoma correspondent bank and officials of the Oklahoma Bankers Association and their wives. Out-of-state guests were limited to two long-time friends of the honorees: Lloyd Riggs, publisher of *Bank News*, Kansas City, and Harold Colbert, president of Commerce Publishing Co., publisher of *MID-CONTINENT BANKER*, and their wives.

Mr. Ward served as toastmaster, introducing Grady Harris, president of Fidelity Bank, who spoke briefly about Jack Lents. Mr. Harris related that Jack was born in Ninnekah, Indian Territory. His first bank experience was with Citizens National, Chickasha, in 1925. In 1929 he became a bank examiner. Some years later, while examining Fourth National in Tulsa, he met an attractive young employee of the bank and while discussing his examination of the bank with Fred Johnson, then president, announced confidently that he intended to marry the "cute little gal" he had met while examining the bank. In December, 1939, the "cute little gal" became Opal Mae Lents. Jack stayed on the examining force until December, 1947, when he became executive vice president and director of First National, Chickasha.

In 1951 he joined Fidelity as vice



Retirees and their "bosses" pose before banquet honoring three veteran correspondent officers. From left, Marvin Millard, ch., with Art Troll, v.p. and retiring head of National Bank of Tulsa correspondent department. Next, William McDonald, ch. exec. comm., and Felix Porter, pres., flank Haskell McClain (fourth from left), sr. v.p. and retiring head of First of Oklahoma City's correspondent department, while Grady Harris, pres., and Jack Conn, ch., Fidelity Bank, Oklahoma City (far right) pose with Jack Lents, sr. v.p. and retiring head of correspondent department between them.

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president and director, with his principal responsibilities the development of a correspondent department. Ten years ago he was named senior vice president. Mr. Harris said on the day in 1951 that Jack Lents went to work at Fidelity, correspondent totals were \$3,356,952, compared to \$55 million at the close of business the day before the party.

Marvin Millard, chairman of the board of National Bank of Tulsa, next related briefly Art Troll's banking history, all of which has been with NBT and its predecessor, Exchange National. Mr. Millard described Art Troll, a native of Butler, Pa., as a "Pennsylvania Dutchman," who "is never effusive but always sincere." Starting with Exchange National 46 years ago, Art has worked in almost every department of that bank and NBT. In all those years, Mr. Millard said, he had never heard anybody inside or outside the bank make a derogatory remark about Art Troll. "Give him an assignment and it's done," said Mr. Millard.

William H. McDonald, chairman of the executive committee, First National, Oklahoma City, in talking about Haskell McClain, said that in 1946 when First National bought Tradesmen's National of Oklahoma City from the E. A. Walker interests, "We bought a real fine bank but got some additional valuable assets we didn't know about in the form of Haskell McClain and his wife, Audrey." Haskell, Mr. McDonald said, began immediately making a name for himself in the correspondent bank field. At the time he joined First National, Mr. McClain had nearly 20 years of banking experience. Mr. McDonald mentioned Haskell's various activities with the Oklahoma Bankers Association and the American Bankers Association, acknowledged the great job he has done for the bank and his customers, but praised him especially for his ability to train associates in the correspondent department so that his retirement can be an orderly one for both First National and its correspondent customers.

Mr. Ward, who is president-elect of the OBA, called on Harry E. Leonard, OBA president and president of Bank of Elgin, to make the presentation of plaques from the Oklahoma correspondent banks to the three honorees. Before presenting the plaques, Mr. Leonard paid tribute to Mr. McClain, Mr. Troll and Mr. Lents as not only great correspondent bankers but great all-around bankers. He said that correspondent bankers are the persons country bankers know will get the job done, and that all of the electronic and mechanical devices that are in vogue today cannot replace a sound and cooperative correspondent banker.

It would appear from the tone and spirit of the "Roadrunners Recognition Party" that the breed of bankers known as Roadrunners is a long way from extinction. • •

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## New Harris Poll

(Continued from page 34)

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pressing "a great deal of confidence" in the people running banks. Again, savings banks, S&Ls and life insurance companies follow in that order.

The questionnaire also asked people how concerned they thought different types of institutions were in helping the community. Again, Full Service banks are on top, with 43% of the public and 50% of the leaders calling their concern "very high." Coming in second is "business as a whole," with perceived "very high" concern by 32% of the public and 43% of the leaders, followed by S&Ls.

The 1972 study was designed to determine how Full Service banks and thrift institutions are performing in specific community problem areas. Those interviewed were shown a list of 19 different descriptions of community activity and were asked to rate the job Full Service banks, S&Ls and—in those states in which they operate—savings banks were doing in each of the 19 areas. Among the public, the job ratings given Full Service banks are higher than those given savings banks or S&Ls on all 19 items. Out of the 19 items, Full Service banks received positive ratings on 12 dimensions: contributions to the community; supporting community fund drives; making housing loans to middle-income individuals; attracting new business and industry; helping local business grow; helping individuals and their families solve their financial problems; providing jobs and training for young people; helping rebuild cities; helping public education; helping local government solve its financial problems; supporting local hospitals; and helping provide better housing.

However, negative ratings given Full Service banks by the public outweigh the positive, or a standoff occurs, on seven items: making housing loans to lower-middle-income individuals, personal loans to minorities, business loans to minorities; hiring minority-group employees; helping the needy; helping find solutions to racial problems and helping eliminate air and water pollution.

Among community leaders, similar patterns emerge. Among the 19 ele-

ments on the roster, Full Service banks receive the highest ratings on all but three—making housing loans to middle-income individuals, helping provide better housing and making housing loans to lower-middle-income individuals—which are housing related and where S&Ls edge out banks. Areas where community leaders are critical of Full Service banks' performance in the community are the same seven on which the public was critical, plus one other: helping provide better housing.

From these findings, the report concludes that the major deficiency of banks in community participation is felt to be their inadequate concern for the needs of minority-group members. Since community participation has a large element of humanitarianism associated with it, the Harris group believes this deficiency is a fairly serious one.

*Said the Harris report: "The findings leave little doubt about how people feel about their Full Service bankers and what they are expecting in the way of help for local problems. Americans are living in a time today when constructive community leadership is desperately lacking. They are turning toward people and institutions such as Full Service banks hoping that the bankers' record of solid accomplishment in the business world can be translated into help and concern in the community. This is the challenge banks and bankers face in 1972 and probably throughout the rest of the decade."*

**The Hunt Report.** This year's research contained a section covering public and leadership reaction to major recommendations resulting from the Presidential Commission on Financial Structure and Regulation (the Hunt Commission).

By 55% to 24%—better than two to one—the community opinion leaders register agreement with the Hunt Commission's report. When asked to elaborate on the reasons behind these attitudes, the major mention among those who agree with the commission's philosophy was "competition is good" (cited by 42%) and "would mean better services" (cited by 16%). Among those leaders who disagree with the philosophy, the major reasons cited were "specialization is needed in complex fields" (mentioned by 8%) and "I like the choice of different institutions" (mentioned by 6%).

Both the public and community leaders were asked what would be their likely reaction if S&Ls and savings banks were permitted to offer checking accounts. By 59% to 27%, the public turns thumbs down, indicating it would not be more likely to use thrift institutions for checkings accounts (14% not sure). By 65% to 28%, leaders are in-



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clined in the same direction (7% were not sure).

The public and leaders were asked about their likely reaction if Full Service banks were permitted to pay as high interest rates on savings accounts as S&Ls and savings banks. By 56% to 30%, the American people indicate a greater likelihood of using Full Service banks for savings (14% were not sure). The feeling among community leaders is even more pronounced, being more than two to one (69% saying no; 26% yes; 5% undecided).

Thus, says the Harris group, the reactions to the Hunt Commission recommendations are truly salutary for Full Service banks, as shown by the fact that just over one in four say they would be likely to switch their allegiance away from Full Service banks to thrift institutions should the latter be granted checking-account privileges. This group is more than counterbalanced by the 56% of the public and 69% of leaders who say they would be more likely to save at Full Service banks if interest-rate ceilings on banks under Regulation Q were removed.

**Charge Cards.** Although the latest Harris research shows that the number of people and community leaders carrying credit or charge cards is down from the peak recorded in 1970, bank cards continue to hold their own. Master Charge shows increased penetration (moving from 26% in 1970 to 32% now), and BankAmericard holds firm (going from 28% in 1970 to 29% now). On a relative basis, American Express card's improvement among the public was also noteworthy, standing at 10% penetration now, up from 6% in 1970. The biggest losses for credit cards occur in the department-store category.

The story among community leaders shows real improvements for both Master Charge (going from 40% to 46%) and BankAmericard (40% to 44%), while American Express maintained its same level of 1970 (30%).

In addition, the study shows the public and community leaders preferring bank charge cards to the travel and entertainment type. By 51% to 14%, the public exhibits marked preference for bank cards, while among the leadership group, the margin of preference is 47% to 28% in favor of bank cards.

#### **ABA Reports Rise in Loans To Minority Businesses**

The American Bankers Association recently released statistics showing that 305 major metropolitan banks loaned more than \$251 million last year to minority businesses—a 37% increase over 1970.

This put the banking industry ahead

of the rate necessary to achieve a five-year, \$1-billion minority lending goal by the end of 1975. The goal first was announced by the ABA on April 30, 1970. During the first two years of the period, minority business loans have totaled \$411 million.

#### **Newly Published Book Humorously Describes How to Steal a Bank**

How to steal a bank—yes, we said how to steal a bank—in 217 laugh-filled pages. That in essence is the story behind the new book by Donald E. Westlake that Simon & Schuster has published under the title, "Bank Shot."

The comedy is about a gang of off-beat characters, not too expert, who decide to *steal* a bank—not *rob* it. The point is that the bank in question is razing its old building preparatory to building a new one. During the interim, the bank is doing business in a mobile home across the street.

The gang has cased the bank and found that a large sum of money must remain in the mobile home during one night of the week when stores are open late. But the cash is in a newly developed, difficult-to-crack safe and the premises are guarded by six trained security men who are locked in for the night.

How do you rob this bank? The only answer is to steal the entire bank so that the safe can be opened at leisure.

What happens will give you the giggles and the chortles and leads to a climax that is the funniest incident in the book. We only hope someone makes a movie out of it. We all need a few laughs these days.—Arthur C. Norris.

#### **Photographic Exhibit Displayed At First National, Birmingham**

BIRMINGHAM—First National recently displayed in the lobby of the Main Office more than 200 portraits taken by members of the Bachrach family, nationally known photographers. The exhibit, entitled "A Century of Faces," was created for the 100th anniversary of the Bachrach firm and represents the work of three generations of the family.

The Bachrach family has photographed every president since Andrew Johnson and all presidents were represented in the exhibit. To include the nation's chief executives prior to President Johnson, the Bachrachs made special reproductions of existing portraits of the earlier presidents.

Also represented in the exhibit were a number of Birmingham business leaders.

#### **Bank Announces Name Change**



Employees of Hamilton Bank, Spring City, Tenn. (formerly Bank of Spring City), attend "veiling" ceremonies of the bank's old sign by a canvas imprinted with the new Hamilton Bank emblem. The bank's name was changed as a result of its affiliation with Hamilton Bancshares, Inc., Chattanooga-based holding company.

#### **Meriwether Named Honorary VP At First Nat'l, Montgomery**

MONTGOMERY—First National has elected Gordon K. Meriwether Sr. honorary vice president. He has served as manager of the bank's Main Office since 1936. Mr. Meriwether joined the bank in 1932 and has served as a real estate officer and assistant trust officer.

In other action, Mrs. Jen C. Mooney was promoted to assistant vice president. She is a women's division officer.

Elected a director of the bank was William M. Jordan, president of Real Estate Financing, Inc., and chairman of Jenkins Brick Co.

#### **Stamp to Honor Banker**

A. P. Giannini, founder of Bank of America, will be honored with a commemorative postage stamp next year.

Mr. Giannini's portrait will appear on a 21¢ stamp as part of the U. S. Postal Service's series of prominent Americans. The 21¢ stamp is useful in mailing educational materials and manuscripts at preferential rates.

The date and city of issue of the stamp have not yet been announced. Details concerning first-day cancellation requests will also be announced later.

Mr. Giannini established Bank of America, then known as Bank of Italy, in San Francisco in 1904. He died in 1949 at age 79.

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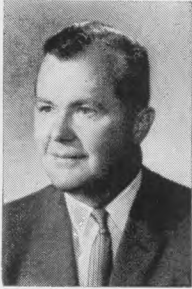
Duane J. Pittsford  
Vice President &  
Division Manager

Robert L. Stoner  
Assistant Vice President  
Administration



**Selby Heads Agribusiness Section Of Commerce Bank, Kansas City**

KANSAS CITY—Robert S. Selby, vice president, will head the agribusiness section of group three in the correspondent department of Commerce Bank. He will be in charge of agribusiness loans in the Midwest, replacing Ernest Harms, who has resigned.



**SELBY**

Mr. Selby joined the bank in 1968 as a vice president. Previously, he was head cattle buyer in the Kansas City area for Swift & Co.

Mark Truitt will assume Mr. Selby's responsibilities in contacting banks and working on commercial accounts in Kansas. Mr. Truitt came to the bank in 1971 as a credit analyst for the correspondent banking group.

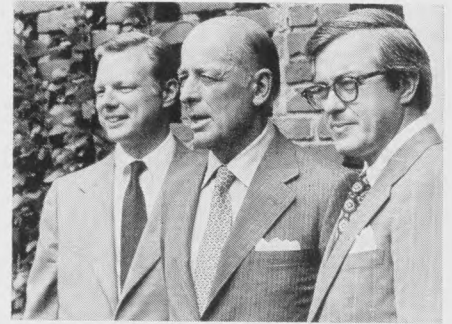
■ CENTURY NATIONAL, New Orleans, has named two assistant cashiers. They are Mrs. Josephine A. Fye, who will serve as assistant controller and supervise bookkeeping operations, and Mrs. Gay S. Hickman, who will be assistant operations officer.

**T. R. Williams Named President Of First National, Atlanta**

Thomas R. Williams has been elected president and chief administrative officer of First National, Atlanta, and a director of the bank and its holding company, First National Holding Corp.

Mr. Williams had been executive vice president of National City Bank, Cleveland. He had been with that bank since 1965.

William M. Matthews Jr., former executive vice president of the bank and holding company, was promoted to president and chief administrative officer of First National Holding Corp. and was named a director of both the



Thomas R. Williams (l.) is the new pres. of First National, Atlanta, while William M. Matthews Jr. (r.) is pres., First National Holding Corp., the bank's holding company. Edward D. Smith (c.) continues as ch. & CEO of both institutions.

bank and holding company. He joined First National in 1956.

Edward D. Smith will continue as chairman and chief executive officer of both the bank and holding company.

**Lanning Given Additional Title Of Chairman at Red Bridge Bank**

KANSAS CITY—James J. Lanning has been elected chairman of Red



**LANNING**

Bridge Bank in addition to his posts of president and chief executive officer. As chairman, he succeeded Alfred J. Blasco, who was instrumental in founding the bank in 1966. Mr. Lanning has been president since then.

Mr. Blasco, past president and now honorary chairman, I.S.C. Industries, also is chairman of the new Mark Plaza State, Overland Park, Kan. Donald E. Lasater, chairman, Mercantile Bancorp., St. Louis, with which Red Bridge Bank is affiliated, flew here to present a plaque and other gifts to Mr. Blasco.

Red Bridge Bank opened in 1967 and has deposits, capital and surplus of more than \$15 million.

■ LOS ANGELES—Security Pacific National has elected Walter B. Gerken to its board. He is president, Pacific Mutual Life Insurance Co.

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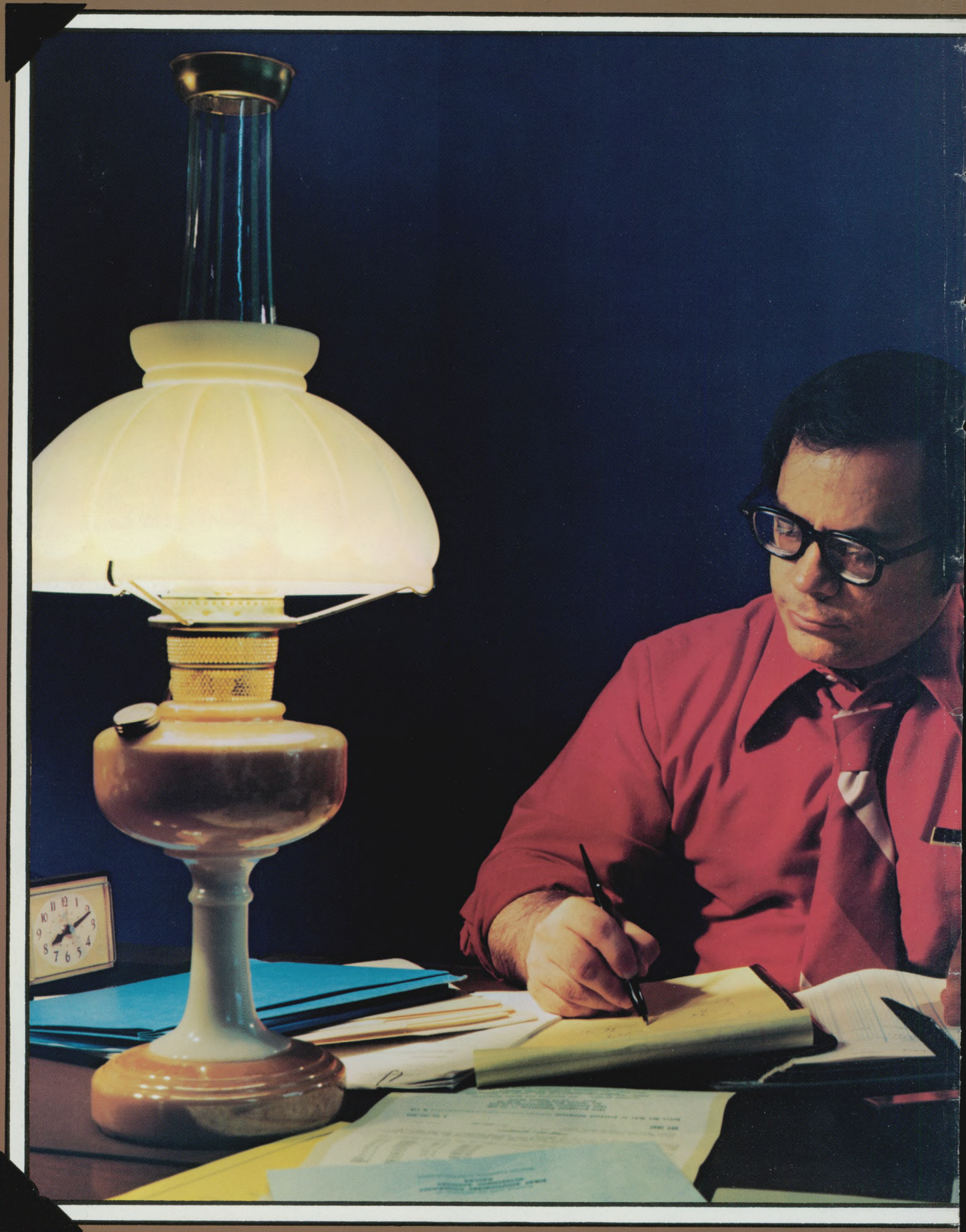


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# Fully Computerized Security System Installed in Bank in Pittsburgh

A BANK SECURITY SYSTEM that is fully computerized has been unveiled by Pittsburgh's Mellon National at its Mellon Square headquarters. The equipment, called the DGM-320, was engineered for the bank by Diebold, Inc., Canton, O. Although new, the system already has foiled a bank hold-up.

The system may be too sophisticated and expensive to be practical for most banks. (Mellon Bank has more than \$6 billion in assets.) However, it's a good example of how our electronic age not only can aid banks in their day-to-day operations, but also can help protect them against such security problems as hold-ups, burglaries or attacks on personnel. In addition, the system is programmed for smoke and fire detection.

## Result of Study

The DGM-320 system—occasioned by Mellon Bank's move into completely renovated and remodeled headquarters facilities in the former U. S. Steel Building in Pittsburgh—was adopted as the result of an in-depth study of the whole question of bank protection and new approaches to the problems that it poses for a bank as extensive as Mellon. The study was made by the bank's security officer, Walter Piemme.

In operation, the DGM-320 monitors and gathers information from every security-sensitive area in the bank's headquarters and its network of branches. The system checks each security point once every millisecond and, with its teleprinter, produces a completely legible status report on every checkpoint. In the case of a hold-up, for instance, the teleprinter would report, in these words, "Hold-up . . . main banking floor . . . zone 1," instead of

a coded report that would require time-consuming translation.

A similar teleprinter, programmed to print only alarm-situation information and not routine status reports, is located in police headquarters so that law-enforcement agencies are notified of any emergency simultaneously with the bank. When such an alarm is transmitted to police, an audible signal is initiated; by silencing the audible signal, police acknowledge receipt of the alarm. As a result, in testing the DGM-320, Mellon Bank officials noted a significant decline in the amount of time required for acknowledgement of an alarm by police.

## Bandit Caught

In an actual robbery attempt in August, the DGM-320 system was credited with providing the means for police to arrive at the scene of the attempted crime within 1½ minutes of the alarm transmission. The bandit didn't even get out of the bank.

In addition, the DGM-320 will detect any number of pre-selected emergencies and automatically project steps that are to be taken to handle the situation on a screen within the DGM-320 console.

With visual display panels, the system also keeps Mellon Bank security personnel informed of the status of security-sensitive areas. One glance at the console by a single operator gives a complete picture of the bank's security position at any given second. This is accomplished through an uncomplicated set of DGM-320 visual, audio and teleprinter devices that monitor vault openings and closings, hold-up alarm conditions, office security, fire detection

and guard-tour programs. The system also employs closed-circuit TV surveillance and can accommodate the projection of teleprinter information.

Mellon Bank's large complex of branches is tied into the comprehensive security system by exclusive high-priority telephone lines that transmit not only the location, but also the kind of alarm condition that exists.

"Whatever the security problem might be—fire, hold-up, burglary or attacks on personnel," said Raymond C. Kolb, senior vice president and cashier and head of Mellon Bank's operating department, "we will know not only that something is happening, but when and where it's happening. Equally important, the unique features of the Diebold DGM-320 system, such as its fully readable printout, will enable us to react in the shortest possible time to correct the problem.

"We're confident that with this system, we have effected the closest possible approach to every bank's ideal—total security." • •

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## Union Organizer

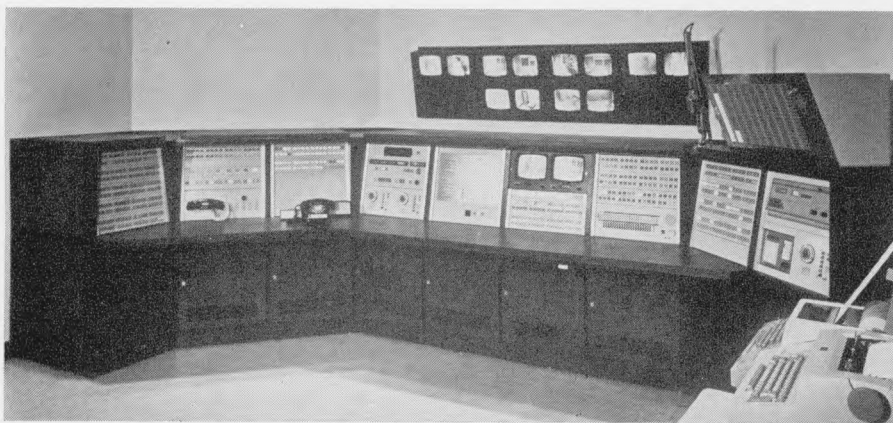
*(Continued from page 36)*

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Employee handbooks must spell out acceptable and unacceptable conduct, objective standards, and must provide avenues of appeals. No bank or insurance company should allow the supervisor to be the first and last court of justice—as many of them were found to do. Some provision must be made for a fair and impartial hearing, not only for punishable offenses, but for typical grievances. Too often the supervisor's tyrannical and harsh treatment of employees is the source of their (sometimes imaginary) grievances. But if the supervisor is the sole arbiter of grievances, and if all such grievance forms must clear through him, what employees would have nerve to file such a document? Very few. They know that the supervisor can make their lives miserable (according to the employees' view), so why ask for more trouble? Most successful, untroubled, non-union companies had some mechanism for employee appeals.

• *Money.* The major desires of employees, all our studies find, are for three things: job security, company stability and money. That listing is also the order of importance; money ranks third.

By job security, the typical white collar employee means that he will be permitted to park his car in the same general area, come into the work area through the same door, continue to work at the same office machine or process or counter or desk, and not be



This Diebold DGM-320 computerized security system has been installed at Mellon Bank, Pittsburgh. It monitors and gathers information from every security-sensitive area in bank's headquarters and its network of branches.

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"Bruff" McQuade has been a member of our team of insurance specialists since August 1 and has been servicing our insurance accounts and calling on prospective clients throughout Kansas.

Bankers will be seeing him again this month during the series of KBA Group Meetings.

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***“Whether a company treats its employees fairly, decently and honestly is a gut feeling on the part of many employees. They measure this by the company effort. Employees want clean and decent working and eating environment, sanitary toilets, fair hearing on objections to incentive wage rates or quotas, respect and recognition for service (seniority) and loyalty to the company, fair opportunity to better one’s self through available training and better job opportunities, . . . etc.”***

assigned arbitrarily to somewhere or something else. Similarly with discipline. He wants everything to go by rule and reason; nothing arbitrary, or subject to the supervisor’s whim. That is why all unions strive to incorporate a strong seniority clause in their contracts because they know that job security is first on most employee lists.

By company stability, most employees mean company growth. All employees like to work for a prosperous company that makes money. True, they feel they will get more if the company is prosperous. But they feel they are entitled to more whether the company is prosperous or not—so *that* is not behind their desire for a prosperous company. Behind that desire is the feeling that a profitable company will continue to grow, have more job opportunities and provide a happier work environment. That is why employees like to know how the company is doing financially, what new products or services have been or will be added by the institution, what old services dropped, what new customers are signed up, what plans the sales department has for expansion, what new office equipment is coming and how their jobs will be affected, and so on. By the same token, employees like to know whether the company is hiring or laying off, because that too is a reflection of company stability.

Then comes money. Endless research finds that executives habitually rate money higher than do hourly employees. Most hourly employees—like most executives—would like more money, but that is not what motivates employees to sign union cards and actively support union organization. Basically, what motivates most employees against their employer is the feeling that their company does not treat them fairly, decently or honestly.

• *Treatment.* Whether a company

treats its employees fairly, decently and honestly is a gut feeling on the part of many employees. They measure this by the company effort. Employees want clean and decent working and eating environment, sanitary toilets, fair hearing on objections to incentive wage rates or quotas, respect and recognition for service (seniority) and loyalty to the company, fair opportunity to better one’s self through available training and better job opportunities, management respect for the employees’ family by providing a decent benefit package, prompt hearings on grievances and discipline and so on. If money were the most important element in employee dissatisfaction, we would have a difficult time accounting for all the worker dissatisfaction and strikes in major industries that pay about the highest rates in the country.

\* \* \*

***“ . . . Part of the systematic program must be management newsletters for supervisors, modest (not elaborate) house organs and employee handbooks, etc. A genuine two-way communications system must be set up to ascertain what employees think and believe, to provide management responses and corrections.”***

Are there any clues suggested by this study of 329 companies that might guide executives on how to proceed in putting their companies in the best possible position to withstand a call from union organizers?

In all our researches and years of study devoted to employee relations, we have found only one basic method of effectively and successfully dealing with the matters cited in the checklist above. Unless the company has some way of finding out what reality is, there is no way in which the management can deal with reality. Reality is *employee sentiments and feelings, gripes and grievances, desires and ambitions*. In many insurance companies and banks, we found that nobody listens to, and tries to understand, the employees. They, after all, are the people who will decide whether they want a union or not.

In most companies, communications go in one direction—from the top down. Rare is the insurance company or bank which has a system for permitting continuous communication *to go from the bottom up*. A two-way communications

system is the key to reality. Not only is it the most effective bar to unionization, but it furnishes the clues that explain high absenteeism and turnover, high waste and spoilage, poor quality work, customer complaints and low productivity.

Supervisory and middle management training, keyed to information garnered through the two-way communications system, must be part of the management effort. A canned supervisory training course is no substitute for on-site reality. Supervisory and middle management training must vary with the plant or branch and with local conditions. Similarly, part of the systematic program must be management newsletters for supervisors, modest (not elaborate) house organs and employee handbooks, etc. A genuine two-way communications system must be set up to ascertain what employees think and believe, to provide management responses and corrections. Most of the 56 companies that experienced *no* union activity in our study were found to have some sort of two-way communications system coupled with supervisory training. In many cases, some outside, expert guidance was used at the outset.

An effective and operating two-way communication system in companies will eliminate the rude surprises and union shocks, as we found in our latest study. These shocks can undermine the profitability and perhaps the stability of many companies—unless their managements prepare themselves to listen to employees. • •

### **Performance Improvement**

DALLAS—Five ways to improve the performance and productivity of bank employees have been suggested by the American Society for Performance Improvement.

They are: (1) Establish the standards that you know must be met; (2) Tell your employees what these standards are; (3) Keep employees informed as to how well they are doing; (4) When something goes wrong, find out the real cause, not the apparent one, and make sure the problem is eliminated; (5) Recognize and reward your employees for meeting the standards.

The American Society for Performance Improvement is dedicated to the improvement of American products and services through the improvement of people. It will hold its fifth annual conference at the Hilton Inn, Dallas, in May.

A fact sheet and membership information are available from the national secretary, P.O. Box 1543, Grand Prairie, Tex. 75050.



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*GROUNDBREAKING: (L to R) David H. Aull, President, Transamerican Investment Properties, Inc.; Max Snodgrass, President, Snodgrass Construction Company, and B. A. Staats, President, East Side National Bank and Trust Company.*



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*In Wichita State University Survey:*

## Kansas Bankers Say No to Branching, Yes to Liberalized Facility Law

UNIT BANKING is favored by a majority of Kansas bankers who responded to a University of Wichita survey of their attitudes toward the state's banking structure. However, more than half the respondents favor liberalization of the existing restriction on detached facilities.

Two professors at the university sent questionnaires to all 601 Kansas commercial banks last May, and 462—or 77%—responded.

The bankers were asked to indicate their agreement or disagreement with 10 different possibilities for banking-system organization in the state, including the existing one. Under present Kansas banking statutes, no branches are permitted, but each bank can have one detached drive-in facility (within 2,600 feet of the main

office). This facility is limited primarily to receiving deposits and payments, cashing checks and issuing exchange.

The bankers also were asked to indicate the degree of their agreement or disagreement.

The proposal that received the greatest disagreement was state-wide branching, a system that would allow an individual bank to operate two or more full-power branches in two or more cities. Opponents to this proposal outnumbered proponents six to one.

Localized branch banking, where branches would have to be located in the same county or city, was somewhat less unpopular. However, even the most restrictive branching proposal, where branches would be permitted only in cities with populations over 100,000,

was opposed by 49% of the banks. Thirty-seven percent were in agreement.

Multi-bank holding companies were opposed by more than a two-to-one margin.

The larger banks tended to show more agreement with both branching and group banking than did smaller banks.

Of the banks responding to the survey, 47% indicated disagreement with the existing statutes, while 37% approved of them. Many of those who disagreed, however, desired change only in the existing restrictions on the location, number or powers of the detached facility.

Of the nine possibilities for change listed in the questionnaire, only the

*(Continued on page 76)*

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## Committee Formed to Draft Revisions to Mo. Banking Laws

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ST. LOUIS—As this issue of MID-CONTINENT BANKER is being printed, the third in a series of meetings by a special committee to study the present Missouri state banking laws is being held at the Marriott Hotel here. Purpose of the committee is to restructure the state's regulatory system, which, according to committee chairman H. Duane Pemberton, Missouri's commissioner of finance, "is not good."

The committee was formed by Missouri Governor Warren Hearnes because of a number of charter conversion requests from state to national status. Most notable of these conversions was that of \$564-million-deposit Commerce Bank of Kansas City, which converted to national bank status last June 30.

Mr. Pemberton has said that Missouri's banking laws are in serious need of review because the Comptroller of

the Currency as a regulator "has much greater flexibility than does the Missouri commissioner."

Mr. Pemberton has also noted that the actions of the Comptroller "are not subject to review and delay by an appeal board as the actions of this office are."

He has said that the goal of the study being made by the committee will be "to bring some of Missouri's banking laws in line with those for national banks."

Upon completion of its sessions, the committee will draft revisions to the state banking laws which will be presented to the 1973 Missouri General Assembly for consideration.

Also serving on the committee are John W. Ridgeway, deputy commissioner of finance; Milton Tootle, chairman, American National, St. Joseph; Herman Huber, chairman, state banking board;

Senator Al Spradling Jr., Cape Girardeau; Representative Eugene Copeland, New Madrid; C. W. Culley, former commissioner of finance and now senior vice president, Bank of St. Louis; Donald L. Campbell, president, Exchange National, Jefferson City;

Adrian Harmon, chairman, Jackson County State, Kansas City; Robert Hess, president, Mid-Continent National, Kansas City; Robert J. Gaddy, chairman and president, Tower Grove Bank, St. Louis; Ben Parnell Jr., president, Peoples Bank, Branson, and MBA president; William D. Breedlove, cashier, Citizens Bank, Rogersville; William Quigg, vice president, Central Trust, Jefferson City; Charles Blackman, assistant attorney general; Representative Melvin Vogelsmeier, Concordia; Larry Woods, Columbia attorney and member, state banking board; and Senator Don Owens, Gerald. • •

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Milwaukee, Wisconsin  
More to come!



# Kansas Survey (Continued)

three possibilities for change that would retain unit banking, but liberalize the existing restriction on detached facilities, received a clear majority.

The most popular single proposal—to liberalize the location restrictions on the single detached drive-in facility—was agreed to by 263 banks. This represents 57% of the banks answering the survey and 44% of all Kansas banks.

Fifty-three percent of the banks also indicated agreement with liberalizing the restrictions on the services performed by the detached facility, and 52% favored increasing the number of detached facilities permitted a single bank.

Among those bankers who responded to the survey, those who disagreed with proposals for change tended to disagree strongly, while much of the sentiment favoring change was less strongly stated.

Results of the survey appeared in an article in a recent issue of *Kansas Economic Indicators*, published by Wichita State University. The report also included results from a similar survey conducted almost two years ago.

The researchers warned that, because of differing response patterns in the two surveys, percentage results from the two surveys should not be used mechanically in an attempt to measure either the attitude of all Kansas banks in 1972 or to measure the

change in Kansas bankers' attitudes over the last two years.

After studying the report, J. Rex Duwe, president, Kansas Bankers Association (and chairman, Farmers State, Lucas), commented that the survey appears to bear out the soundness of the KBA position regarding liberalization of the detached-facilities law during the latest state legislative session. A KBA-sponsored bill that would have allowed banks to operate additional facilities in their home counties died in conference committee last spring. • •

■ **CITY BANK**, Tulsa, has named James Lord senior vice president and loan officer. For the past nine years, he has been chief examiner for the FDIC in the Oklahoma area.

## Assemblies' Registration Open

Registration is open for the 1973 series of bank directors assemblies.

The 16th assembly is set for February 7-11, Camino Real Hotel, Mexico City, Mexico; 17th assembly, August 31-September 4, Le Chateau Champlain, Montreal; and 18th assembly, November 16-20, Fairmont Hotel, San Francisco.

The 19th assembly will be held April 12-15, 1974, at the Fairmont-Roosevelt Hotel, New Orleans.

## HC to Acquire MH Firm

NASHVILLE—Third National Corp., holding company whose lead bank is Third National, has announced board approval for the acquisition of Mobilehome Guaranty Corp., Miami, and its subsidiaries.

Mobilehome Guaranty is a service company formed in 1969. It had \$2.4 million in assets as of last July 31.

The transaction has been approved by Mobilehome Guaranty's board but must also be approved by its shareholders and federal regulatory authorities.

Mobilehome Guaranty operates in five southern states, including Alabama, Tennessee and Kentucky, serving 70 commercial banks and three S&Ls. Its subsidiaries are MGC Agency, Inc., which places mobile home physical damage insurance and credit life insurance, and MGC Federal Service Corp., which finances mobile homes for U. S. veterans.

■ **HOUSTON**—Texas Commerce Bancshares, Inc., has received Fed approval to complete merger plans with three banks—American National, Beaumont; Reagan State and Airline Bank, both in Houston. All three mergers are expected to be consummated this month.

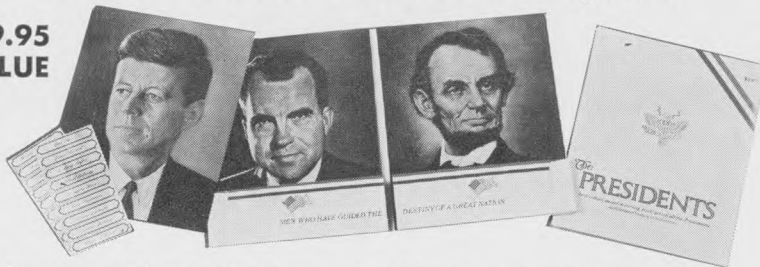
■ **NEW YORK**—Charles A. Heerey has been named operations officer and William V. Sullivan assistant vice president of Bank of New York.

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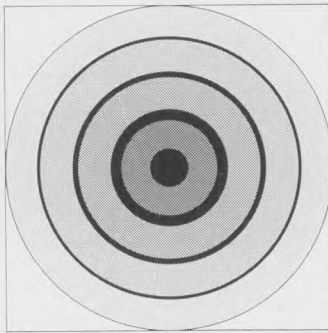
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Artist's conception of new Deposit Guaranty Plaza, Jackson, Miss., as viewed from Capitol Street. Construction of the 22-story high rise will begin next month and is scheduled to be completed by the summer of 1974.

## Deposit Guaranty Announces Plans For High Rise



**P**LANS HAVE been announced for construction of Deposit Guaranty Plaza, a 22-story, 400,000-square-foot complex to be built on property adjacent to the existing Main Office of Deposit Guaranty National, Jackson, Miss.

The new office building will house the Main Office of Deposit Guaranty Corp. and its banking subsidiary, Deposit Guaranty National. In addition the complex will house a shopping mall and will provide leased office space. Total land and development costs are estimated at \$15 million.

As contemplated by the architects, Architects and Engineers of Dallas, the base of the building will rise two stories above ground level and will contain the bank's Main Office in addition to a pedestrian arcade with stores, shops and other public facilities. A landscaped mall area with statuary, fountains and walkways will surround the complex. A rooftop dining room will also be included.

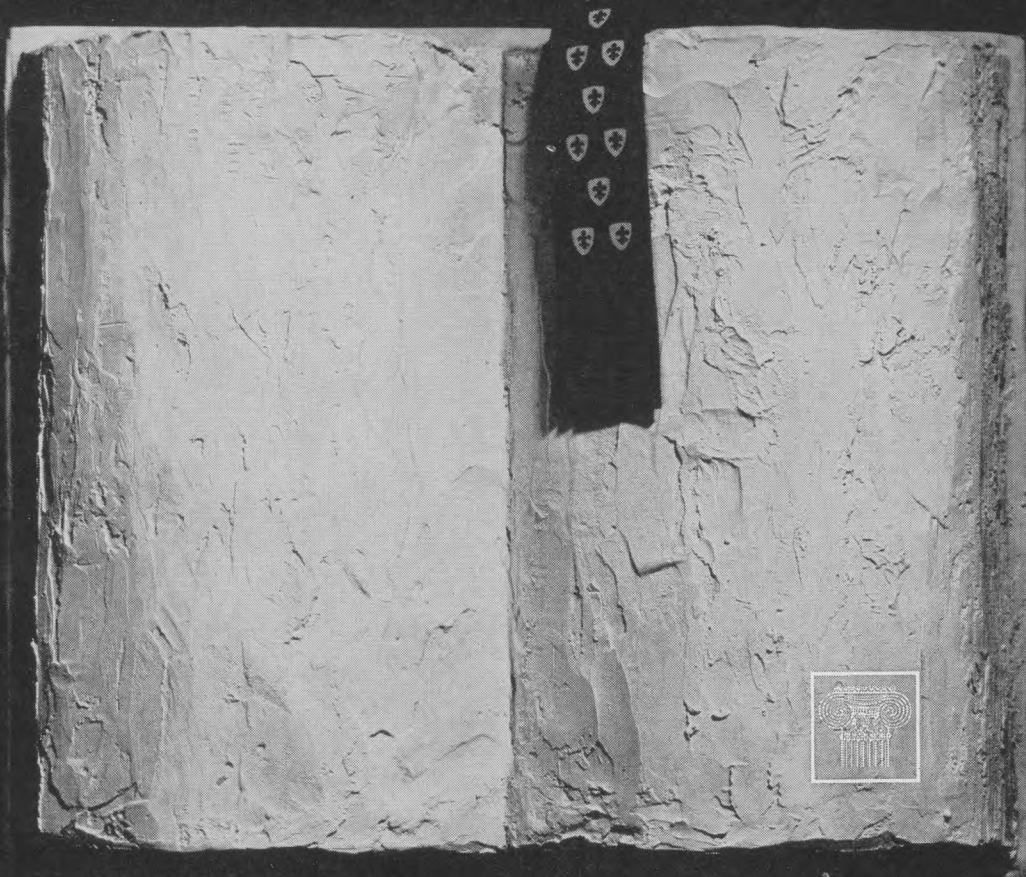
The main banking area will encompass more than 30,000 square feet of space and will have easy access to the adjoining Holiday Inn and a city parking facility. The bank will also occupy the lower floors of the tower.

Demolition of structures surrounding the existing bank building is set for this month. Construction on the plaza is scheduled to begin next month and be completed by July, 1974.

Permanent financing for the complex has been provided by selling 30-year secured notes. Local institutional investors of these notes include Standard Life Insurance Co. and Southern Farm Bureau Life Insurance Co. Lehman Brothers, New York, arranged the financing package.

General contractor will be Turner Construction Co., of Jackson and Cincinnati. Project consultant is Cushman and Wakefield, Inc., New York. • •

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Colorful posters reporting progress of Manufacturers Hanover Trust's Master Charge "Cardholder Round-Up" campaign were spotted around bank headquarters offices and branches. As new cardholders were "corralled," "wanted" figure, originally set at 40,000, was replaced with lower figure.

proximately 13,000 employees and all of them were recruited as salesmen during an intensive four-month internal campaign to acquire at least 40,000 new Master Charge cardholders.

Object of the bank's campaign was to broaden its cardholder base and increase the card usage in what was generally considered to be a "saturated" charge-card market. Further hobbled by a limited budget which didn't make any provision for the usual "motivators" such as cash or merchandise prizes or time off, the bank's development department decided the best way to accomplish the difficult job was to inspire leadership and, at the same time, kindle employee enthusiasm to enlist effective staff support.

After some deliberation, it was decided that the campaign would be built around a western theme. Thus it was officially christened "The Cardholder Round-Up." The bank was organized into groups of branches and headquarters departments called ranges. Each branch and department was designated as a team. A "foreman" was named (in all cases an officer) and the team was asked to select a name—naturally keeping in mind the western theme.

The list of team names ran the gamut from oddball to conventional. There were the "West Side Westerners," "Bronx Busters," "Canarsie Wranglers," "Broadway Bushwackers," "Westchester Pioneers," etc.

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each range (a senior vice president) was given the designation of "range boss" and it was his and the foreman's job to spur their "ranch hands" to "corral" the 40,000 new cardholders.

So the sales effort would be equitably divided among all ranch hands, each team was assigned a specific quota of new cardholders to secure. In general, quotas were based on the size of the team (number of ranch hands) and their availability or proximity to the customer market. But regardless of the size of the team, it was expected that each officer of the bank would secure three new cardholders and each staff member would sign up two.

When the unofficial quotas were assigned, management had no illusions that *all* employees would meet them. But it was correctly anticipated there would be many other "ranch hands" who would take up the slack and far surpass their quotas. The top hand corralled over 200 new cardholders and a number of others brought in well over 100. Some 1,000 officers and staff members signed at least five or more new cardholders. This was the force primarily responsible for putting the campaign over the top.

Prior to launching its "Cardholder Round-Up," bank management informally sounded out the management of other local banks. Practically all scoffed at the idea of promoting an internal campaign without any material incentives to motivate employee participants.

But the bank answered the skeptics simply by appealing to the average person's natural bent for individual and team competition, for involvement in a novel campaign and the subsequent enthusiasm generated by continuing publicity for that campaign.

The latter was primarily disseminated through a weekly two-page newsletter, appropriately called "Stampede." The publication contained statistics on the progress of the campaign, featured outstanding performances by teams and individuals, unusual or imaginative solicitations, and generally sought to "hypo" individual and team enthusiasm by reporting individual promotion efforts—usually by team "foremen"—to stimulate their own teams to maximum performance.

One enterprising foreman in the headquarters offices had a cardboard theater "marquee" erected above the office conference room. The marquee advertised the "movies" "I Was a Fugitive From the Chain Gang" and "How the West Was Won." A couple of billboards outside the "theater" also advertised the pictures. But the billboard promoting "Chain Gang,

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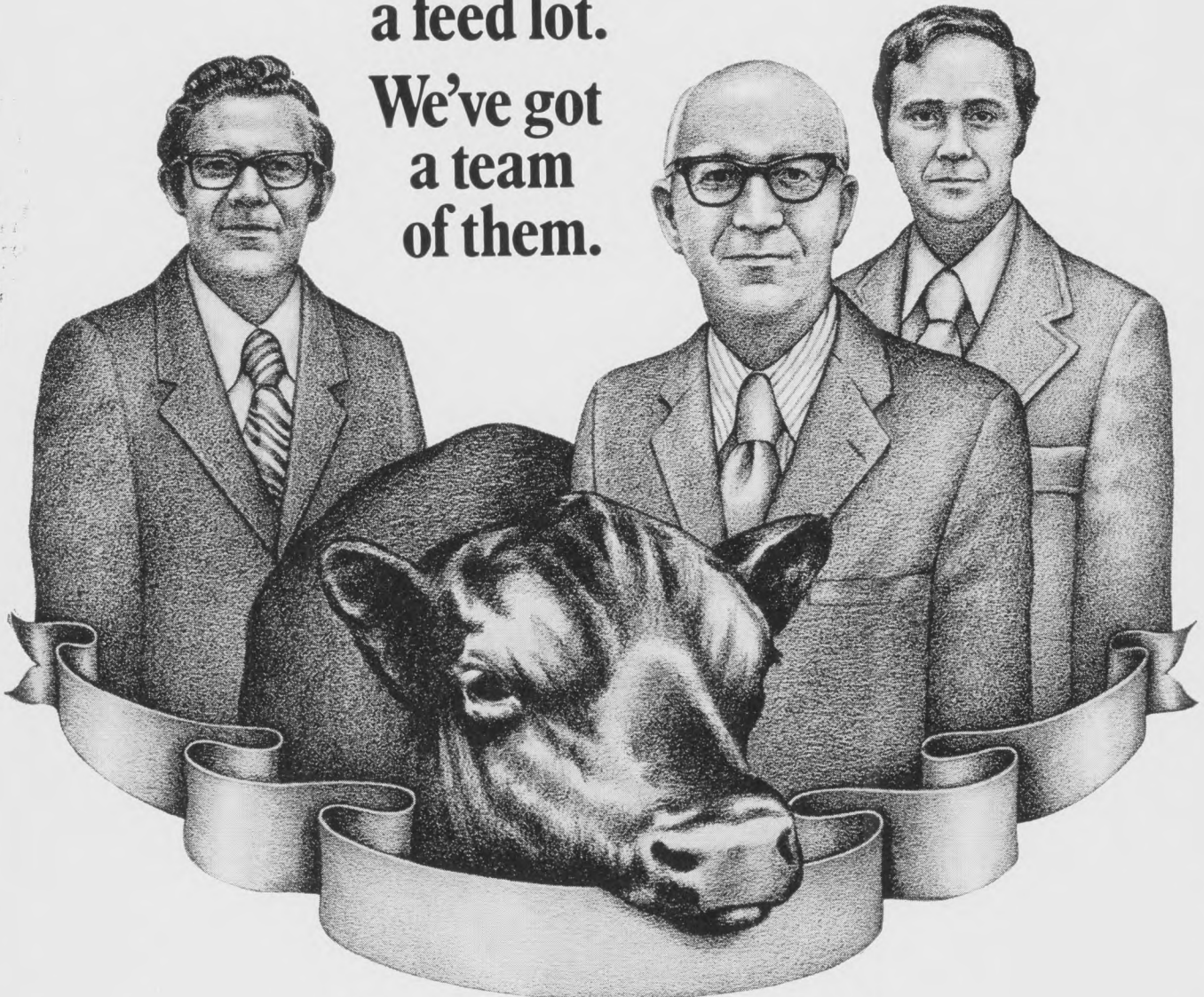


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Left to right: Jud McManigal, Ben Hauenstein, Gordon Smith.



etc." was markedly different from the one promoting "How the West, etc."

The "Chain Gang" carried "thumb-nail" photos of the "stars" of the picture—the 86 members of the "Up-country Rangers" team. The other billboard didn't carry any photos when the campaign began. But just as soon as a "star" of "Chain Gang" made his quota of new cardholder customers, his picture was transferred to "How the West, etc."

The foreman could have been accused of intimidating his "ranch hands" through the threat of indefinite "internment" on the "Chain Gang." Whatever the case, he got results. The "Up-country Rangers" were well over their team quota by the third month of the campaign.

### Gimmicks Promote Theme

Gimmicks maintaining the western theme and novel rewards for individual and team achievements also stimulated ranch hand production, while at the same time sustaining personal enthusiasm throughout the four months of the campaign.

At the campaign kick-off meeting, each foreman was given a white plastic cowboy hat plus a bright orange bandanna emblazoned with the Mas-

ter Charge symbol. The next day, all 13,000 employees of the bank were given bandannas and encouraged to wear them or display them as often as possible on the job. In addition, over 2,000 tablecloths, incorporating the same Master Charge design, were placed on tables in cafeterias, dining rooms and employee lounges.

Many employees not only wore the bandannas around the neck or as breast pocket handkerchiefs but turned them into other wearing apparel which they also wore on the job. Several women made dresses, skirts and blouses out of the bandannas and surplus tablecloths and a number of men had their wives turn the bandannas into neckties.

The four-month campaign was divided into four quota periods: "Grazing Time," "Branding Days," "Trail Riding" and "On to Abilene." Rewards based on individual and team production were given at the end of each period. Each member of those teams that made their quotas received such novel gifts as a live flowering cactus plant, a western print suitable for framing, a cowboy hat and a western LP record. The best two "ranch hands" on each "range" were driven to or from work (whichever they preferred) in the "AnyCar," a unique automobile built from 22 major American and foreign cars and utilized by Manufacturers Hanover as an advertising tool to dramatize its AnyCar loan service.

The best two teams on each "range" were served lunch from a "chuck wagon" that was sent to their departments or branch locations. Finally, all those "ranch hands" who "corralled" a certain number of new cardholders above quota were formally inducted into "McGillicuddy's Rangers." Membership included a western style breakfast (steak and eggs) with senior bank officers. Each "ranger" also received a bronze badge from John F. McGillicuddy, bank president. A total of 750 "ranch hands" eventually graduated to "ranger" status.

Although looked on with skepticism by the management of other banks and greeted with apprehension by bank employees and some members of management, the "Cardholder Round-Up" nevertheless was acclaimed a success.

Shortly after the campaign entered the "On to Abilene" stage, 40,000 new Master Charge cardholders were in the "corral"—a testimonial to the willingness of both management and staff members to individually respond to a challenging goal without the promise of any tangible personal rewards. ••

## ABA Releases Survey On Installment Credit

WASHINGTON—During 1971 the average installment loan at a sample 599 commercial banks was \$2,243—an increase of \$250 per loan from the previous year—according to a national installment credit survey recently released by the American Bankers Association.

A rise in automobile prices during the year was the prime reason for the jump, according to Alan Ettman, director of the study and associate director of the ABA's Bank Card—Installment Lending Division.

Mr. Ettman pointed out that indirect automobile loans, up from 27.5% to 28.1%, again represent the largest dollar share of the total installment loan volume made during 1971 by respondent banks.

Personal loans again represent the second largest share of total volume, even though they fell from 23.2% of the total to 20.3%. The study explains that steady growth in bank credit card volume could account for this relative decline.

The aggregate outstandings of the 599 respondent banks as of December 31, 1971, were \$22.6 billion, or nearly 50% of the total installment credit held by all U. S. commercial banks on that date.

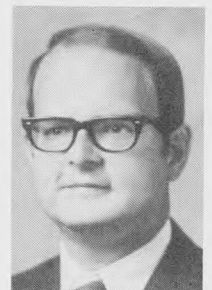
Although the sample consists of a proportionately greater share of large sized institutions than actually exists in the nation, the statistics are broken down by deposit size of respondent banks, and in some instances by census region, in order to be of value to readers from banks of all sizes anywhere in the country.

This study may be obtained for \$3 from the Order Processing Dept., American Bankers Association, 1120 Connecticut Avenue, N. W., Washington, D. C. 20036. Refer to Catalog #2043, Installment Credit Survey 1971.

### Memphis Bank Advances Simmons From AVP to Vice President

MEMPHIS—Memphis Bank has promoted William W. Simmons from assistant vice president to vice president. He joined the bank in 1970 after seven years' service with an S&L.

Elected assistant vice presidents were Allen Massey, loan officer, and Ed Dunston, a member of the discount department. Ed Richter, manager of the bank's Master Charge department, was appointed credit card officer.



SIMMONS

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John E. Karn (center), v.p. and cash., host bank, is flanked by Tom McCullough (l.), dir., host bank, and Tom Hogan, pres., Farmers State, St. Joe, at First Stock Yards Bank market day.



Donald Niederhauser (center), v.p. and ag. rep. at Macon-Atlanta State, Macon, Mo., chats with Larry Ehler (l.), St. Joseph Feed & Supply, and Harold G. Hammer of Hammer Order Buyers, St. Joseph.

# Meat Packer Tells How Industry Rates Potential of Site

By **JIM FABIAN**  
Associate Editor

SOME 225 bankers attending the 16th annual market day at the St. Joseph (Mo.) Stock Yards received first-hand information about what industry seeking a location for a plant requires from a community. The event was sponsored by First Stock Yards Bank, South St. Joseph, last month.

Following a tour of the new Armour Pork Abattoir hog slaughtering plant adjacent to the bank, bankers heard A. S. Drain, executive vice president of Armour & Co., speak on the topic "Where Does a Packer Locate and Why?" at the St. Joseph Country Club.

Mr. Drain began by stating that a meat packer locates a plant where he thinks he can make a profit. Although Armour had carried on slaughtering operations in St. Joseph for 60 years, when the time came to give consideration to building a new plant, the firm did not feel bound to remain in St. Joe.

Mr. Drain ticked off reasons why the new plant was built in St. Joe, which included the existence of the stockyards across the street from the potential plant site, the existence of a good highway system, an abundant supply of water at reasonable rates, adequate electrical and fuel supplies and—a new consideration—the possibility of keep-

ing the operation in conformity with the environmental demands of the area.

This last consideration takes in such things as adequate sewage disposal. A proposed addition of secondary treatment facilities to the St. Joseph sewer system was a big plus for locating Armour's plant there, Mr. Drain said. Also coming under the environmental umbrella is air pollution. Mr. Drain told of one or two of Armour's plants that are now surrounded by subdivisions, a fact that has brought headaches to the firm. The St. Joseph site was favorable from this standpoint.

The existence of a good labor market is another important consideration, Mr. Drain said. "Here at St. Joseph we knew there were a lot of experienced people, a circumstance that would free us of the necessity of training an overly large number of green workers." He said that it costs about \$10,000 to train a worker, on the average.

Another aspect of the labor situation is the labor climate in an area. "Is the prospective site in an area where the labor and management interplay is reasonably amicable, or is there a running

H. H. "Beanie" Broadhead Jr. (center), pres., host bank, watches over chefs Bob Bollman (l.), Dougdale Packing Co. and Bill Waldron, St. Joseph Stock Yards Co., during steak fry that concluded day's activities.

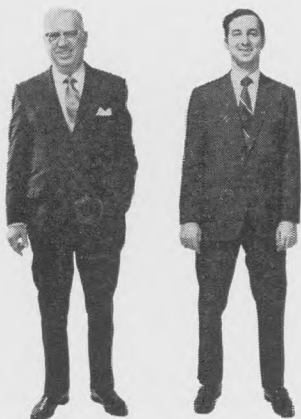


Taking part in panel discussion on market day program were (from l.) Moderator Frank Russell, St. Joseph Stock Yards Co.; Dwight Boswell, Northwestern Order Buyers; Robert P. Azelton Jr., St. Joseph Market Foundation; George S. Murray Jr., Lamborn-Murray-Davis & Co.; and Thomas D. Runyan, National Order Buying Co.



# Carroll Griffith of the Dawn Patrol

Contrary to this picture, Carroll Griffith doesn't get up at the crack of dawn. Usually he's up before the crack of dawn. And raring to go. Like all the NAB Traveling Men he makes it a point to be first in whatever he is doing. That means first in helping you. Of course, if you don't rise at the crack of dawn, don't worry. Tell Carroll to drop by later in the day. He'll understand. After all, there's not room for everybody in the Dawn Patrol.



Milton Zeller Charley Foret



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to help you!**



# Meat Packer (Continued)

series of clashes?" he asked. St. Joe's situation looked good to Armour.

Regarding state and local tax rates, Mr. Drain said that there is a wide variation among sites, depending on how badly the state or town wants a new industry. "In considering a location, we don't ask for any special tax favors, but as a low-profit-margin business, we must take care that tax rates don't wipe out all chances for earnings," he said.

Another consideration is housing, schools and recreational facilities—also living costs. "In the case of St. Joseph, the housing is adequate, there are good elementary and secondary schools, plus a new college, and there are cultural opportunities," he said. "Consequently, these were big factors in deciding to build the new plant here."

Other considerations include the attitudes of local officials and the general public. Sometimes they just don't want an industry such as slaughtering in their midst. There isn't much point in building in a location where you're not wanted, he said.

Also on the list of considerations are the following: engineering and con-

struction problems—involving good basic subsoil and drainage; how much land is available and at what costs; construction costs; the cost of running the complete plant; and return on investment.

Mr. Drain concluded by saying that Armour & Co. believes it made the best choice in selecting St. Joseph for its new plant. This view is bolstered by the fact that two of Armour's competitors are building plants adjacent to St. Joseph.

Mr. Drain's talk was followed by a panel discussion, featuring officials of stockyard-related firms. • •

## Two Senior Vice Presidents Named at Talcott

Vincent T. Dunning and Joseph C. Niewierowski have been elected senior vice president and vice president, respectively, of James Talcott Factors, factoring division of James Talcott, Inc., New York. Mr. Dunning is manager of the West Coast factoring division and Mr. Niewierowski is operations manager in the New York office.

Donald J. Smith has joined Talcott National Corp. as vice president and director of employee relations. Mr. Smith will be responsible for the direction of personnel policies and practices for all subsidiaries.

■ W. EDWARD CARTER has been named assistant vice president of American Bank, Shreveport. He will manage the bank's downtown branch.

## Campus Refreshments



Students arriving at college campuses in Nashville this fall found a new type of hospitality awaiting them—free popcorn and soft drinks, courtesy of First American National. Bank personnel provided students with literature on the bank's services and its Young Nashvillians Club. At far left is Andrew Holt Jr., management trainee. Distaff members of bank's marketing department in trailer are Miss Alice Moore and Miss Bette Whitaker.

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MID-CONTINENT BANKER for October, 1972

# Kentucky Meets at French Lick; John Williams Named President

By RALPH B. COX  
Editor & Publisher

KENTUCKY bankers held their annual convention in French Lick, Ind., last month, bypassing their traditional site of Louisville where various new convention facilities are nearing completion. The Kentucky Bankers Association expects to return its meeting to Louisville in 1973.

The resort setting of French Lick, nonetheless, was a welcome one for KBA golfers, and Hoosier hospitality was superb.

Business sessions were streamlined this year, but in any case they were filled with lively topics, headlined by excellent speakers and marshaled along in punctual fashion by KBA President Howard Gosney, president of West Side Savings Bank of Newport.



**NEW KBA OFFICERS**—President John L. Williams Jr. (l.), pres., Farmers Bank, Princeton; President-Elect Fred B. Oney, pres., 1st Nat'l, Carrollton; Treasurer Ben Hardin, pres. & cash., Bank of Marrowbone; and Executive Committee Members L. S. Norman, pres., Covington Trust, and Vernon J. Cole, pres., Guaranty Deposit, Cumberland.



**NATIONAL ANTHEM** led off the opening session of the 1972 KBA convention. It was sung by Miss Kentucky, foreground. In immediate background is Wathen G. Claycomb, pres., Lincoln Nat'l, Hodgenville, ch. of resolutions committee.

John L. Williams Jr., president of the Farmers Bank of Princeton, succeeded Mr. Gosney as KBA president at the close of the convention. Officers are pictured at the top of this page and a listing of official elections appears on page 92.

In a printed report to KBA members, retiring KBA President Gosney complimented the association for its efforts in raising \$90,000 to be contributed to "Trooper Island," underprivileged boys' camp founded by Kentucky State Police. This project, he told KBA members, is one "that deserves your continued support."

A large measure of the credit for KBA support of this project, incidental-

ly, can be attributed to Ralph Fontaine, who retired as executive vice president of the association in mid-1972. It was one of the many innovations in association activities created by Mr. Fontaine during his 35 years of service with the KBA. When he joined the KBA as secretary in June, 1937, he was the "junior" executive of state banking associations. At the time of his retirement in April, 1972, he was the "senior" executive in banking associations throughout the United States.

In a special convention resolution, Kentucky bankers paid tribute to Mr. Fontaine and to his wife Evelyn for their "35 years of distinguished service and dedication to the banking industry of Kentucky."

He continues in a consulting capacity with the KBA, with Willis G. Moremen now serving as executive vice president.

Mr. Gosney reported to members on the various studies and "position" papers released by the KBA during the past year. He called specific attention to the value of the association's library, as a continued source of information for those enrolled in formal banking school programs and others interested in becoming better informed about the business of banking.

The KBA's film library, he reported,

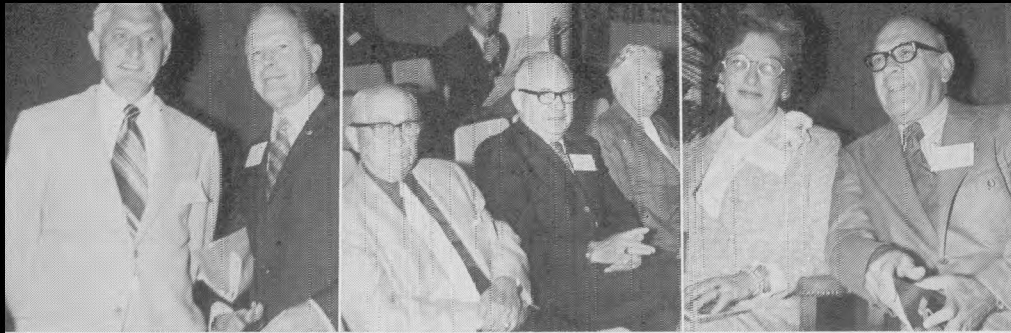


**OPENING SESSION** was welcomed by Paul N. Dinkins (l.), pres. of Indiana Bankers Association. Also pictured are Mrs. Mary George Waite, speaker; Walter W. Major, ch., KBA exec. comm., and pres., Lawrenceburg Nat'l; and KBA Pres. Howard Gosney.

is being used increasingly by educators throughout Kentucky as a means of supplementing school programs on business and economics. Throughout the year, he said, 163 film requests were honored from 66 different sources in 50 communities. Additional prints were added during the year, he reported, so that the KBA could continue to supply requests from schools, civic organizations and its own membership.

In resolutions adopted at the convention, Kentucky bankers took a dim view of recommendations made by the Hunt Commission to modify and change





LEFT—Herbert J. Smith, ABA v.p. for Kentucky, and pres., American Nat'l, Bowling Green; Allen P. Stults, ABA president, and ch., American Nat'l, Chicago. CENTER—Sam Sears, ch., and Felix Murray, pres., New Farmers Nat'l, Glasgow; and E. L. Cawood, pres., Bank of Hardin. RIGHT—KBA Treasurer Jane E. Caudill, exec. v.p., Peoples Bank, Sandy Hook; and Charles Bell Jr., pres., Union Bank of Berry.

## New KBA Officers

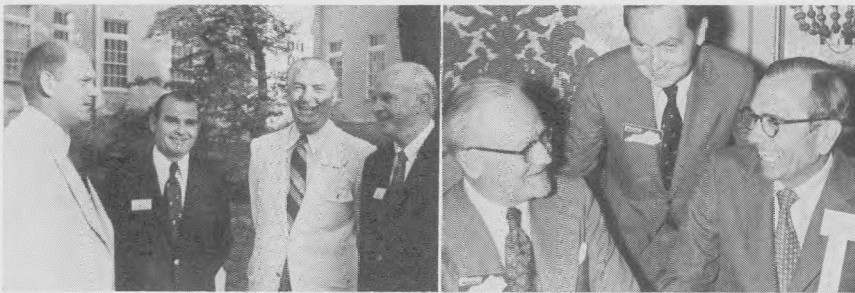
**PRESIDENT**—John L. Williams Jr., pres., Farmers Bank, Princeton.  
**PRESIDENT-ELECT**—Fred B. Oney, pres., First National, Carrollton.  
**TREASURER**—Ben Hardin, pres. & cash., Bank of Marrowbone.

### Executive Committee

Vernon J. Cole, pres., Guaranty Deposit, Cumberland.  
 L. S. Norman, pres., Covington Trust.  
 Alpha M. Hutchinson, pres., Citizens Bank, Morehead.

### ABA Officers

**Members of Governing Council**—(Two years) Charles J. Kane, pres., Citizens Fidelity, Louisville; (One year) Walter W. Hillenmeyer Jr., exec. v.p., First Security National, Lexington.



LEFT—Pat Cvengros, v.p., Citizens Bank, Paducah; Charles J. Kane, pres.; Joe Hamilton, exec. v.p.; and Maurice D. S. Johnson, ch., Citizens Fidelity, Louisville. RIGHT—Innes Dobbins, ch., and Frank Hower, pres., Liberty Nat'l, Louisville; and John Williams, newly elected KBA pres., and pres., Farmers Bank, Princeton.

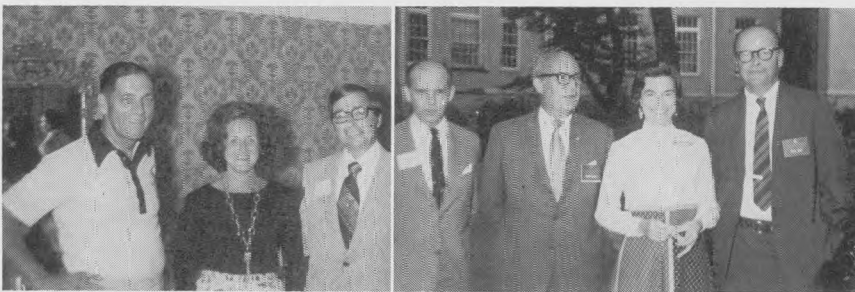
the structure and regulation of financial institutions.

This resolution noted that the Hunt Commission recommended the conversion of thrift institutions to commercial banks, that certain lending and checking-account privileges be extended to mutual savings banks and savings and loan associations, that these same institutions would bear equal taxation only after a lengthy transitional period and that credit unions would continue to enjoy preferential tax treatment. The resolution also noted that the Hunt report recommended the elimination of state laws on branching, thus permitting nationwide branching.

The Kentucky resolution expressed state banker opinion that these recommendations, if enacted, would destroy the dual-banking system and that small commercial banks would be placed at a disadvantage in the financial system. Kentucky bankers were adamant: "We urge Congress not to enact the Hunt Commission recommendations, either in whole or in part!"

In a companion resolution regarding thrift institutions, Kentucky bankers noted that thrift institutions originally were chartered to foster thrift and the wise use of money. However, as these institutions continue to diversify services in search of increased profit margins, Kentuckians resolved that "it is only fair they assume an equal share of taxes."

Another KBA resolution recognized that it was in the best interests of the banking industry and the nation to encourage qualified candidates to seek congressional offices. This resolution en-



LEFT—Walter W. Hillenmeyer Jr., exec. v.p.; Mrs. Frank Barker; and Neilan Thurman, sr. v.p., all of 1st Security Nat'l, Lexington. RIGHT—Stephen Gaillard, v.p., Manufacturers Hanover, New York; Keith Spears, pres.; Mrs. Barr; and John W. Barr III, exec. v.p., 1st Nat'l, Louisville.



LEFT—John K. Jensen, v.p., Continental Bank, Chicago; Susie Krueer, 1st Nat'l, Louisville; George Novac, a.v.p., Continental Bank, Chicago; and Jim McKenzie, v.p., 1st Nat'l, Louisville. CENTER—Mrs. Vann Doyle, Louisville Trust; Ray E. Duncan, v.p., Peoples Liberty, Covington; Mrs. Frank Nichols, Louisville Trust. RIGHT—Mrs. Wilson; Billy Joe Phelps, exec. v.p., Liberty Nat'l, Louisville; and J. T. Wilson, pres., 1st & Farmers, Somerset.

**LOWER LEFT**—Frank Nichols, sr. v.p., Louisville Trust; Henry Durham, pres., and Colby Cowherd, v.p., Greensburg Deposit Bank; and Jim Rowland, pres., 1st Farmers, Owenton. **RIGHT**—Vernon Mothershead, pres., Bank of Mt. Washington; Mrs. Mothershead; and Hobert Sloane, v.p., Citizens Fidelity, Louisville.



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couraged Kentucky bankers to make contributions to the BANKPAC organization (Banking Profession Political Action Committee), which was established in 1970 for the purpose of helping to elect to Congress candidates who have shown an interest, understanding and a concern for the banking business and a free economic system.

Another important resolution urged Kentucky bankers to increase their efforts in making student aid loans. "It is the college student of today," the resolution stated, "who will be the banker of tomorrow."

The resolution also noted that the KBA convention a year ago had urged Congress to establish a National Student Loan Marketing Association to provide a secondary market for student aid loans. Such a bill was passed and the Health, Education and Welfare Department will guarantee student loans through fiscal 1975.

On the economic front, economist George W. McKinney Jr., senior vice president of Irving Trust, New York, had good news for bankers. "We are now in the early stages of an economic expansion," he said, "that still has al-

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TOP—H. Glenn Doran, pres., Peoples Bank, Murray; Mrs. Gaines; and Tom Gaines, retired v.p., 1st Nat'l, Louisville.

CENTER—Eugene Ronald, exec. v.p., Greensburg Deposit Bank; James Krebs, a.v.p., and Vann I. Doyle, asst. treas., Louisville Trust Co.

BOTTOM—Joe Dick, ch. & pres., Bank of Murray; Phillip Hayes, v.p., Liberty Nat'l, Louisville; and Mrs. Dick.

most its full course to run. . . . It would be a mistake," he advised, "to underestimate the staying power of this particular economic expansion," which he believes actually got underway toward the close of 1971.

He observed that more than three million jobs had been filled in the past year (a 4% increase). Yet unemployment has declined only slightly because some three million new workers have come into the labor force.

Business inventories are at a low point and as confidence returns to all lines of business, he said, expansion in both production and job opportunities undoubtedly will increase.

The point of greatest vulnerability, he cautioned, is the federal budget. "Unless the Administration is able to wangle from Congress a firm ceiling on overall federal spending, or unless taxes are increased substantially or new taxes imposed, the prospective federal deficit in 1973 would rapidly create unbearable economic tensions (inflation!)," according to Mr. McKinney.

In this environment, he said, an upward drift in interest rates is inevitable. The recent run-up in interest rates, he said, is unwarranted but nevertheless

(Continued on page 132)

# Gov. Lauds Bankers' Progress; Calls for More

KENTUCKY Governor Wendell Ford, in his address to the KBA convention, stressed the need for bankers to increase their involvement in student loans and such projects as Trooper Island. He urged bankers to maintain their status as community leaders and innovators.

He praised bankers for supporting nearly 88% of all the student loans made in Kentucky, citing this service as an example of how banks are reaching out to serve Kentuckians.

"A particularly interesting aspect of the student loan program in Kentucky is that most of the loans are going to students from low-income families," he said. "This shows your confidence in what the opportunity of a college education can do for our less-fortunate young people," he continued.

The governor further lauded bankers granting student loans by stating that the practice is a sign that bankers have confidence in young people. This is especially significant, he said, in the light that it is impossible to repossess a college education. Since 1966, nearly \$36 million has gone through banks in Kentucky to support college student loans.

"I believe strongly in the student loan program," he said. "The Higher Education Assistance Authority now has a full-time representative whose primary emphasis is student aid and the coordination with all institutions of higher learning on student loans and scholarships."

He urged bankers to collectively increase their participation in student funding and said his administration is trying to ease the burden that bankers must take on to grant this type of loan. He indicated that attempts would be made to eliminate the administrative costs in making loans and in collections.

"You are educating countless Kentuckians. The results of your investments emerge slowly, but in time you not only strengthen those who benefit directly, you enhance the future strength of your state, community and your institutions," he said.

Praise was given the bankers for their support of Trooper Island, an underprivileged boys' camp founded by the Kentucky State Police.

"The contributions you make to Trooper Island are particularly significant because of the young men who go to the island," the governor said. "It is a national as well as a state fact that many serious crimes are committed by



KENTUCKY'S GOVERNOR Wendell H. Ford (l.) was presented with one of the Ray Harm paintings following his talk to the KBA. Making the presentation was KBA President Howard Gosney. The painting reproduction, entitled "The Great Horned Owl," is the one used by Kentucky bankers in raising some \$90,000 for "Trooper Island," an underprivileged boys' camp founded by the Kentucky State Police.

those under 18. The young men who have been influenced by this worthwhile project are put on the road of good citizenship. This is a positive gesture

beyond value," he said.

Governor Ford said that anyone who believes banks don't hold the key to community development is mistaken. He said that the aggressiveness of banks is directly proportional to the growth of their communities.

He asked:

- Where does the new industrial foundation get its first boost?
- Where do you find an unusually high ratio of volunteers in community service?
- Where do young families, who can offer so much as good citizens, find financial support?
- Who gets the new doctor started in practice, the enterprising young businessman underway or enables the farmer to have what he needs now and pay for it when the crops come in?
- Who is visited first by groups seeking donations for civic projects?
- When disaster strikes, where do the unfortunate turn?
- And who gives out more advice,

(Continued on page 132)

Our new addition is Jack Ammons...a man with broad experience in a wide range of banking services. His expansive background has spread out from heading up a computer operation to running our bookkeeping

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department...with ample experience in proof and transit services. His talents extend in so many directions that he qualifies as our "economy-size" expert in correspondent services!

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# Illinois News

## New Sr. VP Heads List Of Recent Promotions At Continental Ill. Nat'l

CHICAGO—Donald H. Myers was elected senior vice president in the commercial banking department of Continental Illinois National.



MYERS

Mr. Myers is officer in charge of commercial groups serving corporate customers in all states other than the immediate Midwest area. He was elected vice

president in 1968 and headed the bank's New York commercial banking office from 1969 until returning to the national groups in Chicago in 1970.

With the bank since 1958, Mr. Myers was appointed assistant cashier in 1963 and second vice president in 1966.

Newly elected vice presidents at the bank are: William A. Matson and Charles A. Urick, bond department; Edward J. Rosewell, commercial banking department; Charles F. Davis Jr., international banking department; Rodney R. Confer and Gerald M. Czarnecki, operating department; Frank W. Flewelling, real estate department; and Norbert J. Biderman and George O. Hinners, trust department.

Named second vice presidents were: James M. Voss, commercial banking department; Robert T. Fasic, Raymond P. Harris Jr. and Andrew M. Jakes Jr., trust department; and Louis H. Mertes and Michael J. Pasielki, operating department.

New commercial banking officers are George M. Bigg, Ronald V. Greer, Robert C. Griffin, Melvin A. Marini, Richard A. Mayer and Ford G. Pearson. Elected international banking officers were Donn S. Smith, John S. Thielbahr, Charles B. Truett and Thomas A. Valunas Jr.

Lewis G. Kern Jr. was elected a trust officer and Stanley R. Butcher was named an operations officer.

In other action, William G. Karnes, chairman and chief executive officer of Beatrice Foods Co., was elected a director of the bank and of its parent company, Continental Illinois Corp.

## Bank Completes Facility Building



First National, Belleville, recently completed its new banking facility building at Scott Air Force Base. The 2,000-square-foot structure has five teller stations, two drive-in windows and safe deposit boxes.

■ BELLEVILLE NATIONAL has elected Robert H. Christiansen and Alfred E. Schilling assistant cashiers. Mr. Christiansen is in new accounts and Mr. Schilling is manager of the bank's motor facility.

■ BRIAN R. MCGREGOR was promoted from assistant cashier to assistant vice president of Bank of Hillside. He is manager of the installment loan department.

■ RICHARD D. KIRCHBERG joined National Boulevard Bank of Chicago as assistant vice president in the real estate department.

■ MICHIGAN AVENUE NATIONAL, Chicago, has announced several recent promotions. William E. Kotars was elected cashier and Eugene W. Monroe was named assistant vice president and trust officer. Named assistant cashiers were Rolene S. McCormick, James W. Carleton and John J. Jardine.

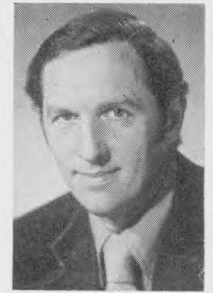
■ OAK PARK TRUST has elected Gerald R. Marshall assistant vice president and head of the consumer loan department. Mr. Marshall has 10 years' experience in the investment and loan fields.

■ FIRST NATIONAL, Belleville, has appointed Mrs. Patricia W. Bartsokas coordinator of marketing and public relations.

■ FIRST NATIONAL, Evanston, appointed Donald W. Bruechert vice president and investment officer. Formerly, Mr. Bruechert was a senior associate with Sanderhoff & Associates and was a senior investment advisor with Continental Illinois National, Chicago.

## Wageman Is Head of Loan Div. At First National, Chicago

CHICAGO—Thomas J. Wageman, vice president, First National, has been appointed head of loan division D. Previously, he was head of corporate planning and administrative assistant to the chairman.



WAGEMAN

Mr. Wageman joined the bank in 1962 and was assigned to the operations division. He was elected an officer in 1965 and transferred to business services, where he was promoted to assistant vice president in 1966. In 1969, he was assigned to loan division D and was promoted to vice president.

In other action, First National directors authorized transfer of \$25 million from undivided profits to surplus, increasing surplus to \$379 million. The bank's total capitalization is now \$580 million.

## Interior Remodeling Underway At State Bank of Collinsville

COLLINSVILLE—State Bank has begun extensive remodeling of the interior of its building.

Plans call for a more spacious first floor with an expanded customer service area. The present marble semi-circular teller stations will be replaced with new stations faced with oak paneling and arranged in a straight line.

The remodeling will feature wall-to-wall carpeting in the main lobby and customer service areas, luminous ceiling panels and vinyl-covered walls in warm colors. The personal, commercial and real estate loan departments will be expanded with semi-private offices.

Completion of the remodeling project is expected in December.

■ FRANK H. MYNARD has been named a vice president of Michigan Avenue National, Chicago. Before joining the bank, he served as vice president and division head at Central National, Chicago.

■ ANTHONY M. ORZADA has been named vice president and cashier of University National, Chicago. James B. Stoner, formerly cashier, was elected vice president and head of the credit department.

■ PAUL BEYREUTHER was elected assistant vice president and trust investment officer of Amalgamated Trust, Chicago. He had been with First National of Chicago.

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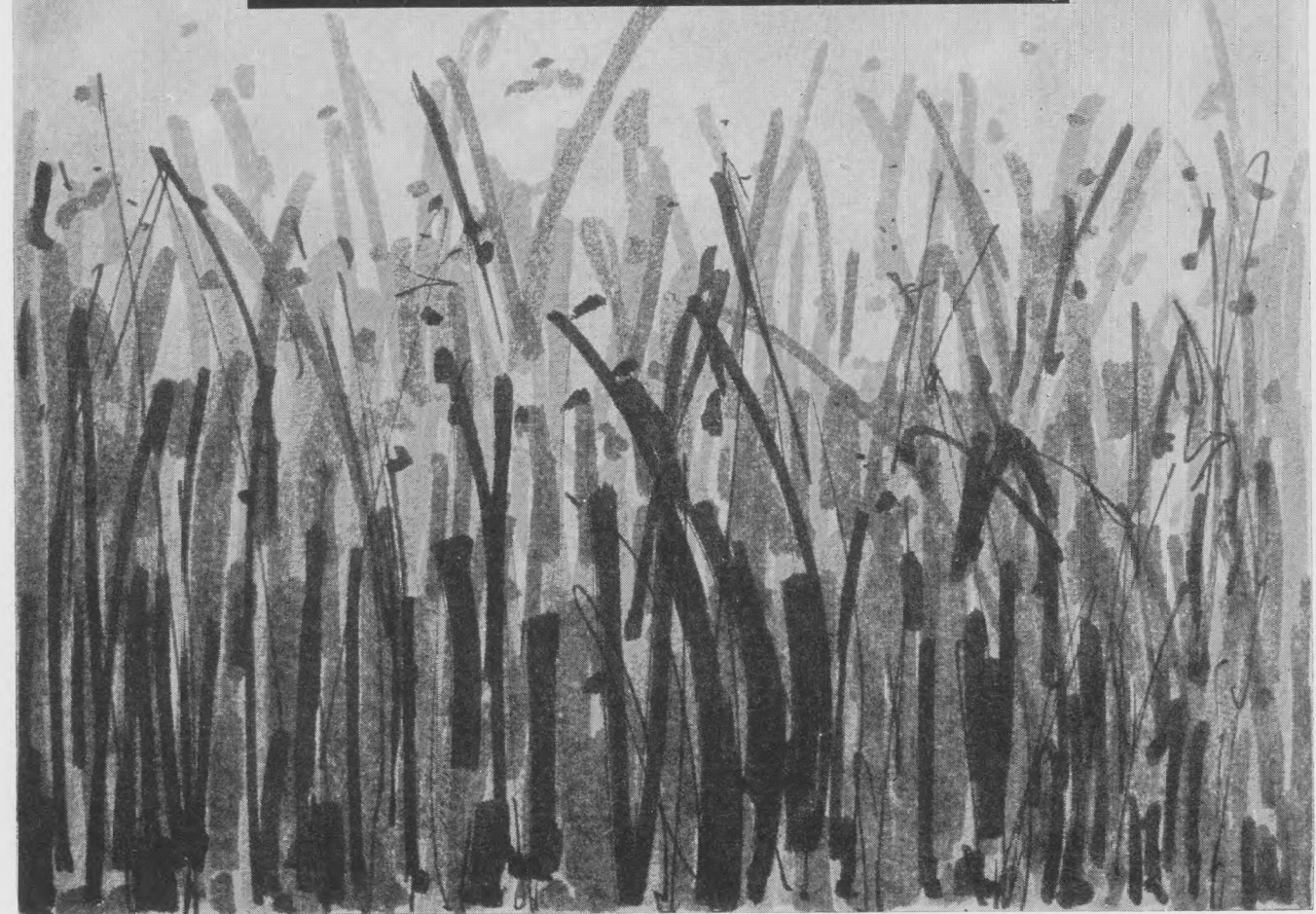
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# Indiana News

## Indiana Independent Bankers Form Organization To Combat 1973 Holding Company Legislation

**T**HE INDEPENDENT BANKERS Association of Indiana has established a formal organization to fight anticipated 1973 legislative attempts to introduce multibank holding companies or to liberalize the branching law in the state. The IBAI expects to hire a permanent lobbyist and set up offices either in Indianapolis or Muncie.

Recently elected IBAI President Robert R. Park, senior vice president, Merchants National, Muncie, said the organization is hopeful of enlisting the support of 150 Indiana banks. He emphasized that the creation of the Indiana group is not an attempt "to split up or break away from the Indiana Bankers Association," which has remained generally neutral on structural matters.

It is, however, according to Mr. Park, a move to counter the formation a year ago of the League for Economic Development, an organization of about 60 banks which seeks to repeal the state's 15-year ban on multibank holding companies.

The League for Economic Development, which consists of most of the large Indianapolis banks, has said it intends to introduce holding company legislation during the 1973 legislative term starting in January.

Mr. Park said the fact the League has been building a strong organization in recent months has prompted independent bankers to form a group to "represent independent banking to the legislature, to the press and to the public."

Until now, independent bankers in the state have been organized in a loose committee federation led by William P. Givens, president, Merchants National, Muncie, and Indiana director for the Independent Bankers Association of America.

Goals of the IBAI, Mr. Park explained, will be to "promote the advancement of personnel in independent banking and to oppose monopolistic and multiple-banking practices which seem to be detrimental to the public interest."

Other officers of the IBAI include: vice presidents, Philip H. Willkie, president, Rushville National, and Ronald G. Seals, president, Edinburg State; secretary, Ralph W. Tilley, president, Vevay Deposit Bank; and treasurer, Thomas E. Conner, executive vice president, American State, Ligonier.

In addition to the five officers, the IBAI has elected a 23-member board, consisting of two representatives from each of the nine banking districts in the state.

Mr. Willkie, IBAI vice president, is well known in Indiana politics and is the son of Wendell Willkie, 1940 Republican presidential nominee. He has begun a series of speeches around the state to win legislative and public support for the independents' campaign.

Mr. Willkie, who says he has put together a labor-farm coalition to lobby against changes in Indiana banking structure, has charged that large Indianapolis banks are making an eco-

omic power grab. Eventually, he contends, the large banks, if they are successful, will attempt to control the legislature and the governor's office.

The League for Economic Development has branded Mr. Willkie's charges as totally unfounded and claims he has misstated the facts about branching and holding companies.

In a speech given recently before the Indianapolis Kiwanis Club, Mr. Willkie said Indianapolis banks seek multibank holding companies not to provide improved service for the public "but so they can compete in the money markets on Wall Street." He said large Indianapolis banks already are undercapitalized and, therefore, permitting them to form multibank firms will only dilute their capital positions. • •

### New Acquisition Planned By Merchants Nat'l Corp.

INDIANAPOLIS—Merchants National Corp., one-bank holding company of Merchants National Bank, has announced the proposed acquisition of Circle Leasing Corp.

Circle Leasing would continue to operate with all present personnel as a wholly owned subsidiary of the holding company. The Indiana-based firm was founded in 1957 and has offices in Indianapolis and Louisville. During its 15 years of leasing, the company has become one of the 15 largest independent leasing firms in the U. S.

The acquisition is subject to Fed approval, as well as approval of Circle Leasing Corp. shareholders.

■ ARTHUR H. McELWEE was promoted from senior vice president to executive vice president of St. Joseph Bank, South Bend. He heads the bank's lending operation. Charles H. Beutter has retired as vice president and trust officer of the bank, after almost 42 years of service. He will continue on a consulting basis.

■ FIRST BANK, South Bend, has elected Mrs. MaryLou Mitchell operations manager for the Roseland Office. In other action, George F. Horn, assistant vice president and manager of the Ewing Office, recently received a 25-year service pin from the bank.

■ RALPH E. JACKSON was named assistant vice president in charge of farm management at Lafayette National. He came to the bank after seven years with the trust department of First Trust, Kankakee, Ill., where he was an assistant trust officer and farm manager.

■ R. CODY MEADOWS has joined Peoples Trust, Fort Wayne, as assistant vice president and personnel director. He had been personnel director of Indiana Bank, Fort Wayne.

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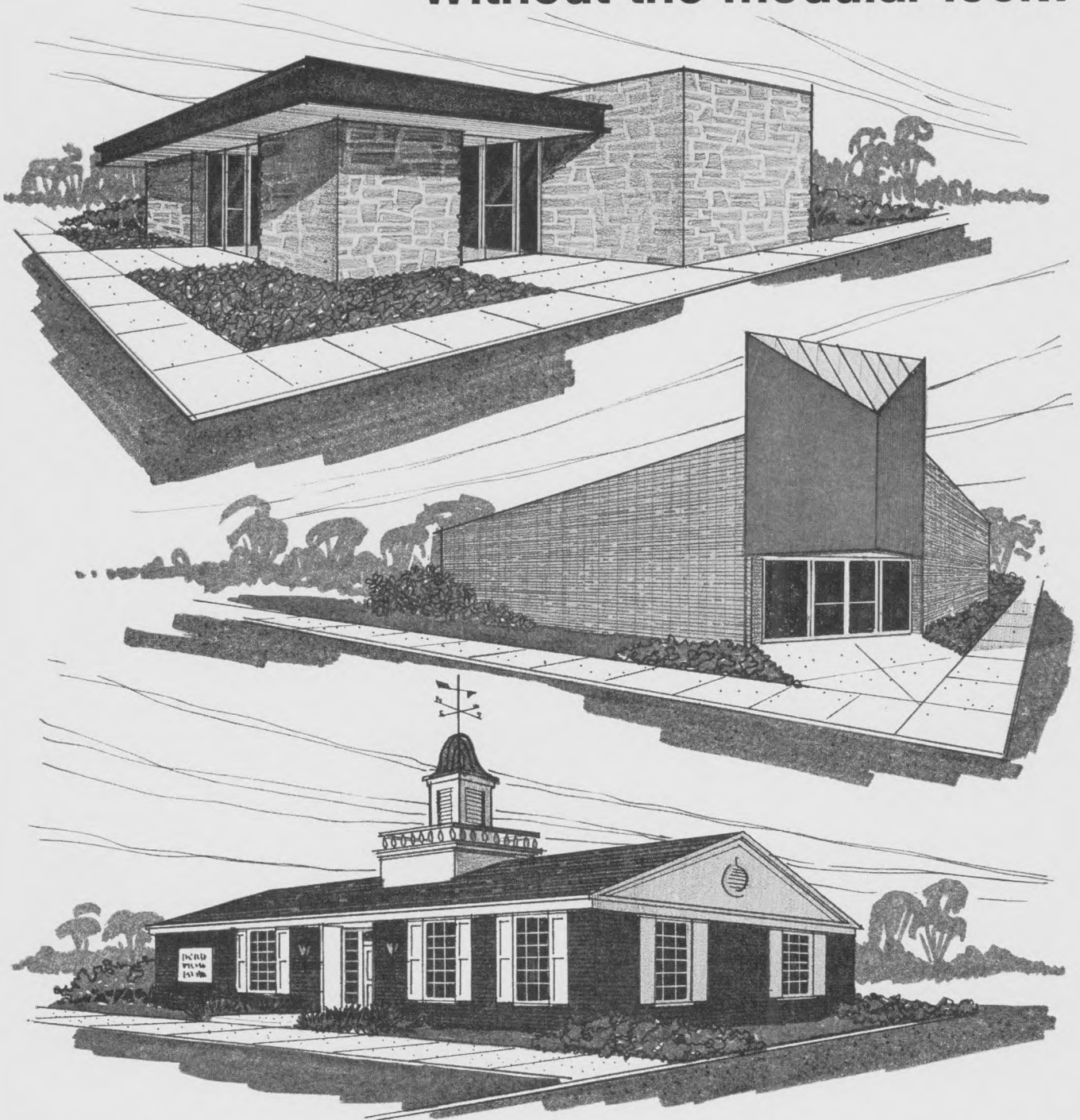
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MEURER



STANLEY

### Meurer and Stanley Promoted At Citizens Fidelity Bank

LOUISVILLE—Citizens Fidelity has promoted Robert F. Meurer to vice president in the personnel department and Craig W. Stanley to assistant vice president in the correspondent bank division.

Other new promotions included: Michael J. Walz, assistant vice president; Eva F. Schwartz, operations officer; John Kopple, assistant cashier; Robert H. Berry Jr. and John R. Sommer, assistant trust officers; Robert D. Kidder and Patricia C. McFadden, assistant corporate trust officers;

Richard C. Milne, trust investment officer; J. Russell Ogden and Carol Ann Cox, assistant trust investment officers; and Phoebe Nicholson and Jo Ann Hauntz, assistant trust operations officers.

## Kentucky News

In other action, the bank transferred \$10 million from undivided profits to capital, increasing capital to \$20 million. In addition, the bank has announced that its common stock now will be quoted on NASDAQ, the computerized system used by the National Association of Securities Dealers to trade in over-the-counter securities.

### Planters Bank Begins New Service For Customers Aged 18-35

HOPKINSVILLE—Planters Bank has announced a new service for customers in the 18-35 age group called the PB Club. "Happy Young Kentuckians" is the theme of the club, which features 10 special services, seminars and trips.

A PB Club representative is available at each of the bank's branches to personally serve club members, according to Roy W. Campbell, assistant vice president and manager of the club. He added that specially designed checks add to the uniqueness of the program.

### Kentucky Death

S. SCOTT McCLAIN, president and director, Peoples Bank, Taylorsville.

### First Nat'l Holds Tennis Classic



Attending a reception in Louisville honoring First National Tennis Classic pros are: (from l.) Mrs. John Nash; Arthur Ashe, world championship tennis pro; Mr. Nash, exec. v.p., Irwin Union, Columbus, Ind.; and Herbert M. Richardson, v.p., First National, Louisville. First National sponsors the annual tournament featuring 32 of the world's top pros in a \$50,000 event. Mr. Ashe was the winner in both singles and doubles competition at the third annual classic this year.

■ LAWRENCE B. HAMMET, president of a contracting company, has been elected a director of Paducah Bank. He replaces Lester B. Woolfenden, who resigned as an active director to become an advisory director.

■ JAMES Q. TROUTMAN has been promoted from trust officer to vice president and trust officer at Louisville Trust.

### B. W. Slayden Dies at 46; Correspondent Div. Head

NASHVILLE—Barney W. Slayden, 46, vice president and head of the correspondent bank division at First American National, died recently of a heart attack.

Mr. Slayden joined the bank in 1948 and was in the finance department until being transferred to the correspondent bank division in 1953. He was named an assistant cashier in 1955, assistant vice president in 1957 and vice president in 1962. He was named head of the division in September, 1971.

Mr. Slayden held an LL.B. degree from the Andrew Jackson University Law School and was a graduate of the School of Banking of the South at Louisiana State University, Baton Rouge.

■ HARRY M. DAUGHERTY JR., president of General Oils, Inc., has been elected a director of United Bank of Chattanooga.



SLAYDEN

## Tennessee News

### Wright to Head Advisory Board Of Business Resource Center

CHATTANOOGA—John P. Wright, president, American National, has been named chairman of the advisory board to the Business Resource Center of the Chattanooga Chamber Foundation.

The purpose of the BRC is to promote increased investment and private sector participation in minority business development. One of its functions is to communicate the needs of minority businesses and the direct benefits of increased financial relationships with these businesses.

The BRC also seeks to unite bankers, accountants and lawyers in assisting in the organization of minority businesses and to help insure their success once they are organized.

■ ERNEST SMALLMAN III has joined City Bank, McMinnville, as an assistant vice president. Mrs. Glynna Lee, with the bank seven years, was promoted to loan officer and head of the installment loan department.

### New Appointments Announced At Hamilton National Bank

CHATTANOOGA—William Parker has been named advertising and public relations manager of Hamilton National. He formerly was vice president and treasurer of a Chattanooga advertising agency.

In other action, the bank has announced formation of an investment management division, which will provide services to the trust division and will offer newly designed investment counseling services to individual clients.

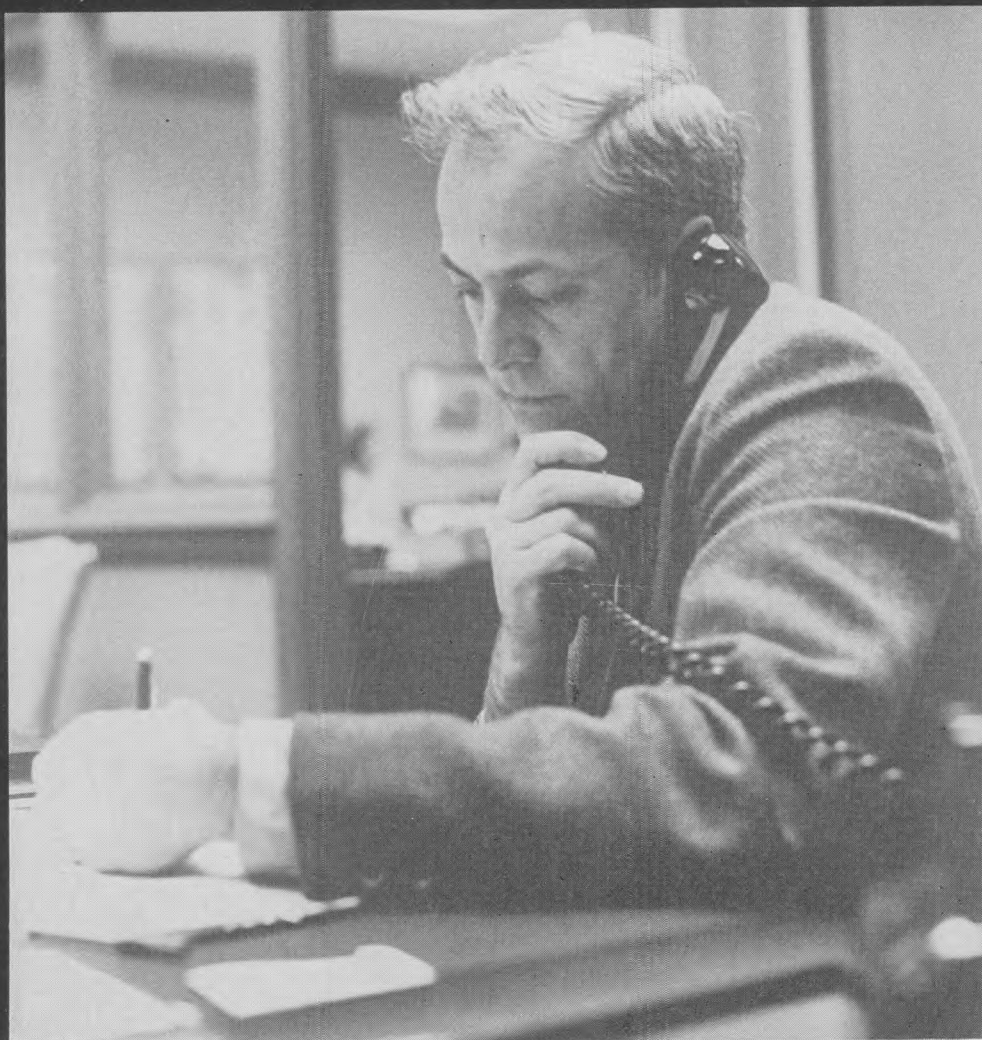
W. A. Bryan Patten was named vice president and investment management officer to head the division and James G. Tatum was elected investment management officer. Both had been in the trust division.

H. Grady Tate Jr. has joined Hamilton National as director of the data processing department. He had been vice president and department head of systems research for First Union National of North Carolina.



PARKER

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# Alabama News



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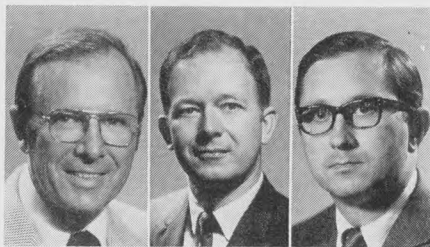
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### New Promotions Announced By Birmingham Trust Nat'l

BIRMINGHAM—Birmingham Trust National has announced a list of new promotions headed by C. R. Spivey Jr. and W. Ralph Cook, newly elected executive vice presidents.



SPIVEY      BARNARD      COOK

Mr. Spivey heads the new business-marketing division and has been with the bank since 1957. Mr. Cook, commercial loan department, joined the bank in 1960.



HAND      PHILLIPS      SANDLIN

Named senior vice presidents were: Archie Hand, director of data processing; Aubrey D. Barnard, comptroller; M. L. Phillips, head of the Bank for Savings Office; and Ollie Sandlin, branch administration.

Miss Sally T. Johnson, head of the items processing department, and Haas Strother, head of the credit department, were appointed vice presidents. Elected an assistant cashier was Perry Relfe, comptroller division.

■ **FIRST WESTERN**, Bessemer, has elected Leroy J. Pittman III cashier. He joined the bank in June as assistant vice president-administration. Elected assistant cashiers and branch managers were Gary Howard, Hueytown Office, and James R. Harris, Westlake Office.

■ **FIRST NATIONAL**, Birmingham, has elected Prince DeBardeleben Jr. a director. He is president and chief executive officer of Steward Machine Co., Inc. Mr. DeBardeleben had been serving on the bank's branch advisory board.

### Lyle Marks 50th Anniversary With Merchants Nat'l, Mobile

MOBILE—John F. Lyle, senior vice president, recently marked his 50th anniversary with Merchants National.



LYLE

Mr. Lyle joined the bank as a runner in 1922, was named assistant cashier in 1941 and assistant vice president in 1942. He was promoted to vice president in 1948 and senior vice president in 1966. During most of his years with the bank, he has handled commercial loans.

### Central Bank of Birmingham Elects Two New Officers

BIRMINGHAM—Central Bank has elected two new officers in the marketing division. James M. Tingle was appointed assistant correspondent loan officer and John F. Whatley was named metropolitan representative in the business development department.

Mr. Tingle joined the bank in 1970. Mr. Whatley began his career with First National, Mobile, in 1969 as an international officer and joined Central Bank last August.

■ **GERALD L. BUSBY**, assistant vice president and head of the marketing department, First National, Tuscaloosa, has been promoted to vice president. He joined the bank in 1967 and served as a branch manager before being named head of the marketing department.

■ **FRANK A. PLUMMER**, chairman, First National, Montgomery, was elected a director of the Maytag Co. of Newton, Iowa. Mr. Plummer also is chairman and president of First Alabama Bancshares, Inc., First National's parent company.

■ **BEN F. HARRISON**, president, United States Pipe & Foundry Co., has been elected a director of Central & State National Corp. of Alabama, parent company of Central Bank, Birmingham, and State National, Decatur.

### Alabama Death

J. E. HUMPHREY, chairman, Henderson National, Huntsville, He had been with the bank 54 years.



## The Mae sisters have a good thing going.

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Bond Department

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## Mississippi News

■ MRS. MATTYE C. RUTH, assistant cashier, has been named assistant manager of the Bruce Office of Bank of Mississippi, Tupelo.

■ A. J. ALEXANDER has resigned as president and director of Perry County Bank, New Augusta. N. D. Matthews, former cashier, has been elected executive vice president and cashier. He has been with the bank 11 years.

■ CITIZENS BANK, Philadelphia, promoted Danny Hicks to assistant cashier. Mr. Hicks, who joined the bank last year, is in charge of the new IBM computer system.

■ FRED L. CAVER was elected a vice president of First Mississippi National, Hattiesburg. He had been a vice president at First National, Mobile.

■ CALHOUN COUNTY BANK, Calhoun City, branch of Grenada Bank, has promoted Mrs. Yvonne E. Vance to assistant cashier. She has been associated with the bank since 1964.

■ MRS. BETTY BRELAND was elected an administrative assistant of Bank of Mississippi, Tupelo.

■ GULF NATIONAL, Gulfport, has elected Walter H. Winkeljohn assistant auditor.

■ FIRST NATIONAL, Vicksburg, recently made the following promotions: John Black Jr., auditor; Joseph L. Magee, operations officer; and Travis W. Vance, branch officer, Cherry Street Branch.

■ RONNIE E. RANEY has been elected president and a director of Tallahatchie County Bank, Charleston. Ned R. Rice, former president, is now chairman. Mr. Raney had been vice president and manager of the Philadelphia Branch of Peoples Bank of Mississippi, Union.

■ MIKE JONES has joined Bank of Winona as assistant cashier. He had been assistant manager of the Coffeeville Office of Bank of Water Valley.

■ DAVID SINCLAIR has been elected an assistant cashier of Bank of Quitman. He joined the bank last January.

■ APPROVAL has been granted to Pascagoula-Moss Point Bank, Pascagoula, to build a new branch office in Escatawpa.

■ FIRST CITIZENS NATIONAL, Tupelo, has appointed David H. Guyton Jr. vice president and loan officer. Mr. Guyton comes to the bank from Citizens National, Meridian, where he was a vice president. He had been with the bank since 1965.

■ BANK OF MISSISSIPPI, Tupelo, has named L. E. Bean manager of its Gloster Street Office. Charles Barber was elected assistant manager.

■ YANDELL WIDEMAN has been elected chairman in addition to his title as president of Citizens National, Jackson. He succeeds William M. McKell, who has retired as chairman but will remain on the board as an advisory director. Mr. Wideman joined the bank in 1967.

### Mississippi Deaths

IRA L. MORGAN, 72, director, Bank of Oxford.

J. F. FORD, director, First National, Newton.

JOEL A. HUNTER, 52, assistant cashier, Bank of Anguilla. He had been with the bank 27 years.

MAX JOHNSON, 65, president, Bank of Walnut Grove. He had been head of the bank since 1945.

## Boldt to Be President Of New Louisiana Bank

A new bank—to be called Pontchartrain State—is being organized in Jefferson Parish, and Edward C. Boldt will be president and chief executive officer. The bank, to be capitalized at \$2.5 million, will be domiciled in Metairie in the parish adjacent to New Orleans.



BOLDT

Mr. Boldt, who headed the Bank Marketing Association in 1970-71, has—for the past year—been senior vice president of the ICB Corp., one-bank holding company in New Orleans that owns International City Bank there. He began his banking career in 1946 with Valley National, Phoenix, and later spent 21 years with First National, Memphis, where he advanced to senior vice president and director of advertising. Later, he went to Central National, Cleveland, where he was senior vice president of sales and marketing.

Chairman of the new Pontchartrain State is Eads Poitevent, chairman and

## Louisiana News

president of International City Bank, which he helped organize.

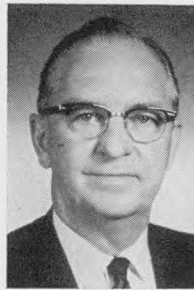
The building that will house the bank is being extensively remodeled and expanded, and the opening of the new bank is scheduled for early in December.

### Rutledge Named President Of Plaquemine Bank

PLAQUEMINE—Clayton Rutledge recently was elected president of Plaquemine Bank.

He comes to the bank from Capital Bank, Baton Rouge, where he was a vice president and correspondent banker.

He was president of Bank of Commerce, St. Francisville, from 1954-1966. Mr. Rutledge is a past president of the Louisiana Bankers Association.



RUTLEDGE

### Marzullo Named President & CEO Of Colonial Bank, New Orleans

NEW ORLEANS—Colonial Bank has elected John F. Marzullo president and chief executive officer. He also will serve as a director of the bank and of Colonial Properties, Inc., the bank's wholly owned real estate subsidiary.

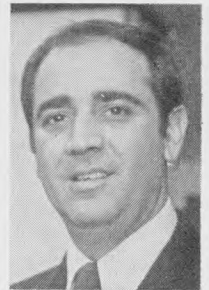
Formerly, Mr. Marzullo was vice president and trust officer of Guaranty Bank, Alexandria.

He had been with the bank since 1960.

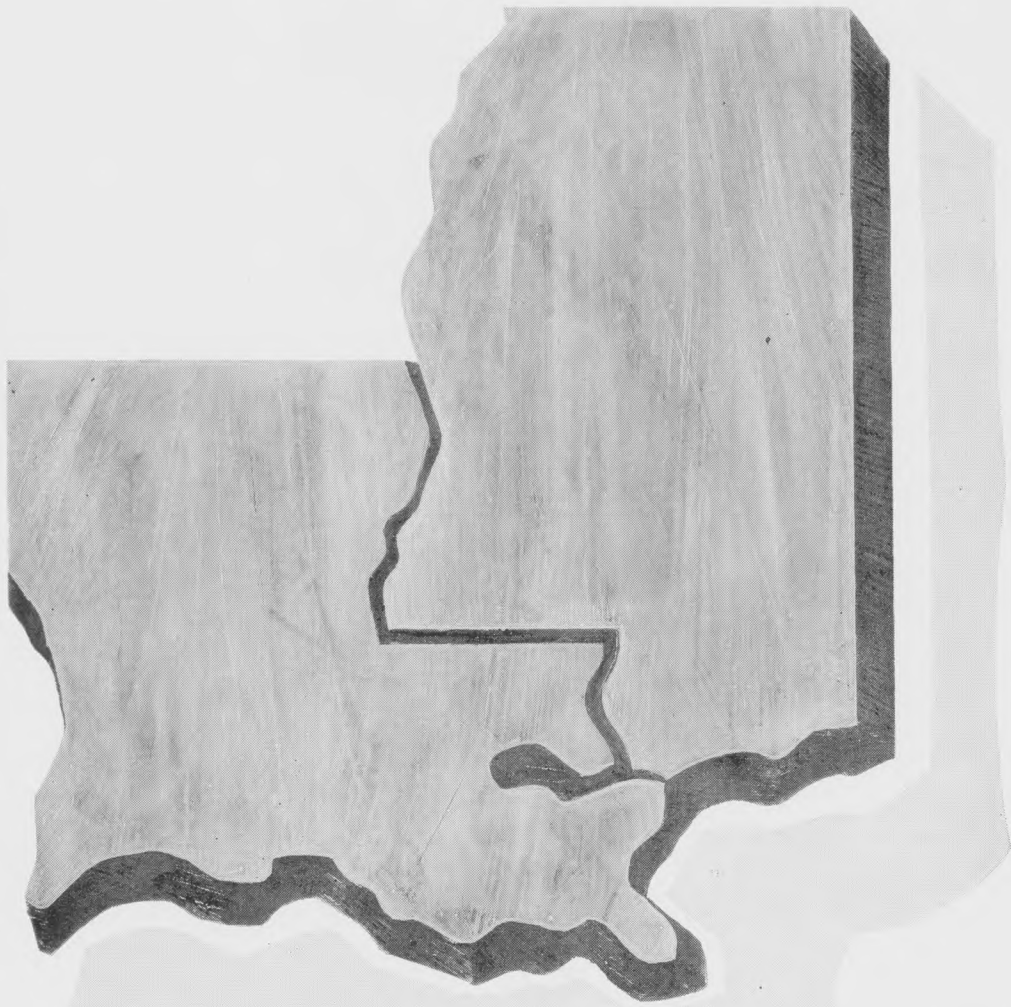
In other action, James H. Queyrouze, executive vice president, was elected president of Colonial Properties, Inc.

Other new appointments included: Edward B. Weaks, vice president and branch coordinator; Joseph V. Gibbs, cashier; Miss Kathy Clifford, assistant vice president and manager, 215 Baronne Street Office; Everett G. Collins and L. Dale Black, assistant vice presidents; and Louis Marascalco, assistant manager, 215 Baronne Street Office.

■ AMERICAN BANK, Monroe, has elected Malcolm J. Keith a vice president.



MARZULLO



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**Whitney**  
NATIONAL BANK OF NEW ORLEANS



## Citywide Branching, State Tax Proposals Submitted for Member Approval by ArkBA

LITTLE ROCK—Legislative proposals have been drafted by the Arkansas Bankers Association state government relations committee that would allow banks in this limited facility state to branch citywide and to be taxed similarly to state corporations.

The committee, headed by William H. Kennedy Jr., president, National Bank of Commerce, Pine Bluff, met last month to approve the final drafts of the bills before submitting them to the 250 member-banks of ArkBA. If approved, the bills will be submitted to the legislature in January.

The proposed branching bill is the result of two years of study by the committee, which was instructed by ArkBA's executive council to investigate the state's current law and develop recommendations for any necessary changes.

The proposed bill would repeal the state's existing law, which allows banks to establish limited-purpose facilities subject to populations and capital requirements and substitute legislation authorizing banks to establish full-service branches in the cities in which they are located.

Although some Arkansas bankers want county-wide branching, the majority does not, according to B. Finley Vinson, ArkBA president, and chairman, First National, Little Rock. The legislation was proposed because the state's largest cities have reached a population and area size that makes adequate banking service difficult without citywide branching.

Under the state's existing law, facilities may be established to receive deposits and monies due the bank, payment of withdrawals and checks and the issuance of items such as cashier's checks. The facilities may be established throughout a city, subject to the bank commissioner's approval and certain restrictions:

- A bank with capital and surplus of at least \$200,000 may establish one facility no more than 1,000 feet from its main office. If it is more than 300 feet from the main office, it may not be closer than 1,000 feet to a competitor's main office.

- In addition, a bank with capital and surplus of at least \$300,000 in a community with a population of at least 7,500 may establish one facility not closer than 3,000 feet to a competitor's main office.

- In cities with populations of 25,000 or more, a bank can establish an additional facility not closer than 3,000 feet to a competitor's main office for each 25,000 people and \$1 million capital and surplus.

The current law also allows a bank with capital and surplus of \$200,000 to establish a facility in an incorporated community or suburban improvement district with a population of at least 300, providing the community is at least two miles from the city in which the bank's main office is located, but in the same county.

The other bill being considered would provide for the taxation of banks by the state on the same basis as other corporations, which pay a net income tax. Since the state's bank tax law was declared unconstitutional about 10 years ago, banks have been paying voluntary, ad valorem taxes at the local level.

### First National Stock Listed

LITTLE ROCK—Quotations on the common stock of First National now are listed with the National Association of Securities Dealers Quotation Bureau. The quotation will be listed under the symbol "FNL.R."



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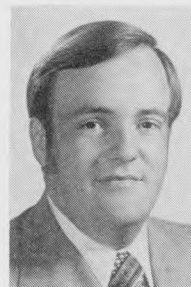
## Fikes Named Head of New Division At Worthen Bank, Little Rock

LITTLE ROCK—Worthen Bank has named Robert L. Fikes manager of the newly formed inter-company relations division and vice president of First Arkansas Bankstock Corp. (FABCO), the bank's parent company. He formerly was loan officer and vice president of the banks' commercial division.

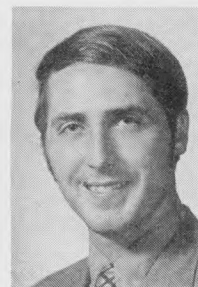


FIKES

The new inter-company relations division was formed as part of a reorganization of the bank which elevated the correspondent bank department to divisional status. Reporting responsibilities of the business development department were shifted to the marketing division.



STOBAUGH



BEVIS

As a result, George Rowland Jr., vice president and head of the former correspondent bank department, was named manager of the new correspondent bank division. Lawrence Mobley was promoted to vice president and retained his position as manager of the business development department.

In other action, Donald R. Bevis, data processing marketing officer, and Dan C. Stobaugh, correspondent bank division, were elected assistant cashiers.

Mr. Bevis' responsibilities include calling on correspondent banks to promote data processing services. He joined the bank last June. Mr. Stobaugh, with the bank since 1966, coordinates all division activities involving traveling officers.

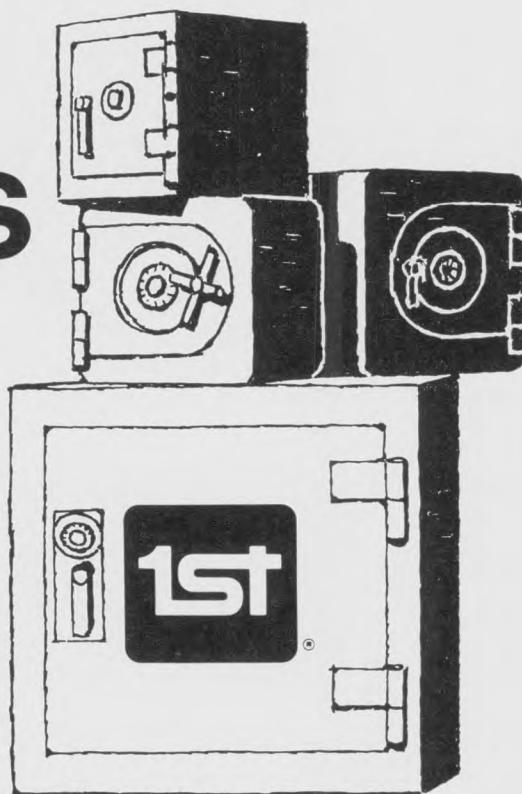
■ GARY L. MOORE, cashier, First National, Jonesboro, recently graduated from the School for Bank Administration.

### Arkansas Deaths

THOMAS V. JONES, 77, president, Bank of Dardanelle.

EDWIN A. GALLOWAY, 74, retired assistant cashier, Malvern National. He retired from the bank in 1970 after 21 years of service.

# The bank the bankers bank on.



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## FIRST NATIONAL BANK OF MEMPHIS

MEMPHIS, TENNESSEE / MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



# Texas News

## Meissner Joins Houston Citizens; Was Officer of Kansas City Bank



MEISSNER

HOUSTON—Frank H. Meissner has joined Houston Citizens Bank as assistant vice president in the financial institutions division. He was formerly an assistant cashier at City National, Kansas City, and traveled in Oklahoma, Texas and New Mexico. At Houston Citizens Bank, he will call on banks and other financial institutions in Texas and Louisiana.

Mr. Meissner joined City National in 1968 and was assigned to the correspondent department in 1970.

In other action at Houston Citizens Bank, Joseph A. Rayzor was named a trust officer to head the oil and gas section of the trust department, and Tom Krufft was made a trust administrative officer in the property management section of the trust department.

## American Nat'l Names Phillips Ch.; Appoints W. E. Rogers President

BEAUMONT—William W. Phillips, former president, American National, has been elected chairman. Warner E. Rogers has been named the new president.

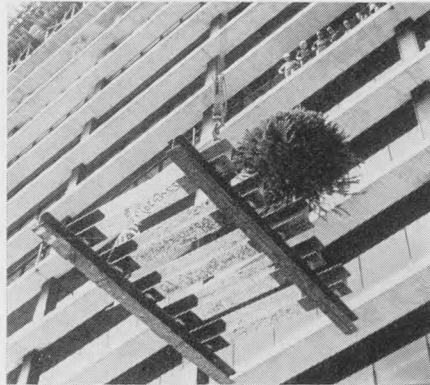
Mr. Phillips, who joined the bank as a senior vice president in 1963, was elected president in 1965. Previously, he was senior vice president of National Bank of Commerce, Pine Bluff, Ark.

Before joining American National, Mr. Rogers was senior vice president of Texas Commerce Bank, Houston. He also served as acting president and a director of South Texas Bank, Houston. Formerly, he was an officer and western regional manager of Southwestern Investment Co., Amarillo.

■ ED BRANTON has been elected dealer credit officer in the installment loan department of Victoria Bank. He joined the bank in May.

■ AMERICAN NATIONAL, Austin, has elected Andrew C. Elliott Jr. a vice president. He will work with commercial loans in the mercantile credit area. Karl C. Meredith was elected auditor of the bank.

## Frost Nat'l 'Tops Out' Building

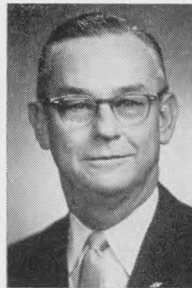


Frost National, San Antonio, recently "topped out" its new \$20-million Frost Bank Tower. Five steel beams, autographed by thousands of bank customers, friends and staff members, were lifted from the roof of the Frost Motor Bank to the top of the new 20-story skyscraper along with the traditional fir tree and American flag. The building is scheduled for completion in mid-1973.

## Baker Promoted to Senior VP At Texas Bank of Dallas

DALLAS—Charles W. Baker, manager of the correspondent bank department, Texas Bank, has been promoted from vice president to senior vice president.

Mr. Baker has been in the correspondent department since 1963 and has served as manager since 1971. He joined the bank in 1947 as assistant cashier and was promoted to assistant vice president in 1955. He became a vice president in 1962.



BAKER

## Building Under Construction For New Beltway Bank

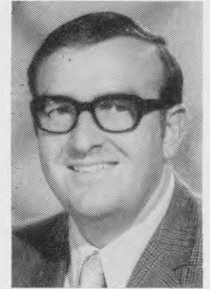
BELTWAY—The recently chartered Beltway Bank has begun construction on a new one-story, 14,000-square-foot building.

The precast concrete structure and its landscaped parking area will occupy about half of an 87,120-square-foot site, with one acre remaining for expansion, according to Lawrence G. Fraser, proposed president of the bank. The building will have four drive-in lanes.

The new bank is capitalized at \$1 million, with \$400,000 in capital, \$400,000 in surplus and \$200,000 in undivided profits and reserves.

## Cox Advanced to Vice President At First National, Fort Worth

FORT WORTH—First National announced several new promotions including that of James Cox from assistant vice president to vice president. He is manager of the Master Charge credit department and has been with the bank since 1964.



COX

John Cope, a commercial account officer in the commercial banking division, was promoted to assistant vice president. He came to First National in 1968 and was elected an officer last year.

Appointed to officer status were: John Brooks, Master Charge officer; Don Childers and Joe Hunnicutt, installment loan officers; and James Dickson, commercial account officer.

## Two New Senior VPs Appointed At Republic National, Dallas

DALLAS—Republic National has promoted James P. Bevans and Buck Cain from vice presidents and trust officers to senior vice presidents and trust officers. Both also were elected members of the executive committee.

Mr. Bevans is head of the trust administrative division and Mr. Cain is in charge of the trust operations division, both in the trust and investment department. Mr. Bevans joined the bank in 1964 and Mr. Cain in 1954.

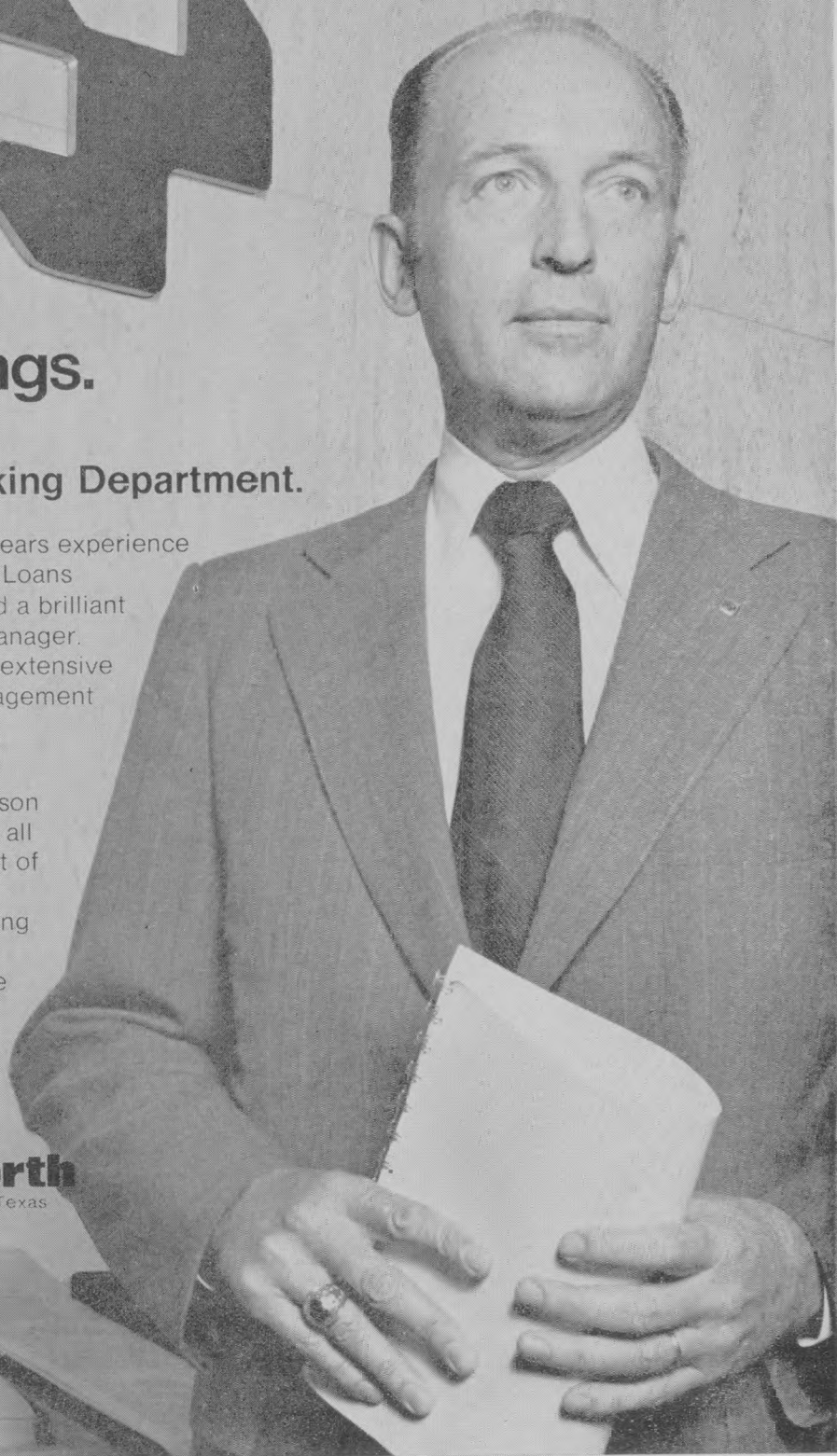
Elected vice presidents were A. George Avinger, metropolitan division, and Thomas L. Tweedale, international banking division.

New assistant vice presidents are: Jack Barrett and E. J. Joost, international banking division; and Keith A. Schmidt, metropolitan division. Gary Kelly was advanced from accounting officer to assistant controller.

■ FIRST NATIONAL, Brownsville, has named Howard Joe Graham vice president in charge of the installment loan department and Mrs. Lydia Sauber assistant cashier in charge of the teller department. Mr. Graham joined the bank in 1970 and was appointed assistant cashier last year. Mrs. Sauber has been with the bank since 1954.

## Texas Death

WILLIAM A. LEMKE, retired executive vice president, National Bank of Commerce, San Antonio. He spent his entire career with the bank, beginning in 1923.



## Harold Stallings.

### New head of our Correspondent Banking Department.

Know-how to him includes 10 years experience in the Petroleum and Chemical Loans Department, where he compiled a brilliant record as vice president and manager. Now, he applies that and other extensive lending experience to the management of our Correspondent Banking Department as well.

Harold Stallings. One more reason knowledgeable banking people all over the Southwest turn to First of Fort Worth for all sorts of correspondent services, including excess loans, data processing, international services, complete transit services, and pension and profit-sharing plans.



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### Rudd to Travel in Southwest For Northern Trust, Chicago



RUDD

Thayer J. Rudd has joined the southwestern division of the banking department of Northern Trust, Chicago. He will call on banks in New Mexico, Arkansas, Kansas, Missouri, Oklahoma, Texas and Colorado.

Mr. Rudd had been with the bank and corporate services division, where he specialized in corporate and correspondent cash management. He joined Northern Trust in 1970.

### Drummond to Serve New Mexico As James Talcott, Inc., AVP

Othel E. Drummond has been elected an assistant vice president in the Dallas office of James Talcott, Inc.

In his new post, Mr. Drummond becomes operations manager, supervising client credits for the district which provides financing services to businesses in New Mexico, Oklahoma, Texas, Kansas and Missouri. Formerly, Mr. Drummond was involved in new business development.

### Pickrell Appointed Vice President By Fidelity Bank, Oklahoma City

OKLAHOMA CITY—Nelson R. Pickrell has been elected a vice president in the commercial loan department of Fidelity Bank.

Before joining the bank, he served five years as a national bank examiner in Oklahoma for the Comptroller of the Currency. Mr. Pickrell is a graduate of Central State University.



PICKRELL

■ BANK OF CHELSEA recently announced the following promotions: H. S. Milam, from president to chairman; R. W. Brewer, from executive vice president to president; Bill Simpson, from cashier to executive vice president and cashier; and Guy Griffith III to assistant cashier.

■ HAROLD W. MILLER has joined Oklahoma National, Duncan, as vice president. In banking 30 years, Mr. Miller formerly was vice president of First National, Moore.

## New Mexico News

### NMBA Group 5 Names Officers

Group Five of the New Mexico Bankers Association recently elected officers for the coming year. They are: chairman, Jon L. Pressley, vice president, Clovis National; and secretary, Mrs. Bertha Dorough, assistant vice president, Clovis National.

■ FARMINGTON NATIONAL has received approval to open a new branch in Kirtland. Completion of construction of the branch is expected in December.

■ AMERICAN BANK, Carlsbad, has elected four new officers. They are: Danny Skarda, assistant vice president in charge of the installment loan department; Mrs. Barbara Webber, assistant cashier in charge of the loan, discount and collection department; Mrs. Jackie Rayroux, assistant cashier and executive assistant; and Mrs. Mary Frances Lunardon, assistant cashier and head teller.

■ FIDELITY BANK, Albuquerque, has applied for approval to open a new branch in Northeast Heights.

■ FIRST NATIONAL, Albuquerque, advanced Harold Quinton from assistant cashier to assistant auditor and James Harris, assistant manager of the Sandia Plaza Branch, to assistant cashier. Mr. Quinton joined the bank in 1965 and Mr. Harris in 1970.

■ JOHN L. RUST, president of a tractor company, and Maxie L. Anderson, president, Ranchers Exploration & Development Corp., have been elected directors of Albuquerque National.

■ FIRST NATIONAL, Roswell, has named four new directors. They are: Ronald H. Mayer, real estate broker; Dr. Emmet M. Jennings, physician and surgeon; Rolla R. Hinkle, president and general manager, Chaves County Cattle Corp.; and Harold DeShurley, president of a construction company.

■ BANK OF NEW MEXICO, Albuquerque, has received approval to open three new branch offices in Albuquerque. Completion of the three branches is expected in December.

■ FIRST NATIONAL, Albuquerque, has elected Robert C. Wolfe an assistant vice president in the real estate department. Formerly, he was an assistant vice president in the mortgage loan department of Security Bank, Lincoln, Mich.

## Oklahoma News

### New Quarters Planned By City Bank of Tulsa

TULSA—City Bank recently announced plans for new quarters in the City Bank Tower.

The newly leased quarters will have a contemporary interior design featuring earth tones of brown and orange, rich walnut wood combined with black granite in teller fixtures and contemporary wood furniture.

Also planned are a night depository, employee room, community room and customer lounge.

Bank Building Corp., St. Louis, is the consultant and interior work contractor for the project.

### New Officers, Directors Elected By Eastern Okla. Chapter of BAI

New officers and directors of the Eastern Oklahoma Chapter of Bank Administration Institute have been announced by the newly elected president, Larry L. Jordan, vice president and comptroller, Bank of Commerce, Tulsa.

New officers include: vice president,

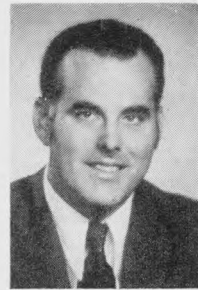
Orie Wright, vice president and comptroller, F&M Bank, Tulsa; treasurer, Randle Bessler, assistant vice president, First National, Tulsa; and secretary, Calvin Moore, Commercial Bank, Muskogee.

Newly elected directors are: Mrs. Barbara Chadwell, vice president, Peoples State, Tulsa; Marvin Bray, vice president, National Bank of Tulsa; and Kenneth LeMaster, vice president, First Bank, Sand Springs.

### Fourth National Elects Minshall Vice President & Trust Officer

TULSA—Richard E. Minshall has joined Fourth National as vice president and trust officer.

Mr. Minshall recently served as manager of a Tulsa stockbroker firm. He is a graduate of the University of Oklahoma and holds a law degree from the University of Virginia Law School. He also has completed postgraduate tax study at New York University Law School.



MINSHALL

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# Visiting Learning Suggesting Assisting

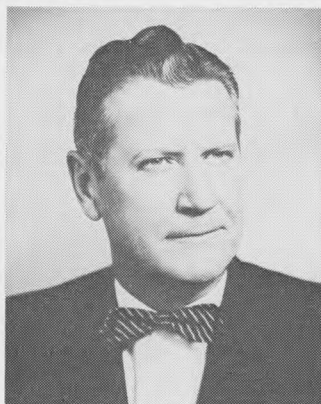
That's what it's all about, at  
the KBA Group Meetings – from THE BANK,  
Security National of Kansas City, Kansas.

Chairman Bill Webber, Vice Presidents  
Pete Peterson and Jay Breidenthal and new Field Service  
Representative Ken Domer\* will be at the Groups  
– looking for you – hoping to be helpful to you.

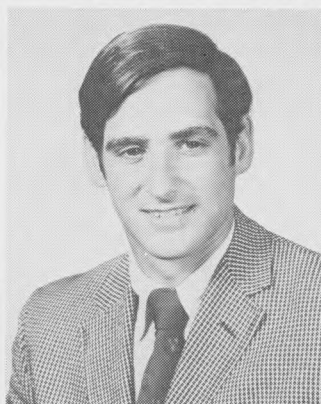
\*There's banking service in his blood – he's a son of Bob Domer, THE BANK'S Executive Vice President.



**W. L. Webber**  
Chairman of the Board



**John L. Peterson**  
Vice President



**R. J. Breidenthal, Jr.**  
Vice President



**K. A. Domer**  
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HOLST

SEWELL

HILL

FAREWELL

MARTIN

BRADLEY

JONES

## Concurrent Sessions and Humorist On KBA Group Meeting Programs

CONSUMER legislation and bank safety and protection will be included on the programs of the group meetings of the Kansas Bankers Association, October 17-26. Humorist Arthur J. Holst, a professional football official, will be banquet speaker at the six meetings. Theme of the series of meetings is "Grow With Bankaction!"

The programs for each meeting are almost identical. Each will start with KBA group committee luncheon meetings at 11:45 a.m. for agricultural key bankers, banking education and marketing committee members. Registration will begin at 1:15 p.m., followed by concurrent general sessions at 2 p.m.

The sessions for chief executive officers will feature opening remarks by group chairmen, followed by discussions led by KBA officers on bank issues of the day, including such subjects as federal and state legislation, the KBA Organization Task Force, the Kansas Development Credit Corp., KBA election procedures, the use of statewide advertising to sell banking and ideas for improving KBA.

Other officers will attend sessions that will feature opening remarks by group secretaries, followed by panels on consumer legislation, conducted by Lanny Kimbrough, vice president, First National, Topeka, representing the Young Bank Officers of Kansas; Lance Burr, chief, consumer protection division of the office of the Kansas attorney general, Topeka; and William Usher, vice president, National Bank of America, Salina, and member, KBA consumer credit committee.

The subject of bank safety and protection will be discussed by Douglas M. Lester, auditor and security officer,

First National, Topeka, and James V. Laughlin and Tom E. Kelley of the FBI.

Bank personnel will attend sessions featuring Don Towle, vice president, Kansas Bankers Surety Co., Topeka, and the Topeka Chapter of AIB. Presiding over the sessions will be Dean Becker, vice president, First National, Wichita, representing the KBA banking education commission.

The sessions will be followed by social hours and banquets, at which new group officers will be elected and Mr. Holst will speak. His subject will be "The Challenge of a Pro." Mr. Holst has the unusual avocation of being a line judge in the National Football League. He officiated at the Super Bowl last year and has crossed the nation numerous times delivering humorous and inspirational messages to conventions and conferences of all types.

The groups will meet as follows:

*Group One*, October 24, Olathe. The meeting will be conducted by the group chairman, D. F. Bradley, president, First National, Olathe.

Mr. Bradley, originally from Pleasanton, Kan., served as vice president, Johnson County National, Prairie Village, for 10 years prior to coming to

Olathe and First National. He was elected president of the latter bank in 1970. He attended Fort Scott Junior College and is a 1964 graduate of the School of Banking at the University of Wisconsin. He is now serving as president of the Olathe Area Chamber of Commerce.

*Group Two*, October 25, Independence. A. K. Sewell, president, Citizens National, Independence, is group chairman and will conduct the meeting.

Mr. Sewell's banking career began in 1931 as a messenger and transit clerk. In 1944, he joined First National, Coffeyville, and eventually became vice president and director. He returned to Citizens National, Independence, in 1951 as vice president and was elected to his present post in 1958.

*Group Three*, October 19, Smith Center. Russell Hill, president, First National, Smith Center, will conduct the meeting as group chairman.

Mr. Hill joined his bank in 1942, immediately after graduating from high school. He began as a bookkeeper/teller, was promoted to assistant cashier in 1948, cashier in 1956, vice president in 1964 and president in 1967. He is a graduate of the School of Banking at the University of Wisconsin.

*Group Four*, October 26, McPherson. George C. Jones Jr. is chairman of the group. He is president, Farmers State, Canton.

Mr. Jones started working part-time in the bank while in high school in 1961. He returned to the bank on a full-time basis after graduation from McPherson College in 1967. He was elected vice president and director of the bank that same year, was promoted

### 1972 Group Meetings

- Group 1—Oct. 24, Olathe
- Group 2—Oct. 25, Independence
- Group 3—Oct. 19, Smith Center
- Group 4—Oct. 26, McPherson
- Group 5—Oct. 18, Norton
- Group 6—Oct. 17, Dodge City



to executive vice president in 1969 and to president in 1971. He is presently serving as president of the McPherson County Bankers Association.

*Group Five*, October 18, Norton. The meeting will be conducted by Group Chairman Ray Farewell, president, First State Bank, Norton.

Mr. Farewell joined his bank in 1946, following service in World War II. He was promoted to assistant cashier in 1948, cashier in 1950, vice president and cashier in 1955, executive vice president in 1961 and president in 1964. He is a graduate of the School of Banking at the University of Wisconsin. He is currently serving a ninth consecutive term as treasurer of Norton.

*Group Six*, October 17, Dodge City. Group Chairman Thomas D. Martin, vice president, Fidelity State, Dodge City, will chair the meeting.

Mr. Martin's banking career began with Fourth National, Wichita, in 1951. He joined his present bank the following year and currently serves in the installment and commercial loan department. He was appointed a director in 1968 and is a graduate of the School of Banking at the University of Wisconsin. • •

## 400 Correspondents Hosted by Hutchinson Nat'l

HUTCHINSON—Approximately 400 correspondent bankers attended the annual "State Fair Party" given by Hutchinson National last month.

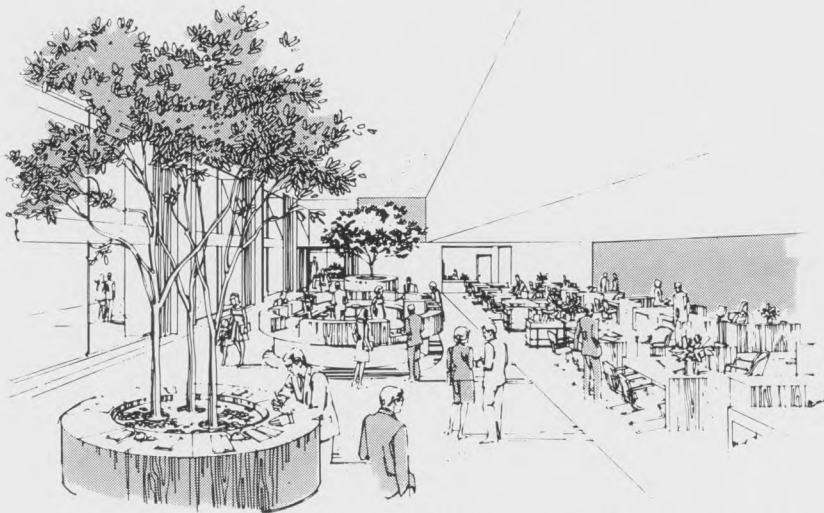
An afternoon program included a talk on "Immediate Payment of Cash Letters and Its Affects" by Henry Czerwinski, vice president, Kansas City Fed.

Following a social hour and banquet, guests were transported to the grounds of the Kansas State Fair to be entertained by singer Pat Boone and family.

Hutchinson National President Arthur Collins said this year's event was the largest correspondent party the bank has ever held.



Guests line balcony of Hutchinson Nat'l during correspondent party. Inset shows host bank Pres. Art Collins greeting guests in lobby.



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# The Softhearted Bank



Relax and Be Comfortable! Elmer Beck and Lyle Maddux at The Topeka State Bank can help you with your correspondent needs. They look forward to seeing you at the KBA group meetings in October.

See Elmer Beck and Lyle Maddux at The Softhearted Bank, The Topeka State Bank.



## The Topeka State Bank Seventh and Kansas-Topeka

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION  
MOTOR BANK - 8TH & TOPEKA



# Kansas News

## New Building and Motor Bank Opened By Boulevard State Bank, Wichita

**B**OULEVARD STATE, Wichita, has opened its new main bank building and motor bank facility. The contemporary \$1-million dual structure was completed less than one year following groundbreaking last September. The site of the bank's original building will be razed as part of the new Canal Route Expressway system.

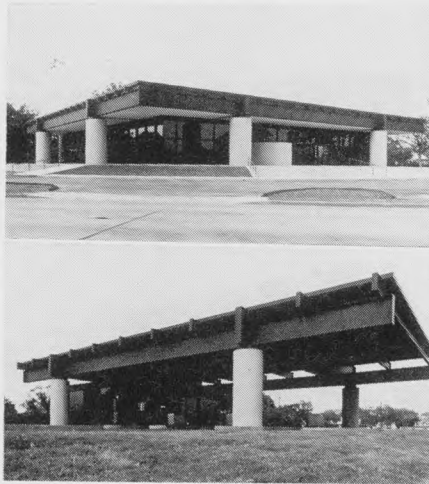
The 13,000-square-foot main bank is fully free-span with all roof structural support outside an enclosed area in the form of eight circular concrete columns. Major construction elements include steel, sandblasted concrete, granux and glass. Exterior colors are warm buff-colored tones and dark gray reflective glass.

Interior decor complements the bank's exterior and is highlighted by wall-to-wall burgundy carpeting, warm-toned sandblasted concrete and polished red levanto marble. A full unfinished basement houses mechanical equipment and provides room for future expansion.

The 800-square-foot motor bank is located 200 feet south of the main structure and is connected operationally underground by a system of pneumatic tubes. The motor bank has four covered drive-in lanes and lobby room for walk-in banking.

Future plans call for the two structures to be connected by a 100-car parking area. ••

■ **FIRST NATIONAL**, Newton, promoted John F. Alig to assistant vice president and security officer and Mrs. Ethel M. Hrovat to assistant cashier. Both officers have been with the bank two years.



**TOP:** Boulevard State of Wichita's new 13,000-square-foot main building is of sandblasted concrete and dark gray reflective glass. **BOTTOM:** The 800-square-foot motor bank has four covered drive-in lanes and lobby room for walk-in banking.

### First Nat'l of Shawnee Mission Scheduled to Open in Fairway

**FAIRWAY**—The new First National Bank of Shawnee Mission is scheduled to open here in the Fairway Office Center sometime in the fall.

The bank will have drive-in windows adjacent to the office center.

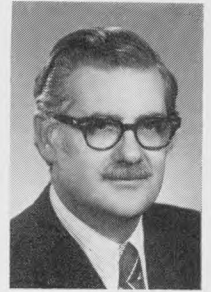
Capital of the bank will be \$500,000, surplus \$400,000 and undivided profits \$100,000.

■ **DAVID S. KERNS** has joined Citizens State, Hiawatha, as a vice president and loan officer. He previously was vice president and director of Citizens Bank, Grant City, Mo.

### Don Peters Named Senior VP At Fourth Nat'l, Wichita

**WICHITA**—Don S. Peters has been elected a senior vice president of Fourth National and will head the bank's investment division.

Mr. Peters joined Fourth National in 1960 and for several years has managed the investment section of the trust division. As head of the investment division, he succeeds Robert P. Folsom, who recently resigned.



**PETERS**

### Mrs. Breidenthal Appointed Pres. Of Victory State, Kansas City

**KANSAS CITY**—Mrs. Maxine Breidenthal, former vice president, has been elected president of Victory State. George H. Gray will continue as chairman.

Mrs. Breidenthal joined the bank in 1942 and was elected an assistant cashier in 1951. She became assistant vice president in 1957 and vice president, secretary to the board and a director in January, 1971. She is the wife of Gray Breidenthal, president, Security National, Kansas City, and former president of Victory State.

In other action, Jack H. Smith was named executive vice president of Victory State. He retired in June as chairman and president of Guaranty State. He had been with that bank since 1937.

■ **A. L. LONDERHOLM** has joined Roeland Park State in the marketing and business development department. He recently retired as assistant vice president of First National, Kansas City, Mo.

■ **CITIZENS STATE**, Moundridge, has appointed Dwight Classen agricultural specialist. He formerly was a vocational agriculture teacher.



**BREIDENTHAL**

# CNB

## COMMERCIAL NATIONAL BANK

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**JOHN STRUBE**



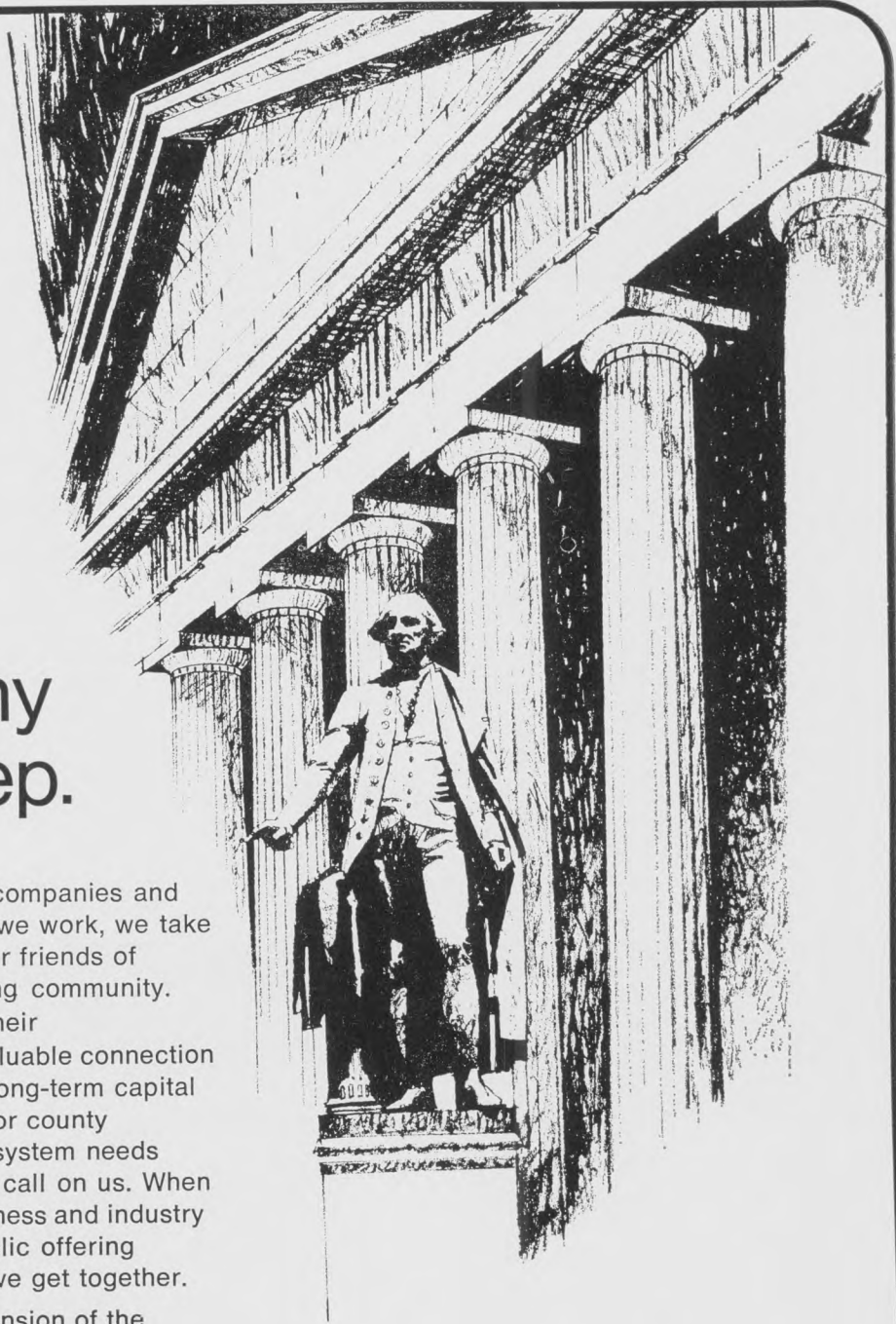
**MAX DICKERSON**

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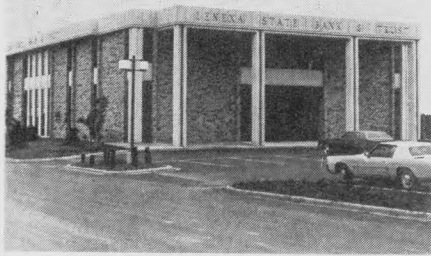
Ft. Worth  
(817) 336-4667

Denver  
(303) 292-1150

Omaha  
(402) 341-9500



**Lenexa State Has New Building**



Lenexa State recently moved to a new building which has more than 30,000 square feet of space, four drive-up lanes and parking for nearly 250 cars. The bank occupies all of the first floor and part of the ground level. Remainder of the space will be leased.

**Planters State Names New VP; Announces Construction Plans**

SALINA—Robert J. Anderson has joined Planters State as vice president in the loan department. Formerly, he was an assistant vice president at First National.

In other action, Planters State has announced plans to construct a new drive-in facility and to remodel the Main Office lobby. The new drive-in, which will replace the bank's present facility, will have two pneumatic-tube systems, two drive-up windows, a customer walk-up window and night de-

pository. Estimated cost of the project is \$150,000.

The remodeling project at the bank's Main Office lobby will include additional office space, a modernized telephone system, new customer conference room and directors room.

**Arden Bruch Dies Sept. 15; Retired First Nat'l VP**

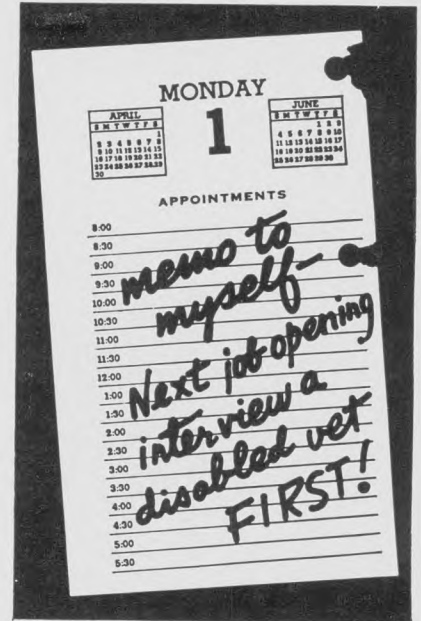
KANSAS CITY, MO.—Arden Bruch, 72, died September 15 following a stroke. He retired in 1965 as vice president, First National, here. He had traveled for the bank in Kansas and Nebraska.

Mr. Bruch joined Stock Yards National, Kansas City, Mo., in 1923 and served in its correspondent division. He joined the old Inter-State National there in 1951 and, four years later, went to First National when the two banks were merged.

The veteran banker's constant traveling companion was a toy French poodle named Fifi, and the dog practically became Mr. Bruch's trademark.

■ FARMERS NATIONAL, Atwood, has announced plans for alterations and additions to its quarters. The expansion program will join the existing quarters with an adjacent building and will provide about 3,500 square feet of addi-

tional operations space. Bank Building Corp., St. Louis, is the consultant and construction manager for the project and Wilburn McCormick, an associate of Bank Building, is the architect.



The President's Committee on Employment of the Handicapped Washington, D.C. 20210

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Dean Johnson

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KAREN WEIGEL, Asst. Cashier  
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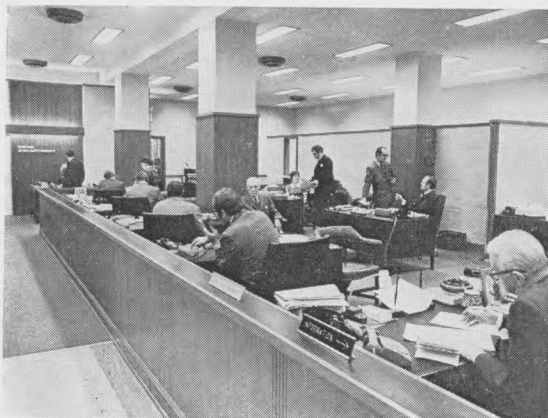
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KANSAS CITY, MISSOURI

# Hunt Report Proposals Dominate MBA Regionals

By **JIM FABIAN**  
Associate Editor

**T**HE IMPORT and future of the Hunt Commission report recommendations held center stage at the first four MBA regional meetings, held in Hannibal, Trenton, St. Joseph and Kansas City last month.

The topic was presented by a panel composed of James E. Brown, senior vice president, Mercantile Trust, St. Louis; Gerald T. Dunne, vice president, St. Louis Fed; and William W. Quigg, vice president and trust officer, Central Trust, Jefferson City.

The reason the commission was appointed in the first place, the panelists brought out, was the pressures exerted by consumerists. The theory behind the commission was that banks must do what's good for their customers voluntarily, or else government would step in with legislation that would force changes that seem to be necessary. Also, the "illiquid" position of banks a couple of years ago spurred S&Ls to push for the full-service operations included among the proposals.

Officials at the ABA disagree on the effect the Hunt Commission recommendations could have on banking, according to the panelists. They have opted to "keep their powder dry" by not commenting extensively on the proposals until they are introduced in legislation. There is no chance for such action in the current Congress, as the issue is considered to be "dead" as far as the coming election is concerned, they said.

It was predicted that the proposals regarding tax equality among financial institutions would be the first to be considered. Enactment of the package of proposals involves various levels of government, including federal, state and presidential.

It was the opinion of the panel that enough proposals would be enacted to satisfy the demands of consumerists.

The panelists' views were supported by ABA Executive Vice President Willis W. Alexander, who made a surprise appearance at the Region Two meeting in Trenton.

Each regional also featured Jerry Stegall, executive vice president, First Missouri Development Finance Corp., Jefferson City. Mr. Stegall stressed that more funds are needed to service the demand for loans being made on the corporation. He said only \$200,000 was available to take care of more than \$500,000 in loan requests.

MBA President Ben Parnell Jr.,

## Region 8 to Meet

The first meeting of recently organized Region Eight is scheduled for Jefferson City on October 26. The meeting will be held in conjunction with Region Five. Both regions will elect officers.

The new officers to be elected by Region Eight will serve until the MBA's 1974 convention.

Region Eight's formation was approved at the MBA convention last May. Most of the area covered by the region was formerly in Region Five.

president, Peoples Bank, Branson, spoke at two meetings, bringing bankers up-to-date on current MBA projects.

In speaking of the public relations committee's advertising program, he said that next year examples of specific accomplishments by individual banks will be featured in the ads.

He called on bankers to support BANKPAC and to contribute time and money toward electing public officials who have a sense of financial responsibility, who are intelligent and far-seeing and who do not believe that profit is a dirty word.

"This is particularly important at this time," he said, "since during the next session of the legislature new legislation will be recommended that could benefit all bankers in the state."

He spoke of the governor's committee

to study the banking laws and recommend suggested changes. Among matters under discussion is a restructuring of the State Banking Board and the commissioner's office; a change in reserve requirements for state banks that would permit them to include, in addition to capital and surplus, their undivided profits in computing their legal loan limits; and a provision that would permit bankers to invest 50% of their required reserves in U. S. government and agency obligations that mature in 18 months or less.

Mr. Parnell stressed that change is the order of the day in the banking business. "We see evidence of it constantly, even as the country itself experiences change in its economic philosophy and in many of its social values."

He closed by saying, "I think all of us realize that we are in a dynamic business that demands constant vigilance to be sure we accept those changes that are inevitably going to be dictated by our leading position in the community. As in all businesses, progress in the banking industry rests on our constant evaluation of our services and our ability to accept and initiate those changes that will serve the best interests of the public and, therefore, the best interests of banking."

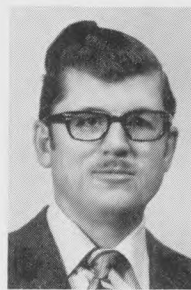
The following bankers were elected to region posts:

*Region 1.* Vice president—Ralph A. Eckles Jr., chairman and president, Exchange Bank, Kahoka; secretary—

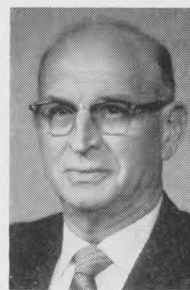
## Their Regions Will Meet This Month



HARRISON



MIEDERHOFF



MEIER

Donn R. Harrison Jr., Leo J. Miederhoff and L. W. Meier Jr. are chairmen of MBA Regions Five, Six and Seven, respectively, which will meet this month. Region Five will meet Oct. 26 in Jefferson City; Region Six, Oct. 24, Cape Girardeau; and Region Seven, Oct. 25, Springfield. Regions One, Two, Three and Four held their meetings the last week in September. Dr. Carl Winters of Oak Park, Ill., philosopher, lecturer and humorist and a member of the General Motors Speakers Bureau, is the featured speaker at all regional meetings. Mr. Harrison, exec. v.p., and dir., Citizens Bank, Eldon, has 23 years' banking experience and also is a registered Polled Hereford breeder. He is governor of Missouri Lions' District 26B. Mr. Miederhoff, Home Trust, Perryville, joined the bank in 1946, was named cash. in 1957 and v.p. & cash. last February. He has been a bank director since 1967. Mr. Meier, sr. v.p., Bank of Urbana, went to the bank 20 years ago and is on its board. He is a past pres., Ozark Bankers Association, and has taught AIB courses.





LEFT: Program participant Jerry Stegal (l.), exec. v.p., First Missouri Development Finance Corp., Jefferson City, talks with James D. Scobee, v.p. & cash., Bank of Louisiana, at Region One meeting in Hannibal. Attendance was 511. CENTER: After-dinner speaker Dr. Carl S. Winters

is flanked by MBA Pres. Ben Parnell Jr. (l.), pres., Peoples Bank, Branson, and H. Duane Pemberton, Missouri commissioner of finance, at Region Three meeting in St. Joseph. A record attendance of 725 was recorded. RIGHT: Threesome at Region Four meeting in Kansas City included (from l.) Roland L. West, exec. v.p., Union State, Clinton; Adrian Harmon, regional v.p., and pres., Citizens Bank, Warrensburg; and Harold McPheeters, Pension Consultants, Missouri Bankers Association. Approximately 450 attended.

# The Face Of Change.



Melvin Schroeder is the new Vice President in charge of the recently-expanded Correspondent Banking Division, Mercantile Bank and Trust Company, Kansas City.

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G. Jack Jones Jr., president, Clifford Banking Co., Clarksville.

Region 2. Vice president—Ivan R. Buckman, cashier, Marceline State; secretary—W. J. Ingraham, vice president and cashier, Cook & Vencill Bank, Galt.

Region 3. Vice president—Michael R. Morris, assistant vice president, Citizens Bank, Grant City; secretary—William H. Corden, president, Bank of Atchison County, Rockport.

Region 4. Vice president—John B. Skelton, president, Wellington Bank; secretary—Marcus Dittman, president, North Hills Bank, Kansas City.

The following were named to the MBA nominating committee:

Region 1. Member—Alvin D. Meeker, president, Commerce Bank, Kirksville; alternate—Frank D. Kelso, vice president, Hannibal National.

Region 2. Member—Grimes Spillman, president, Home Exchange Bank, Jamesport; alternate—Don Schooler Jr., president, Brookfield Banking Co.

Region 3. Member—James Wells Hull, executive vice president, Wells Bank, Platte City; alternate—C. G. Phillips, president, Home Bank, Savannah.

Region 4. Member—Adrian Harmon, president, Citizens Bank, Warrensburg; alternate—Carl B. Abbott, executive vice president and cashier, Garden City Bank. • • •

### Group Files Charter Application For New Bank in Manchester

ST. LOUIS—Fourteen persons, including three officers of Jefferson Bank, have filed an application for a bank charter in suburban Manchester.

The Jefferson Bank officials are Dillon J. Ross, chairman, Joseph McConnell, vice chairman, and Michael J. Ross, president.

The planned bank would be called Security Bank of Manchester.

*involved in the present...  
committed to the future...*

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# Missouri News

## Hord Hardin II Named Senior VP At Manchester Bank, St. Louis

ST. LOUIS—Hord Hardin II has been elected a senior vice president of Manchester Bank. His primary responsibility will be in the area of administration.



HARDIN

Mr. Hardin formerly was a vice president of Mercantile Trust, in charge of one of the commercial lending divisions. Previously, he was with First National where he started in the international department and later moved to the commercial lending department with part-time duties in national account service.

A third-generation banker, Mr. Hardin is the son of Hord W. Hardin, senior vice president at St. Louis Union Trust, and grandson of the late Hord Hardin, past executive vice president at Mercantile Trust.

## Free Checking Accounts Offered By Three St. Louis-Area Banks

Tower Grove Bank, St. Louis, Continental Bank, Richmond Heights, and Bank of House Springs—all members of TG Bancshares—are offering free checking-account service for both business and personal accounts.

TG Bancshares Co. said it is the first time in the greater St. Louis area that any bank has offered true no-cost checking accounts, without any qualifications and on a continuing basis, to both business firms and individuals.

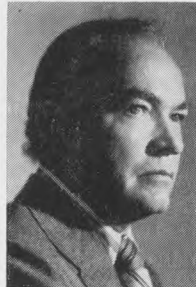
■ MARCELINE STATE recently increased its surplus from \$50,000 to \$125,000.

■ HARTLEY G. BANKS JR., former executive vice president, First Bank of Commerce, Columbia, has been elected president. He succeeds his father, the late H. G. Banks Sr. The younger Mr. Banks joined the bank in 1956 and has served as executive vice president since 1967.

## St. Louis-Area HC Mortgage Firm Moved From U. City to Clayton

Commerce Mortgage Co., a Kansas City-based, wholly owned subsidiary of Commerce Bancshares, Inc., has opened a branch office in the St. Louis suburb of Clayton. The branch had been located for nearly two years in the Commerce Bank of University City, also a St. Louis suburb. The University City bank is an affiliate of Commerce Bancshares.

W. Ken Hawkinson, vice president, Commerce Mortgage Co., was named manager of the St. Louis office. A St. Louis resident, Mr. Hawkinson most recently was a real estate consultant for the Lieberman Corp., the Dolan Realty Co. and Paul Pieper Construction Co., where he was active in development of Turnkey I projects. He has been executive assistant to the chairman of George W. Warnecke & Co. and president of Warnecon Corp.

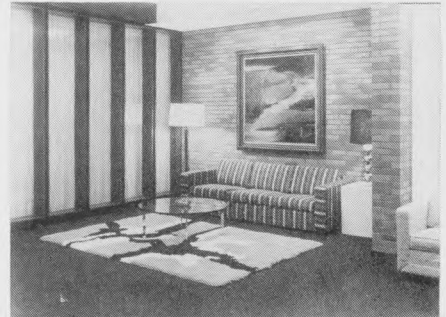


HAWKINSON

## Missouri Death

THOMAS I. KREEK, 79, vice president and director, Citizens Bank, Oregon. He had been with the bank 40 years.

## Hampton Bank Has New Quarters



TOP: Jim James Jr. (l.), ch., and Art Zinselmeyer, pres., Hampton Bank, St. Louis, view the bank's new quarters, which feature 23,500 square feet of customer service area, 21 teller windows and capacity for more than 10,000 safe deposit boxes. BOTTOM: Throughout the new building are spacious, handsomely designed customer lounges.

■ CRYSTAL CITY STATE advanced D. R. Becker from assistant operations officer to marketing officer. In other action, Mrs. Joyce Laiben was named assistant secretary to the board and to the bank corporation. Crystal City State is a member of First Union Group, St. Louis.

■ WEBSTER GROVES TRUST has promoted J. Harold Skelton to senior vice president. Mr. Skelton, who joined the bank in 1969, is head of the trust and insurance departments.

## Bank Opens Motor Facility



United Missouri Bank of Carthage, an affiliate of United Missouri Bancshares, Inc., Kansas City-based multi-bank holding company, recently celebrated the opening of its new motor bank facility. Shown participating in ribbon-cutting ceremonies are: (from l.) G. Steven Beindiek, pres., Carthage Chamber of Commerce; R. A. Evans, bank ch.; John Sheldon, Carthage mayor; John Kramer, pres., United Missouri Bancshares; Ted B. Evans, bank pres.; and Miss Rachael Thornton, exec. sec., Carthage Chamber of Commerce.

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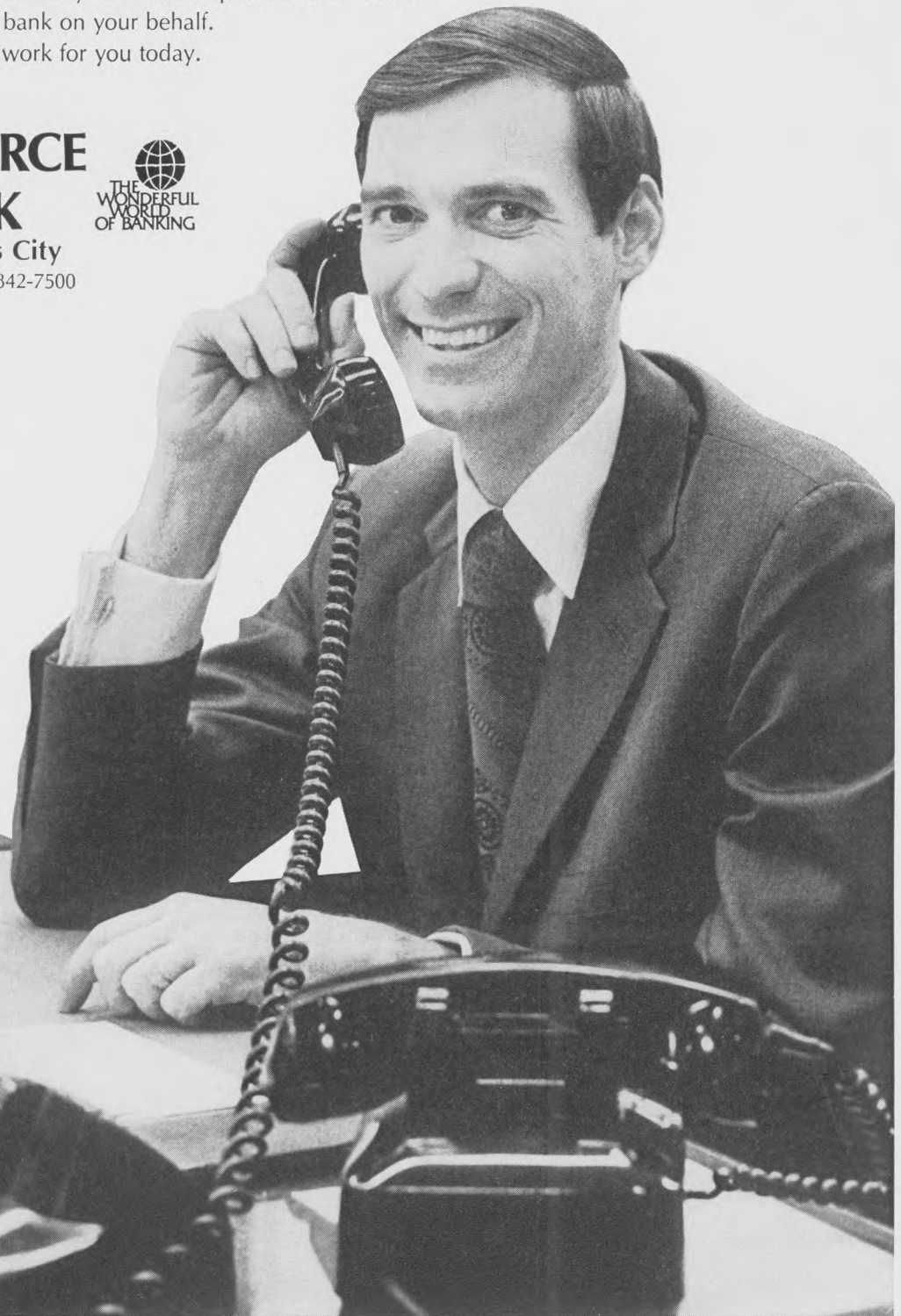
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Frank Greiner



# Tower Grove Bank Completes Expansion Program With Public Open House



LEFT: Main banking lobby of remodeled and expanded Tower Grove Bank, St. Louis, not only provides more space than formerly, but was designed to blend with decor of three-story annex that adds 17,000 square feet of space to south end of bank building. Wall-to-wall carpeting in rich brown color is accented with wood parquet flooring around supporting columns and check-writing desks. Walls and draperies are light beige to contrast with walnut furniture and counters.

RIGHT: Directors' room is located on top floor of new three-story annex and was designed to complement unusual trapezoidal table that was handcrafted for bank. Sliding panels at end of room convert wall for movie or slide projection, cork board or chalk board. Cove lighting around perimeter is supplemented by overhead spotlights. Color scheme is green and gold.

TOWER GROVE BANK, St. Louis, celebrated completion of the final phases of its expansion and remodeling program September 23 with an open house for the public. Guests were in-

invited to tour the bank building and enjoy refreshments and music under a large tent on the bank parking lot.

There were souvenirs for adults, and clowns distributed balloons to children.

Displays of ancient and historic coins and currency were on view in the lobby.

The extensive building and renovation program, underway for the past 18 months, resulted in a three-story annex adjoining the south side of the main building, a new foyer and real estate department on the east, indoor walk-up windows and five new drive-up windows. The main banking lobby and virtually all other areas of the existing building were redecorated.

During the open-house tours, visitors saw the bank's new computer center in operation and visited the new installment loan department, dining facilities for employees and the trust department.

For the first time, women employees

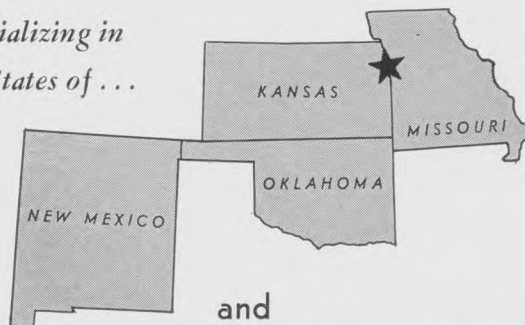


Three women employees of St. Louis's Tower Grove Bank model new career apparel designed by Creative Image of Dallas to complement bank's new interior decor. Polyester double-knit ensembles consist of "mix-and-match" separates in brown, rust and beige. Components include two skirts, two blouses, tunic and choice of two jacket styles. Pictured (l. to r.) are Mrs. Colleen Stuetzer, Mrs. Bobbie Wieman and Mrs. Shirley Neun.

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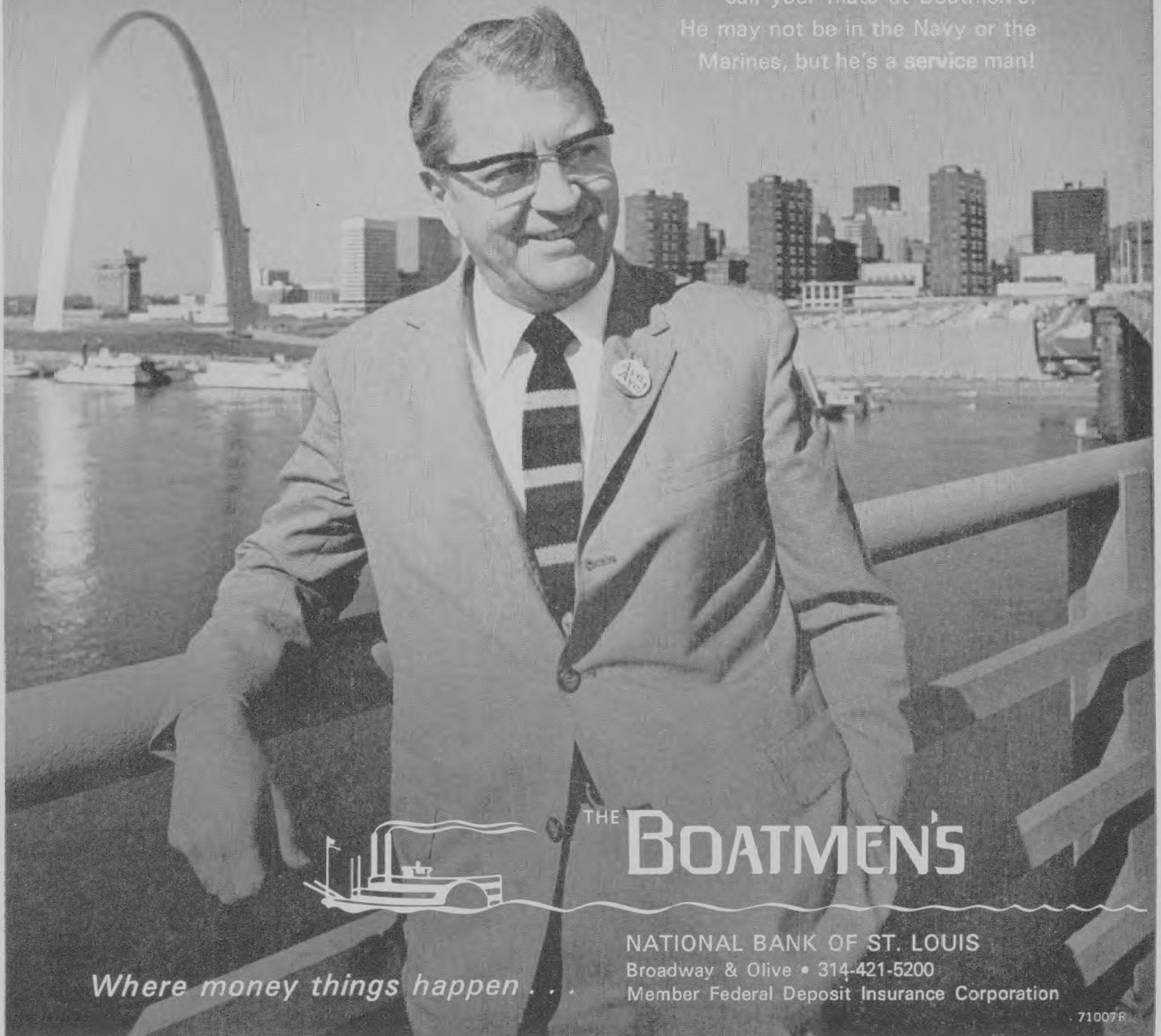
# Bob Toburen sees 'Aye' to 'Aye' with correspondent banks!

The "Aye, Aye!" button on his lapel, when he sits across the desk from Boatmen's correspondents or by his phone at the "River Bank," means Bob Toburen is on the same wave length with his customers.

Bob—like Harold Smith, Lee McNorton, and the rest of Boatmen's crew—appreciates the needs of correspondents and wants to say "yes, we can!"

Whatever your requirements . . . fast collection, data processing, investment counseling, overlines, credit information, letters of credit, safekeeping . . .

call your mate at Boatmen's.  
He may not be in the Navy or the Marines, but he's a service man!



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710076





Mr. and Mrs. Robert J. Gaddy (far right) greet long-time customers who braved steady down-pour to be on hand when doors opened for Tower Grove Bank's open-house celebration Sept. 23. President Gaddy said more than 5,000 persons toured bank despite inclement weather.



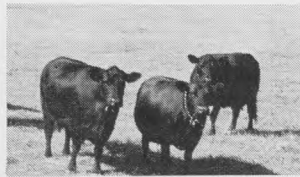
Young depositors were intrigued by balloon characters created by members of Shrine clown unit who entertained throughout day-long open house at Tower Grove Bank. Two bands also enlivened festivities as bank celebrated completion of extensive building and remodeling program.



Chance to try directors chairs for size was highlight of their tour of Tower Grove Bank for these young open-house guests. Concealed sliding panels in center background convert wall for use as projection screen, cork board or chalk board. Board room is located in new addition on south side of main bank building.

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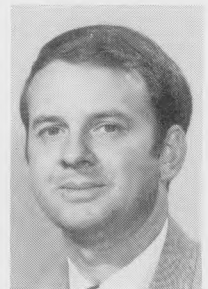
wore their new career apparel, which was designed by Creative Image of Dallas to complement the color scheme of the refurbished bank lobby. The new outfits are in shades of brown, rust and beige, and skirts, blouses and jackets can be "mixed and matched" to create a number of different combinations.

Robert J. Gaddy, president of Tower Grove Bank, is a past president of the Missouri Bankers Association. ••

### Nunn Advanced to Vice President At Manchester Bank, St. Louis

ST. LOUIS—Manchester Bank has promoted Kenneth Nunn from assistant vice president to vice president.

He will continue as a correspondent bank officer and as secretary of Manchester Financial Corp., the bank's holding company. Mr. Nunn recently earned a diploma from Stonier Graduate School of Banking at Rutgers.



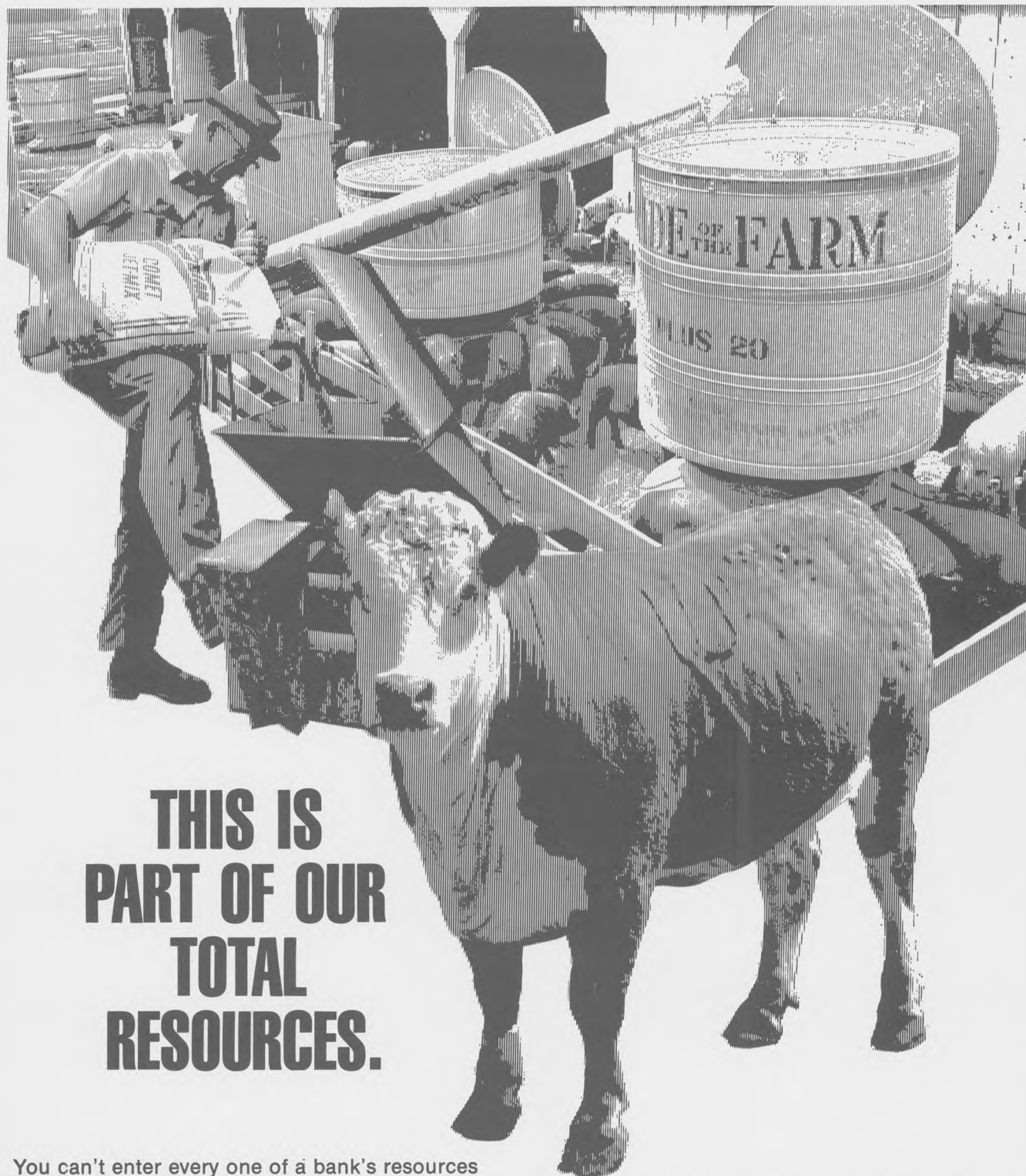
**NUNN**

### James Heads Group Proposing New Bank in Ellisville

ST. LOUIS—A group of incorporators, headed by James R. James Jr., has filed a charter application for a new bank in the western St. Louis County suburb of Ellisville.

Mr. James is chairman of Hampton Bank, Clayton Bank and Bank of Crestwood. The three banks make up a group known as the Dyna-Bank Financial Centers.

The proposed bank would be located in either a new or leased building. Total capitalization would be \$210,000, with \$120,000 in capital, \$60,000 in surplus and \$30,000 in undivided profits.



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MID-CONTINENT BANKER for October, 1972

129



## Consumer Finance Conference To Be Sponsored by MBA Nov. 15-16 at Tan-Tar-A

The Missouri Bankers Association will hold its 17th annual consumer finance conference November 15-16 at Tan-Tar-A Resort, Osage Beach.

The tentative program schedule calls for a dutch treat buffet breakfast and registration to be held Wednesday morning, November 15. This will be followed by a call to order by Pierce Johnson, vice president, Grand Avenue Bank, Kansas City, and remarks by Ben

A. Parnell Jr., MBA president, and president, Peoples Bank, Branson.

Keynote speaker scheduled for the morning session is John L. Gibson of Republic National, Dallas. Mrs. Marcella DeAlmeida, second vice president, First National, Joplin, will speak on customer relations. She will be followed by Bob Jaynes, director, ABA installment credit division, Washington, D. C., who will discuss pending legislation in the area of installment lending.

Afternoon special-interest sessions will include: "Recreational Vehicles and Equipment Financing"—Gerald E. Peterson, vice president, Boatmen's Na-

tional, St. Louis; and John Caster, vice president, Jackson County Bank, Kansas City; and "Collections"—Warren Haskins, senior vice president, Westport Bank, Kansas City; and John A. Venditto, vice president, Union National, Springfield.

Following late-afternoon size-group meetings, a social hour, banquet and entertainment will highlight Wednesday evening.

The final session on Thursday morning will feature economist Jarold W. Boettcher, vice president, Waddell & Reed, Kansas City, and Dr. Graham Clark, president, School of the Ozarks.

Awarding of attendance prizes and final adjournment will complete the conference late Thursday morning.

## Reversal of Charter Grant For Central Bank, Clayton, Upheld by Circuit Judge

ST. LOUIS—The denial of a charter for Central Bank, Clayton, has been upheld by a circuit judge. The ruling upholds the action of the State Banking Board in its reversal of a charter grant by H. Duane Pemberton, commissioner of finance. However, the ruling upholds only a portion of the banking board's complaint—the need and convenience aspect of the establishment of a fourth bank in Clayton.

The judge found that the method of organization of Central Bank did not constitute a violation of the branch banking law because the incorporators—all officers of General Bancshares—were going to own the bank. The judge stated that the practice of a bank's incorporators turning a newly formed bank over to a holding company is a common one.

The banking board had contended that the method of incorporation was a violation of the prohibition against branch banking since the incorporators were all officers of the HC.

Jack W. Minton, president of General Bancshares and one of the incorporators, said that the holding company plans to appeal the ruling.

■ WEBE H. NAUNHEIM was elected chairman in addition to his title of president of Charter Bank of Overland. He succeeds James T. Davis, who retired as chairman but will continue as a director. The bank is an affiliate of First National Charter Corp., Kansas City.

■ FIRST NATIONAL, St. Louis, is seeking permission to establish a new facility in the southwestern part of the city. If approved, the facility will offer drive-in and walk-up banking and a night depository.

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## KBA Convention

(Continued from page 94)

generally accompanies early expansion in the economy. "The real pressures on tight markets," he advised, "are undoubtedly many months away."

Also discussing economic problems was ABA President Allen P. Stults, chairman of Chicago's American National Bank. Mr. Stults expressed concern over the relatively low level of economic intelligence of the average "man on the street." For that reason, he said, bankers should set examples in their communities and be the best informed citizens in the communities on economic matters. The consequences and implications of political decisions that hinge on economic information, he said, are of vital importance to the nation. Therefore, he said, an informed banker can help shape grass-roots opinions on economic matters that eventually are reflected in national legislation.

Mr. Stults was strong in his conviction that the economic well being of the nation should always be the No. 1 priority of our government, but without economic understanding at the grass-roots level (and this is where bankers *must* help), he said, undesirable legislation often will be passed.

Above all, he said, bankers (and all businessmen) must help dispel the myth that "profits are bad." All economic progress and growth, he pointed out, must come from profits. Without profits there would be no growth in the economy and thus fewer and fewer jobs to fit the expanding labor force.

The subject of "closing tax loopholes" has become politically popular, he said, but what appear to be tax loopholes in many cases represent the considered judgment of previous decisions by Congress.

He asked, for example, if a repeal on mortgage interest payments would be justified. It would raise \$2.8 billion in federal income, but what would this action do to home ownership and the construction industry?

Also, he noted that oil-depletion allowances were once considered justified to reward the risks involved in locating oil. Presently, he said, 77% of our energy is generated from oil and 25% of that oil comes from outside the country. Will a decrease or elimination of these allowances shut off the flow of new oil resources, he asked?

Another speaker, Mrs. Mary George Waite of Alabama, spoke to bankers on the subject "Personal Touch Banking." Mrs. Waite, the first woman to be elected president of a state banking

association, is a strong advocate of the "personal touch" in banking, and she points to a strong record of growth at the Farmers & Merchants Bank of Centre, Ala., which has grown from \$5 million to \$20 million in the 15 years she has been its chief executive.

Get to know everybody, recognize all your customers and become involved in everything you possibly can in your community was Mrs. Waite's advice to her Kentucky counterparts.

Mrs. Waite listed some 40 or 50 projects in which her bank was engaged. For example, her bank has an "internal letter" that lets all employees know personal news about the bank's customers, e.g., who was promoted, who moved into town, soldiers home on leave or just shipped overseas.

When you can say to a customer, "And how is Johnny? We are so proud of the record he is making in the service," this is personal touch banking, she said.

Mrs. Waite and her bank pay close attention to the "little people," the bank's customers of tomorrow. Youngsters always come away with a sucker or a gift taken from a "toy chest" or a helium-filled balloon that advertises the bank "all over town." Youngsters also

receive "ice cream cone checks" good at any soda fountain in town.

"Get the people in and profits will follow" is the basic philosophy of this innovative and enthusiastic woman from Alabama! ••

## Kentucky Governor

(Continued from page 95)

on practically every subject, without a fee?

Answers to all the questions were the same, he said—the banker!

He called on bankers not to grow complacent with their progress.

"When that happens," he said, "you become second rate, and many suffer."

He said that bankers have a great deal at stake. They must see that investors realize profits, not just for today, but also for tomorrow. This profit can be the profit of a better quality of life through the public and private sectors working together.

"Neither of us can accept the status quo," he said. "Your obligation to the general public is to do much more in the future." ••

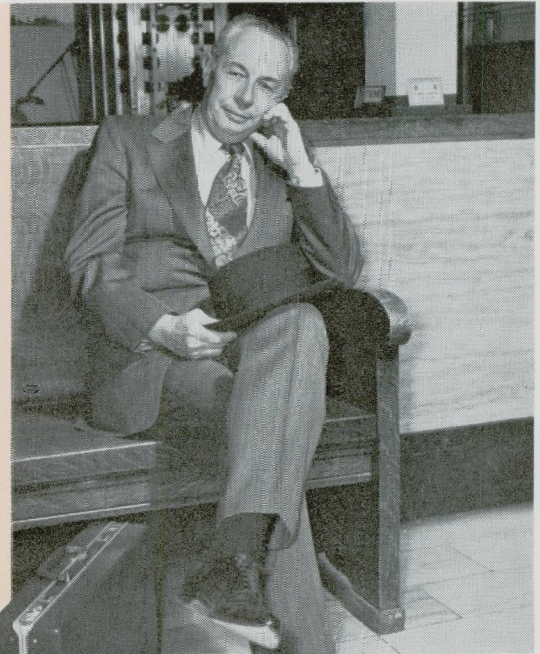
### Index to Advertisers

Advertising Concepts, Inc. ....	20	Hamilton National Bank, Chattanooga .....	67
Amcourt Systems, Inc. ....	41	Hamilton National Bank, Knoxville .....	95
American National Bank, St. Joseph .....	128	Harris Trust & Savings Bank, Chicago .....	77
American Sign & Indicator Corp. ....	28	Hegco Industries, Inc. ....	28
Assemblies for Bank Directors .....	16	Heller & Co., Walter E. ....	79
Associates Financial Services Co., Inc. ....	43	Hibernia National Bank, New Orleans .....	53
Baltimore Bank, Kansas City .....	124	Hotel New Yorker .....	98
Bank Computer Network Corp. ....	5	Hutchinson National Bank & Tr. Co. ....	118
Bank of America .....	4	Insurance Enterprises, Inc. ....	71
Bankers Dispatch Corp. ....	75	Insured Payments .....	49
Bankvertising Co. ....	84	Interstate National Companies .....	55
Bauman Realty .....	54	Liberty Nat'l Bank & Tr. Co., Oklahoma City ..	2
Bavis & Associates, E. F. ....	99	Louisville Tr. Co. ....	94
Boatmen's National Bank, St. Louis .....	127	Meilink Bank Equipment .....	59
Brandmark Sales Co., Chicago .....	66, 76	Mercantile Bank & Tr. Co., Kansas City .....	122
Brandt, Inc. ....	15	Mercantile National Bank, Dallas .....	68-69
Burnham Industries .....	24	Mercantile Trust Co. St. Louis .....	57
CMI Investment Corp. ....	48	Mobile Americana Corp. ....	51
Central National Bank, Chicago .....	80	Mobile Home Service Co. ....	50a, b, c, d
Chase Manhattan Bank .....	61	McCourtney-Breckenridge & Co. ....	14
Chicago Mercantile Exchange .....	11	McIngvale Associates .....	52
Citizens Fidelity Bank & Tr. Co., Louisville ..	93	National American Bank, New Orleans .....	87
Citizens National Bank, Decatur .....	97	National Bank of Tulsa .....	39
City Nat'l Bank & Tr. Co., Kansas City .....	120	National Stock Yards National Bank .....	133
Commerce Bank, Kansas City .....	125	Northern Trust Co., Chicago .....	8
Commercial National Bank, Kansas City, Kan. .	116	Ozark Air Lines, Inc. ....	111
Connelly Associates, J. Edward .....	13	Penny Glass Works .....	26
Continental Bank, Chicago .....	6-7	Perry, Adams & Lewis .....	119
De Luxe Check Printers, Inc. ....	25	Prescott, Wright, Snider, Co. ....	131
Deposit Guaranty National Bank, Jackson, Miss. .	85	Rand McNally & Co. ....	82
Downey Co., C. L. ....	21	Scarborough & Co. ....	27
Exchange National Bank, Chicago .....	45	Security Corp. ....	81
First American National Bank, Nashville .....	30	Security National Bank, Kansas City, Kan. ....	12
First National Bank, Birmingham .....	103	Security Pacific National Bank, Los Angeles ..	65
First National Bank, Chicago .....	83	Stern Brothers .....	117
First National Bank, Denver .....	17	Third National Bank, Nashville .....	101
First National Bank, Fort Worth .....	109	Topeka State Bank .....	115
First National Bank, Kansas City .....	32	Tower Grove Bank & Tr. Co., St. Louis .....	123
First National Bank, Louisville .....	90	Transamerican Investment Properties, Inc. ....	73
First National Bank, Memphis .....	107	Union National Bank, Springfield, Mo. ....	129
First National Bank, Montgomery .....	102	Universal Mobile Services Corp. ....	47
First National Bank, St. Joseph .....	130	Whitney National Bank, New Orleans .....	105
First National Bank, St. Louis .....	134	Wichita State Bank .....	8
First Nat'l Bank & Tr. Co., Oklahoma City ..	23, 29	Womeldorf & Lindsey .....	106
First Nat'l Bank & Tr. Co., Tulsa .....	63	Yanan & Associates, J. ....	14
First National Bank of Commerce, New Orleans. .	3	Zahner & Co. ....	126
First National City Bank, New York .....	19		
First Security National Bank, Lexington .....	89		
Grand Avenue Bank & Tr. Co., Kansas City ..	114		



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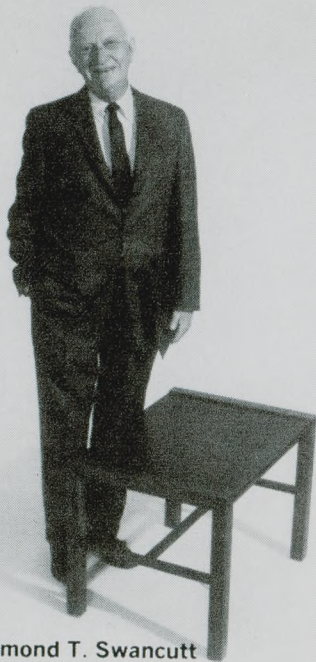


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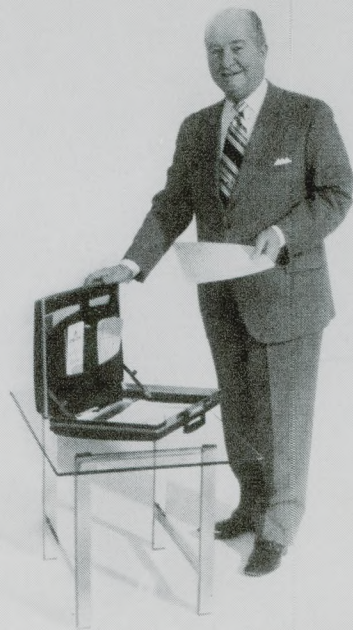
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