

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

MARCH, 1973

*Boatmen's National Bank
To Build Tower Complex
On St. Louis Waterfront
(Page 72)*



INTERNATIONAL BANKING ISSUE



Jack Abernathy, President, Big Chief Drilling Company

How can Liberty's International Division help your customers?

by Harry E. DeBee
Vice President
International Division

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

But, if you do have a customer engaged in International Trade, in anyway, we can provide all the assistance you will ever need to help him. Of course, you'll receive the usual services like arranging low cost financing, letters of intro-

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

You see, Liberty is one of 18 parent banks of Allied Bank International and has direct access to the world market centers. Allied is based in New York City with branches in Nassau and London and representatives in Tokyo and Hong-Kong.

There's even a little more. We can provide "Travelers Cheques" in foreign currency denominations... like Swiss Francs, German Marks

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

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



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THE BANK OF MID-AMERICA



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Foundation lines are a common sight these days as communities construct municipal buildings, streets and schools. FIRST NBC is ready to help you with your next municipal project. Our staff is expert in setting up bond issues as well as underwriting and planning them. When you buy municipal bonds through FIRST NBC, we automatically deduct the cost from your account, saving you any delay in completing the transaction. And when you sell your bonds, we automatically add the amount to your account. FIRST NBC will assist your bank in the U.S. Government bond market and the U.S. agency market. We also send out regular monthly economic reports on market trends and long term interest rate forecasts. For more information call our Investment Services Department. In Louisiana our WATS number is 1-800-362-8530. In Mississippi, Alabama, Arkansas, Oklahoma and East Texas, call 1-800-535-8542. All other areas, call collect 1-504-529-1371, Ext. 237.

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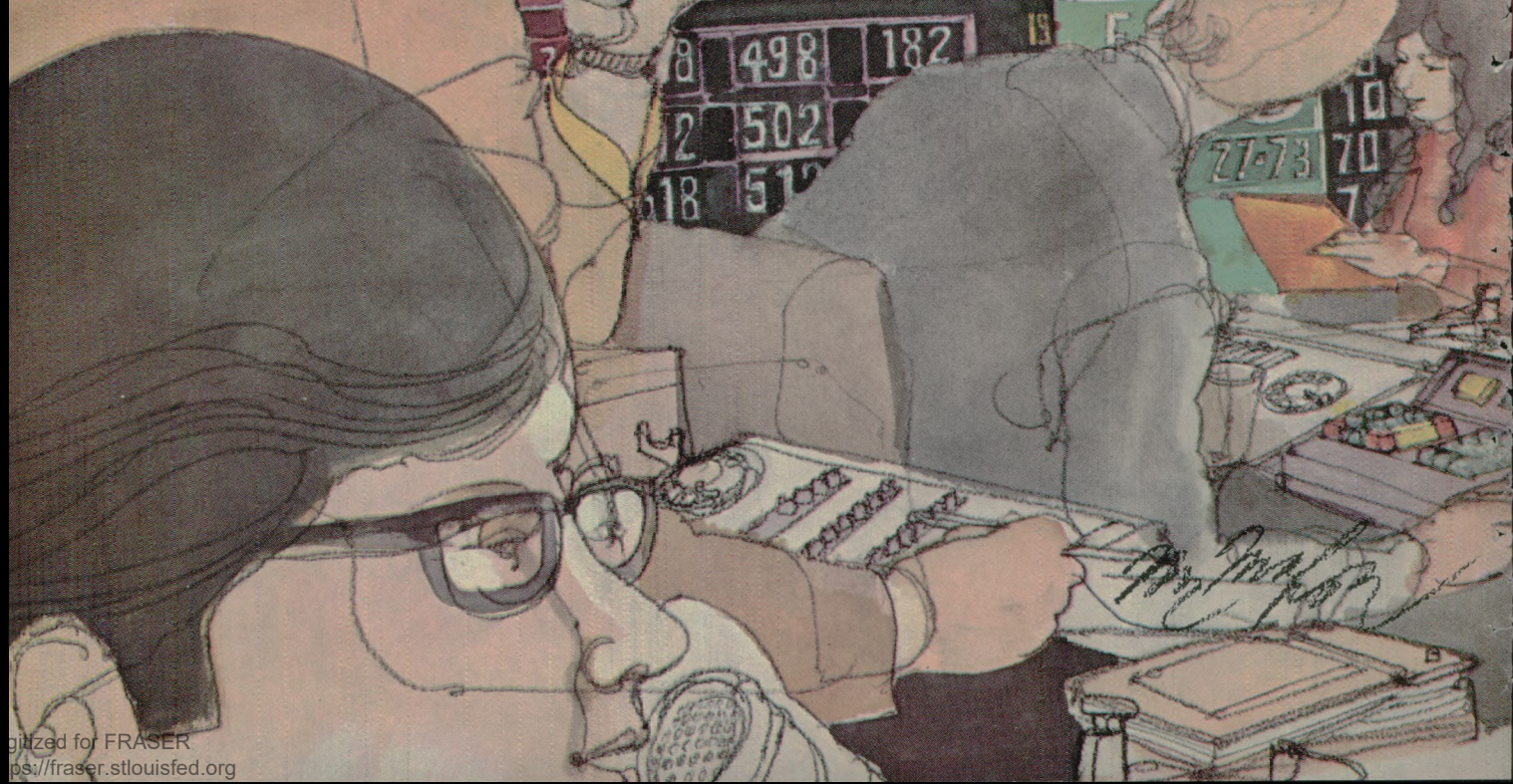
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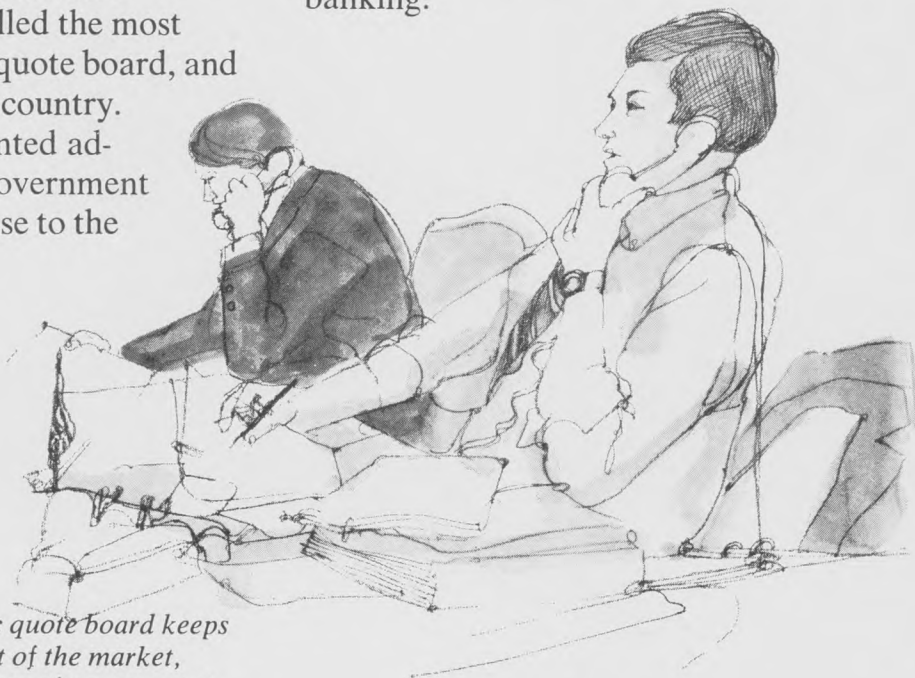
An example

Our Bond Department's nationwide capabilities lead the industry. To allow our traders to instantaneously transmit government and agencies market information, we've installed the most sophisticated electronic quote board, and peripheral devices in the country. These performance-oriented advances insure that our government bond salesmen are as close to the market as our traders.

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Continental Bank's electronic quote board keeps our Bond Department abreast of the market, flashing up-to-the-minute prices of government bond and agencies issues.



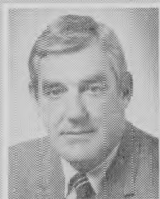
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Centennial Commission Of ABA Making Plans For 1975 Celebration

The ABA's Centennial Commission, established by the association's board at the ABA convention in Dallas last October, has already held two series of meetings this year—January 30-31 and March 1-2. The commission's purpose, according to its chairman, W. Lid-don McPeters, is to plan all aspects of a celebration of the ABA's 100th anniversary in 1975. Mr. McPeters is president, Security Bank, Corinth, Miss.



McPETERS

The ABA was the brainchild of two bank cashiers from St. Louis and was founded at its first convention in 1875 at Saratoga Springs, N. Y. Thus, it is one of the oldest trade associations in the country. Today, more than 96% of the nation's 14,000 commercial banks are members.

Two other Mid-Continent-area bankers are on the commission—Norville R. Gish, vice president, First National, Kansas City; and B. Finley Vinson, chairman, First National, Little Rock.

The eight other commission members are: M. A. Cancelliere, chairman, Western Pennsylvania National, Pittsburgh; Paul G. Collins, manager-public affairs, Industrial National of Rhode Island, Providence; R. M. Eberhardt, president, Bank of Stockton, Calif.; Harry Gatton, executive vice president, North Carolina Bankers Association, Raleigh; Thomas S. Moon, president, First National, Colorado Springs, Colo.; William W. Phillip, president, Puget Sound National, Tacoma, Wash.; Lester E. Thayer, executive manager, Oregon Bankers Association, Portland; and Gerald E. Warren, vice president, National Bank of Detroit.

Bank Contributes to College

Raymond L. Davis (l.), pres., Brookhaven (Miss.) Bank, presents a check to Dr. B. F. Gerald, pres. of Whitworth College. The bank contributes annually to the college, which was founded in Brookhaven more than 100 years ago.



MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 69, No. 3

March, 1973

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THE BANKING SCENE



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

Ethical Pitfalls—Conflicts of Interest

THE OVERLY simplistic directive of top management to officers, employees and directors is "avoid situations in which there is any possible conflict of interest."

The more sophisticated bank administrators accept the objective of this directive, but note that conformity is an impossibility for the typical individual—especially a banker who is dealing with numerous customers of his institution. In fact, only a vegetable leading a useless existence can avoid situations involving conflicts of interest. These situations appear in banking and other institutions constantly.

The very nature of banking makes bankers especially vulnerable to being charged with such conflicts. The complicated banking process of accepting deposits on one hand from many depositors and lending or investing the funds on the other hand makes the banker privy to inside information of a sensitive nature concerning each of his bank's depositors and borrowing customers.

A Remote Insider

In addition, he may be a "remote" insider in relationship to individual associates, friends, relatives and customers of his bank's customers. This situation could develop through the bank's knowledge of such things as the dollar amount, the purpose and the drawer of checks deposited by the bank's customers and cleared through the bank, or from a review of the debtors listed in the customers' applications for loans. This may be supported by detailed and verified aging of accounts receivable, from returned not-sufficient-funds checks, or as a result of not-sufficient-funds checks drawn on borrowers by bank customers.

Often conflicts of interest exist that are not clearly perceived by well-intentioned officers. An illustration: A chief executive officer of a well-run

medium-size bank is highly regarded by his peers and by bank supervisors. This banker has helped establish policy for his bank, which includes instructions for his entire staff not to accept any gift from a bank customer that has material value of more than the price of a good cigar, a promotional ball point pen, or a wall or desk advertising calendar.

Yet each Christmas this banker sends many of his better customers—that is, individuals who are key officers of business firms that may be partnerships or corporations—a large and expensive turkey.

Obviously the turkey costs more than a good cigar or a ball point pen or a desk or wall calendar. That turkey will be eaten by the recipient and the recipient's family. Note that turkeys will not be eaten by all the partners of the firm or all the stockholders of his important corporate accounts.

Inconsistent Actions

This banker apparently has not recognized that his actions would appear to many to be inconsistent with his own banking policy. He has observed that substantial gifts to members of his staff and family could well bring them under some obligation to the gift-giving customer and that this could result in a loss of objectivity in evaluating a credit risk. He realizes that the gift-giving customer might conceivably be given preferential treatment by any banker receiving his gifts.

The banker's own gift giving may be purely a generous Christmas gesture, but are the recipients of his gifts not likely to be subjectively influenced in their dealings with his bank in lieu of his competitors?

Christmas comes but once a year. Are there not other more frequently encountered areas of conflicts that bank executives should be concerned about? A large number of commercial bank officers sit on the boards of financial in-

stitutions and other organizations which compete, at least in part, for some of the services the bank also provides.

Representative Wright Patman (D., Tex.) singles out savings and loan associations and mutual savings banks in this regard. However, how about a mortgage company or a data processing organization or a type of business activity that the bank possibly is not engaged in at this time, but the possibility exists that the bank will soon enter that particular field?

Complete Objectivity?

Then there is the instance of a banker serving as a director of a firm that is completely remote from competition with the bank but has the potential of becoming a customer of the bank, either as a borrower or as a depositor. Can a banker serving on such a board under such circumstances be completely objective?

One related area involves the ownership of securities in organizations that may be bank customers. These companies may be local firms or national companies such as General Motors, American Telephone and Telegraph, or the local franchise for McDonald's.

Should a bank officer be precluded from owning any securities of such companies that are his customers, especially in cases where the bank's credit files may be accessible to him? Certainly the circumstances are different if he has, as a result of familiarity and inside position, purchased securities in which he has privileged insider information. On the other hand, what if, for example, the securities already are in his family estate due to inheritance or marriage? Would these circumstances justify his holding these investments?

Bankers in larger institutions with trust departments are unanimous in their statements to the effect of the "invisible wall" that separates com-

(Continued on page 79)

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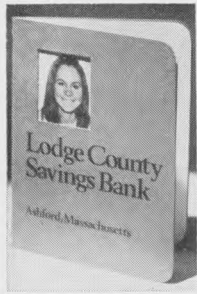
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MID-CONTINENT BANKER for March, 1973

• **Avant, Inc.**, has introduced an instant photo-identification system that photographs and permanently places a depositor's photo on old or new passbooks in 120 seconds.



The system, said the manufacturer, was developed to increase protection of savings customers, allowing a teller visual identification of a passbook holder and affording a depositor increased protection against improper fund disbursement.

An added protective feature is that if anyone tries to tamper with the photo insert, he will destroy the photo.

Write Avant, Inc., P.O. Box 88, Concord, Massachusetts 01742.

• **Lee Career Apparel** has unveiled a bright, new look in mix 'n match career wear for women bank employees. The complete Happy Day wardrobe—newest addition to the Esprit de Corps line of Lee corporate career wear—is composed of toppers, smocks, shell aprons, slacks and blouses in a wide range of solid colors and prints.

The wash-and-wear garments are made of permanent-press 65% Dacron® polyester—35% cotton blend. Dacron® is DuPont's registered trademark for its polyester fiber.

The print fabrics in the Happy Day ensemble—a red, blue, gold and white stripe and a geometric pattern in the same color combination—has DuPont's new Dyblin® process color for permanent color protection. The prints are available in aprons, toppers and smocks.

William G. Gillespie, vice president of the Career Apparel division of the

New Products and Services

H. D. Lee Co., said that Dyblin gives the prints a bright, colorful look that will not fade or run.

Coordinated with these print designs are solid colors in red, blue, gold and gray to provide a wide selection in mixing or matching clothes.

Mr. Gillespie pointed out that all Happy Day styles, like their Esprit de Corps predecessors, are in stock at the Lee Career Center, ready for immediate delivery.

Write Lee Career Apparel, 555 Sunshine Road, Kansas City, Kan. 66115.

• **Computer Wares, Inc.**, a Birmingham-based software company, has announced a new inventory record-keeping system, which banks could re-offer to those customers in need of inventory control systems. The system is called CATS-I/R.

Tom Leopard, president of Computer Wares, said CATS-I/R is ideal for distributors and for manufacturers with inventories of parts, supplies or finished goods. He added that banks and insurance firms with large supply inventories also can use the system.

The function of CATS-I/R, according to Mr. Leopard, is to provide users

with an effective management tool for control of inventory. The system, described as flexible, can be used by one company with one location, a multi-divisional firm with several locations or a data center for a variety of users.

CATS-I/R, Mr. Leopard pointed out, offers such firms an effective means of controlling a multitude of homogeneous or dissimilar inventory items with great accuracy and reduced cost. He said CATS-I/R will automate inventory record-keeping to:

- Post unit transactions timely and accurately.

- Furnish reports that are complete and easy to use.

- Provide audit trails and management controls.

- Accurately record demand and stock-out history for establishing order quantities and order points.

Information about CATS-I/R may be obtained from Computer Wares, Inc., P.O. Box 31205, Birmingham, Ala. 35222.

- **The 1973 edition of Woodall's Mobile Home & Park Directory** has a special four-color section featuring decorating and landscaping ideas, financing information, insurance data and other useful hints.



The 1973 edition of Woodall's Mobile Home & Park Directory presents complete financing information, insurance data and other hints for the mobile home buyer.

Woodall's 80 field representatives visited, inspected and quality star-rated every permanent residence park listed to compile current and accurate park information. In addition, a comprehensive mobile home buyers' guide shows and describes leading models of most manufacturers.

The 1973 edition is available for \$5.95 at mobile home dealers, supply stores, bookshops or direct from the publisher—Woodall Publishing Co., 500 Hyacinth Place, Highland Park, Ill. 60035.



This assortment of new mix 'n match career wear illustrates how many different styles are available in new Happy Day wardrobe offered by Lee Career Apparel.

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food stamps,
checks,
coupons,
et cetera
et cetera
et cetera

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New Customer Services

Mark V Service Introduced By Union Commerce Bank

CLEVELAND—Union Commerce Bank has announced its new Mark V Service, a financial advisory, bill-paying and budgeting service for individuals, professionals and businesses.

Robert St. Pierre, senior vice president, retail division, said Mark V is "tailored to businesses that find it difficult from the cost or convenience standpoint to do their own bill paying and check writing. It also retains economy for individual customers who prefer a disciplined environment to achieve financial goals."

Financial Planning Div. Formed At First National, Denver

DENVER—First National has formed a new division within its trust department to provide total financial planning for upper-income individuals. The new financial planning division, be-

lieved to be the first in the region, will be headed by Howard T. Alexander, trust officer.

The division will administer a specially prepared program, called "EPIC" (Executive Planning and Investment Counseling), directed primarily to corporate officers and individuals in high tax brackets who are concerned about their futures.

Emphasis will be placed on development of sophisticated financial planning programs designed to coordinate an individual's estate and gift plan, insurance and employee benefit programs and his investment portfolio, including the utilization of tax-shelter opportunities.

Wells Fargo Program Designed To Reduce Bank Service Fees

SAN FRANCISCO—Wells Fargo Bank has announced a new service, called "Wells Fargo Gold Account," that offers an entire range of banking services for one fee. The new program is designed to eliminate the many separate fees traditionally charged for bank services.

For a single fee of \$3 a month and no minimum balance requirement, a customer can avail himself of unlimited check writing, personalized stagecoach checks, safe deposit box, travelers checks, money orders, a Master Charge credit card and reduced interest rates on loans.

Simple-Interest Loans Available From Wachovia Bank & Trust

WINSTON-SALEM, N. C.—Wachovia Bank is offering a new installment loan service, called Simple Interest Loans, to provide borrowers with more options.

Customers using the service can choose a "pay-any-day-of-the-month" plan that keeps the loan payment schedule up-to-date as long as a payment is made in each calendar month. A customer also can arrange to designate a specified date for payment each month.

Borrowers can save on interest charges by doubling up on monthly payments, prepaying lump sum amounts as they choose or by paying off the loan well in advance of the due date. Interest charges are based on the balance of the loan for the exact number of days it is used. How much interest is saved depends on how quickly the loan balance is reduced.

The program's payment-holiday feature allows a customer to periodically extend a payment. The cost for extending the payment again is based on the balance of the loan for the exact number of days it is used.

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with monolithic KT-55, the metal that resists explosives, torches and drills.

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But there's more to our Saturn II than locks and bolts. An attractive grill-work daygate. Emergency release and reset. Concealed alarm sensors and built-in ventilator.

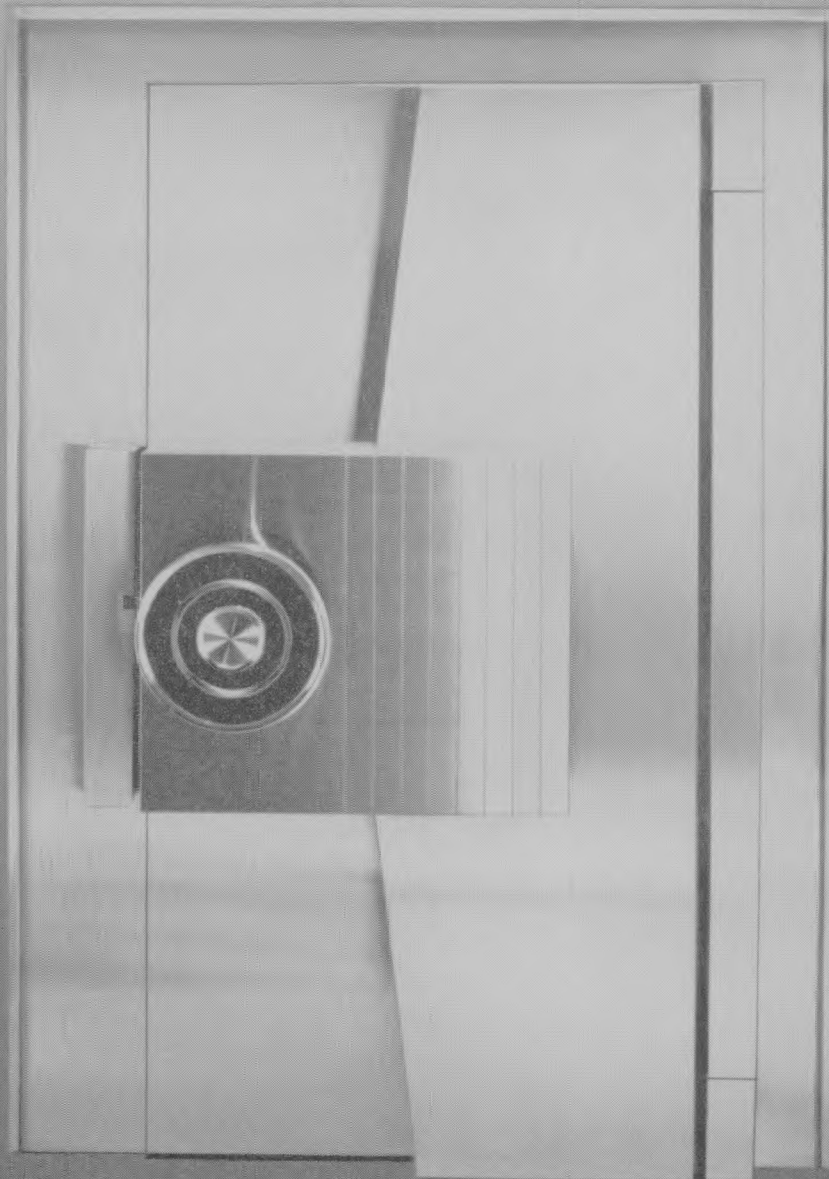
In addition, our Saturn II gives you the options of flood-resistant sealing, architraves, color-coordinated tinted daygate and operating wheel.

Available for immediate delivery in 3½" and 7" models, the Saturn II adds up to a new standard in security, style and economy.

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(714) 979-9000

The Saturn II. Looks great under pressure.





PURPLE PUMPKINS BRING REWARDS IN CHICAGO

THE Halloween "Purple Pumpkin Party" at Colonial Bank, Chicago, lasted a mere 19 minutes! That's how long it took local youngsters to swarm into the bank's parking lot and make off with about 2,000 pumpkins. A few of the free pumpkins were injected with purple dye. Those taking these pumpkins home and discovering their strange hue could return them to the bank and receive \$10 savings accounts on the house! Did you ever see a jack-o-lantern with a purple grin?

idea page



AD SPOKESMEN PUT IN SOME HARD LABOR

THE TWO colorful advertising spokesmen for Old Stone Bank, Providence, R. I., were put to work recently to help break ground for the bank's new addition to its computer center. Accompanying cartoon characters Fred Flintstone and Barney Rubble were Rhode Island Governor Philip W. Noel (l.) and bank President Robert G. Stevens.

When you need a bank in the Midwest, call
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We'll put our service on the line.

Whatever degree of personal service corresponds to your exact needs, we'll provide it. We'll put our experts to work for you—promptly, efficiently, on a personal face-to-face basis!

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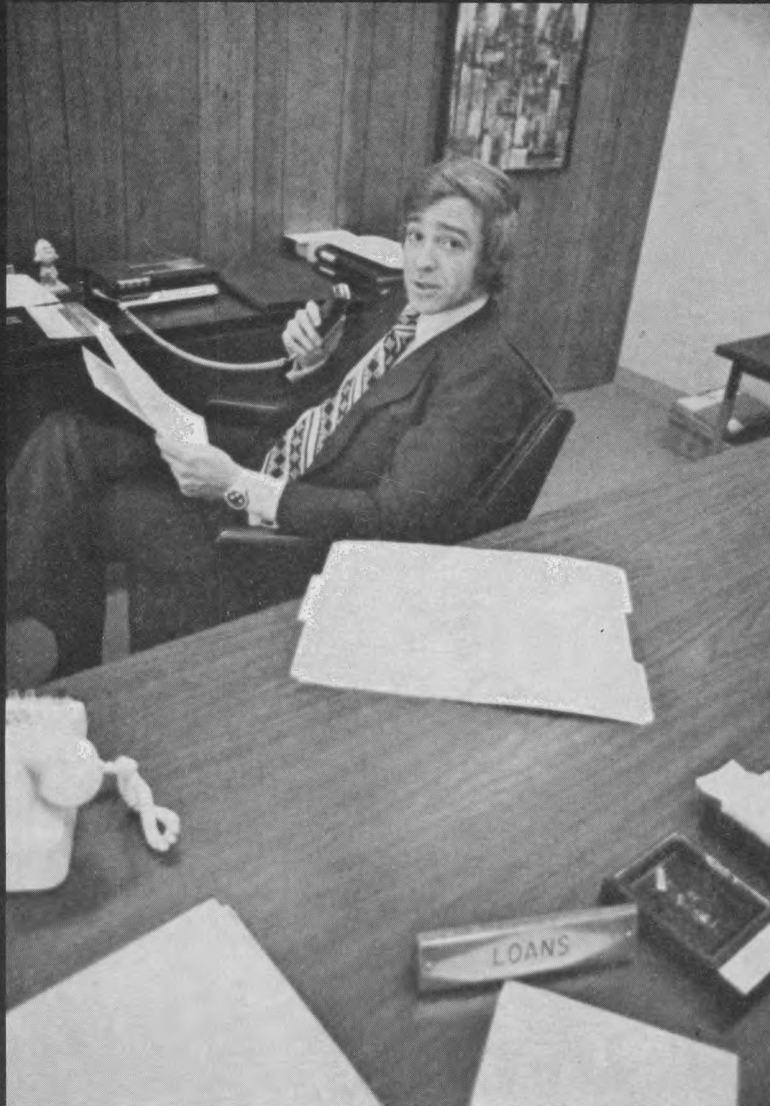
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• **Amalgamated Trust**, Chicago, has begun selling ecology savings bonds and will use funds from the sales to finance local environmental-improvement projects. The bonds earn 5¼% interest for two years, are being issued in multiples of \$100 and are insured to \$20,000 by the FDIC.

As part of a comprehensive ecology program being launched by the bank, checks manufactured from bagasse are being offered to customers. These checks have been printed on "paper" that's created from a pulpy fiber that is the waste from processed sugar cane. By using such checks, the bank said it hopes to save thousands of trees, maintain the country's forest land by eliminating the need for additional tree cutting and eliminate a source of pollution because bagasse, in the past, was burned in large quantities.

Earlier last year, Amalgamated Trust announced it would recycle paper for printing bank forms and other internal documents and would have its 1972 holiday cards printed on recycled paper.

As still another phase of its anti-pollution efforts, the bank is offering a preferential loan program aimed at encouraging installation of pollution-control equipment by Chicago-area manufacturers. Under this program, the bank offers 1% over prime to encourage manufacturers to install air-pollution-control equipment.

• **Manufacturers National**, Detroit, has initiated a community-enhancement program to celebrate the newly renovated facilities and modern drive-in remote-control depositors' center at the Michigan-Mason Office in Dearborn.

During a two-week open house, the bank donated \$1 to Dearborn's city-beautification program for each customer who used one of the new drive-in

Community Involvement

units. Enameled brass ecology pins were given to drive-in customers in recognition of their commitment to the growth and beauty of their city.

The funds realized from this special promotion will be made available to Dearborn's new nursery that eventually will provide trees and shrubs for city parks and river-bank areas.

Surprise for a Customer



Mrs. Minnie Taylor (c.) laughs as two employees of First American Nat'l, Nashville, sing "Happy Birthday" to her. Mrs. Taylor was honored at a birthday party given by employees of the bank's North Nashville office. The party was the idea of Mrs. Rose Johnson (l.), asst. mgr., and Mrs. Michael Mason (r.), a secretary at the office. The women explained that Mrs. Taylor's husband died many years ago, and she doesn't have any known relatives and, since she doesn't know how old she is except that she's "at least 90"—or when her birthday is, they thought it would be nice to have a party for her. The honoree, who lives a block from the bank office, was overjoyed at the gifts of stockings, sweaters, caps and other wearing apparel. She has been going to the bank office for years to cash her social security checks.

Gift Drive at Tower Grove Bank



Employees of Tower Grove Bank, St. Louis, donated Christmas gifts and conducted a holiday collection for the children of the Holy Guardian Angels School in the bank's second annual "Gifts for Needy Children" drive. Money contributed by employees was matched by the bank and was used to purchase clothing for the school's 150 students. Above, Mrs. Dee Krafft (l.) and Miss Bonnie Midgett (c.), bank employees, present the gifts to Mrs. Eileen Crawford, fifth grade teacher at the school.

• **Commercial National**, Little Rock, has announced sponsorship of a series of one-week courses in banking education for about 3,000 high school seniors throughout Pulaski County. Public and parochial schools were invited to take part.

The course includes a narrated color filmstrip, "How Your Bank Serves You," student workbook, instructor's guide and other audio-visual materials. It is being taught by various instructors during the remainder of the school year.

Upon completion of the course, a Commercial National officer conducts a classroom question-and-answer session and presents certificates of achievement to the students. Tours of the bank are conducted afterward.

• **American National**, Chattanooga, Tenn., has begun a school speaker and bank-tour program as part of its educational services to the community.

Upon request, speakers go out from the bank to talk with groups of students about each particular group's area of interest, which may range from how to use bank services to career opportunities in banking. Also on request, groups may schedule educational tours of the bank, with these tours planned to correspond to the special interests and comprehension levels of each group.

• **First Bank**, South Bend, Ind., gave \$200 to the Maple Lane P-T.A. as a highlight of the bank's opening of its Maple Lane Branch. In connection with the gift and the opening, the bank modified its new slogan, "Putting You First Is What We're All About" to "Putting Youth First."



Dearborn (Mich.) Councilman John Grecu, at center in left photo, opens Manufacturers National of Detroit's community-enhancement program by placing enameled brass ecology pin in pneumatic tube and sending it to first customer (in right photo) at bank's drive-in remote-control depositors' center at Michigan-Mason Office in Dearborn. Teller Alice Simpson assists Mr. Grecu as Steven Riga (far l.), who is in charge of bank's Dearborn region, looks on.

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NEWS OF THE BANKING WORLD

• **Charles C. Smith**, administrative vice president, Bankers Trust, New York, has been elected chairman of the ABA's Marketing Division. New vice chairman is Clarence C. Barksdale, president, First National, St. Louis. New executive committee members include Nathaniel R. Bowditch, executive vice president, First Pennsylvania Banking Corp., Philadelphia; Richard L. Kattel, president, Citizens & Southern National, Atlanta; Thomas R. Smith, president, First National, Perry, Ia.; and Thomas C. Stokes, vice president, United Banks of Colorado, Inc., Denver. All will assume their offices at the ABA convention in October.



REYNOLDS



BARKSDALE

• **John J. Reynolds**, a senior vice president at First National City Bank, New York, has been elected president and CEO of Interbank Card Association. He succeeds Harold B. Hassinger, who is retiring from the post, which he has held since early 1970. Mr. Reynolds served as Interbank's chairman in 1971.

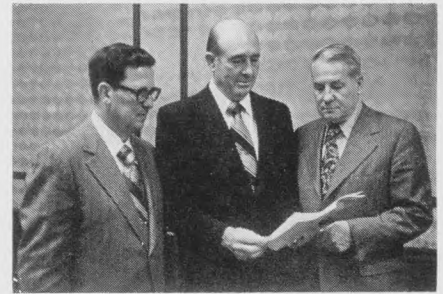
• **Earl L. Manning**, assistant deputy commissioner, Missouri Division of Finance, and **John F. Bohannon**, senior bank examiner, North Carolina State Banking Department, have been named recipients of the Examiner Advanced Training Awards of the Conference of State Bank Supervisors. The awards entitle the recipients to attend an advanced banking school during the 1973-75 term at the Conference's expense. Mr. Manning expects to attend the Stonier Graduate School of Banking and Mr. Bohannon plans to attend the School of Banking of the South.

• **Chalkley J. Hambleton**, president, Harris Trust, Chicago, has been elected president of the ABA's Trust Division. New vice president is **William W.**

Grauly, executive vice president, Connecticut Bank, Hartford. Elected to the executive committee were **Dee L. Frost**, senior vice president, Iowa-Des Moines National, Des Moines; **Walter F. Gray**, executive vice president, Mercantile-Safe Deposit & Trust, Baltimore; **Gilbert C. Hine**, senior vice president, National Bank of Commerce, San Antonio, Tex.; **Benjamin C. Korschot**, senior vice president, St. Louis Union Trust; **C. Roderick O'Neil**, executive vice president, Manufacturers Hanover Trust, New York. All take office in October at the ABA convention.

• **Irvine H. Sprague** has resigned as a director of the FDIC, effective last month. Mr. Sprague had completed four years of a six-year term after being appointed to his post in 1968 by President Lyndon B. Johnson. Mr. Sprague has become the principal staff assistant to Congressman John J. McFall (D., Calif.), who is majority whip in the House of Representatives.

• **Charles J. Cassidy**, president and chairman, First State, Bogalusa, La., has been named to a three-year term as director of the School of Banking of the South. Other new officials include **Walter B. Stuart**, executive vice president, First National Bank of Commerce, New Orleans—associate director; and

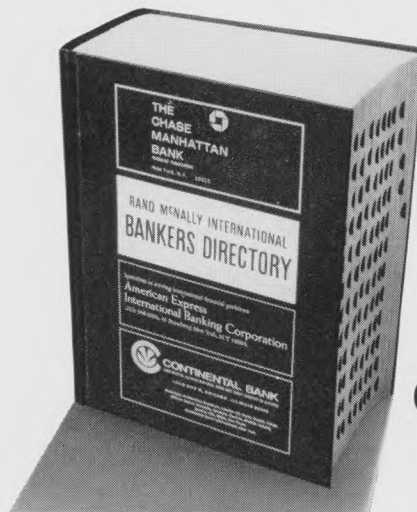


New officials of School of Banking of the South are Director **Charles Cassidy** (r.), Associate Director **Walter Stuart** (l.) and Registrar **Embree Easterly** (c.).

Embree K. Easterly, president, Capital Bank, Baton Rouge—registrar. **Bradley Currey Jr.**, senior executive vice president, Trust Company of Georgia, Atlanta, was elected chairman of the executive committee.

• **Will Mann Richardson** has been appointed chairman of the trust major at the Southwestern Graduate School of Banking at Southern Methodist University, Dallas. He is senior vice president and trust officer at Citizens First National, Tyler, Tex. He succeeds **Leonard W. Huck**, senior vice president and manager, trust division, Valley National, Phoenix, who was recently appointed dean for bankers of SWIGSBIE.

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NEWS OF HOLDING COMPANIES

• **Central & State National Corp.**, Birmingham, Ala., has changed its name to Central Bancshares of the South, Inc.

In other action, the HC has promoted three members of its retail marketing division to officer status. They are B. B. Copeland Jr., and Arthur A. Simpson, to market research analysts and Grantland L. O'Neal to advertising and public relations representative.

• **Exchange International Corp.** is the name of the new holding company controlling Exchange National, Chicago.

• **FBT Bancorp., Inc.**, HC for First Bank, South Bend, Ind., has named Richard A. Rudd to the post of executive vice president of FBT Leasing, Inc., newly formed subsidiary of the HC. The subsidiary's leasing service will be available throughout Indiana, southern Michigan and western Ohio.

• **Mark Twain Bancshares, Inc.**, St. Louis, has appointed Thomas F. Neagle as economic analyst. Mr. Neagle will coordinate the activities of the HC's economic advisory council, composed of economists, consultants and authors.

• **First Union, Inc.**, St. Louis, has announced plans to acquire Bank of Kennett, Mo., subject to Fed approval.

• **Commerce Bancshares, Inc.**, Kansas City, has elected Konrad Heid a vice president. Mr. Heid joined the HC in 1971 as assistant vice president. Prior to that he was with Farmers State and People's Bank, Mercer.

William R. Borgmeyer has joined the industrial development department of the HC. He will serve as manager of economic development with primary responsibilities in eastern Missouri.

• **PanNational Group, Inc.**, El Paso, has announced plans to acquire Bassett National, El Paso. The HC previously controlled 30% of the bank, but now plans to acquire all the common stock.

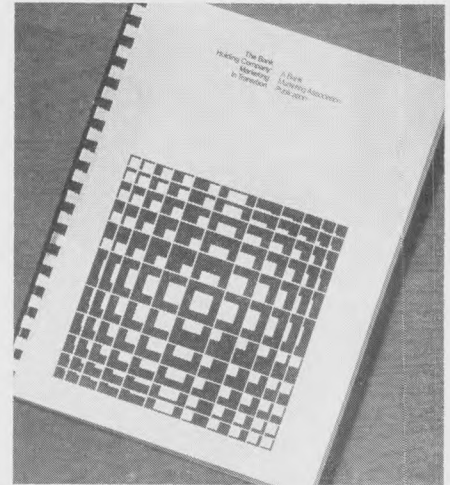
• **Liberty Financial Corp.**, sister corporation of Liberty National, Oklahoma City, has formed Mid-America Leasing Corp. as a wholly owned subsidiary to provide equipment leasing to customers of both the bank and Liberty Financial Corp. Carl M. Rose, an officer of Liberty Financial Corp., will be vice

president and manager of the new subsidiary.

• **First National Corp.** of El Reno, Inc., has received Fed approval as a registered one bank HC. The HC will control First National, El Reno, Okla.

• **Union Planters Corp.**, Memphis, has announced details of a proposed merger with Tennessee National Bancshares, Inc., Maryville, Tenn. Shareholders of the latter HC will be entitled to receive one share of Union Planters Corp. stock for each 3¼ shares of Tennessee National. Tennessee National controls Blount National, Maryville, and Merchants & Farmers, Greenback, Tenn.

• **Bank Marketing Association** has published what it terms the first definitive work on bank holding company marketing, entitled "The Bank Holding



Company: Marketing in Transition." The book is a collection of papers presented at the First Holding Company Marketing Workshop, sponsored by BMA last summer.

Topics covered include HC marketing organization, the role of marketing in banking acquisitions and future bank HC legislation.

The book is available at \$10 for BMA members and \$20 for nonmembers from Bank Holding Company Division, Bank Marketing Association, 309 West Washington Street, Chicago, Ill. 60606.

• **Third National Corp.**, Nashville, has announced the acquisition of the John W. Murphree Co., mortgage banking firm; Fed and FDIC approval of the acquisition of Bank of Knoxville; and plans to acquire Union Bank, Pulaski.

• **First Amtenn Corp.**, Nashville, has received Fed approval to acquire Atlantic Discount Co., Inc., Jacksonville, Fla., a subsidiary of Gulf Life Holding Co. The acquisition is a finance corporation with more than 50 offices in Florida and four in Georgia.

• **Tennessee Valley Bancorp., Inc.**, Nashville, has agreed to acquire Kimbrough-Kavanaugh & Assoc., a Nashville-based mortgage banking firm. The firm services over \$140 million in mortgages, operating principally in Tennessee and Kentucky.

• **Fort Worth National Corp.** has acquired American National, Amarillo. The HC's lead bank is Fort Worth National, largest bank in Fort Worth. American National is the third largest bank in Amarillo.

Holding Company Conferences

Two information conferences on bank holding companies and related matters will be sponsored this spring by the Foundation of the Southwestern Graduate School of Banking. The first conference will be held April 30-May 2 at the Dallas Marriott. The second is scheduled for May 27-29 at Denver's Brown Palace Hotel.

The conferences are designed to answer questions of bankers who are considering whether to organize a bank HC or become a member of one or who are dealing with issues arising from HC status. Enrollment will be limited to 250 per conference.

Among topics to be discussed are: "Restrictions and Opportunities for Acquisition," "Structural and Competitive Objectives," "Procedures in Application and Organization," "Justice Department Standards," "Tax Implications of Holding Company Classifications, Mergers and Acquisitions," "Valuation of Banks in Acquisitions," "Acquisition and Absorption Procedures" and "Holding Company Performance—the Operating and Earnings Experience and Market Valuations."

Information about the conferences can be obtained by writing Dr. Richard B. Johnson, president of the Foundation, at Box 1319, Southern Methodist University, Dallas, Tex. 75222.

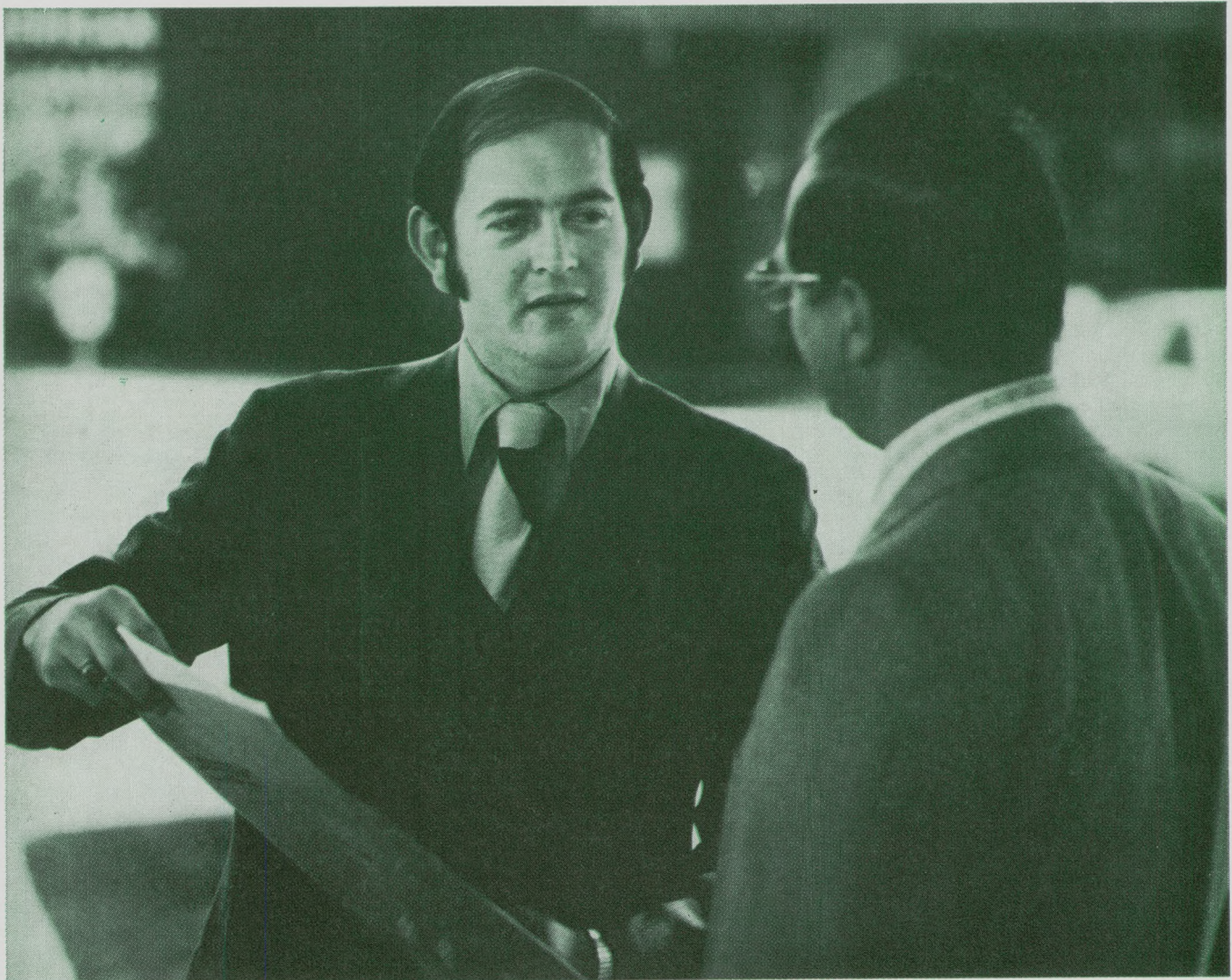
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Operations

Directors' Examinations Can Be Tools To Assess Banks' Overall Operations

Editor's Note: The following article is reprinted from the January, 1973, issue of the Loss/Prevention Bulletin published by Scarborough & Co., Chicago.

BANKING LAWS and regulations of at least 34 states require some kind of directors' audit or examination of their respective state-chartered banks. While the national banking laws do not require a directors' examination per se of a national bank, the Comptroller of the Currency will not approve a national bank charter until the by-laws provide for an examining committee and some form of periodic audit or examination by the directors themselves or by someone reporting directly to them.

In states without specific directors' examination requirements, common law probably would require some form of directors' review. For directors are charged with the prudent handling of their banks, and this certainly would embrace periodic review of bank books and internal controls.

Bank examiners—in their examinations of both state-chartered banks and national banks—review the audit and internal control program very carefully and will make adverse comments of any deficiencies found.

So—the directors' examination is probably here to stay. The question is: Are your directors taking full advantage of this opportunity to see if their established policies are being carried out, or are they merely exercising token compliance with requirements of the bank's regulatory agency?

Directors of most banks normally do not have auditing expertise, and actual audit functions of the directors' examination should be delegated either to the internal auditing department—if the bank has such—or should be conducted by certified public accountants. But, while the directors may delegate the *performance* of part or all of the directors' examination and have those actually performing the work to report directly to them, the *responsibility* for the examination rests directly with the directors themselves and cannot be passed on to others.

Too many directors look on the directors' examination merely as a regulatory necessity instead of recognizing it as a timely opportunity to assess the overall operations of their banks.

For example, in addition to the usual rigid regulatory requirement that the main thrust of the examination be directed toward verification of a bank's assets and liabilities, income and expenses, and an appraisal of internal controls, there exists an excellent opportunity for directors to make an overall appraisal of:

1. The bank's securities investment program.
2. The bank's loan portfolio and soundness and collectibility of same.
3. Effectiveness of the bank's management personnel in carrying out programs previously established by the directors' policies.

These are functions that can often be carried out by the directors themselves, parallel to the performance—by others more qualified—of the actual audit functions and appraisal of the bank's internal controls.

There is yet another important area that should be embraced by the directors themselves, if at all possible, in their overall appraisal of the bank. This is insurance coverage. The directors should determine whether the bank has adequate coverage under its bankers blanket bond as well as in other areas of exposure. All too often, exposures to losses change during the term of the policy, and recommended changes or endorsements are overlooked until it is too late.

Therefore, directors should take advantage of the periodic directors' examination in order to minimize losses, while at the same time seeing that adequate insurance protection is provided to protect the bank against those losses that do occur.

Turn your directors' examination into a useful tool! • •

■ **SAN FRANCISCO**—Wells Fargo Bank has promoted William E. Johnson from assistant vice president to vice president in the commercial loan department. He joined the bank in 1950.

CONFERENCES ON THE BANK HOLDING COMPANY



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A distinguished faculty of twenty-two, including representatives of regulatory agencies, will participate in each conference.

The fee of \$250 per conference covers pre-conference materials, a post conference book containing conference proceedings, and luncheons and dinners during the conference.

For information write: The Foundation of Southwestern Graduate School of Banking, Southern Methodist University, Box 1319, Dallas, Texas 75222; or call A/C 214—692-2996.

Program of the Conferences on Financial Structure

Directors: William H. Baughn and Richard B. Johnson

—First Day—

Registration	3:00- 4:15 P.M.
Opening of Conference—	4:30
1. The Philosophy of Financial Regulation Brenton C. Leavitt—Program Director for Banking Structure, Board of Governors of the Federal Reserve System	4:30- 5:15
2. The Acts and Regulations—A Summary Gerald T. Dunne—Professor of Law, St. Louis University; St. Louis, Missouri	5:15- 6:00
Reception and Banquet	7:00- 9:00

—Second Day—

3. Restrictions and Opportunities for Acquisition George C. Cochran III—Vice President, Federal Reserve Bank; Dallas, Texas Louis E. Reilly—Vice President and General Counsel, Federal Reserve Bank; San Francisco, California	8:30- 9:15 A.M.
4. Definition of Markets Paul R. Schweitzer—Economist, Banking Market Section, Federal Reserve System; Washington, D. C.	9:15-10:15
5. Structural and Competitive Objectives Charles F. Haywood—Dean, College of Business and Economics, University of Kentucky; Lexington, Kentucky	10:15-11:00
6. Procedures in Application and Organization Hubert Gentry, Jr.—Executive Vice President, Southwest Bancshares, Inc.; Houston, Texas	11:00-11:45
7. Justice Department Standards Donald I. Baker—Director of Policy Planning, Antitrust Division, U. S. Department of Justice; Washington, D. C.	11:45-12:30
Luncheon Break	12:30- 2:00 P.M.
Q & A Panel Session with Speakers	2:00- 2:30
A. Discussion Sessions	2:30- 5:00
Reception and Banquet	7:00- 9:00

—Third Day—

8. Accounting and Reporting for Holding Companies Martin F. Mertz—Partner, Peat, Marwick, Mitchell & Company; New York, New York	8:30- 9:15 A.M.
9. Tax Implications of Holding Company Classification, Merger and Acquisitions Jack H. Chambers—Partner, Mahoney, Hadlow, Chambers & Adams; Jacksonville, Florida	9:15-10:00
10. Valuation of Banks in Acquisitions Ronald Terry—President, First Tennessee National Corporation; Memphis, Tennessee	10:15-11:00
11. Acquisition and Absorption Procedures Kenneth A. Randall—President and C.E.O., United Virginia Bankshares, Inc.; Richmond, Virginia	11:00-11:45
Q & A Panel Session	11:45-12:15
Pre-Luncheon Break	12:15-12:30
Luncheon Break	12:30- 2:00 P.M.
12. Management Problems in Holding Companies Theodore D. Brown—Vice President and Chairman Administrative Officer, First National Bank; Denver, Colorado	2:00- 2:45
13. Holding Company Performance—The Operating and Earnings Experience and Market Valuations Harry V. Keefe, Jr.—Keefe, Bruyette & Woods, Inc.; New York City, New York	2:45- 3:30
Q & A Session	3:30- 4:00
B. Discussion Sessions	4:00- 5:00
Conference Conclusion	5:00

Selling/Marketing

Sound, Workable Approach to Budgeting Needed to Plan Advertising Program

By HARRY L. BINDNER
Executive Vice President
American Fletcher National
Bank & Trust Co.
Indianapolis

EDITOR'S NOTE: Mr. Bindner made the talk on which this article is based at the ABA's 1973 National Marketing Conference, whose theme was, "Banking in the Age of Consumerism."

ENLIGHTENED BANK managements everywhere have come to realize that viable bank advertising and marketing efforts are not a luxury, but very much a necessity in today's competitive environment. Over the past several years at American Fletcher, we think we have derived a sound, workable approach to budgeting. We've used this approach for the last three years, and we know it works quite well for us.

Because advertising is a variable expense in the overall budget and not a fixed expense like rent or taxes, I am sure that as every management committee gets down to finalizing a total bank profit plan for the coming year, the question may arise—why advertise at all? Just briefly, I would like to cite two examples to help show why a financial institution does indeed need a continuing communications program.

Utilities Are Example

Public utilities are a good example of how some corporations have recognized the value of advertising. I'm sure hardly a day goes by without some person wondering out loud: Since public utilities are, in essence, monopolies within their own market, why should they bother to advertise? There are a number of good reasons, and utilities everywhere have recognized them.

First, utilities do have to compete for disposable income. To maintain their rate levels, they must sell more of their product. In the employment market, they have to compete for people, and in order to generate quality job applicants, persons must be aware of a utility's presence and importance in any given market. Finally, everyone is competing for investor dollars, and

in order to attract these dollars, the utilities must communicate an aggressive, progressive and responsive corporate policy. One effective way to help accomplish these objectives is through utilization of effective advertising.

Another example of why a company needs to advertise is the well-known Hershey's chocolate story. Until October, 1970, this was the most famous non-advertised brand in America—famous, that is, among students of marketing who were required to study the case of this rather maverick corporation that sold \$250 million in candy a year without spending one cent on advertising. However, something happened. Sales were leveling off. And the president of Hershey's Foods Corp. wanted to know why. Then he began to realize that Hershey was *not* famous among the generation that was brought up on television. Hershey just wasn't reaching the kids as well as its competitors. Children and young adults under 18 are prime consumers of chocolate. The kids knew that Nestle's "makes the very best chocolate," that "M&Ms don't melt in your hands" and they hummed the Peter Paul tune. Hershey, however, was just the name of this general in Washington who drafted people into the army.

Hershey had successfully demonstrated that a product can be sold without advertising, given good distribution and exposure at point of purchase. But Hershey's declining share of market and reduced profits were an indication that something was wrong somewhere. So Hershey launched its first advertising campaign and is now attempting to reverse the trends that prompted it to get into the advertising business in the first place. The firm is having to play catch up ball, but indications are it may just make it.

So with some reasons in mind as to why we advertise in the first place, let's get on to the critical path of putting an advertising budget together.

First, let's talk about the people involved in the budgeting process. In short, senior management, the heads of the profit centers, the marketing de-

partment and the advertising agency should all be directly involved with advertising planning. Perhaps I should point out here that the marketing department at American Fletcher functions in four areas: marketing planning, marketing research, advertising and, finally, public relations. We employ an outside advertising agency. Our marketing director reports directly to the president and serves on the management committee. We have hired professionals to staff our marketing department, and none of them have traditional bankers' backgrounds.

Senior management's role is to communicate to the heads of the responsibility centers very early in the planning process what the policies, goals and objectives for the bank will be in the coming year and for a five-year plan. The profit center concept is not new in the banking industry, and now many banks are structured along these lines. The profit centers then must devise marketing plans and programs to accomplish the goals and objectives of senior management. If a particular marketing plan or program is going to involve advertising dollars, the advertising agency should be brought in to counsel with the marketing department on number of dollars needed to accomplish the objective of each marketing plan. Experience has taught us that when the agency gets into the process of budgeting, it is best if the discussion is limited to the marketing department and the agency. Don't involve the profit centers here. If you do, everyone gets suspicious. Advertising is expensive, and profit center heads who are acutely aware of expenses have the inclination to think that agencies overstate tremendously.

Basic Premise

Perhaps the basic premise of our whole approach to advertising planning is: Don't come up with a dollar figure and then figure out how you are going to spend it.

Beginning about August, profit center heads begin to meet a lot and talk a lot. Meetings are held, phones ring, tempers flare, memos fly and more meetings are held. And more meetings. And more meetings. Each department within each profit center outlines its own goals and objectives, which interface with those of the overall bank. The marketing department assists in the development of specific marketing plans. Each department must have its own marketing plans. Some profit centers may have only a limited number of marketing plans and programs while other centers, such as

(Continued on page 76)

Jumpin' Jehosaphats! Look at MoAmCo go!

**GROWING BY LEAPS
AND BOUNDS
WITH PROFITABLE
MOBILE HOME
LOAN PLANS!**

We're really on the move . . . working hard to stay a few jumps ahead of our competition. And now our high-stepping MoAmCo Man is better equipped than ever . . . with money-making mobile home loan plans so uniquely superior even conservative lenders are jumping for joy!

You see, the MoAmCo Man won't even pop into your office until he's checked out both the mobile home market and dealers in your area to be sure he can offer you **guaranteed profits!** Then, he'll present you with a perfectly balanced plan tailored to your specific needs . . . one that brings **immediate business** with **high net earnings** on loans insured **100% against loss.**

So watch for the MoAmCo Man. Better yet, get the jump on him. Just mail the coupon below or call for complete information about what MoAmCo can do for you. Jumpin' Jehosaphats, do it today!

MoAmCo
MOAMCO CORPORATION

**NOW
LISTED
ON
AMEX**

ALWAYS
A JUMP AHEAD
OF COMPETITION

J. William Miller, Vice Pres., Central Region
MoAmCo Corporation • 100 Progress Parkway, Suite 200
St. Louis, Missouri 63043 • Phone 314-878-4255

Please jump into action and send me The MoAmCo "Money-in-your-pocket" Kit so I can find out how to make new profits with MoAmCo.

Name _____

Position _____

Firm _____

Address _____

City _____

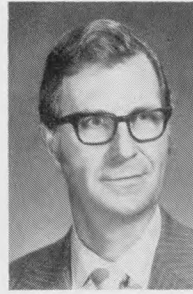
State _____ Zip _____

Home Office: 5050 France Ave. S.,
Minneapolis, Minn. 55410

Corporate News Roundup

• **Bank Building Corp.** Donald R. Anderson has been made consultant services manager for the Northern Bank Facilities Division of Bank Building Corp., St. Louis, with responsibility for upstate Illinois.

Before joining BBC, Mr. Anderson



LEFT:
D. R. Anderson

CENTER:
B. R. Howard

RIGHT:
W. L. Segersten

was regional manager, Wood & Tower Co., and a representative in Monsanto Co.'s New Enterprise Division.

• **LeFebure Corp.** B. Ray Howard has been named vice president-market planning and development and Warren L. Segersten vice president-sales at LeFebure Corp., Cedar Rapids, Ia.

Mr. Howard, with LeFebure since 1952, held various sales and administrative posts before moving up to general sales manager in 1965 and vice president-sales in 1970.

Mr. Segersten joined LeFebure in 1969 as a product manager and was advanced to assistant sales manager and then to general sales manager in 1970. He came from Cummins-Chicago Corp., where he was vice president-sales.

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.

And with his experience hitched to our growth, we're now in a position to offer correspondent customers more than ever before.

Services like loans for Bank Stocks and Overlines;

- Investment services;
- Safekeeping;
- Federal Funds;
- Cash Letters;
- Special Collections;
- Data Processing Services; and Trust Assistance.

Take a look at your present correspondents. Maybe it's time for a change.



Mercantile Bank and Trust Company (816) 842-2000
1119 Walnut, Kansas City, Missouri 64106

You Can Count on Mercantile!

An Affiliate of Mercantile Bancorporation

• **Bank Computer Network Corp.** William Ward has been named national consultant for Instaposit by Bank Computer Network Corp., Chicago. He is involved primarily in contacting banks across the country and implementing marketing programs with participating Instaposit banks.

Before joining Bank Computer Network, Mr. Ward was a consultant for Compupro, Chicago, and, before that, was in systems operations at Chicago Title & Trust.

Instaposit installations accept customer deposits or payments not requiring cash returns and issue complete, itemized receipts in customers' own handwriting, validated with time, date and bank name.

For Your Banking Equipment Needs, Call HEGCO!

- Drive-Up Windows
- After-Hour Depositories
- Vault Ventilators
- Safe Deposit Boxes
- Burglar Alarms
- Metal Under Counter Equip.
- Surveillance Cameras
- Pneumatic Tube Systems
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- Used Equipment of All Types
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HEGCO Industries, Inc.

4618 N. Post Rd., Indianapolis, Ind. 46226



This
man
is
creative...

... he's **Frederic A. Woll**, a banker who has discovered the rewards of working within the new Insured Payments Great American Dream Program. Since instituting this unique non-recourse mobile home finance service plan at First National Bank of Denver, Colorado, Fred invests his time and energy in the more creative and administrative activities of his Vice-Presidential job.

He's found he can trust the proficiency of Insured Payments to service every phase of his mobile home loan portfolio.

Ask Fred at  First of Denver

**INSURED PAYMENTS**

We make HOME ownership HAPPEN

8561 Long Point • Suite 200 • Houston, Texas 77055

ABA 'Conscience' Committee Formed

The ABA has formed a new group to be the "conscience" of the banking industry. Called the Public Policy Committee, the group will be concerned with the rights and powers of society as a whole.

The committee is composed of bankers representing a cross-section of the industry and its members will consult with the public for advice and guidance on specific issues.

Some of the public policy questions to be considered are funds for housing, regulation of pension funds, national health insurance, government spending, environmental controls and full employment.

The committee will "maintain a critical overview" of the banking industry and "prod us into acceptance of our responsibilities as bankers and as American citizens," according to ABA President Eugene Adams.

ABA Hits NOW Accounts

The ABA has voiced strong concern over the growing use of negotiable orders of withdrawal—NOW accounts—by mutual savings banks in Massachusetts and New Hampshire.

Members of an ABA task force paid special visits to the Fed and FDIC to point out that a continuation of the situation is inequitable to the public. The task force pointed out that NOW accounts are essentially interest-paying checking accounts and that insured commercial banks are forbidden to offer such accounts.

The ABA has called for mutual savings banks to be subject to the same rate of taxation, regulation, reserves and supervision as commercial banks if they wish to offer the same spectrum of services as commercial banks.

ABA Backs Regulation Z Changes

The ABA has endorsed two new proposals to help borrowers shop for credit. The proposals remove restrictions that have hampered advertising loan terms, but they do not remedy the problem of a shortage of competitive advertising of credit, said the ABA in its comments to the Fed's proposed changes to Regulation Z.

The first proposal removes the restriction requiring the terms "annual percentage rate" or "finance charge" to be displayed more conspicuously than other terminology in advertisements for either open or closed end credit.

The second proposal would delete requirements calling for showing a number of items in advertisements once a specific credit term was given regarding open end credit. Items deleted are periodic rates, the range of balances to

which each is applicable, the methods and conditions under which other charges may be imposed and determined and the minimum periodic payment.

Advertising would still include annual percentage rates, any free ride period and the method of determining finance charges and the balance on which they are imposed.

HC Asks Upset of Fed Leasing Ban

A federal court in San Francisco has been asked to set aside the Fed's denial of BankAmerica Corp.'s plan to lease peripheral computer equipment.

The HC said the Fed erred in its decision because it denied the HC an opportunity for a hearing, failed to present its decision in the form of an adequate order specifying adequate findings of the act and improperly imposed a business risks test not authorized by the Bank Holding Company Act.

The HC had proposed to lease personal property, primarily peripheral computer equipment, and to provide lease financing programs for data processing manufacturers through a de novo firm, BAC Computer Corp.

The Fed denied the application because HC leases must be equivalent to an extension of credit, requiring the leases to recover the full cost of the equipment from the initial lease. BankAmerica said it hoped to recover the cost of the equipment through lease renewals or additional leases. The Fed held the risks of this approach subjected the HC to possible adverse effects.

Fed Hits Preferential Loan Rates

The practice of bankers making loans to other bankers at preferential rates in order to acquire bank stocks has been cautioned against by the Fed.

The Board said "each bank should adopt promptly a policy in lending on bank stock that avoids the potential that through such loans it has unlawfully acquired a measure of control over the shares involved."

The Fed's warning was part of a decision that approved the application of F & M Operating Co., Abilene, Tex., to acquire First National, Abilene, and an additional 3.9% of the voting shares of Bank of Commerce, Abilene.

The Fed noted that First of Abilene has made several personal loans at preferential rates to officials at other Abilene banks that maintain correspondent balances with First National. Most of these loans were collateralized by stock of the borrowing officials' bank, the Fed said.

"If such loans are to be made by banks at all," the Fed said, "they should be made on the same basis as stock collateral loans in general."

Need something? Got a question? Looking for a solution?

We can help you.

1. Ron Murray,
Vice President,
272-4093
2. Charles Hill, Jr.,
Vice President,
272-4096
3. Dean Ingram,
Vice President,
272-4099
4. Kendall Hert,
Vice President,
272-4094
5. John Baker,
Assistant Vice President,
272-4098
6. Dana Farlin,
Secretary, 272-4097
7. Pat Hazelwood,
Secretary, 272-4091



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

If overlines are a problem, for instance, just call the Correspondent Bank Department of The First. We give responsive service on overlines for agribusiness, construction, cattle, or business and industry. It's what you would expect from the

bank with the largest capital structure and the largest loan limit of any bank in Oklahoma. Just remember that no loan is too large for us. And whenever you need help . . . just call! In the First Place you're part of a better bank.



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

Call us. 816/221-2800

First KC

First National Bank of Kansas City



Why the Expansion of International Banking?

AN OLD AXIOM holds that "the only certainty is change." We in the banking community can daily attest to the reality of change in our profession and, further, to the dramatic impact, either positive or negative, that these changes have upon our performance. The functional areas affected are indeed numerous, and each function does, of course, have its champions, but I feel that that segment of banking activities most often labeled and recognized as *international* (or, as if intended to consciously alienate these functions, the *foreign* department) is perhaps the area of most potential in terms of business and profit development, at the least within the market area served by MID-CONTINENT BANKER.

It would seem to follow then that there are two primary considerations involved in developing an answer to the question posed by the title I have given to this message. First, what stimuli are at work as causal factors in regard to these current changes and, second, assuming that a banker has the inherent profit motivations, how does he respond to these stimuli, thereby creating a continuance of the expansion in this changing environment?

If the preceding reads a bit like a psychology text, it is because I feel that a prime factor in the expansion of international banking in our area is the recent development of a mental "readiness-to-accept" attitude toward inter-

By **RICHARD A. MURRAY**
International Banking Officer
First National Bank
St. Louis



MURRAY

national business as a meaningful, and necessary, component of our marketing mix. In effect, our merchandising and—I would add—financial communities, have at last been stimulated to look to the markets beyond our borders.

Why and how has this mental change developed or, as offered in my premise, what stimuli are at work? No listing of these causal factors could pretend to be complete, but I suggest that the following have been at work and will continue to merit our attention, if we are to keep pace with the demands put upon us.

Realizing that, except for major capital flow transactions, international banking responds directly to underlying commercial transactions, I feel that we must first explore the stimuli acting within the market for goods and services.

Our federal government, in an effort to correct our payments and trade imbalances, is hard at work with a series of export expansion programs. American business is deluged with economic inducements to export, with a flow of overseas marketing assistance programs leading to export, and with moral arguments in favor of export. With our departments of Commerce, State and Agriculture (as well as many state agencies) at the producer's door, he finds it difficult not to be aware of possibilities in the global market.

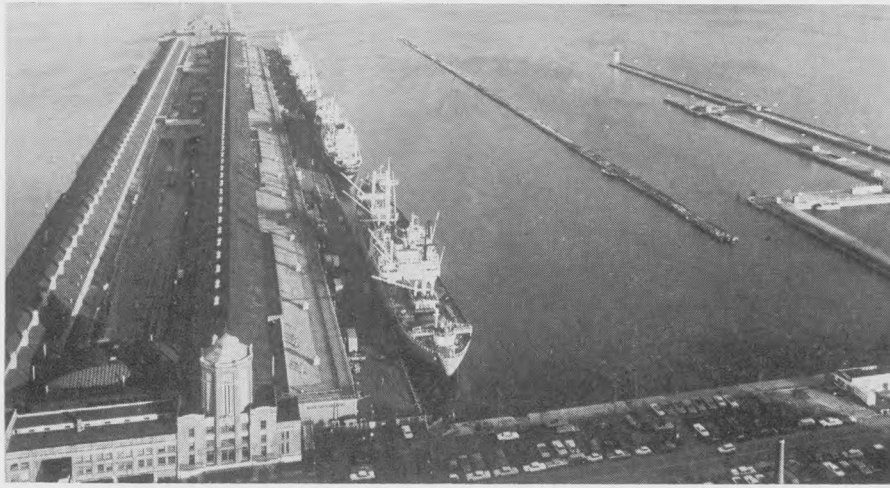
Following hard upon the creation of

awareness, the producer has daily occasion to see our world as a shrinking entity. He can dial his telephone or telex and immediately contact his European or Asian counterpart, he sees containers arriving at his shipping door or that of his competitors, he can travel to most of the world's markets in a single day, and he only has to look about to see an army of foreign competitors and products in his own home market. All of a sudden, he is wondering if his old system of sticking red pins on his distribution map is correct. Why did he ever stop at New York and California? What should he do now?

Faced with this conceived need to revise old strategies, our business community, within the past eight to 10 years, has had at least two, and in some industries, several, occasions of severely decreased demand. At these times, the stimuli resembled a straight pin in the backside, for nothing seems to induce an American businessman more to explore new markets (i.e., overseas) than does a shelf full of unsold goods. We saw during the late 1960s a surge in the number of firms entering export, along with a rapidly increasing number of firms which for the first time considered their exports as a vital part of their total production and sales figures and not just as a vehicle for reducing an overstocked position. Our producers had begun to view the world as their market some 200 years *after* their European counterparts had.

Another factor at work and one not to be overlooked is that large and expanding industry generally labeled "importing." Aligned with our payments

(Continued on page 54)



The opening of the St. Lawrence Seaway in 1959 made Chicago a major port for overseas trade. Navy Pier is one of several overseas terminals within the Seaport of Chicago. During 1972 the port handled 4.7 million tons of overseas commerce, the second-highest total since the opening of the Seaway. A total of 605 overseas vessels arrived at the port in 1972.

Mid-Continent-Area Bankers Discuss Reasons For Offering International Services

Clients dealing in international trade benefit from obtaining vital services locally

AN INCREASING awareness of the need to provide international banking services at the local and regional level is evident today. No longer must a bank in the Mid-Continent area advise its customers to deal with the coastal banks in New York or San Francisco in matters of international services.

Why and how has this trend to provide international banking services at the local level come about? And how are these Mid-Continent banks benefitting their customers with these services?

These are the questions MID-CONTINENT BANKER has asked of a number of banks in the cities in its circulation area. The candid replies shed much light on the topic of international banking and should be of interest to all bankers currently offering international services or contemplating offering these services.

"Most of the 'new' banks in international banking are following their customers," says Lambert W. Bredehoft, senior vice president at Harris Trust, Chicago.

"A few believe there is a profit in international banking, and this is true; but in most cases, we have customers deep-

ly involved in international trade who find it more convenient to do their international banking at home."

Robert K. Wilmoth, executive vice president at First National, Chicago, says the international import and export needs of firms and individuals, along with a climate conducive to the banks' expansion into foreign areas, are responsible for more banks offering international services in the Mid-Continent area.

Mr. Wilmoth says it is essential for a bank considering the offering of inter-

national services to have a commitment from management, which not only includes the hiring of able personnel to staff an international department, but the development of expertise within the international marketplace.

The increasing number of companies becoming engaged in international trade is largely responsible for banks offering international services, says Richard D. Flynn, vice president, Manufacturers Bank, Detroit. With this engagement in international trade has come the need for such companies to

The Nashville Avenue wharf complex at the Port of New Orleans is said to be one of the largest and most versatile port cargo facilities in the world. Container marshalling yards, a frozen food warehouse, export packing shop, foreign auto servicing shop and mooring for barge-aboard-ship barges are among the adjacent features of this wharf. New Orleans is the second busiest port in the U. S.



seek financial and other assistance in dealing with this expanded sphere of business.

"As is well known," he says, "a substantial share of America's GNP is generated in the Mid-Continent. It is only natural that the smaller and medium-sized firms in this area have sought out the assistance of the local bankers to help them in handling international business."

"Increased involvement of the middle-America business community in international trade and the consequential demand for appropriate bank services, plus enlightened bank management, has resulted in regional, interior banks overcoming obstacles of newness, fear of the unknown and the expense of personnel education to establish functioning international banking departments," said Ralph M. Sloan Jr., assistant vice president at Worthen Bank, Little Rock.

"International banking is growing in importance at our bank for two specific reasons," says John M. Ericsson, assistant vice president, First National, Kansas City.

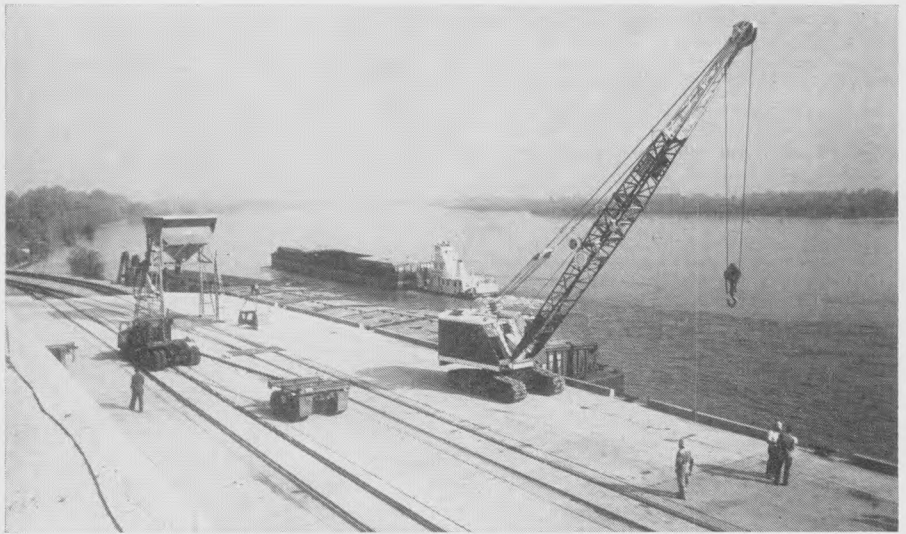
"In the first place, our customers are becoming increasingly aware of their potential in the international marketplace and to remain a full-service bank necessitates that we fill their international needs. Secondly, international banking has grown in importance because, as our business increases, we are becoming more aware of our role as a profit center. We are contributing more to the total income of the bank."

Commercial National, Little Rock, feels a strong responsibility to support Arkansas's industry with a complete international department, says Peter Braunfisch, vice president.

The bank did not formally establish an international department until 1970, when the Arkansas River Navigation Project was completed. The bank has found that traffic on the Arkansas River has exceeded all expectations of local businesses and the forecast of the U. S. Army Corps of Engineers. Total tonnage during 1972 was in excess of six million tons, Mr. Braunfisch says.

To lend further importance to the Arkansas River and additional trade, the Department of Commerce has designated the Port of Little Rock as a free trade zone. Little Rock was also designated a port of entry and has a customs house.

The volume of international banking transactions has increased significantly over the past few years, partly because Arkansas manufacturers have been made aware that the river can serve them and connect them with the markets of the world, that international



Barges moored at Port of Little Rock await unloading by crane onto trucks or rail cars. Port, located on Arkansas River Waterway system, has sparked Little Rock banks to offer international banking services to customers. Towboat in background is enroute upstream with cargo.

banking expertise is available to them locally and that the government, through various programs, is trying to help them export and improve the nation's balance of payments situation, Mr. Braunfisch says.

Stephen W. Plunkett, assistant vice president at First National, Little Rock, agreed that the opening of the Arkansas Waterway was the catalyst to get Little Rock banks interested in offering international services. "We realized that we were not serving our customers in this area and that they were taking their business out of the state," he said.

"We also realized that many more of our customers were becoming involved in international trade and new enterprises were moving into the state because of the interest aroused by the river development." After some investigation, Mr. Plunkett said, the bank decided to organize an international banking department "to serve our present customers, to be able to offer the service to new customers who needed it and to take advantage of the profit opportunities available in international banking."

Better service to the customer is one of the primary reasons why many banks are offering international services, says Charles W. Waters, vice president, Citizens Fidelity, Louisville.

For many years the inland banks relied on their New York or major coastal correspondents to handle most of their foreign collections and foreign exchange problems, Mr. Waters says. But gradually many of the major inland banks established international departments of their own in order to better serve their customers in the processing of collections and in matters of foreign exchange.

Another reason inland banks have been establishing international departments is to retain their customers, Mr. Waters says. There is always a possibility that a customer who has to deal

(Continued on page 62)

Investment Encouraged

Bank of America has published a special report that encourages direct investment in the United States by foreign firms.

The detailed booklet—"Direct Foreign Investment in the United States"—discusses the numerous advantages for international companies of the developed nations interested in establishing production facilities in this country.

Commenting on the report, C. M. van Vlierden, executive vice president for international activities, said: "In building a solid foundation for world peace and progress, a balance of investment between countries can be as important as a balance of their trade."

"Direct foreign investment in U. S. facilities amounted to only \$13.2 billion at the end of 1971," he said, "while at the same time U. S. investors held \$78.1 billion in direct investments abroad."

"This unevenness is more pronounced when you realize that 80% of foreign direct investment in the U. S. is in the hands of investors of the United Kingdom, Canada, the Netherlands and Switzerland."

The Bank of America analysis gathers facts about the prospects and problems of U. S. direct investment, and selects several industries with good potential for new direct investment by international companies.

The Tulsa Port of Catoosa, showing the 1½-mile off-river channel, general dry cargo wharf and warehouses (now completed) in the foreground and bulk handling facilities—fertilizer on the left of channel, coal and chemical on the right—in background. Tonnage carried on Waterway has exceeded all early projections.



From Tulsa to the Mississippi—

Arkansas River Navigational System Provides Access to World Ports

IT WAS January 21, 1971, 2:20 p.m. The towboat blew a deep-throated blast to signal contact as the first commercial barge to travel the entire length of the Arkansas Waterway nosed into the Tulsa Port of Catoosa's general dry cargo wharf.

The barge, carrying newsprint from Tennessee, signaled the opening of a water highway from Tulsa, not only to the river ports of the nation but to seaports and river ports over the world. It also signaled the addition of a new mode of transportation to shippers of a six-state area.

Since that day two years ago, 540 barges have moved through the nation's

westernmost ice-free inland port carrying 423 thousand tons of cargo.

"Tonnes of 1972 were almost four times those of 1971," reported Marcus R. Tower, vice chairman of the board and chairman of the executive committee of National Bank of Tulsa, and also chairman of the City of Tulsa-Rogers County Port Authority.

"The Port climb from 86,754 to 329,604 tons," Mr. Tower said, "reflects the Arkansas Waterway story of tonnages far exceeding all early projections."

Freight carried on the 440-mile McClellan-Kerr Arkansas River Navigation System, which crosses Arkansas and runs through eastern Oklahoma to Tul-

sa, climbed to 5.6 million tons during 1972, an increase of 45% over the 1971 total of 3.9 million tons.

Export cargoes loaded through the Tulsa Port of Catoosa have included peanuts bound for Rotterdam via LASH barge, heavy construction equipment and oil field related pipe to South America, a power plant for an offshore drilling rig near Borneo and feedwater heat exchangers that traveled via ocean-going barge to an island in the Atlantic.

Most imports through the Port have been steel, some of it arriving via LASH barge. LASH, meaning "lighter aboard ship," is a small barge that travels down the inland waterways in regular barge tows, then is lifted aboard a mother ship for ocean crossings. The barge can then be shipped to its destination on continental inland waterways—all with one bill of lading.

Coal and soybeans loaded at other Oklahoma ports along the waterway are among the heavy movements to foreign markets.

Exports from Arkansas include heavy

Tulsa bankers have guided the development of the Port of Catoosa as members of the City of Tulsa-Rogers County Port Authority. William E. Bender (l.), sr. v.p., First National, handed over the chairmanship of the Authority to Marcus R. Tower (r.), last January. Mr. Tower is v. ch. of the board and ch. of the exec. com., National Bank of Tulsa. Houston Adams, pres., F & M Bank, preceded Mr. Bender as chairman of the Authority.



movements of rice and rice products. Lumber and lumber products are being both exported and imported, while fertilizer and bauxite are among the imported commodities.

The first container movement on the waterway was through the Little Rock Port. Liquor from the United Kingdom was piggy-backed from the waterway to Denver.

"As a port standing at the head of an important river system, we have certain advantages and certain obligations," Port Authority Chairman Tower explained.

The terminus of the navigation system, Tulsa's Port has as its potential a multi-state area. However, the Authority must help spearhead the development of connecting rail and truck lines if it is to become a viable transportation hub.

"Adequate loading equipment boosts cargo potential and our concern right now is the construction of a grain handling facility to help alleviate the monumental traffic jam that has been created by the increased export of wheat and

feed grains," Mr. Tower said.

The Tulsa Port has completed design and operating plans and is advertising for bids to construct a 300,000-bushel facility to better serve Oklahoma's agriculture segment and the farm and ranch areas to the north and west of Tulsa.

The Tulsa Port of Catoosa, a 2,000-acre complex, includes a 1½ mile off-river channel with handling facilities for general dry cargo, dry bulk and liquid commodities.

A 200-ton capacity overhead traveling crane provides a lift capability that has already proved its importance to local steel fabricators, manufacturers of aero-space hardware, offshore drilling equipment, heat exchangers, gas compressors and heavy construction equipment.

A 1,500-acre industrial park is a part of the complex.

Lessees include three chemical installations—a dry fertilizer bagging and storage facility that will handle an estimated 80,000 tons of products in 1973 and two liquid plants.

A transit facility and two general warehouses provide indoor storage. A steel firm and an oil equipment manufacturer have their own storage areas and a trucking firm has developed a storage and handling area.

Midcon Fabricators, Inc., of Tulsa has leased a site for final assembly of large ducts for pollution control units too large to take over the road.

Universal Oil Products, Des Plaines, Ill., recently signed a lease for the largest block of port land for industry. UOP, with worldwide interests in petroleum refining and chemical production technology, is constructing a multi-million dollar plant to produce catalysts for automotive industry use in controlling exhaust emissions.

International banking services provided by Tulsa area banks are still limited; however, the Tulsa banking community has heartily supported the Port and firms locating in the Port. Local banks have purchased bonds and financed a number of terminal operators and lessees. • •

Waterway Sparks International Trade in Arkansas

THE DEVELOPMENT of the Arkansas River Waterway has had a tremendous impact on the economy of Arkansas, according to Little Rock bankers.

The coming of navigation on a fully operational basis has brought about commitments of nearly half a billion dollars in new and expanded plant construction, according to Bill Berrios, international banking officer at Union National, Little Rock.

Whereas, previously, mineral deposits in Arkansas were virtually unexploited, due primarily to lack of economical transportation, now the avail-

able navigation facilities are expected to strongly influence the exploitation of the mineral resources on a significant scale.

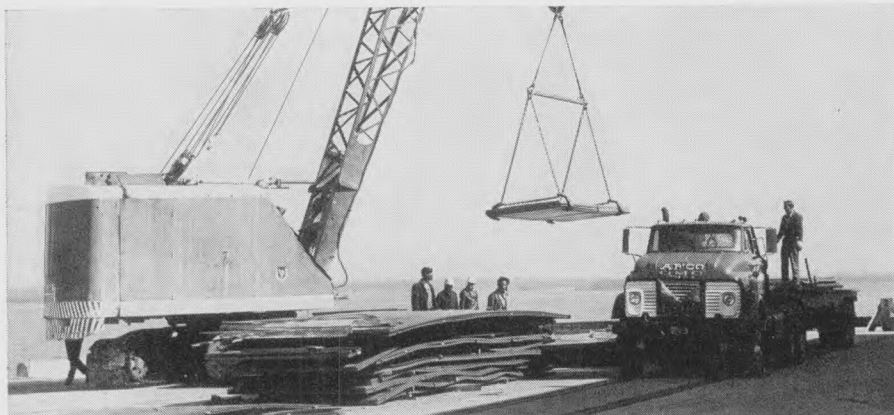
The realization by business interests of the innumerable benefits to be derived by the use of the river has brought about collateral activities, Mr. Berrios said, indicating that once a corporate decision has been made to expand or establish new industrial facilities in such favorable conditions, specific operational areas of a company can be advantageously conducted locally.

Thus, many national firms with di-

visions in Arkansas are conducting international operations locally and requesting a variety of supporting services, Mr. Berrios said. In this regard, Arkansas can offer expanding firms with international operations full-service international banking facilities, international freight forwarding and customs brokerage services. Furthermore, Little Rock has been designated a port of entry and a U. S. customs office has been established. Other developments include the establishment of a foreign trade zone in Little Rock, with full capabilities to serve other cities along the Arkansas River.

These events have created a demand for international banking services, Mr. Berrios said. Some banks have responded by channeling their customers' requests through their New York, Houston or New Orleans correspondents. Other banks, however, such as Union National, have established direct correspondent and agency relationships with major banks throughout the world in order to expedite the flow of funds and/or documents from buyer to seller.

In the area of international operations, Mr. Berrios said the development effect of the Arkansas River among the business community has been the catalyst that has motivated many firms to



Crane unloads steel plates from Japan at Port of Little Rock. Opening of Arkansas River Waterway has made Little Rock a seaport.



LEFT: Air photo of Kansas City International Airport centers on terminal complex of 5,000-acre facility. This new \$250-million airport opened November 11, 1972. Initial development called for three circular terminal buildings with combined capacity for handling 10-12 million passengers per year. Fourth module will be added when needed. Reading counter-clockwise, Braniff and Frontier are located in Terminal "A"; TWA and Delta in Terminal "B" and Continental,

United, North Central and Ozark in Terminal "C." Mexicana Airlines will begin nonstop service from Mexico this year and will operate from Terminal "C." RIGHT: Close-up of one of terminal buildings shows parked aircraft and jetway loading bridges on apron or air side of building. Terminal loop roads and auto parking facilities are shown on passenger access or ground side of structure.

In Kansas City, Dallas / Ft. Worth—

International Horizons Widened With Opening of New Airports

TWO MAGNIFICENT new airports—one just opened and the other scheduled to go into operation later this year—will help put the Midwest and Southwest on the international scene in a big way.

Kansas City International Airport has been operating since last November 11, and Dallas/Fort Worth Airport is set to open this fall. Spokesmen for both airports are enthusiastic about them, as can be seen from the following articles they wrote especially for *MID-CONTINENT BANKER* as part of the international banking issue.

KC Internat'l Airport

Aviation, one of man's great adventures, poses new frontiers as we move into the last quarter of this century. At Kansas City's new International Airport, a small part of that future is already here.

Bold innovation. The terminal building complex (initially composed of three modules) pioneers the first totally decentralized "drive to your gate"

concept in use in the world. Similar systems will be operational later at Dallas/Fort Worth, Paris, Rio de Janeiro, Toronto, Hamburg, Hanover and Munich. Long-range planning calls for adding a fourth module at Kansas City International. The unique concept of terminal design at KCI links automobile arrival and aircraft boarding across the width of a narrow, 65-foot, semicircular terminal, sharply reducing the distance the air passenger must walk from ground transportation to aircraft.

Kansas City International Airport became operational for scheduled airline services on November 11, 1972. The \$250-million facility features a 10,800-foot north/south primary runway and a 9,500-foot east/west crosswind runway. Both runways have associated taxiways, holding aprons, high-speed exits, lighting and instrument landing systems and aircraft aprons and circulation taxiways. The navigational system on the north/south primary runway is one of the most sophisticated in the Western Hemisphere, permitting landings and

takeoffs by the largest of today's jets on occasions when the ceiling is as low as 100 feet and the visibility limited to as little as 1,200 feet.

KCI's present three terminal buildings provide more than a million square feet of floor space and have a capability for accommodating up to 10-12 million total passengers annually. This capacity is more than 2½ times the present population of the entire state of Missouri.

Aviation's new vistas at KCI also offer significant benefits in the realm of international commerce in the years to come. Kansas City initially will have nonstop air service to a number of Mexican points, provided by a Mexican air carrier, and air service development programs aim at the continued expansion of this kind of air service to other foreign cities. Kansas City is blessed by geography. Coupled with the route structures of the five trunk airlines now serving Kansas City, this gives the area a pattern of high-quality international air authority that stands ready to be

Dallas/Ft. Worth Airport, scheduled to open next fall, sprawls over 17,500 acres of land midway between two cities. On opening day, four terminal half-loops with 66 gates will be in operation, along with two primary north-south runways of 11,400 feet each and cross-wind facility of 9,000 feet. Ultimately, plans call for 13 half-loops with 230 gates for passengers and 11 runways, two of them capable of being expanded up to 20,000 feet.



utilized. TWA's around-the-world route structure, which offers same-day service with any point in its vast system throughout the world; Braniff's penetration to the south into Mexico, Central and Latin America; United's authority into Canada; Continental's link with the Southwest Pacific; Delta's reach into many parts of the Caribbean; this pattern of international air authority and the operational capabilities of KCI from a technical standpoint complement each other, providing Kansas City with an airport of the future.

Kansas City can be expected not only to increase its passenger volume, but to take important strides forward in the area of air cargo as well. Kansas City's history in air cargo has been one of continuing growth, and this expansion is expected to accelerate with the new cargo-handling facilities available at Kansas City International.

Dallas/Ft. Worth Airport

No matter where you go in north Texas these days, one sure topic of conversation will be the new Dallas/Fort Worth Airport. The Texas-sized facility, covering 17,500 acres, may be the single most significant thing to occur in area history.

Its very existence already has generated a new economic era, even though it is months away from opening for business. New jobs, new businesses, new people, all banking on the promise of an air facility that has catapulted the two Texas cities into new financial prominence, both at home and abroad. At least \$2 billion in new regional development has been announced since airport construction began, and the drawing boards are full.

Nine hundred and thirteen corporations in the million-dollar category make their headquarters in the Metroplex, making it third only to New York and Chicago in this respect. Many of these concerns, as well as many businesses with lesser assets, have a strong interest in the international market.

Meantime, foreign investors are looking this way. A World Trade Center is due to open in Dallas next year, as part of the city's already famous Market Center for apparel and other domestic goods. The new center will house foreign buying offices, trade offices, consuls and government showrooms.

Dallas/Fort Worth Airport is less than three hours' flying time from most major cities in the United States and only hours away from most points of the globe. Two major carriers already have instituted new international flights from DFW, and several major foreign carriers have expressed an interest in adding Dallas/Fort Worth to their schedules.

These international considerations most certainly have entered into recent decisions by a number of area banks and businesses in Dallas/Fort Worth to establish foreign offices. One of those foreign offices, located in Tokyo, belongs to the North Texas Commission. The commission is a nonprofit organization, created by the business community of the region to market the area as a whole. DFW is the focal point of an eight-county area the NTC has dubbed the "Southwest Metroplex." The airport has provided a major marketing tool for NTC's efforts all over the world.

Dallas/Fort Worth Airport will be handling some 8,000,000 passengers during its first year of operation; that

is the maximum capacity of Love Field in Dallas, which currently serves both cities. Growth of international travel with DFW as the point of departure, plus expansion of domestic routes, is expected to send the enplanement figure past the 13,000,000-mark by 1980.

Growing business and industry will mean a greater flow of goods, an obvious boon for the air cargo business from Dallas/Fort Worth. More than 68,000 tons of goods were shipped by air from Love Field last year, making the area fourth in total volume only to Atlanta, San Francisco and Chicago. This tonnage, forecasters say, will increase to 90,000 tons by 1975 and swell to 160,000 tons by 1980.

By 1975 demands of people and goods on the airport will be met by a work force of 23,000. A similar number of jobs will be available off-site, as a result of airport-related activities.

Airport Executive Director Thomas M. Sullivan points proudly to the time-tables and ledgers that show the \$700-million project on time and within budget, a situation highly unusual for airport projects, and certainly for one of this scope.

Says Mr. Sullivan, "Dallas and Fort Worth are building a tremendously exciting airport, one that will be serving people and planes long after other facilities have outlived their usefulness. We believe Dallas/Fort Worth is destined to become a major transportation hub, giving the area a direct link to the world."

The world will get its official look at Dallas/Fort Worth Airport this fall when, with a dedication befitting the subject, the jetport is initiated into service. • •



Scene in Paris was typical of situation American tourists found themselves in during monetary crisis of August, 1971. Long lines of travelers descended on American Express offices to obtain needed funds.

Planning and Experience: Answer to a Monetary Crisis

ONCE AGAIN, thousands of Americans vacationing in foreign countries have found themselves caught in the midst of international monetary uncertainty. The recent shakeup in the world currencies has raised some questions about foreign travel planning and the advice bankers should give to their clients going abroad.

"Planning," advises Richard M. Haugh, vice president of marketing for the Travelers Cheque Division of American Express Co., "is the best answer for any international traveler in times of monetary uncertainty." Planning and reliability have been the watchwords of American Express during the currency crises of the past four years. "The needs of Americans abroad during these periods have been met by anticipating the problems, planning the solutions and finally, meeting all obligations to clients," Mr. Haugh added.

In any period when foreign exchange windows slam shut, maintaining full service is no mean task. Yet, American Express, its subsidiaries and representatives have kept their doors open and have continued changing American Express Travelers Cheques, cashing personal checks for cardmembers and honoring other financial instruments so long as local laws permitted.

Just how do you prepare for and operate in a monetary crisis? Here is one story as illustrated in the chronicle

of events leading up to and including the two major monetary crises of 1971.

Turbulence in international money markets was no new experience for American Express. Though none of the earlier melees were as serious, they provided the basis for a "plan" in the event of future crises. Policy and procedure guidelines had been agreed upon by the offices of American Express, its subsidiaries and representatives. The foreign exchange departments had been alerted to their responsibilities in the event of a crisis. A communications flow-chart had been drawn so that every participant would have clear communications guidelines and all would have up-to-the-minute information.

Its first test was not long in coming.

The first few months of 1971 brought warnings that a crisis was threatening the world's monetary system. In April there was a flow of billions of dollars into Deutsche marks and increased rumblings from European financial authorities about an inflated dollar. Still, most American tourists were confident when on Wednesday, May 5, the storm broke.

On that day, foreign-exchange markets were closed. A chain reaction was set off and within hours tourists throughout Europe could change only small amounts of dollars into local currencies, and then often at unfavorable

discounts. Passengers arriving in German airports with no marks found the exchange offices closed, and some were forced to change money with cab drivers who were offering only three marks to a dollar, a discount of 16%.

The "plan" was immediately put into operation. Its objective: business as usual!

The American Express card offered no problem. Merchants knew that when travelers used the card for goods or services, they would be paid in local currency. Therefore, hotels, restaurants, shops and other business enterprises overseas continued to welcome the card, regardless of the situation in the money markets.

For its part, American Express, its subsidiaries and representatives kept their offices open where permitted by law and accepted American Express Travelers Cheques.

Soon the speculation on foreign exchange had spread to five Western European countries, and there was a run on local currencies. By planning in anticipation of the crisis, American Express was able to back foreign exchange on American Express Travelers Cheques, cash personal checks for cardmembers and continue the policy of refunding lost or stolen Travelers Cheques.

American Express may have set a
(Continued on page 66)



Now what do you do?

It's the tough thirteenth and you're under a tree. To pull this one off, you'll have to make a solid decision and carry it through. But to make the right decision, you'll have to know exactly what your options and your capabilities are.

The banking business produces the same types of problems . . . moments of crisis when you have to assess the situation accurately, mobilize your resources, and act quickly to profit from your opportunities. In these moments you'll learn to appreciate the kind of correspondent **Action** you get from Fourth National of Tulsa.

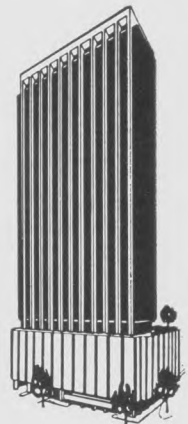
Fourth provides both the financial facilities you'll need, and the kind of alert, clear-eyed correspondent know-how that produces profitable results.

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Continued International Business Gains Depend on Solutions to Trade Issues

By IRENE W. MEISTER, Director, International Business and Special Products, American Paper Institute

A MULTITUDE of international issues of overwhelming importance faces the United States today:

- A monetary crisis that remains unresolved and can erupt at any moment.
- A negative balance of trade and of payments.
- Economic and business problems resulting from the enlargement of the European Common Market and from the formation of the European Free Trade Zone that will include 16 countries.
- A multi-billion-dollar imbalance of trade with Japan.
- Growing tension in our economic relations with Canada and Latin America.
- And perhaps the most serious issue of all, the unresolved domestic debate between protectionist forces and those seeking further expansion of international trade and investment. (In this domestic debate, passions are high, and a lot of shouting goes on on both sides with not enough listening to each other's problems.)

The issues I have pointed out are like the headlines in that each one has a complex story with many subheadings within it.

The remarks on which this article is based were delivered by Dr. Meister at the 10th annual Economic Symposium, sponsored recently by Deposit Guaranty National, Jackson, Miss.

I would like to center my remarks on the trade issue, partly because trade is of direct interest to the businessman, partly because the business community has the opportunity to do something about it and partly because it is of such great importance to my industry—paper.

In discussing international trade, the first question that comes to mind is, "How important is it to our economy?" One often hears the argument that U. S. exports amount to only some 4% of the Gross National Product (GNP) and are, hence, of minor importance to the United States. We frequently hear that imports are bad for our country and that foreign investments are economically destructive because they "export" jobs by moving production from home to some foreign base. Let's explore these three points because they are fundamental to the question of international business.

Proponents of the argument that exports are a small part of the GNP overlook several facts, but the major one is that the U. S. GNP is heavily dominated by services, government spending, transportation, etc., which are not export-oriented. Production of goods comprises only about 30% of the GNP, and if we look at the ratio of exports to the production of goods, the figure for 1971 is 14%! The importance of this figure becomes especially evident if you consider that a drop of only a few percent-

age points in industrial production is considered a recession in our growth economy.

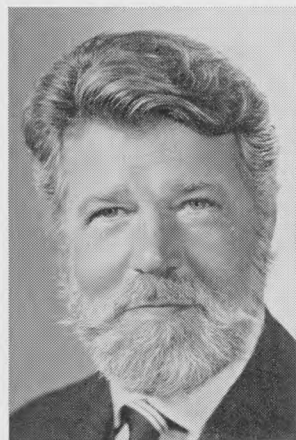
It is a cliché and a truism that trade is a two-way street and exports cannot exist without imports. This country is heavily dependent on imports of raw and semi-fabricated materials without which much of our industry simply could not exist. We also need manufactured goods from other nations to stimulate competition and curb inflationary pressures.

I am not advocating unrestricted, irresponsible imports. We already have laws protecting U. S. manufacturers against dumping and unfair foreign competition. Perhaps these laws or their enforcement can and should be strengthened. Safeguards against destructive foreign competition are unquestionably needed, but unfortunately, too many of the domestic ills of certain U. S. industries are being blamed on imports when other factors, such as rapid technological changes, shifts in consumer preferences, environmental pressures on costs and the shortening of the life cycles of certain products are putting these industries into ailing positions. Imports might be aggravating these problems, but in most cases the problems would exist even if foreign competition were non-existent.

What we need, above all, are national policies that would create a viable

(Continued on page 74)

Joel Taylor is an international marketing consultant who can translate English, French and German into



profits for your clients. He has 22 years of experience in developing European markets for U.S. products. He's a native mid-American trained in American business ways. As European representative for mid-American banks he knows their industrial clients' wants and needs.

He can survey their European market potential. He can find the best sales and distribution channels. Help with technical compatibility, patents and customs problems. He can aid in the selection of European personnel or licensed manufacturers for U.S. products overseas. He has a record of success in introducing American products in Europe and European products in the U.S. With offices in England, Ireland and Switzerland he's wherever needed to help you represent your clients. When he speaks in English, French or German, money talks. There's nothing foreign about international markets to our managing director. He's been there and he can be there for your clients. If you have small or medium sized industrial clients who need European representation, drop Joel an airmail note. He returns frequently to the United States and would like to exchange some ideas with you next time.

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Principals at Deposit Guaranty Nat'l's economic symposium included, from l., J. H. Hines, chairman, exec. com., host bank; W. P. McMullan Jr., pres., host bank; Dr. Irene W. Meister, American Paper Institute; Major General Charles C. Noble, Corps of Engineers; David A. Hamil, Rural Electrification Administration; Leif H. Olsen, sr. v.p., First Nat'l City Bank, New York; Bert T. Olson, pres., Packard Electric Div., General Motors; W. E. Wilson, General Motors; and Russ M. Johnson, chairman and CEO, host bank.

International Trade Topics Flavor Deposit Guaranty's 10th Annual Symposium

INTERNATIONAL business shared the spotlight with the economic outlook at the 10th annual economic symposium of Deposit Guaranty National, held recently in Jackson, Miss.

Two of the six participants on the program discussed overseas trade and transportation. They were Dr. Irene W. Meister, director of international business and special projects, American Paper Institute, and Major General Charles C. Noble, president, Mississippi River Commission, Corps of Engineers. The text of Dr. Meister's remarks appears on page 42.

Others on the program included Leif H. Olsen, senior vice president and economist, First National City Bank, New York; David A. Hamil, administrator, Rural Electrification Administration, Department of Agriculture; Russ M. Johnson, chairman and CEO, host bank; and W. E. Wilson, group

vice president, General Motors Corp. W. P. McMullan Jr., president, host bank, presided.

Mr. Olsen, speaking on the economic outlook for 1973, predicted that 1973 would be a year of strong growth. In real terms, however, he said, growth will moderate toward the end of the year and as "we move into 1974."

With the assumption that no severely restrictive monetary policy is adopted this year, he said, the economy should continue to expand in 1974 well above the long-term average real rate. He said that price inflation on the average over the year as a whole will approximate that of last year, the unemployment rate will edge lower, personal incomes will grow rapidly and corporate profits will increase by between 10% and 15%. He said 1973 will "test our ability to employ monetary and fiscal policy to avoid sharply higher inflation over the longer term."

Mr. Hamil congratulated Mississippi's rural electric people for "playing the game of rural development as it should be played." He commented that Mississippi's approach in this area is to balance agriculture with industry. This includes processing more agricultural production near its source and producing more of the things farmers need in their own production lines.

He said that the REA's rural electric and telephone programs have financed about \$270 million in electric and telephone facilities in Mississippi. He said the 29 electric borrowers serve about 320,000 farm and other rural consumers, while the 16 telephone borrowers serve about 40,000 rural subscribers, including about 30,000 who have received service for the first time.

Mr. Wilson spoke on the reasons his firm decided to build a Packard Elec-

(Continued on page 53)

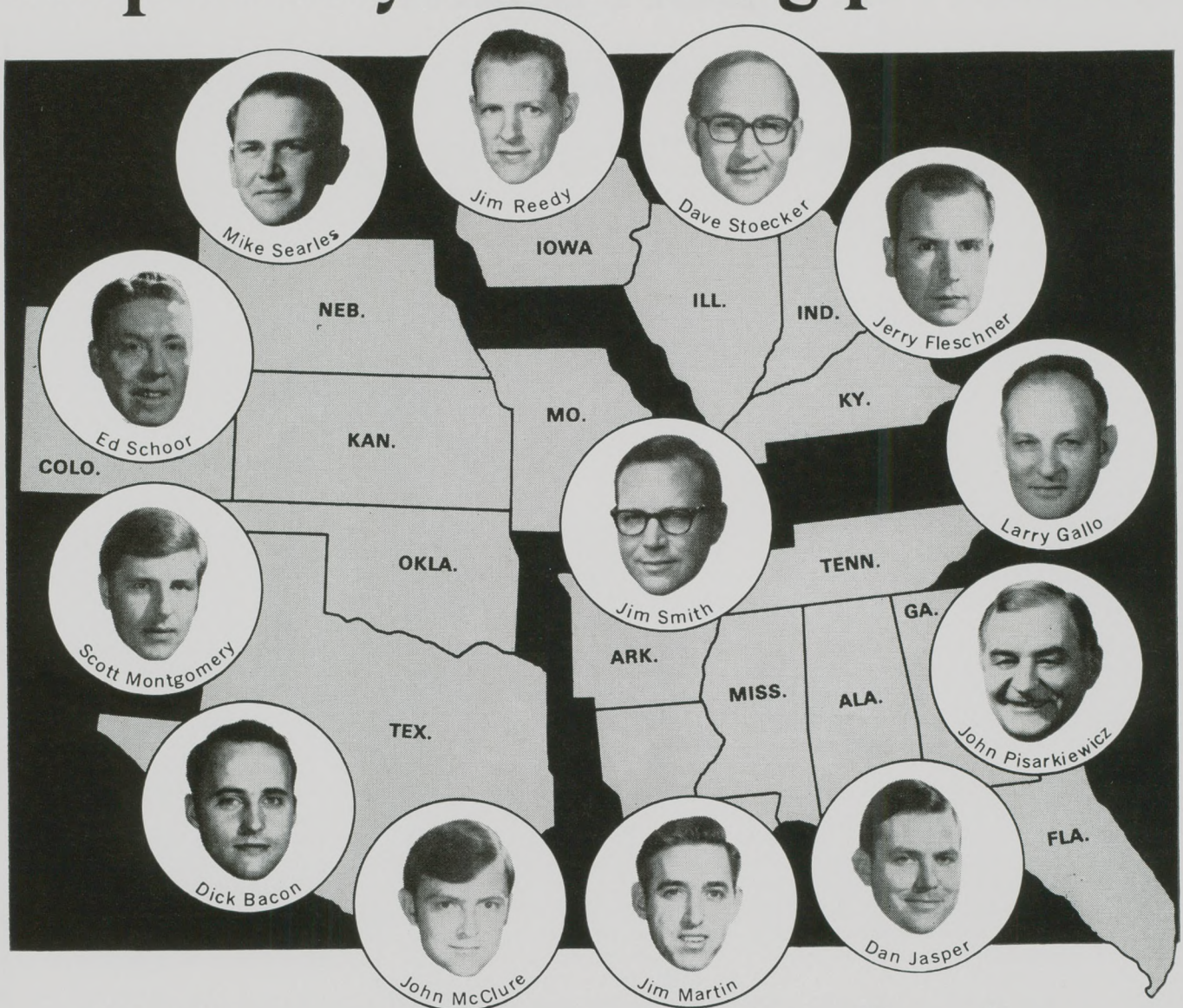
Russ M. Johnson, ch. and CEO, Deposit Guaranty, presides over press conference during symposium.



More than 800 Mississippi business leaders attended Deposit Guaranty's 10th annual economic symposium.



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Export-Import Bank Can Save the Day For Banks, Customers

WHAT CAN a banker do to assist a customer desiring to do business abroad in cases where adequate financing arrangements cannot be arranged through the bank, for one reason or another?

The banker can recommend the services of the Export-Import Bank of the U. S. The "Eximbank" is an independent agency of the U. S. government and its sole function is to finance exports. Eximbank's services are helping American suppliers meet the growing, world-wide demand for credit. By the same token, Eximbank helps U. S. firms meet the competition from exporters in other countries that are able to offer attractive terms because they are subsidized by their governments.

Eximbank assistance is available only when adequate financing cannot be obtained in the regular manner from commercial banks. It is Eximbank's policy not to compete with private lenders. But it will supplement what commercial banks are willing to do, and offers them inducements to get into export financing, thus opening the way for many export sales that otherwise would be lost to American business firms.

Eximbank offers insurance against the risks of non-payment by the overseas buyer. This protection is offered against both the political (war, expropriation, currency inconvertibility, etc.) and commercial (default by the purchaser) types of risk. The U. S. exporter who advances credit to a foreign customer and protects the sale with Eximbank insurance finds it easier to sell his export paper to a commercial bank, should the need arise to do so.

Eximbank encourages commercial

banks to buy export obligations. It will make advance commitments to take the paper off the commercial banks' hands, through discount loans, any time they request it. In making a discount loan, Eximbank will advance up to 100% of the outstanding value of the obligation, and will charge less interest than the commercial bank is getting on the obligation.

Guarantees of loans made by commercial banks to finance exports are another form of Eximbank service. The guarantees are available for medium-term (one- to five-year) credits. They will cover up to 100% of the outstanding amount of the loan, plus interest up to 6%. A requirement is that the purchaser make a cash payment, usually of 10%. The commercial bank finances the remainder of the transaction without recourse to the exporter and assumes the commercial risks on the early installments (up to 18 months) while the commercial risks on later maturities and all political risks are assumed by Eximbank. Guarantees are also available to non-U. S. banks under a separate program.

A third form of assistance, direct lending, is confined almost entirely to participation by Eximbank in loans made by commercial banks and other private lenders. The customary arrangement is for Eximbank and a commercial bank each to put up half the money for a transaction, after a 10% cash payment by the purchaser. Eximbank will guarantee the commercial bank's part of the loan and will, where necessary, agree to take the later maturities so the commercial bank can be paid off first.

This is a means of getting commercial banks to participate in longer-term transactions than they normally are willing to handle. It is also a means of reducing the interest cost to the borrower, since Eximbank's rate, which prevails longer, is less than the rate charged by the commercial bank.

Since Eximbank's reorganization in 1969, it has introduced more than a score of new or thoroughly revised programs, several of which can be useful to the small- and medium-sized manufacturer.

In addition, Eximbank offers services to commercial banks, including export

(Continued on page 48)

Exim Guarantees Explained

The ABA has published two pamphlets designed to explain the basics of the Export-Import Bank's medium-term loan guarantee program.

The pamphlets are entitled "A Program of Assistance to Banks Providing Non-Recourse Financing for Exporters" and "A Program to Assist You in Increasing Your Export Sales." The first is designed for bank personnel, the second for exporters.

Both publications were prepared in cooperation with the Export-Import Bank, and samples have been mailed to 1,500 banks involved in international operations.

Copies are available from the ABA's order processing department, 1120 Connecticut Avenue, N.W., Washington, D. C. 20036. Single copies are 75c each. Quantity rates are available.



The next time your client has an import-export problem, think of Bank of America. We probably have a Man-on-the-Spot® where you want to be. Contact us at (415) 622-6909 or (213) 683-3288.

BANK OF AMERICA 
Correspondent Bank Service

Edge Corporations Important Tools in International Banking

AN IMPORTANT tool in the area of international banking is the Edge Act corporation, designed to assist depositors or clients of U. S. banks in making foreign payments and investments. Edge Act subsidiaries have been termed highly adaptable instruments of international finance that serve to enhance the range of activity of U. S. commercial banks.

The Edge Act was passed in 1919. It enabled the Federal Reserve to charter corporations to engage in foreign financial operations. The concept was not popular at the time; only three corporations were formed between 1919 and 1929 and these have been termed unsuccessful.

The first surge of Edge Act subsidiary formations occurred between 1955 and 1965. Some 35 subsidiaries were formed in that decade, primarily because of the reestablishment of normal trade flows, the relaxation of exchange restrictions, a great surge of U. S. investments abroad and the emergence of the dollar as the principal reserve currency following World War II.

Edge Act operations are governed by Fed Regulation K. In 1957 the regulation was revised to enable Edge Act corporations operating as commercial banks to receive deposits and create acceptances. Edge Act corporations operating as investment banks could not receive deposits and create acceptances. They had to operate solely on funds provided by parent banks on retained earnings.

The revised regulations permitted banking corporations to accept deposits from foreign nationals, firms and institutions that were "incidental to or for the purpose of carrying out transactions abroad." In addition, deposits related to foreign trade and credit could be accepted from domestic importers and exporters.

Regulation K was further amended in 1963 to eliminate the distinction between banking and financing corporations. The result was that any Edge Act corporation could engage in both banking and financing operations of an international character. Despite the fact that Edge Act subsidiaries can accept certain deposits, most do not, to avoid competition with parent banks.

In the late '60s, banks became aware of the usefulness of Edge Act subsidiaries as a means of tapping the vast Eurodollar market. By 1970, approximately 70 corporations were in exis-

tence, 40 located in New York City and the balance in other U. S. cities, primarily Chicago, Miami, New Orleans and San Francisco. At last count, more than 110 banks maintain Edge Act subsidiaries.

Edge Act corporations are chartered by the Board of Governors of the Fed for 20 years with a minimum capital of \$2 million. They have power to deal in bonds; buy and sell all classes of commercial paper; to accept bills of exchange drawn upon them under the regulations and subject to the limitations imposed by the Fed; to issue

letters of credit; to deal in foreign currencies and bullion; to receive deposits abroad subject to check; to receive deposits in the U. S. but not subject to check; to invest in the stock of another Edge bank; to establish branches and agencies abroad but not in the U. S.; to issue debentures, bonds and notes with Fed approval.

Banks not desiring to form their own Edge Act subsidiaries can form consortia such as Allied Bank International, which is an Edge Act corporation formed as a consortium of 18 banks. ••

DISC Is Vehicle to Stimulate Exports

DISC is in fashion among an increasing number of bankers, not just those located adjacent to major ports of entry.

DISC stands for "Domestic International Sales Corp." It is the result of the Revenue Act of 1971 and its purpose is the stimulation and expansion of exports.

Bankers in all locations are finding that their manufacturing and agricultural customers have taken a considerable interest in the DISC program.

Basically, a DISC operation enables a domestic firm to establish a subsidiary to purchase goods from a manufacturer and resell the resulting products abroad.

Under DISC, federal income taxes are deferred on export profits as long as the profits are used and retained in the export-related activities of the domestic firm. This factor makes for a greater incentive for producers and manufacturers to enter the export market.

No tax is imposed on either the parent firm or the shareholders of the parent firm for the profits earned by the DISC until they are actually distributed. DISC shareholders receive over half the earnings whether distributed or not. The remaining half may be retained by the DISC, subject to no shareholders' liability and be reinvested either in the DISC or in Export-Import Bank obligations. The remaining half can also be loaned to producers in the U. S. for financing export-related activities.

This permits the parent firm, government agencies or other exporters to

obtain funds without DISC shareholders being taxed for them. The DISC also can purchase the export goods from its parent under a special rule that permits it to earn the greater of 4% of sales or 50% of combined income attributable to the manufacturer of the sale of products through the DISC.

In addition, a profit equal to some 1/10 of the export promotion expenses is carried into the profit column without taxation and a DISC may also lend the earnings it has retained to its parent firm and still not suffer a loss of the tax-deferred status on this portion of its earnings, provided these producers' loans are used to finance further exports.

Full details of DISC are available in a booklet entitled, "DISC Domestic International Sales Corp., A Handbook for Exporters" at 40¢ from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. ••

Export-Import

(Continued from page 46)

finance counseling and credit information services, professional training in international finance, an orientation program for business and industry and commercial bank export symposia.

For detailed explanations of these programs, write to the Export Expansion Office, Export-Import Bank of the U. S., 811 Vermont Avenue N.W., Washington, D. C. 20571. ••

WHY WOULD A BANK IN TEXAS ASK THE FIRST IN OKLAHOMA CITY ABOUT MUNICIPAL BONDS IN UTAH?

For the same reason other banks in Texas, Kansas and Oklahoma look to the Municipal Bond Department of The First for guidance in selection and location of municipal bonds. Simply to find the best municipal bonds available and to make a wiser purchase. Ours is the largest municipal bond operation in Oklahoma, with a portfolio of over \$200 million.

Among our many offerings, you'll find such diversified bonds as Davis County, Utah, Municipal Bonds; St. Paul School District, Utah; Lakewood School District, Lakewood, Colorado; plus Augusta, Maine, School System Bonds.

Like the many banks that are already putting our proven ability to work, your bank too can enjoy this same dependable performance in selecting the municipal bonds that fit your needs and plans. Call or write the Municipal Bond Department, 272-4003 today, and make your funds work a little harder in municipal bonds.



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Mini-Glossary of International Banking Terms

AS IS the case with most specialized subjects, international banking has a glossary of terms unique to its operations. Here is a brief run-down on some of the most common terms associated with international banking, taken from material supplied by Chemical Bank, New York.

- **Acceptance.** A time-draft, or bill of exchange, on the face of which the drawee has written the word "accepted" over his signature. The date and place payable are also indicated. The person accepting the draft is known as the acceptor. A bank acceptance is a draft drawn on and accepted by a bank. A trade acceptance is a draft drawn by the seller of goods on the buyer, and accepted by the buyer. A statement that the acceptor's obligation arises out of the purchase of goods often appears on the face of the draft. Time drafts on which the bank is both drawee and acceptor usually arise from letter of credit transactions.

- **Cable transfer.** Used to denote a transfer of funds by cable to a city or town located outside the U. S. Commissions or fees are charged for all types of transfers. When transfers are made by wire or cable, instead of air mail, the cost of transmitting the instructions to pay by wire or cable is charged to the remittee in addition to the commission.

- **Commercial letter of credit.** Import and export, and occasionally domestic trade, are facilitated by providing the seller of goods with this assurance that payment will be made when the shipping documents, conforming to the terms of the letter of credit, are presented to the bank. The buyer of goods is similarly assured that payment will be withheld if the shipping documents do not conform. Letters of credit sometimes serve in place of performance bonds of surety companies.

- **Documentary draft.** A draft accompanied by a shipping document, a bill of lading, insurance certificate, securities, insurance policies surrendered for collection, bonds or coupons, etc., all of which have real commercial value. Instructions for disposition of documents usually accompany the draft. Such instructions generally are to surrender the documents upon payment or acceptance of the draft.

- **Foreign collections.** In cases where banks handle collections drawn by U. S. exporters on their customers

abroad, collection is effected through an international correspondent system of other banks. This provides domestic shippers with an efficient means of collecting both "clean" and documentary items. The usual order of business in such transactions involves the bank's tracer system to ensure collection as promptly as possible.

- **Foreign credit information.** This is a service that assists customers in making credit or investment decisions. Current bank files can usually offer readily available information. More detailed information can be developed through a credit investigation utilizing a bank's network of foreign correspondents.

- **Foreign exchange position.** This is the overall position in a currency. It is the net balance of the bank's purchase and sales (spot and forward). Banks try to keep as even a balance between purchases and sales as possible. However, traders do not offset every transaction they carry out. They will tend to allow an unbalanced position to ride for a time and hope that it will be evened out by a compensating

.....

Foreign Banking Study Under Way at Fed

WASHINGTON—The Fed is studying international banking operations in an attempt to decide whether it should develop new regulations for the fast-growing banking field.

At present, the Fed has regulatory authority over a foreign bank in the U. S. only if it establishes a bank holding company under existing law. A U. S. branch or agency of a foreign bank is beyond the Fed's control at present.

Fed-member banks must get board approval to set up foreign branches, but the branches are not subject to certain Fed regulations, such as reserve requirements.

The study has been prompted by the tremendous expansion overseas, including activity by smaller U. S. banks that have little background or experience in foreign operations.

The study is being supervised by a steering committee of three board members and three Fed presidents. Completion of the study is not expected in the near future.

.....

transaction or by a later transaction at a more favorable exchange rate.

- **Foreign remittances.** A bank can draw drafts in foreign currencies or U. S. dollars payable at the office of a foreign bank convenient to the payee. This service enables domestic clients to conveniently settle their foreign obligations or to make remittances abroad for other purposes.

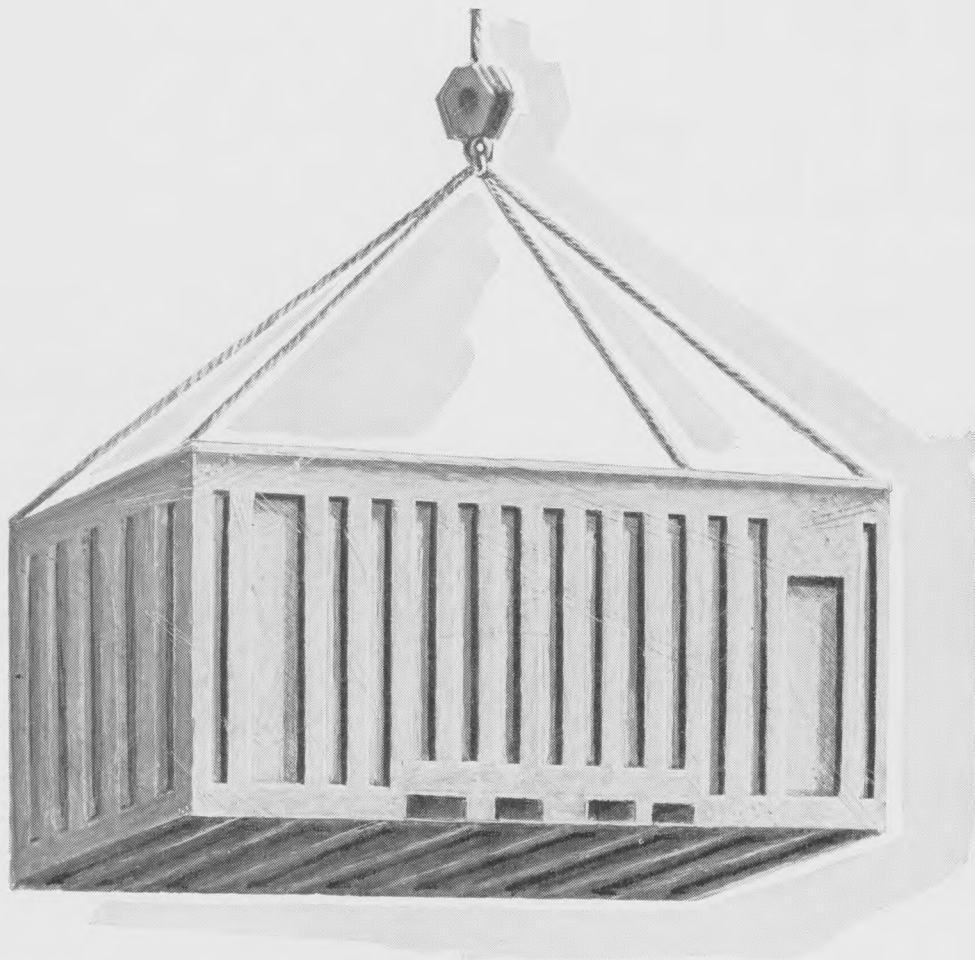
- **Future exchange contract.** A contract entered into for the purchase or sale of foreign exchange at a determined future date. In order to protect itself from the fluctuations of exchange rates, a bank or business having a forward commitment will arrange to buy or sell the needed foreign exchange at a fixed price.

- **FX traders.** Traders who buy and sell foreign currency for the customers' needs. In quoting a rate, the trader binds the bank to the transaction. Traders have direct wires to foreign exchange brokers, cable companies, important commercial customers, domestic correspondent banks and the Federal Reserve Bank. They also maintain teletype facilities with foreign correspondent banks.

- **Import shipment financing.** Domestic importers often have the opportunity to finance their purchases through a bank on a loan or acceptance basis. This allows the importer to dispose of the imported goods by sale or otherwise.

- **Letters of credit.** An instrument or document issued by a bank on another bank or banks, foreign or domestic, or upon itself. The letter of credit gives the buyer the prestige and financial backing of the bank that issues the letter of credit in his behalf. The acceptance by the bank of drafts drawn under the letter of credit satisfies the seller and his bank in the handling of the transaction. The buyer and accepting bank also have an agreement as to payment for the drafts as they are presented.

- **Nostro (our) account.** This is the name applied to an accounting record of an account maintained by one bank with another. The bank owning the account maintains this record and makes entries to it in reverse order to the manner on which they will appear on the statement it will receive from the carrying bank. The term is used primarily in connection with foreign currency accounts. When both foreign



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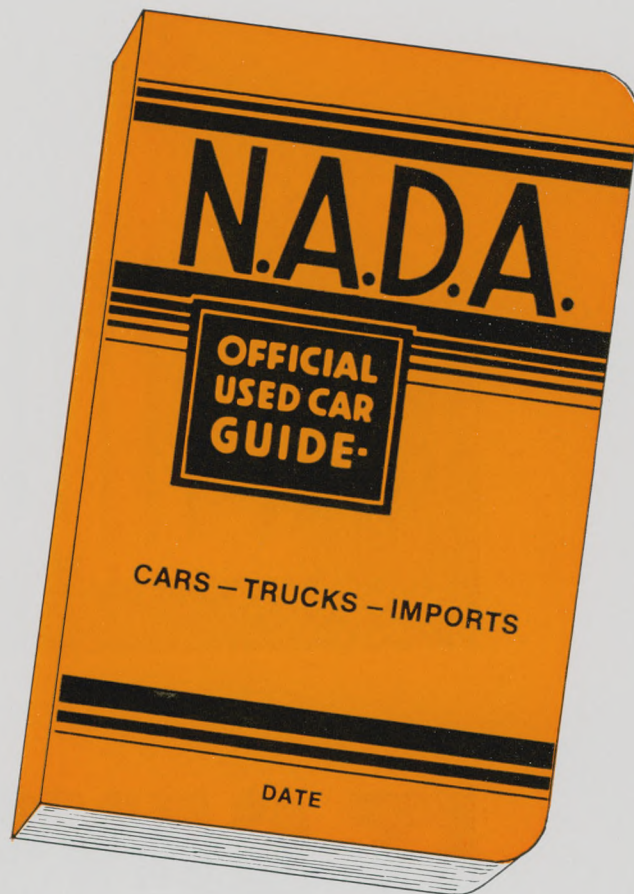
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currency and dollars are shown on the account, balances in both equivalents are maintained.

• **Payment control.** These are payment orders from foreign correspondent banks for \$10,000 or more. All payment orders from foreign corporations and individuals, regardless of the amount, are subject to payment control. All such payment requests are listed, totals are compared to available balances and payments are released only if required amounts are available in full. Apparent overdrafts are handled by a credit officer.

• **Straight bill of lading.** A bill of lading in which the goods are consigned directly to a named consignee and not to his order. Delivery can be made only to that person. It is a non-negotiable bill of lading.

• **Vostro (their) account.** A term used in connection with foreign exchange applying particularly to the accounts of foreign banks or businesses maintained in U. S. currency on the books of U. S. banks. • •

Internat'l Trade Topics

(Continued from page 44)

tric plant in the Jackson area. He stressed that Mississippi offered what GM needed in the way of workers. He also brought out that industry should encourage its workers to cultivate pride of workmanship so that areas such as Mississippi would continue to be attractive to new industry.

Major General Noble discussed the growth of Mississippi's ports, both on the Mississippi River and the Gulf. He said that Mississippi has a superb opportunity to garner an increasing share of foreign trade due to the growth potential of its ports. He said that, in 1972, about \$275 million worth of Mississippi's manufactured commodities and \$225 million of its agricultural products were shipped abroad.

"From the standpoint of the ports and waterways of Mississippi," he said,

Prime Rate Hits 6¼%

At press time, most of the nation's commercial banks had raised their prime rates from 6% to 6¼%. The move reflects a reversal of White House policy to keep the prime at the 6% level.

Early in February, four banks, located in Philadelphia and New York City, raised their prime rates to 6¼%. Immediately, the Administration's Committee on Interest and Dividends, chaired by Arthur F. Burns, Fed chairman, convinced three of the four to lower their rates to 6%. The one holdout, First Pennsylvania, Philadelphia, eventually lowered its rate.

Bankers generally applauded the approval of the new prime rate by the Committee on Interest and Dividends, but some said the rate was still artificially low in relation to money-market returns.

A spokesman for Bank of America said that the rate increase "should restore some equilibrium in the money market." He said that recent actions aimed at directly controlling the level of short-term lending rates had distorted credit flows and overstimulated loan demand at banks.

Most banks said the rates on consumer loans and mortgages would not be affected by the prime rate hike. Manufacturers Hanover Trust, New York, stated it "contemplated no change at this time" in either rate. The bank also said it would meet the needs of its small business customers on the best terms possible.

"the future looks bright for the economy of the state."

Mr. Johnson spoke on the outlook for the money market. He said the nation is now poised for a persistent growth trend that could compare favorably with the more stable period of 1959 through 1964. This growth period, he said, could be more sustained if we have learned well the lessons taught by the inflationary experience of the 1965-1971 period.

He said he expected Congress to cooperate and coordinate with President Nixon on economies of scale and to ex-

hibit responsible fiscal behavior, that Phase Three guidelines would receive support from responsible citizens and that all economic restraints would be terminated as soon as practical.

He called for a practical method for enabling more citizens to understand the need for the enactment of proper enabling legislation to permit multi-bank holding companies so that financial institutions can meet more of the credit demands that are developing in Mississippi.

"So many competing demands exist for profitable employment of discerning capital," he said, "that the more profitable options available elsewhere even cart away some of the funds we have accumulated locally and could accumulate from our own local people. Non-competitive, restrictive statutory and regulatory limitations also prevent the inflows of needed capital that could be used for our development purposes. These limitations are basic when considering the local interest rate structure.

"We must avoid harmful effects on small business firms resulting from such limitations for they do not have ready access to other sources of credit," he said. "We need to provide more funds for use by smaller businesses and for the needs of the consumer. If we cannot accumulate these funds, the consumer suffers from lack of the additional accesses to the credit he needs."

He said that it must be made clear why larger local pools of financial resources, made possible through HCs, are so necessary. "Such a pooling of resources for the individual good and for the common welfare not only makes for the preservation of existing values, but adds new values and new dimensions to our economy," he said. • •

■ **NEW YORK CITY**—First National City has named Alfred J. McArdle and Charles J. Spies Jr. vice presidents in its personal banking group. Mr. McArdle is officer-in-charge of the branch at 55 Wall Street. Mr. Spies is area supervisor for the bank's branches in the Bronx.

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Outlook for Agricultural Exports Good; Demand Broader, Deeper Than in 1966-67

THE OUTLOOK for agricultural exports is good, claims Carroll G. Brunthaver, assistant secretary of Agriculture. His predictions in this area will prove valuable to rural bankers in determining the credit needs of farm customers in the near future.

According to Secretary Brunthaver, the demand for U. S. farm products today is much broader and deeper than it was in 1966-67, the last agricultural boom period.

Then, he said, the surge in demand was mostly wheat, and the import increases were almost entirely in Russia and India. Today, U. S. farmers are finding strong demand for feed grains, oilseeds and livestock products as well as wheat. The demand is coming from U. S. consumers and from many countries around the world.

Secretary Brunthaver said U. S. commercial exports are up 63% in six years. The big reason is that the world is get-

"World trade in oilseeds has been the most dynamic of all," he said. "It has grown between 8% and 10% annually for the past 10 years. That's one reason why U. S. farmers have been able to double their soybean export acres."

Secretary Brunthaver predicted the U. S. will export about 70 million acres of wheat, feed grains and soybeans, which will result in a lot of income dollars for farmers, transportation lines, farm supply businesses, processors, etc.

Other points made by the secretary included the increasing ability for farmers to produce what the market wants and a more favorable international trade climate, brought about in part by devaluation of the dollar and efforts to lower trade barriers for U. S. farm products in foreign markets.

He predicted that wheat exports would not continue at the present level, but that a strong overall sales picture for U. S. commodities would develop.

Latest USDA 1973-74 Utilization Estimates

	Exports New Estimate	Exports Dec. 1 Estimate	Domestic New Estimate	Domestic Dec. 1 Estimate	Total New Estimate	Total Old Estimate
Bushels						
Corn	1.1 bil.	800 mil.	4.9 bil.	4.65 bil.	6 bil.	5.45 bil.
Soybeans	600 mil.	550 mil.	790 mil.	750 mil.	1.46 bil.	1.3 bil.
Feed grains (tons)	35.7	26.4	183.6	174.3	219	201

ting a better standard of eating. More people around the world are getting better incomes and spending extra money on food. They seem to want more livestock products particularly.

"Russia and China made the big headlines last year," he said, "because we haven't been trading with them in recent years. But we've had strong growth trends in many other export markets." He singled out Japan, South Korea, the Republic of China and the Philippines, stating that U. S. wheat exports to these four markets should top 200 million bushels this year—double the rate in the mid-1960s.

Other growing markets include Venezuela, Central America, the Caribbean, the west coast of South America, North Africa and Nigeria, according to Secretary Brunthaver.

"The world feed grain trade has been growing about 5% a year—and in the past three years this has quickened even further to more than 9% a year," he said.

Secretary Brunthaver concluded by saying, "Basically, the market is telling farmers that we are dealing with a new level of world demand for farm products. I think we'll find in 1974 and 1975 and in the years beyond that the efficient American farmer will find good commercial markets for significantly more farm products than he has sold in the past." • • •

Expansion

(Continued from page 33)

and domestic economic problems is a tendency to find foreign products competing successfully at home. This tendency is constantly reinforced by increasing preferences for imported goods and is further fueled by a coming of age of our competitors in terms of marketing techniques. We are now, as is widely proclaimed, importing more

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than we export. Our importers, though, as some too readily point out, are not to be generalized about and treated as the "bad guys," but should be viewed as the real economic force that they are. They have in no small way added to our new awareness of, and expectations for, an expansive segment of our economic activity tied directly to international business.

Given the above, and carrying the effect of stimuli through the facilitating channels to our banking community, it seems clear to me that we have been placed within a context of greatly increased demand for international services and within a resulting newly expanded and lucrative field for profit development. In short, events have given us something seldom seen today, a functional market that in many, if not most, respects did not exist even 10 years ago. The question now becomes, as seen in my second premise, how do we, as a profession, react in order to profitably assist in the continuance of this expansion in international banking?

Within the international banking context, I think that it is fair to assume that this new and expanding demand for services can be related directly to profit opportunities inherent in meeting the demands. In effect, the same stimuli creating change in the market for goods and services is creating change (i.e., expansion) in the market for international financial services. The question, though, is how does the banker respond to these requirements of his customers, both large multi-national organizations and smaller export or import firms?

It may help here to detail a listing of four categories, or stages, of response which were developed recently in our bank. Each stage will fit a particular institution at a particular time, but there is a logical progression of development seen in their expansive nature as one moves from the first to the last. These stages of activity and development are:

(I) Managing foreign cash flow into and out of the domestic serving area (i.e., city, county, state or region).

(II) Disbursing funds from the capital surplus areas of North America, Western Europe and recently Japan to the capital deficit areas of Latin America, Asia and Africa.

(III) Cash management within capital deficit areas.

(IV) Cash management within and between capital surplus nations.

While there are certainly banking institutions in the Midwest and Mid-South that fit into all of these stages, I feel that the explosive expansion of the recent past is noted more in stages I and II than in the latter two. As a result, the balance of this discussion will

deal with the former, although I hasten to add that one must not be unaware of the growing demand for, and the marketing advantages found in, the two stages of sophisticated cash management.

As the local demand for international services develops, the banker finds that he must decide either to expand his current international staff, to institute an international section, or to develop a correspondent relationship that will enable him to offer these services as an intermediate party. The current expansion of international banking is resulting from a mix of all three of these.

In the first case, a number of regional banks and a smaller number of larger local banks are rapidly adding international personnel with the accompanying professional skills. They are aggressively marketing their products; are entering new functional areas, such as foreign-exchange trading, direct collection services; and are engaging in expanded medium-term export financing. One has only to compare the number of institutions now managing foreign cash flow into and out of their local areas with the number offering these services even five years ago to readily see that there has undoubtedly been an expansion in international banking. I think that it is also useful to point out that the source of new business fueling this expansion has come not only from marginal increases in world trade flows but, in great part, is resulting from a major redirection of existing business, in many cases away from coastal points and back to the areas of production and/or consumption. We can expect this trend to continue and to increase. What we are seeing is the growth of an international banking industry based upon inland requirements and relationships and not upon distant, but unique, service sources.

The expansion of an existing international department, however, is not accomplished overnight, nor is it accomplished without a vital and absolutely necessary commitment by senior management in the bank. I would suggest that the decision to push international expansion be one well conceived, well planned and executed with adequate controls. Today, international services are just as demanding as they are in demand.

As noted previously, the increased profits of the international trading community are readily observable by the entire banking profession, not just by those already in the business. We are witnessing today the initial entry into international services by a growing number of banks and, when viewed with regard to the numerous and seem-

International Services

Banks below \$25 million in deposits are unlikely to have international departments. By the same token, few banks with deposits of more than \$500 million do *not* have international departments.

This information was obtained from a survey conducted last year by the ABA's International Banking Division.

The tabulation revealed that the majority of smaller banks use domestic rather than foreign correspondents in providing international services for customers. The vast majority of smaller banks plan no changes in their international activities.

The survey revealed that banks under \$100 million in deposits generally find their international operations to be unprofitable, that banks in the \$100 million to \$1 billion category find their international operations to be marginally profitable and that banks with deposits over \$1 billion generally have very profitable international operations.

All sizes of banks reported that bankers acceptances and letters of credit were consistent money makers, while collections and remittances were generally losers. Customer accommodation forces most banks to continue unprofitable services.

Survey forms were sent to 3,500 ABA-member banks, 43% of which responded. Of the responding banks, 1.2% (all large banks) plan to start Edge Act subsidiaries, while 25% (mainly smaller banks) indicated a lack of familiarity with the Edge Act.

ingly difficult decisions that must be made, methods and techniques that must be developed and contacts and arrangements that must be instituted, we can only surmise that a powerful inducement is at work. Within this beginning context, the development of the basic services of letters of credit, collections and cash operations takes on challenges of major proportions. And yet, we are constantly seeing new names in the trade; we see the competitive situation tighten (probably for the good of all); and we see an upsurge in world trade promotion by these institutions that have newly developed stakes in this market. This is truly an expansive segment of our financial industry.

Viewing the above as a whole, it may seem that there is a "bandwagon" rolling by and that every banker should jump aboard. We are in a pragmatic trade, however, and I do not mean to suggest, of course, that every bank should directly offer a range of basic

international services. I do hold, though, that every bank should, if not offering direct services, explore correspondent opportunities and techniques that can adequately support its particular level of local demand. To do otherwise is surely to place in jeopardy those long-term and profitable relationships that are taking on a definite international flavor, even if of a beginning nature.

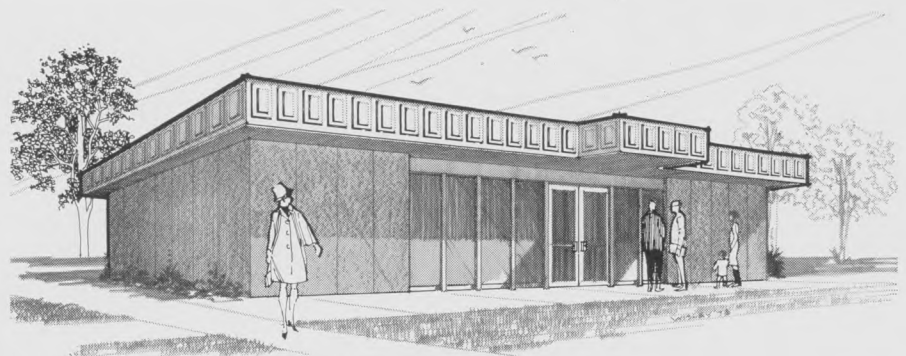
Shrinking Global Market

The local banker must be as aware of the shrinking global market as is his client. And in terms of stimuli, one can, with a bit of effort, identify profit potentials in correspondent activities in a positive vein. These can result from split fees, increased deposits, or even foreign exchange profits, among others. We are fortunate in our area in having the expanded activities of inland international banks result in increased competition for these correspondent alignments at the same time that customers are bringing initial international transactions to their local bank of account. This current complementary interaction is having a snowball effect and is adding greatly to the velocity in international banking expansion.

Touching briefly now on the disbursement of funds into capital deficit

areas, I feel that every bank engaging in international activities will and, in fact, must move into this stage. The reason for this necessity is simple to arrive at, for it will quickly be seen through experience that, customer support apart, adequate profits will not be derived from the basic, mainly fee-revenue, international activities. If international banking expansion is to continue, the profit stimulus will be the vehicle and, with few exceptions, there just is not enough profit obtained by managing local area cash flows to justify continued international development. We only have to remember that to stand still in terms of services offered is to lose ground to our competitors.

Summarizing now, I suggest that the U. S. producing community has recently been stimulated to effect major changes in its global marketing posture and that this change has stimulated bankers in our area to react in a supportive manner to these newly resultant requirements. In line with this suggestion, it seems apparent that our banking community has observed the potentials for *new* profits, is expanding its ability to obtain or to retain these profits, and that by doing so is creating a continued expansion in international banking. • •



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If you need information on Mississippi's research capabilities, your most knowledgeable source is First National of Jackson.

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THREE Europeans were visiting one of our large manufacturing plants and stopped to talk with a man operating a machine that turned out a slightly curved piece of metal about five inches long.

"How long have you been working at this machine?" they asked.

"Six years."

"Just what are you making?" they wanted to know.

"U237."

"Yes," they said, "but what is the name of it?"

"Name? It has no name. Just U237."

The three foreigners were perplexed. "Well, what is it for? What purpose does it serve?"

The worker replied: "What's it for?"

simple one. One that does everything it is supposed to do—hopefully with the resources available.

While visiting a friend of mine, the operating officer of one of the state's excellent banks, we learned of a total work management program offered by the Howard J. Blender Co. of Dallas. Turnover had been reduced along with operating costs and payroll costs. Costs, he told me, had been reduced nearly 30%.

Banks are no different from other businesses when it comes to finding ways to cut costs. The cost-price squeeze is just as binding at Texas Commerce as elsewhere. In comparing our work measurement program with my friend's work management plan, I knew I was seeing for the first time a concept that dealt with people rather than numbers, one that complemented our established policies more than any system we had heard of before. We contacted Blender.

Previously, we had "gone by the book" in practicing our work measurement program. We made equipment studies, time studies, manpower requirement studies, production plans and set standards. While the time standard is an essential tool in work management, we learned that it is too detailed for bank clerical work. A good system, we found, is a simple one, commensurate with accomplishing what it is supposed to do, and it should be related to available resources without leaving out vital features.

Under the old work measurement program, we had furnished our supervisors with the "time standard" as a management tool and assumed they knew how to use it. Under our new work management plan, no such assumption was made. All supervisors and employees were given an equal opportunity to perform at their best and exceptions to the plan became obvious immediately. We in management, then, were provided with some factual controls unlike anything we had seen or used before.

A system is not an end in itself, but it is a means toward carrying out plans. Through work management, all departments and employees are pulling in the same direction, and the result of that pull has been a paring of costs bordering on something phenomenal. Our payroll savings, for example, have exceeded 25%, and this, plus the savings in space and equipment requirements, has made the new system well worthwhile. We have increased quality control, increased job flexibility, increased employee growth, costing information and organization identity through total

Work Management System Provides the Total Picture



By **CHARLES SHOPTAW**
Vice President-Operations
Texas Commerce Bank
Houston

How should I know?"

"Then why do you keep on making U237?" they asked.

"Because it pays \$1.90 an hour, that's why."

I applied this story to Texas Commerce Bank. I wondered how many of our employees really understood how they fit into the "total operation," the "total picture," of the bank. Were they making U237s day in and day out, mindlessly? Did they find any meaning in their daily work? You know how it is when you begin thinking along these lines. Without answers, there is no way out of a mental maze.

Texas Commerce has been in Houston for 86 years. Over the years we have developed a good systems department, and some of the answers to the above questions were readily available. But not all.

Not long ago, a consulting firm provided us with a work measurement program to complement our own. Under this system, our supervisors were trained to work with numbers and to apply these numbers to employees—people. We went by the book. We made equipment studies, time studies, manpower requirement studies, production plans. We set standards. And while these are all essential tools in measuring productivity, the formulas were too detailed for bank clerical work. They didn't give us the answers we needed.

We learned that a good system is a

management within each department.

The change in our supervisors' attitudes is as important to us as the payroll and equipment savings. Our working supervisors now are thinking supervisors, available to manage, counsel and give help to employees, thereby making their jobs easier and more enjoyable.

Through cross-training, our employees have become more valuable to their departments. Rather than having to hire additional employees to handle overloads during peak periods, there are those within the departments who can handle several jobs. They can, and do, help during the "crisis" or "panic" moments.

We no longer use subjective judgments in evaluating our employees' contributions to the bank. We now are able to evaluate each objectively as individuals and give recognition to those who are deserving. Morale is better than ever. Our employees know their department heads "care" about them. Everyone knows the direction he is going and that direction's relationship with total bank operations. No one is making a U237 here. There is order, but order with tolerances, order without minute precision, order within which there is scope to operate.

Basic to the system are the daily and weekly reports. Under a work measurement program, problems that are causing inefficiency often are obscured in the "big blob" of standard work hours and effectiveness calculated once a month. Many times it is difficult to isolate a problem. A daily individual reporting system, however, provides an instant analysis of the entire banking operation. Rather than being the chores supervisors might believe them to be, these reports take little time to prepare. They are natural byproducts of the plan and effective in spotting exceptions.

Supervisors should not be loaded down with clerical duties. Supervisors are not clerks. They should, however, be aware at any point during the day what work there is to do, when it arrives and how much there will be. They can learn these things through their work plans. Supervisors are taught how to supervise work. And the reports make management aware of the effectiveness of their supervisors. Not only are our supervisors better trained to do their jobs, but our employees have a clearer understanding of their positions. They all work smarter rather than harder and the bank and its customers are better off for it. We have seen an improvement in our internal and external images, in communications among our staff, in our training

programs and personnel evaluation.

We found that our previous work measurement program analyzed our problems, but provided no solutions. Our new total work management program gives us the answers we need.

Reasons

(Continued from page 35)

with a coastal bank for international services might decide to let that bank handle other services.

A third reason offered by Mr. Waters is the fact that transfers of funds and processing collections denominated in foreign currencies can be effected much

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Devaluation Benefits For Exporters

The devaluation of the U. S. dollar provides an excellent opportunity for manufacturers in the U. S. to increase their exports, says Daniel B. Phelan, vice president, Mercantile Trust, St. Louis.

The devaluation makes U. S.-produced goods more attractive to foreign customers. Thus, a manufacturer with excess capacity in his plant would be in an excellent position to put that capacity to work to turn out more goods for export.

Mr. Phelan says that devaluation probably will have little effect on the volume of imports to the U. S., since most imports are luxury items and consumers are not particularly mindful of the cost of such items, or the imports are needed raw materials.

He predicted that the 10% devaluation will begin to show results in an improved balance of payments picture for the U. S. by the end of 1973 or early in 1974—provided, of course, that all other things remain equal. He expects most foreign currencies of the developing countries of the world to move close to the dollar, but there is a question whether Western European nations and Japan will accept such a move, or opt for one involving greater differential, which is a necessary factor in the success of U. S. devaluation.

The entire balance-of-payment situation, he says, is merely the "tail wagging the dog," since it amounts to less than 10% of the Gross National Product.

Mr. Phelan joined Mercantile Trust in February, 1972, following service with Allied Bank International, a New York-based international banking group. He was in charge of Allied's Far Eastern, Middle Eastern and African operations and served in the group's Tokyo and Hong Kong offices.

.....

faster and with greater ease when a bank maintains its own foreign currency accounts.

"At our bank, as in most others, international banking began with a customer's need," says Mercedes Pentecost, assistant vice president, National Bank of Commerce, Dallas.

"In the beginning, we were able to serve his needs via correspondent relationships with larger banks that had active international departments. As we acquired more customers doing business abroad, we found it necessary to develop our own international banking department. The fact that we have this service has attracted much more of this type of business, both domestically and abroad, as our bank's name has become known . . . in handling international transactions," she says.

National Bank of Detroit entered the international banking field when it saw that such services were becoming of increasing importance to its manufacturing customers. The bank saw the need to develop the services and sophistication in international banking necessary to enable it to retain a strong position with its customers, says Richard H. Cummings, executive vice president.

John E. Cook, vice president, Union National, Little Rock, reports that international banking is becoming increasingly important to middle America banks as manufacturing corporations and agricultural cooperatives become more active in international trade. Tourist traffic abroad has become commonplace for the average American, increasing the need for foreign exchange markets at a local level.

"By establishing a network of correspondent banks in major countries throughout the world," Mr. Cook says, "we are able to provide our customers and correspondent banks in Arkansas with direct communications from Arkansas to the foreign bank. In bypassing the traditional U. S. international banks, we have retained balances in Arkansas, reduced the time required to transfer or receive funds and performed meaningful services for our . . . customers."

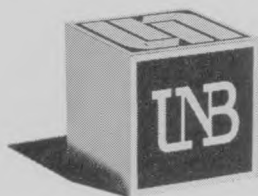
"International banking has been able to grow in importance at Central National (Chicago) primarily because it yields a higher profit margin, together with a lower credit risk, than domestic banking," says Arthur L. Lathrop, second vice president.

"Federal Reserve loan loss statistics show that over the years international banking losses among American banks have been lower in percentage terms than losses from domestic banking activities. At the same time, profit spreads are approximately double those of local lending. These factors can together



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MID-CONTINENT BANKER for March, 1973

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yield a dramatic profit surge, together with an upgrading of the loan portfolio," Mr. Lathrop says.

He says that, as world trade continues to grow, clients are becoming more and more involved and expect their bankers to provide the appropriate expertise. "Full-service banking must include international banking services in this day and age," he says.

Ernest D. McDonald, first vice president at National Bank of Commerce, Memphis, states that the offering of international services at the local level is a profitable extension of the full-service bank concept.

"Major regional and inland banks have entered the international arena because it can be a profitable exercise and it is a competitive tool," he says.

He says that the offering of international services places the bank in the position of keeping competition from getting a "foot in the door," since ful-

filling a customer's international banking needs enhances the relationship.

"Also," he says, "it is a good tool for soliciting the business of firms engaged in international activities, but being serviced by a 'money-center' bank. Most firms prefer to deal at the local level for their day-to-day banking needs."

How are banks helping their customers and correspondents through the services of their international departments? Following are a few examples:

- One bank works in cooperation with several correspondents to handle the letters of credit, foreign exchange transactions and inventory financing of a dealer in a product used by the food and chemical industries. The amounts involved run into the millions of dollars and yet the firm's domestic bank accounts and part of the foreign financing has remained in the community.

- Another bank has been sponsoring seminars for small businesses interested

in learning about the opportunities and requirements for exporting their products to certain countries.

- A toy importer needed financing for a selected line of toys for resale to a major retail chain. The local bank could not handle the substantial financial requirements, so it turned to its correspondent's international department to fill the need on a participation basis. The local bank maintains its role as the primary lender.

- One bank was responsible for three local, previously domestic, firms expanding into the international area. The bank worked with each firm from the beginning, obtaining trade and credit information about overseas parties, lining up customs services and supplying letters of credit and financing.

- An exporter of barrel staves to Spain had been obtaining letters of

(Continued on page 66)

Medium-Size Banks Describe International Services

AN INCREASING number of medium-sized banks in the Mid-Continent area are offering international banking services and opening international banking departments.

Following are brief reports from a sampling of these banks.

First National, Bartlesville, Okla., although located quite a distance from areas that normally are associated with international business, provides a great deal of international services to its customers, according to E. Lynn Caswell, assistant cashier.

Three local businesses, two of which are headquartered in Bartlesville, have international operations, he said.

"We provide these customers with overseas transfers of funds and we provide a great deal of service to their individual employees, both with respect to transfer of funds and credit references," he says. "Those services that we cannot provide direct, we provide through our correspondent banks on both coasts. For a bank located in this area, we have an unusually large number of customers who are overseas but who maintain their account relationships with our institution."

Exchange Security, Birmingham, Ala., has several customers active in international trade, according to R. A. Montgomery Jr., assistant vice president.

One customer is importing Japanese products, he says. "Our assistance is by means of issuing letters of credit to the seller and advancing loans to our customer to finance this inventory until it is sold and the receivables col-

lected."

Exchange Security has helped some customers place orders through foreign suppliers, Mr. Montgomery says. "These customers had no knowledge of how to protect their interest in these transactions, and we were able to assist them in handling their transactions in the most efficient manner."

Exchange Security also assists customers in securing credit information on foreign companies and in the collection of foreign checks and the conversion of foreign currency.

Continental National, Fort Worth, has a year-old international department, according to Joe Paul Cooley, head of the department.

"The main services we provide on a daily basis are the sale and purchase of foreign currency, writing foreign currency drafts, making foreign currency transfers and writing import letters of credit," Mr. Cooley says. "We also handle foreign collections and remittances, write travelers letters of credit and we are now beginning to handle the documentation and paying of export letters of credit."

Central Trust, Jefferson City, Mo., provides a large local manufacturing concern with drafts payable in British pounds sterling for payment of purchase orders in England. These are obtained through its Chicago correspondent, says John A. Morris, vice president.

"We also have periodic requests for credit information on foreign companies by a local manufacturer," Mr. Morris says. This information is ob-

tained through the bank's New York correspondent.

Laredo (Tex.) National has attempted to stimulate international transactions by providing importers and exporters with credit information and by encouraging letter-of-credit transactions or the use of payment orders as a means of effecting settlements, says Javier Garza, senior vice president.

"On numerous occasions we have exercised control of shipments of goods until respective settlements have been received by the shipper," he says. The bank cooperates with correspondents in the U. S. and Mexico in offering these services.

Kansas State, Wichita, finds that its most frequent international services are the clearing of foreign checks and drafts and the issuance of travelers letters of credit, says Wilma Rockett, assistant vice president.

"We do have one large manufacturing customer who imports steel ingots and places orders from England with periodic payments over a six-month period. By contract he must pay for these orders in pounds sterling and there is a risk that a fluctuation in the exchange rate could cost him substantial amounts over a six-month period," she says.

"To alleviate this risk, we frequently transfer funds through a New York correspondent to London for investment in a pounds sterling account for our customer. This establishes an exchange rate at the time his purchase is made. We then use the pounds sterling account to settle the amounts of his contracts," Ms. Rockett says. • •



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MID-CONTINENT BANKER for March, 1973

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Reasons

(Continued from page 64)

credit from a New York bank. Since the local bank now offers international services, it has arranged with the Spanish bank to confirm their letters of credit and now gives the customer immediate credit on presentation of shipping documents. Through the New York bank, the customer did not receive payment until two to three weeks had elapsed and then he received a check payable in New York.

- A medium-sized Mid-Continent-area bank was asked by a client about exporting products to Mexico. The bank, not having specialized expertise in the international area, asked its correspondent to help. The correspondent was able to provide detailed knowledge of government programs and prepare the documentation for a small fee. The smaller bank provided the financing.

- A small distiller was looking for a means to export its products to Europe. It had no idea of how to begin and approached its local bank, which in turn contacted its correspondent. Through the correspondent's international contacts, the distiller was put in touch with potential importers, resulting in a distribution arrangement amounting to more than \$50,000 in annual sales. The local bank benefitted from increasing balances as its customer's volume grew and in the prestige with the local customer for being the catalyst in increasing his sales.

These illustrations of helpfulness on the part of banks offering international services are merely the tip of the iceberg. Yet they provide an idea of the great need business firms have for these services. This has resulted in an ever-increasing realization on the part of Mid-Continent-area bankers that they should be meeting the needs of their customers with international banking services. • •

Planning and Experience

(Continued from page 40)

record when it released an advertisement reassuring its clients that its offices would continue their services. The ad was conceived, written and sent to the papers in under four hours. The full-page ad ran in six major U. S. dailies as well as the *International Herald Tribune*.

In addition, responses to the press and news releases attempted to put the situation in perspective. One such release, issued near the end of the excitement, quoted an American Express executive: "Although many people may be lulled into a feeling of well-being by what appears to be the cooling off of the dollar crisis, no one knows what is going to happen in the months ahead."

Few had any idea (or would ever forget) what would happen during the frenzied week of August 16.

In his television speech of August 15, President Richard M. Nixon suspended the dollar's convertibility into gold. In effect, he set free the price of gold and the value of U. S. currency.

Only a little over three months had passed since the "practice run" in the May crisis. This was the real test—or as one *Christian Science Monitor* writer was to put it: "For American Express, which has been serving travelers for more than 120 years, the surprise dollar devaluation was a major test of contingency planning."

Again, the offices of American Express, its subsidiaries and representatives had agreed on what to do. The fundamental policy had been "keep the doors open" and convert dollars at the last-quoted official rates except where local regulations dictated otherwise. But now there was no official rate. The dollar was floating and it was certain that the last-quoted official rate of Friday, August 13, was going to be too low.

Nevertheless, on Monday, when the currency confusion was at its peak, these offices were virtually the only places a tourist could cash his American Express Travelers Cheques at the old dollar parity.

In London, where a number of different "unofficial" exchange rates developed, the move to sell pounds at the "patriotic" rate of \$2.43 made headlines in the British press.

In Paris, where French banks had been closed for a public holiday that Monday, long lines of tourists practically exhausted the office "till." But the Paris office was able to maintain cash sufficient to continue changing American Express Travelers Cheques at 5.5 francs to the dollar.

Then, beginning on Tuesday, as European currency markets calmed down, there was a shift to a policy of selling dollars at the average of the prevailing bank rates in each country.

Throughout the period from August 17 to August 22, major domestic and overseas newspapers carried full-page ads advising travelers and their anxious friends and relatives at home that the services of American Express were con-

tinuing on a normal basis. Television and radio commercials, featuring unrehearsed interviews with travelers who had experienced the crisis first hand, were aired from August 25 to September 22.

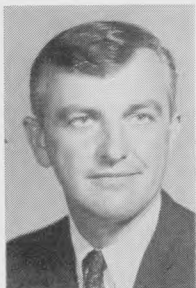
As to the future outlook, a lesson has been learned from past experience that monetary turbulence, once the initial shock waves are past, does not impede the long-range growth of international travel.

In fact, the months following the August, 1971, "crisis" represented one of the strongest growth periods in history for travel abroad.

People will, then, continue to travel, and with the possibility of future monetary uncertainty, they will turn to their bankers for travel-related financial advice. And these bankers can turn to American Express because of its record of travel and financial assistance.

Last month saw the latest round of international monetary fluctuations. "American Express was ready and once more met the needs of the traveler," Mr. Haugh concluded. Business as usual! • •

Reese Promoted to Senior VP At Columbia Union National



REESE

KANSAS CITY—Richard W. Reese, head of the marketing department at Columbia Union National, has been promoted to senior vice president. He had been a vice president for the past three years.

Before joining the bank, Mr. Reese was vice president of marketing at Metropolitan Bank, Chicago, and was associated with General Electric Credit Corp.

Flying Bankers Plan Meeting For April 15 in San Antonio

The International Flying Bankers Association will hold its 1973 annual meeting April 15-17 at the Hilton Palacio del Rio Hotel in San Antonio, Tex. Program chairman is C. M. Pregler, president, First American Bank, Minco, Okla.

In addition to business sessions, the meeting will feature a banquet on the top floor of the Hilton hotel; ladies' luncheon and shopping-sightseeing tours; and a boat ride on the San Antonio River, followed by a Mexican dinner and entertainment at Juarez Plaza.

MID-CONTINENT BANKER for March, 1973

Unique Annual Report

BankAmerica Corp. has devoted nearly a quarter of its 1972 annual report to a close-up view of its shareowners throughout the world.

The 40-page report contains an eight-page photo album of BankAmerica shareowners ranging from a peasant farmer in Northern Italy to a young bank employee in California.

Printed in color on recycled paper, the report also includes a special addendum on the bank's social performance.

In a preamble to the photo album, BankAmerica notes it has 176,578 shareowners, said to be more than twice the number reported by any other private banking firm in the world.

■ AMERICAN NATIONAL, Chattanooga, promoted William G. Brown Jr. to assistant vice president and manager of the East Chattanooga Branch and Norman R. Miller to assistant vice president and manager of the Master Charge department. Mr. Brown joined the bank in 1967 and Mr. Miller in 1968.

E. Wood Stevens, 45-Year Banker, Retires From American of Chicago

CHICAGO—E. Wood Stevens, senior vice president, American National, has retired after 45 years in banking and 37 years with the bank.



STEVENS

For most of those years at American National, Mr. Stevens was comptroller or in the comptroller's department. He was named comptroller in 1946, vice president and comptroller in 1956 and senior vice president in 1970. During that time, he developed and improved the bank's pension plan. He also had administrative responsibilities in the educational loan program and charitable foundation and was named treasurer of American National Corp., a holding company, in 1969.

Young Bankers Plan Convention

The Young Bank Officers of Kansas have announced that their 1973 convention will be held at the Holiday Inn Plaza in Wichita on Thursday and Friday, September 20 and 21.

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Computer Deposit Forecasting Ability Increases Bank's Competitive Advantage

“WE DEFINITELY feel that our ability to forecast our deposit levels has increased our competitive advantage. . . . I can't overemphasize how valuable that knowledge is to us.”

In a capsule, the comment above, from Marlin D. Jackson, president of Security Bank of Paragould, Ark., emphasizes the pressure bank executives are feeling in a period of economic flux. Adequate and accurate information on future deposit levels makes it possible to perform the economic footwork that steers them clear of major pitfalls in asset management.

Computer deposit forecasting is not a development of the '70s. Its use in smaller state and city banks, however, is.

Larger national banks in the nation's primary financial centers began toying with the forecast idea in the early '60s. After trial runs and performance analyses, the forecasting systems used—and there are several today—were determined reliable.

In 1971 and 1972 the forecasting trend and its technology caught the eye of national bank people in other cities and began spreading among them at an increasing rate. Pressed by a desire to gauge the effects of the inflationary trend, these banks began investigating their own forecasting programs. Others threw their plans into high gear and entered 1972 determined to know where they would be in 1975.

One such bank, Union Planters Na-

tional, Memphis, developed a deposit forecasting system not only for its own use, but for its correspondents as well, and made the computerized system available on a subscription basis. Union Planters prepared a two-pronged educational and sales program, then stepped out to market the package among its correspondents for the first time in late 1972.

Initial results indicate that the service is stirring interest among the bank's Mid-Southern neighbors and is meeting a need for dependable information, officials have said.

The system can be applied successfully to banks of virtually any size, according to bank officials. Its accuracy depends, of course, upon the validity of the input data—in most cases, a five-year retroactive analysis of the subscriber's call reports, quarter-by-quarter, to the present date.

“From the information in the call reports, we plot a scatter diagram,” said Union Planters Market Research Officer L. J. Pendleton. “We then plot this information along one of six degrees of polynomial curve that varies from a lateral, or line, configuration, to a wavy line or bell-shaped curve. The amount of standard error for that curve is checked and applied to the information given us.”

The data is then fed into a time-sharing terminal that occupies a room of its own in the marketing department. The appropriate program and

its corresponding language are selected, and the computer goes to work.

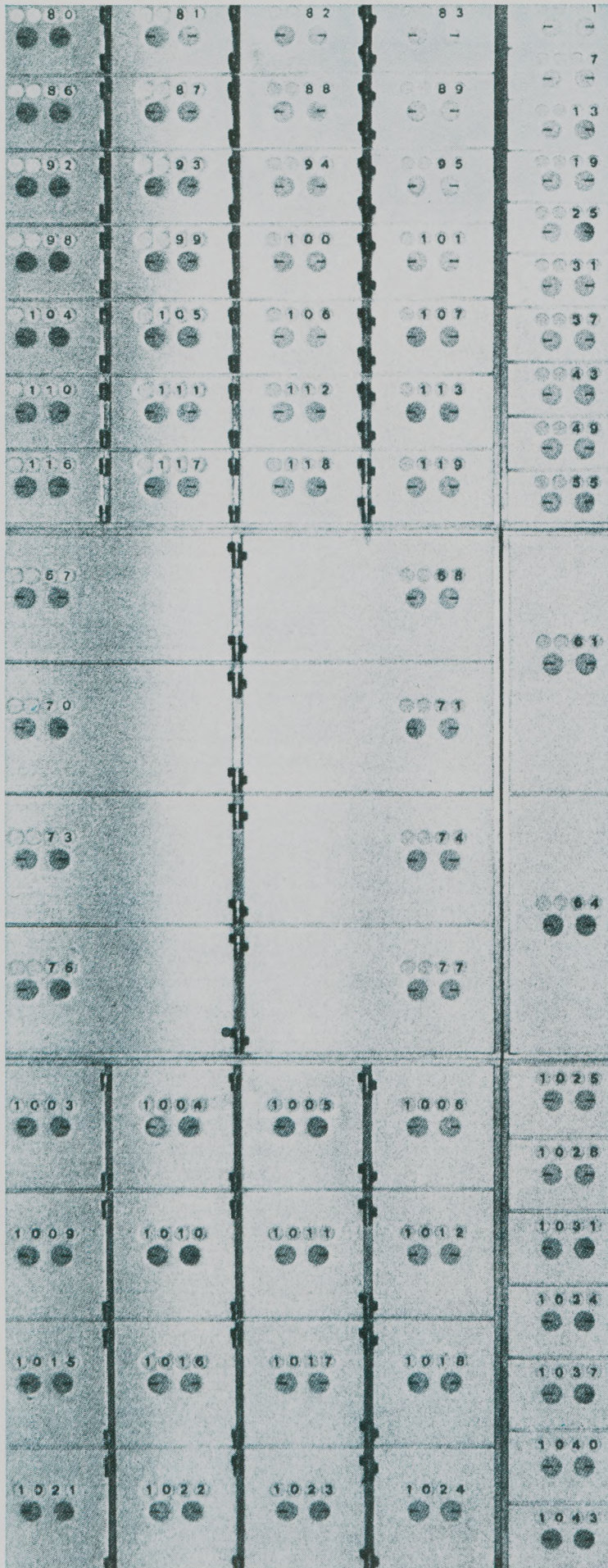
“A short while later, the terminal begins to discharge figures that are plotted on another scatter gram,” said Mr. Pendleton. “We can use this gram to construct a line projection for up to three years in the future.

“The deviations in a one-year projection are, of course, less pronounced than those that accumulate at the end of a three-year forecast. After that period of time, other factors come into play and make a further accurate projection difficult.” Standard three-year projections are computed at a 95% confidence level, and are considered highly reliable by Mr. Pendleton.

How detailed are the forecasts? Actually, they reveal a great deal, and can be made to reveal more. The standard forecast comprises three elements of information: Individual, partnership and corporate time deposits, IPC demand deposits and total deposits. If other items are needed, more research is performed prior to data input.

To increase the degree of accuracy, quarterly updates can be run for a fee in addition to the basic forecast fee, Mr. Pendleton said. In this manner, a bank could avail itself of the freshest possible information every quarter and improve upon the confidence level of the forecast.

Mr. Jackson of Security Bank claimed that the original one-year forecast that Union Planters performed for



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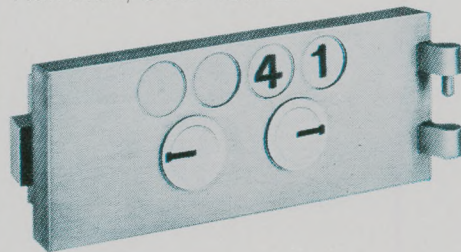
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him is his "bible." He later requested a three-year projection and, after receiving it, said he was thoroughly convinced of the necessity of looking ahead at deposit levels when possible.

Security Bank, said Mr. Jackson, was an \$8-million bank five years ago. Today, its deposit level is a healthy \$21 million. "Two years from now, we'll be a \$30-million bank, according to the forecast," he said. "I believe it."

Mr. Jackson said he felt that an external analysis, with its total objectivity, would carry a higher confidence level. That point has merit, but the figures speak for themselves in the final analysis.

"Union Planters' forecasts have tended to be a bit conservative, and we're actually operating over the median point of the forecast," he said. "We are still well within the confidence limit and we've found the forecast figures to be very accurate since March 31 of 1972."

Robert W. Massey, vice president and cashier of Security State, Starkville, Miss., recently authorized the forecast for his bank and rightfully expects accuracy when his figures are available.

"We're interested in seeing how the Union Planters forecast will compare with our own previous ones. It will have to be pretty accurate," he said. "We're trying to predict budget structures that will enable us to make decisions about our expenditures in loans and investments."

His bank currently lists deposits of \$36 million; five years ago, the figure was \$20 million. Although the bank has four branches located in neighboring communities, the forecast will reflect one aggregate deposit figure.

"We find that our growth rate itself is increasing yearly, partially due to population and because we're aggressive in our search for business," Mr. Massey said. The bank is located in a rapidly enlarging area, with transportation and industrial installations ranking as major contributors.

"The forecast at the moment will serve internal purposes, and we've not yet examined its relationship to our marketing approach," he said, acknowledging that the information will very possibly be brought to bear upon his bank's advertising and marketing program at a later date.

As the computerized deposit forecast becomes a common requirement in bank planning sessions, it is probable that competition for loan business or time deposits, as the case may indicate, may be planned further in advance with greater accuracy, Mr. Pendleton said. The adequate foreknowledge of

deposit levels and cash availability now provides a sound basis for policy decisions on future business. It is almost inevitable that these decisions will be made further in advance and will reflect more complex information.

The net result is a certainty, he said: The operating efficiency of the forewarned and forearmed bank will be enhanced—yielding greater profitability in a period of national economic oscillation. • •

BAI's Southern Regional To Be Held April 15-17; Nadler to Be Speaker

ST. LOUIS—The Bank Administration Institute's 24th southern regional convention April 15-17 is expected to attract about 600 bankers. The convention will be held at Stouffer's Riverfront Inn here, with registrants to come from 20 western, southwestern and midwestern states. The St. Louis BAI Chapter will be host.

Speakers will include Dr. Paul S. Nadler, professor of business administration at Rutgers University, New Brunswick, N. J. Topics will include kidnap/ransom, government regulations covering bank personnel, women in banking, modern audit concepts, bank float, electronics funds transfer and management decision tools.

Donald N. Brandin, president and chairman, Boatmen's National, St. Louis, is general chairman. Vice general chairman is Lee W. McNorton, vice president, Boatmen's. They are being assisted by the following committee chairmen, all from St. Louis unless otherwise noted: *arrangements*, Edward J. Jezik, vice president and auditor, Charter Bank of Jennings; *finance*, Ernest J. Brundick, assistant vice president and auditor, Manufacturers Bank;

ladies, John E. Tethers, vice president and auditor, Citizens National of Greater St. Louis, Maplewood; *program*, William A. Brady, vice president, Mercantile Trust; *reception*, Walter C. Hammermeister, vice president and cashier, South Side National;

Exhibit and educational display, Hubert V. Krieger, auditor and comptroller, St. Johns Community Bank; *hotel reservations*, Frank W. Gresoski, auditor, First National; *printing*, Cyril A. Niehoff, vice president and cashier, Florissant Bank; *publicity*, John P. Rogers, assistant auditor, Mercantile Trust; and *registration*, Joseph W. Lederle, assistant controller, First National.

Branching Changes Proposed

A bill providing limited branch banking facilities has been passed by the Kansas House of Representatives and sent to the Senate for consideration by a committee and a bill to eliminate home office protection in the Indiana branching law has been introduced in the Indiana House. As of press time, the Indiana House Financial Institutions Committee—by a 9-0 vote—recommended passage of the latter bill.

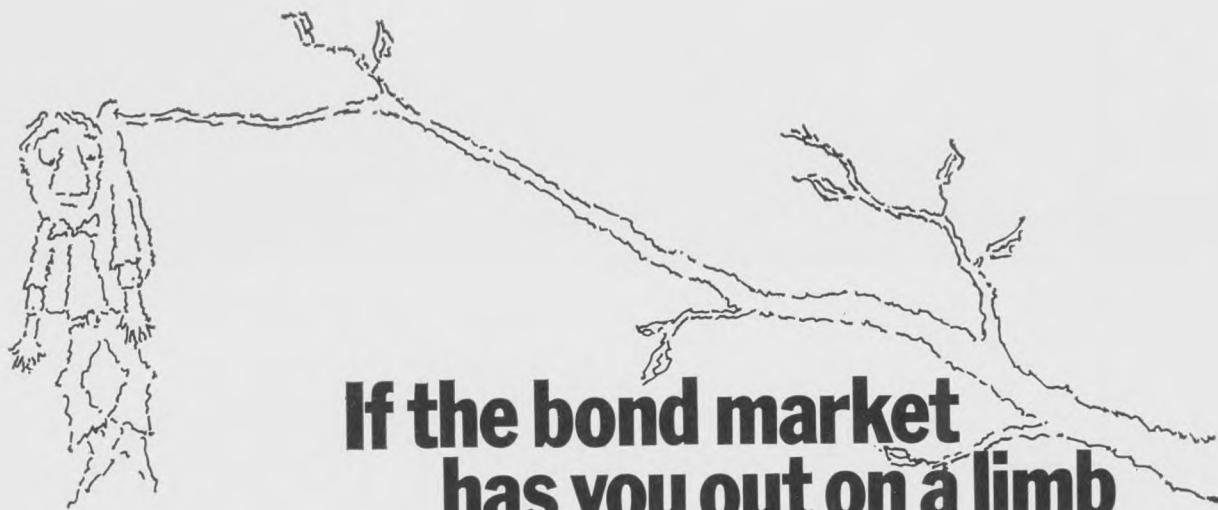
Under the Kansas bill, banks would be able to establish up to three branches anywhere within the city in which the headquarters bank is located, or in the township if the banks are located outside municipalities.

Kansas banks are now allowed to establish only one facility within 2,600 feet of their headquarters.

Regarding home office protection in Indiana, present law permits banks to branch within county lines but provides that they may not branch into another community where there is already the main office of another bank. The proposed bill, which is supported by some large banks, would eliminate this protection.



Committee chairmen for BAI's southern regional conference April 15-17 in St. Louis pause during planning meeting to be photographed. Back row, l. to r., are: Ernest J. Brundick, Lee W. McNorton, vice general chairman, Donald N. Brandin, general chairman, Edward J. Jezik, William A. Brady and Cyril A. Niehoff. Front row, l. to r., are: Frank W. Gresoski, John E. Tethers, Hubert V. Krieger, Joseph W. Lederle, Walter C. Hammermeister and John P. Rogers.



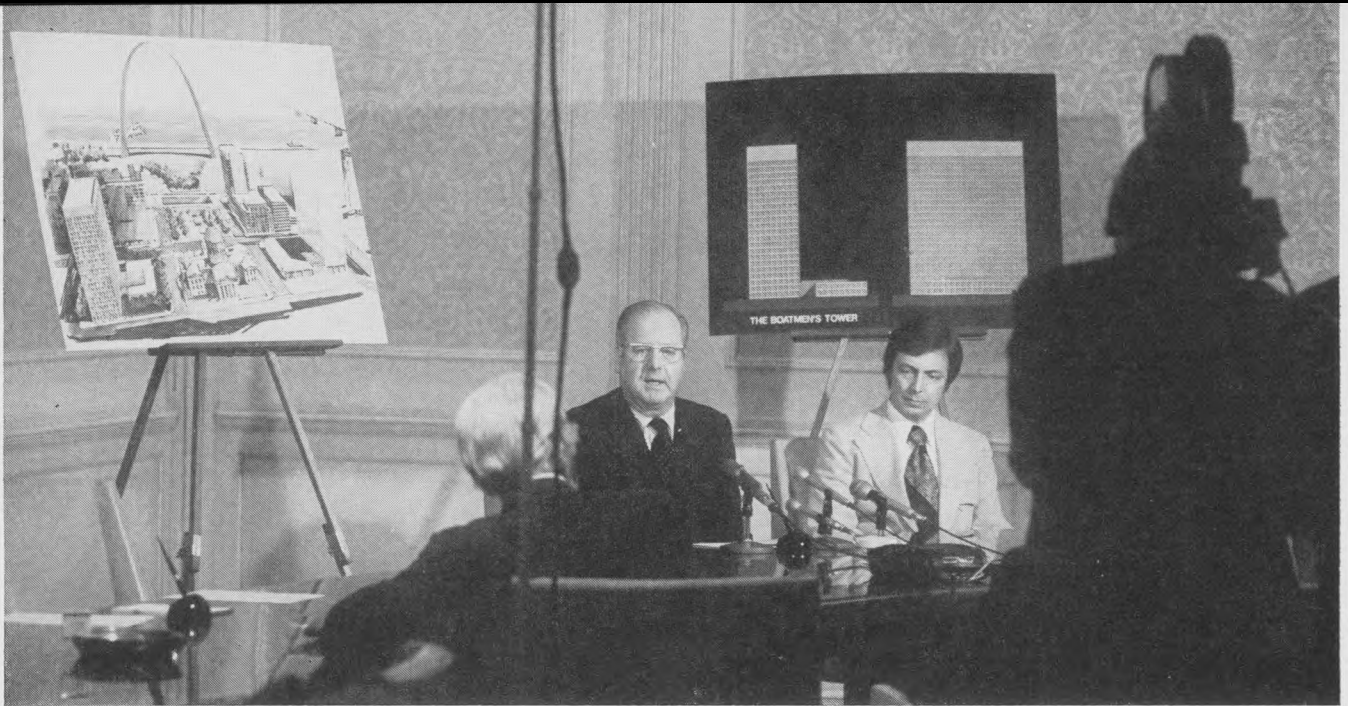
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Donald N. Brandin (in dark suit facing camera), pres., ch. & CEO, Boatmen's Nat'l, St. Louis, describes bank's planned \$20-million office tower before TV cameras. With Mr. Brandin is Richard A. Roloff, pres.,

Capitol Land Co., co-developer of project. In background and at left are exhibits of proposed development.

Boatmen's to Build Complex On Downtown St. Louis Site

ON THE COVER . . .

Artist's sketch of St. Louis waterfront area upon completion of Boatmen's Tower (far l.), new home of Boatmen's National. The tower and its counterpart, the Equitable Building (not shown), will flank the Old Courthouse and enhance the open-space concept of the Gateway Arch area. Both Boatmen's Tower and the Equitable Building were designed by the same architect.

BOATMEN'S TOWER is the name of a new 22-story high-rise building to be built in downtown St. Louis by Boatmen's National and Capitol Land Co., a major real estate development company associated with the George H. Capps interests.

The bank complex will be constructed immediately north of the landmark Old Courthouse and is designed to complement the Equitable Building, which is located immediately south of the Courthouse. Both the new Boatmen's Tower and the Equitable Building were designed by Gyo Obata of Hellmuth, Obata & Kassabaum, Inc. Although Boatmen's Tower will not have a mirror-like exterior, as does the Equitable Building, it will resemble Equitable in size and shape.

Announcement of the new downtown project was made in early February by Donald N. Brandin, president, chairman and CEO of Boatmen's. Mr. Brandin said the cost of the tower complex would be more than \$20 million. Groundbreaking could begin as early as this fall.

The tower building will be 285 feet in height and will be situated on the northern side of the block-square prop-

erty bordered by Broadway, Pine, Fourth and Chestnut streets. Connected to the tower structure will be a two-story building that will house the bank's lobby. It will feature a skylight.

Boatmen's National is expected to occupy the lower floors in the tower structure, and possibly some of the higher floors. Total occupancy by the bank is expected to be 40%, or 180,000 square feet of the 450,000 square feet of floor space available in the complex.

The new building will feature an aluminum facade with bronze-tinted reflecting glass windows. The exterior will have the appearance of stone.

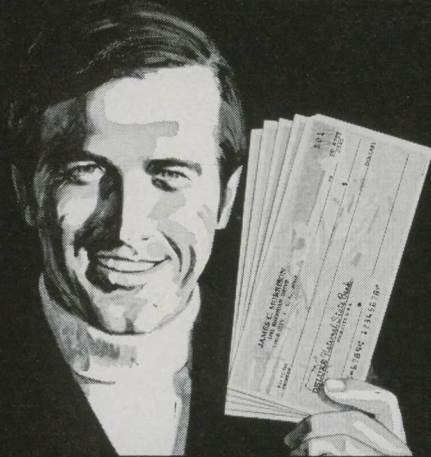
Underground parking will accommodate more than 600 cars. Subsurface and lower parts of the building will be designed first so that construction can begin while detailed design still is proceeding on upper sections, according to Richard A. Roloff, president of Capitol Land Co.

"The project reflects the confidence of Boatmen's National Bank in the future of St. Louis and the interest of the bank in promoting further development of the whole area," said Mr. Brandin.

Completion of the project is anticipated by the end of 1975. • •

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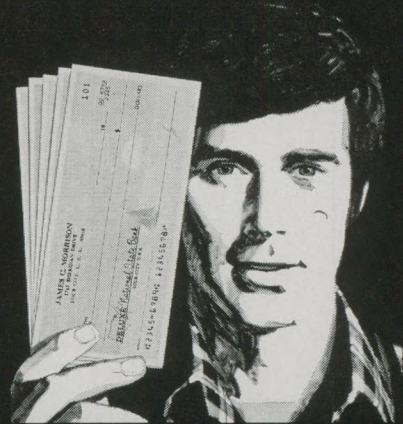
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Business Gains

(Continued from page 42)

means for examining the reasons why certain industries are declining. If imports are predominantly responsible and if they are being sold unfairly, then they should be curbed. If, on the other hand, the success of certain imports is simply an indication that a U. S. industry has lost its competitive advantage, then massive help should be given to move this industry's productive resources—people and capital—into other activities. This would cost a great deal of money, but it would be incomparably cheaper than unjustified protection fostering inefficiency at the expense of the ultimate consumer and the possibility of a trade war.

The international trade of the U. S. is closely linked with U. S. foreign investments, and for the most part those groups that oppose imports also oppose foreign investments as detrimental to the domestic economy. The opponents of foreign investments claim that these investments take jobs away from labor and business at home and thereby decrease domestic employment. Yet dozens of studies by private organizations, prestigious universities and the U. S. government, including a major study by the Department of Commerce, show clearly that foreign investments have a distinctly *positive* effect on domestic capacity of these companies, and on the national balance of payments. An insignificant percentage of production abroad, attributable to U. S. foreign investments, is re-exported to the U. S.

At this stage of our economic development, international business cannot be viewed separately from the total economy. It is disturbing, however, that while our exports have increased from \$20.6 billion in 1960 to \$44 billion in 1971, our imports during the same period have increased from \$15 billion to \$45.6 billion, thus creating an unfavorable balance of trade.

What do these figures suggest? Above all, they suggest that while other nations have concentrated heavily on our markets, we have not given equal attention to the markets of our trading partners. Ninety-four percent of the world's people live outside the United States, presenting considerable opportunities for trade—a fact somehow all too frequently overlooked. The U. S. now accounts for 20% of world trade; the Common Market as a block accounts for 25%. We do have a trade deficit, and the question before this na-

tion is: "Do we panic and retreat into isolationism while the rest of the world develops new commercial links and grows, or should we do some aggressive thinking as to why our trade has suffered and develop national policies that would make our exports more competitive?" I suggest that the latter is the solution.

In 1972, two major events took place in Europe that require a fresh and imaginative approach on the part of our government if we are to preserve our trade with that continent. In the 1960s there were two blocks, the EEC and EFTA. In January, 1972, Great Britain signed a treaty of accession, with Denmark and Ireland following. This enlarged the Common Market from six to nine states. Norway had been expected to join but popular vote went against ratification of the agreement.

In July, 1972, another important event took place. The enlarged European Community of Nine signed agreements with the remaining members of the European Free Trade Association such as Sweden, Finland, Austria, Switzerland, etc., under which they agreed to mutually remove all tariffs on all traded industrial products.

What does this mean to the U. S. paper industry?

Nearly half a billion of our exports, or 43% of the total, go to Europe. Our major world competitors are Sweden and Finland, and they are tough competitors. Until January, 1973, when the new treaties went into effect, all outside suppliers traded on equal terms, with a common external tariff of 12%. Under the new treaties, however, these tariffs will be gradually reduced to zero for both Sweden and Finland but will remain in full force against the U. S. unless we are successful in a new round of negotiations.

In recent years, the U. S. paper industry has operated on low profit margins. Tariff discrimination of 12% will create an additional major handicap that is likely to result in sharp decreases in exports. Not only will our industry suffer damages, but the U. S. balance of payments and trade will be adversely affected.

Our industry, fully backed by the U. S. government, has strongly protested against the forthcoming tariff discrimination, but since our country was not a party to these intra-European negotiations, no remedies have been offered by the Europeans.

In 1972, the United States, the EEC, Canada and Japan agreed to a new round of multilateral negotiations on trade to start in the fall of 1973. For my industry, this is the only hope for redressing inequality of treatment. Thus

these negotiations are of major importance to us.

The question that looms large at this time is whether or not these negotiations will take place. Under the present laws, the Administration cannot negotiate any binding trade agreement because the President lacks the congressional authority to do so. The last trade bill giving the President such authority expired in 1967. Meanwhile, the European Economic Community has made two points abundantly clear: (1) It will not negotiate seriously unless the Administration has congressional authority, and (2) it will not offer concessions unilaterally.

Even with congressional authority behind them, the task of our negotiators will be an exceptionally tough one. Without it, starting these negotiations is hopeless.

In conclusion, I would like to venture some purely private opinions, speaking as a U. S. citizen, and an economist. I think we can succeed in these international negotiations if we have the will and if the Administration comes up with a tremendously imaginative program encompassing the next 25 years of economic interdependency among nations. The price for not having the will for such a program will be the fragmentation of the free world into hostile trade camps leading to economic chaos.

We have to offer the world a program that will provide our own economy with legitimate economic security, yet a program that will be fair and will spell out a forward look for all the trading nations.

A protectionist bill such as that currently being sponsored by Senator Vance Hartke (D., Ind.) is the bill of a frightened nation. We need a trade bill that promises progress, not retreat.

Compared to other nations, the participation of the U. S. business community in the creation of a foreign economic policy should be greatly increased. More and more industries assign resources and talent to domestic public affairs. Unless international public affairs, of which trade is one, start receiving serious attention from the business sector, our country will start skidding along the road to isolationism, falling into an inward spiral of decreasing economic growth. The time to become concerned is not in the future, not even in the near future. It is now! • •

■ DETROIT—Manufacturers National has elected a new director, Joseph D. Williams, executive vice president and chief operating officer, Parke, Davis & Co.

Waterway

(Continued from page 37)

look at their Arkansas' operations as a possible base point to reach overseas customers. The mere realization that many cities along the river are seaports has produced a substantial interest to go international and make full utilization of the available local resources, be they manpower, transportation facilities or financial services.

Mr. Berrios said the Arkansas River is beginning to get the attention of foreign companies interested in gaining footholds in the U. S. market. During 1972 several Japanese trade missions visited Arkansas. Last January Union National was represented in a reverse investment mission to Europe sponsored by the Department of Commerce, where it was determined that Arkansas and its navigation system offers an exciting opportunity for European companies to expand their U. S. operations. • •

Banker Named Executive Director Of Louisiana Superport Authority

NEW ORLEANS—P. J. Mills, former vice president of Pioneer Bank, Shreveport, La., has been named executive director of the Louisiana Superport Authority, a state agency charged with the responsibility of securing federal approval for the first superport facility along the Gulf Coast.

Plans call for the first phase of the superport, costing about \$200 million, to be operational before the end of 1976. The first phase will be designed primarily as a deep-water oil terminal capable of handling large amounts of imported crude oil for distribution throughout the Mid-Continent area. The facility is expected to help alleviate the energy crisis in the Mississippi valley states.

New Time-Temperature Sign

First American National, North Little Rock, recently held a "turning-on" ceremony for its new time and temperature sign, said to be the largest in Arkansas. The sign's three-sided display, which boasts eight-foot-tall numerals, can be seen for more than one-half mile. The sign was manufactured by American Sign & Indicator Corp., Spokane, Wash. Shown at the ceremony are: (from l.) Robert Kirspele, alderman; William R. Rice, bank pres.; W. B. Hudson and Eddie Powell, aldermen; Miss Kathy Smith, Miss City Beautiful; and Mayor Bob Rosamond.



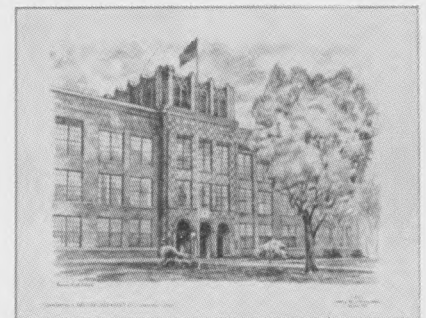
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Louisiana Junior Bankers Conference To Be Held March 22 in Baton Rouge

The Junior Bankers Section of the Louisiana Bankers Association will hold its annual conference at the Bellemont Motor Hotel in Baton Rouge, March 22-24.

Following registration and a reception Thursday evening, March 22, the Friday morning session will feature Henry E. Petersen as keynote speaker. He is assistant attorney general of the criminal division, Department of Justice.



PETERSEN

Mr. Petersen began his career with the FBI in 1947.



SPENCE



BEAUREGARD



KINBERGER



TOUPS

He served as deputy chief, organized crime section, from 1960 to 1966 and as chief of the organized crime section from 1966 to 1969, when he was appointed deputy assistant attorney general. Mr. Petersen became assistant attorney general of the criminal division last year.

Other speakers at the morning session will be A. Hartie Spence, Junior Bankers vice president and conference chairman, and assistant vice president, First National, Shreveport; Gerald J. Beauregard, president of the Junior Bankers, and vice president, Bank of New Orleans; and R. L. Vanderpool Jr., LBA president, and president, Ouachita National, Monroe.

In addition, Dr. James A. Byrd, economist of First International Bancshares, Inc., holding company of First National of Dallas, will discuss "Money and Credit in 1973." Edward M. Penick will speak on "Marketing and the Chief Executive Officer." Mr. Penick is president and chief executive officer of Worthen Bank, Little Rock, and president of First Arkansas Bankstock Corp., the bank's holding company.

Appearing at the afternoon session will be Dr. Leslie P. Anderson, director of bankers schools, American Bankers Association, and M. Frank Polk Sr., executive vice president, Guaranty Bank, Alexandria, La., who will discuss "Better Public Relations Through Better Operations." Donald W. Moore Jr., special agent in charge of the FBI's New Orleans office, will cover the "Functions of the FBI."

Evening activities will feature a "Wild West Casino" party and buffet.

Speaking at the Saturday morning session will be: Robert E. Knight, lecturer, University of Missouri at Kansas City—"Pricing Bank Services and Account Analysis"; George C. Guynn, vice president and manager of the New Orleans Branch of the Federal Reserve Bank of Atlanta—"Regional Check-Processing Centers"; and James A. Hopson, Junior Bankers councilman-at-large, and vice president and cashier, Guaranty Bank, Delhi, La.—"Report of Education Committee."

That evening, there will be a social hour and president's banquet.

Special women's activities during the conference will include bingo and a luncheon at the Baton Rouge Country Club, where a lecture will be given on "The Use of Antiques in Decorating the Home."

Junior Bankers officers. Gerald J. Beauregard, Junior Bankers president, is vice president in the correspondent banking department, Bank of New Orleans. He came to the bank in 1955, was named assistant cashier and manager of the savings department in 1965 and assistant vice president in 1967. He joined the correspondent department in 1970 and was made a vice president last year. Mr. Beauregard will be graduated from the School of Banking of the South at Louisiana State University this year.

A. Hartie Spence, vice president of the Junior Bankers, is assistant vice president of First National, Shreveport.

A graduate of Louisiana State University Law School, Mr. Spence joined First National in 1964. He was elected assistant cashier in 1967 and assistant vice president in 1970. Mr. Spence also is a graduate of Stonier Graduate School of Banking at Rutgers University.

Henry B. Toups Jr. is treasurer of the Junior Bankers and vice president of Terrebonne Bank, Houma. Mr. Toups joined the bank in 1959. He held several posts, including vice president of the commercial loan division, before being named commercial business development officer in 1971. He is a graduate of the School of Banking of the South and the National Commercial Lending School.

Junior Bankers Secretary Henry Kinberger is vice president of Hibernia National, New Orleans. With the bank since 1964, he was promoted to assistant cashier in 1967 and to assistant vice president and commercial loan officer in 1970. He became a vice president last year. • •

Advertising Program

(Continued from page 26)

our retail division, may have as many as 50 or 75. A marketing plan is essential in order for anything other than a wild guess to be used in deciding on an advertising budget. By developing a marketing plan, you are forced to define your program (very carefully describe it), evaluate your competition, assess the real market opportunities of your proposed program, quantify your objectives, do a financial analysis of the ramifications when the program is implemented, consider your marketing strategy and decide on your system to measure the program once it's put into effect. At American Fletcher, the marketing department writes the marketing plans for the profit center, but only after considerable brainstorming between marketing and the profit center.

With marketing plans in hand, the marketing department can sit down with representatives of the agency and decide on the dollars required for advertising to do its part in accomplishing the stated objectives. The agency will be charged with responsibility for the creative approach and execution of the program so it is only reasonable that it should provide its counsel to deciding on dollars.

After discussions with the agency, marketing should communicate back to the profit centers the dollar requirements for each program. Many times,

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this is when the credibility of your marketing department faces its greatest challenge. At American Fletcher, the final decision on each department's advertising dollars submitted to senior management for final, final approval is made by the profit centers. But realistically speaking, it takes clout, sales ability, credibility and persuasiveness on the part of your marketing professionals to sell the profit centers on a realistic advertising budget. Every profit center is looking for an out and would like to see some other center carry the bulk of the advertising budget while it reaps the benefits.



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If we want to be entirely realistic, the day of reckoning always comes. Optimism pervades the planning process as everyone becomes sold on his marketing ideas. But invariably each profit center finds out that "something's got to give" in its expense plan. So each center must review its objectives, examine its priorities and *cut*. All the people in the planning process, senior management, marketing, profit centers and your advertising agency should get involved again.

Finally, with the cuts in and the plan approved and put to bed, everyone gets to relax—for five whole minutes. Then the real fun starts—making sure everything we've planned gets done on schedule, we don't spend more than we planned and that our plans work.

Now the advertising agency comes to the fore. The bank has—through its planning process and documented marketing plans—told the agency what it *wants* to say. It has developed the marketing strategy, direction and major benefits to be communicated to the prospect. Together, the bank and the agency have decided how many dollars are to be spent. Now, let your advertising agency in conjunction with your marketing department tell you *how* to say it and *where* and *when* to spend the dollars allotted to any marketing plan. If you don't, you'll blow it.

An agency is paid to come up with creative and innovative approaches to communicate with your customers and prospects for the purpose of moving them—of making them aware of you, changing their attitudes and making them buy. This will include copy strategy, media planning, scheduling and buying. Let the agency do its job.

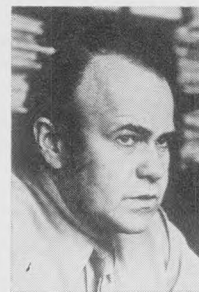
So now, what have I said? Build your budget from the bottom up. Define your objectives and develop your marketing and action plans to accomplish these objectives. Hire professionals to staff your marketing department and make sure they've got a sales attitude, because they are going to have to sell their ideas. Hire a professional advertising agency. Have the marketing and advertising professionals work closely with your profit centers. Get them involved and keep them involved. Be assured that every dollar that goes into your advertising budget has a label and plenty of reasons why it should be in there. And always remember: The bank tells the advertising agency what to say. Let the agency tell you how and where to say it.

Let me leave you with one final thought. If the marketing programs are weak or misdirected, all the advertising dollars in the world or the most imagi-

native TV commercials will not put your plan on target. At times, there is a tendency to make the advertising program and advertising budget the scapegoat for an ill-conceived or poorly designed marketing program, or a marketing program that is not based on real and profound needs of the consumer. Therefore, senior management has the responsibility to look beyond the specific dollars of an advertising budget. Advertising is a major tool to be utilized in getting a profit center where it wants to go. However, we must make sure the marketing plans used to reach that objective are sound. • •

Sander Vanocur to Speak At BMA Conference

Sander Vanocur, broadcast journalist, will be the keynote speaker at the Bank Marketing Association's Midwest regional conference April 30-May 2 at Chicago's Bismarck Hotel.



VANOCUR

The conference, expected to attract more than 200 banking professionals, will feature 14 speakers who will lead daily concurrent sessions on topics such as profitable deposit growth, new product development, increasing advertising effectiveness, cash reserve banking and employee sales motivation.

Mr. Vanocur joined the Washington staff of the National Broadcasting Co. in 1957 after having been on the New York *Times'* city staff a year. He was made midwestern correspondent in 1958 and, in 1961, was appointed NBC White House correspondent. He held that post through 1964, when he became NBC's national political correspondent. He was the "Today" show correspondent in 1965 and a contributing editor for the Huntley-Brinkley Report in 1967-68, during which time he covered both major political conventions and the 1968 presidential campaign. From September, 1971, through last December, Mr. Vanocur was senior correspondent for the National Public Affairs Center for Television, programing center for public TV. Presently, he is consultant to the Center for Democratic Institutions in Santa Barbara, Calif., with an office in Washington, D. C.

Complete information about the conference is available from the BMA, 309 West Washington, Chicago, Illinois 60606.

MID-CONTINENT BANKER for March, 1973

Ethical Pitfalls

(Continued from page 10)

mercial operations from trust operations. Yet in a smaller institution it is not always feasible to completely separate these two functions. Thus, if an individual is serving both as a trust officer and a commercial loan officer with access to files in both areas, does the situation not have some potential for conflicts of interest?

One of the areas of conflict which is to be found in many banks involves reciprocity, that is, the natural tendency of a bank to buy the goods and services of one of its customers, rather than the goods and services of a customer of his competitor.

Some people in the Justice Department feel that such reciprocity may preclude healthy competition and is against the public interest. On the other hand, is it not ludicrous to seriously propose to restrict the bank from doing business with its own customers, and in effect doing business with customers whose bank is a competitor of that bank?

At recent group meetings bankers heard the presidents of their associations charge them with becoming more socially and politically involved in national, state and local political situations. If one takes these proposals seriously, does the solicitation by a bank officer or employee of a depositor or a borrowing account constitute a potential undue influence?

Carrying this thought one step further: The use of the bank's time, phone and stationery certainly can convey to a recipient of a message that since this is being done on bank time and on bank stationery, the bank is in effect adding its blessing to the activity. With the assumption of the blessing on the part of a loan applicant, is there not likely to be an almost implied "stipulation" for that loan?

A large proportion of bankers are provided with country club memberships as a means of expediting business development. Question: Who picks up the tab at the country club bar? Who, if asked to wager against another good customer of the bank, may not feel obliged to be "one of the boys" and make a wager that could be a form of influencing that customer? The reverse also is true—that the borrowing customer may feel that by picking up the tab and playing a poorer golf game than is customary, he has put an officer of the bank under some obligation to him.

At any average size bank during the day, a customer is likely to be con-

Russell Receives Golf Prize



Gene E. Russell (l.), v.p., Capitol National, Houston, receives keys to 1972 Pinto he won as top prize in Security Corp.'s third annual invitational golf tournament held in Dallas one day before the October ABA convention. Making the presentation is C. Robert Etnyre, Southwest regional manager for Security Corp., which is headquartered in Santa Ana, Calif.

fronted with some problem that can be answered by the banker. It could be the customer has had an automobile accident and needs a repairman or more likely, an attorney to handle a financial transaction involving some legal considerations. The list could go on and on.

Does a bank's policy of simply requiring that the bank officer use good judgment and give some alternative choices to the customer suffice? Some banks call for at least three names to be submitted to any customer seeking advice as to individuals who could perform services. On the other hand, does not a strong conflict of interest exist where, in the opinion of the banker being questioned, the three may not be equally competent? He may have strong convictions that one or another is the superior individual.

Also, if your bank has more than three certified public accountants or three lawyers as customers is there not

some danger of omission in simply having such a policy?

Another area of conflict involves the banker in a small bank that has a limited market for bank stock or, for that matter, in similar situations involving the stock of small local firms that are bank customers. Where such markets are limited, there are opportunities for the purchase of securities and local real estate at prices considerably below their real market value. Should bankers be precluded from investments in their bank's stock? Certainly not!

Should they be precluded from investing in the local enterprises? Here the situation becomes somewhat clouded by the individual circumstances. The author of this column recently corresponded with a senior vice president of one of the largest banks in the Southwest asking for a copy of that bank's code of ethics. Here is in part his reply. "I am embarrassed to reply to your question about our bank code of ethics. We have not formalized a written code of ethics. I recognize we should be doing something about this."

If such a large, highly respected bank has not formalized a code of ethics, certainly a greater degree of understanding can be extended to those banks of smaller size. Has your bank formalized a written code of ethics? Should your bank formalize a written code of ethics? The foregoing comments of areas of conflict cannot be resolved simply by some vague reference to the Golden Rule and the Ten Commandments. They require policy decisions on the part of top administrative officers.

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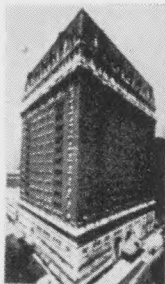
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FCIA Insurance Is Valuable Aid to Exporters

THE FOREIGN Credit Insurance Association (FCIA) is a potent instrument in the effort of the U. S. to balance its exports with its imports.

Created in 1961 under the aegis of the Export-Import Bank (Eximbank), FCIA encourages U. S. manufacturers to sell goods abroad by insuring them against the risk of nonpayment by foreign buyers for commercial or political reasons. This protection enables exporters to offer terms that are competitive with those of overseas suppliers.

The FCIA is a cooperative effort between private enterprise and the government. Fifty leading U. S. insurance firms cooperate with Eximbank in its operations. Under this arrangement, the commercial credit risks are insured by the private firms, while Eximbank takes care of hazards beyond the control of commercial interests, such as political upheavals, war, unexpected trade restrictions, etc.

FCIA insurance facilitates the financing of term credit sales, enabling U. S. exporters to meet competitive

terms of payment offered by firms in other countries. Since the mid-1950s, according to FCIA officials, the success of foreign exporters has been partially attributable to the effectiveness of their nations' government-sponsored export insurance programs.

The FCIA does not finance exports in actual practice, but an exporter, by using an FCIA policy as collateral, can secure financing of his foreign receivables from his commercial bank. Approximately 500 commercial banks are assignees of the proceeds of FCIA policies.

Should a default occur on a foreign receivable, whether for commercial or political reasons, the assignee bank asks its insured client to file a claim with FCIA. In turn, the association will, after verifying the validity of the loss under terms of the policy, pay the claim by check in joint favor of the insured exporter and the assignee bank.

For additional information on FCIA, write to its office at 250 Broadway, New York, N. Y. 10007. • •

Registration Opens for 3rd Annual School for International Banking

WASHINGTON—Registration is now open for the ABA's third annual School for International Banking, July 15-27 at the University of Colorado.

Stephen C. Eyre, chairman of the ABA's International Banking Division, said he expects maximum enrollment for the school. Capacity is 125 students. Mr. Eyre, who is senior vice president of First National City Bank, New York, added that more participation in the school this year from banks in the \$100-\$500 million deposit category is expected.

"It's this medium-size group of banks," he said, "which can have significant impact on efforts to strengthen the U. S. balance of trade position, through more active promotion of U. S. exports, export financing and foreign investment in domestic trade areas.

The school will feature practical problems of financing trade and capital movements, and a study of the international monetary mechanism. Mr. Eyre said the two-week school will attempt to make the students more aware of the broad dimensions of international banking and to motivate them, rather than attempt to train specialists in the various aspects of international banking. Tuition, including room and meals, is \$500.

Eligible for admission are management personnel with assignments in international banking, or persons who are to be assigned in the international area, with a minimum of two years of banking experience. The curriculum will also be of special importance to:

- Commercial officers who have a part-time function in handling their bank's international duties;
- Commercial officers and business development officers who have the responsibility of assisting their assigned accounts with their needs in international banking as part of their regular assignment; and
- Senior officers who may have the international department or international function assigned to them for administrative purposes, but do not actively engage in the day-to-day operation.

For further information contact Edward H. Begley, registrar, School for International Banking, The American Bankers Association, 1120 Connecticut Avenue, N.W., Washington, D. C. 20036.

Major Remodeling Started At First National, Tulsa

TULSA—Major remodeling has begun on the second floor banking lobby of First National. Remodeling is being done during banking hours with heavy work planned for evening hours and on



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weekends. New carpet also will be laid on the second floor during after-hour periods.

The remodeling marks the beginning of activities that will lead to closing of three elevators on the bank's second floor to public use. At the time they are closed, three new elevators in the tower will go into service for all non-bank floors.

Connections between the bank building and the tower now are complete on all 20 floors, according to G. H. Dericks, president of Fifth & Boston Corp., the company that owns the building and the neighboring First National Tower.

Cavin Heads New Group On Industrial Development Created in Tennessee

F. G. (Mo) Cavin Jr., president, Farmers Exchange Bank, Union City, Tenn., has been elected chairman of the newly created Tennessee Industrial Development Authority. Farmers Exchange Bank is a subsidiary bank of First Am Tenn Corp., Nashville multi-bank HC. Mr. Cavin is a past vice president of west Tennessee for the Tennessee Bankers Association.



CAVIN

The authority was created by the 1972 General Assembly through legislation sponsored by Lieutenant Governor John Wilder, Senator Vernon Neal of Cookeville and E. H. Gillock of Memphis and Representative W. J. Neese of Paris.

Its purpose is to provide first mortgage money for construction of industrial and manufacturing plants in counties that fall in the "underdeveloped-area" category. These counties' per capita incomes are less than the national average.

Under provisions of the act that created the authority, the latter can issue and sell up to \$5 million in general obligation interest-bearing notes on the state of Tennessee to finance the program and can guarantee loans up to 50%.

According to Mr. Cavin, the authority will be more of a guaranteeing rather than a lending agency and thus make the available funds "go about five times further."

"We will review the financial condition of corporations that apply and the principals involved in each case to

ascertain if they are a credit-worthy risk," said Mr. Cavin. "We feel this new authority can create a lot of new jobs by providing this financial backing, while the Small Business Administration can provide money for capital and equipment."

'Mini-Bank' Introduced



Deposit Guaranty National, Jackson, Miss., recently installed several 24-hour automated teller machines capable of performing 11 banking transactions. Shown demonstrating the new "Mini-Bank" are: (from l.) W. P. McMullan Jr., pres.; Miss Ruth Brinson; and J. H. Hines, ch. of the exec. committee.

Specialized Workshops Planned By Robert Morris Associates

Robert Morris Associates will hold a series of two-day regional workshops geared to the non-specialist in the fields of accounts receivable and inventory lending and construction and real estate development lending.

The first workshop on accounts receivable and inventory lending was held last month in Atlanta. Others will be held March 19-20, Cleveland; May 22-23, San Francisco; and September 10-11, Dallas.

The construction and real estate development lending workshops will be held March 21-22, Cleveland; April 16-17, Atlanta; May 24-25, San Francisco; and September 12-13, Dallas.

The workshops have been developed specifically for the experienced lending officer who wants to increase his knowledge of either or both of these specialized lending fields. Registration is open to all personnel from any of RMA's more than 1,300 member banks.

■ NEW YORK CITY—First National City has named Anthony C. Howkins and George P. Rutland senior vice presidents in the corporate banking group.

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Bank Reward Committee Is Major Factor In Catching Nine of Every 10 Robbers

“POTENTIAL bank robbers in the metropolitan Atlanta area would be well advised to note that chances are now nine in 10 they will be caught.”

So said Atlanta Police Chief John Inman as he surveyed the year-end statistics compiled by the Bank Reward Committee. The committee is composed of 31 banks in the metropolitan area that have established a reward plan for information leading to the arrest and conviction of bank robbers.

“Although the number of bank robberies increased last year—36 compared to 31 in 1971—the percentage solved increased, too,” Chief Inman continued. “Whereas files of 76% of the 1971 robberies were closed, 89% of the robberies last year have been solved. This compares to the national average of around 75%.”

Bruce Potts of Citizens & Southern National, chairman of the Reward Committee, attributes the high degree of solution to several factors: “The presence of the committee itself has

been important. It has generated response and participation from local citizens who know we will pay for information. For example, we paid out \$25,000 in rewards in 1971 and increased that to \$30,000 last year when 35 of the 36 robberies occurred at member banks. The committee pays on the basis of \$1,000 to the first person or persons giving information leading to the arrest and conviction of the person committing a robbery and \$500 to the law enforcement officer making the arrest.

“And, of course, by no means can we discount the cooperation and response of our local law enforcement agencies and those of the federal government working together. They’ve really given an all-out effort, not only in solving actual robberies, but in working with the banks on robbery prevention measures,” Mr. Potts said.

Further statistics revealed by the committee reveal that 45 bank robbers were put behind bars in 1972. This is more than double the number impris-

oned in 1971 when 20 robbers were sentenced to jail terms.

Dividing the total unrecovered losses in bank robberies by the total years sentenced during 1972, the Committee has computed an average hourly wage of 4¢ for convicted robbers.

“Bank robbers are just plain stupid,” Chief Inman said. “Besides the fact that the robbery itself doesn’t yield any great fortune, the robber stands the chance of losing a great many years of productive employment. I guess that when you take this into consideration, you could really assign a minus figure to his ‘earnings.’”

Higher Security Standards

Captures and prevention of bank robberies have been aided by increased standards of security for Atlanta-area banks. Some of the most effective security devices are the silent hold-up alarms connected with the various police departments and the surveillance cameras that photograph bank robbers in the act of committing crimes. Particularly effective in recent months, law enforcement and bank officials feel, have been the armed stake-outs, dressed both in uniform and plain-clothes, which some of the major banks have employed. The stepped-up use of stake-outs came on the heels of a rash of robberies in August.

“As soon as we announced plans to use stake-outs, the robbery rate dropped dramatically,” Chief Inman said, “and we’re convinced that their continued use has been effective in deterring and apprehending criminals.”

Mr. Potts echoed this sentiment, saying, “The more aware a potential robber is of the highly sophisticated security measures working against him, the less likely he is to attempt a hold-up.”

“We’re still not satisfied though,” Chief Inman concluded, “and won’t be until we can lick the problem. We will continue to work with the FBI, neighboring local law enforcement agencies, the member banks of the reward committee and other banks in this area to develop even more effective measures. We want to stop robberies completely!” • •

■ SAN FRANCISCO—Wells Fargo Bank has named Ronald E. Eadie senior vice president and head of its West Bay division. He was vice president and manager, credit card department. In his new post, Mr. Eadie succeeded A. William Barkan, who has been named executive vice president and executive officer for the bank in southern California.



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Kansas Bankers Assn. Marketing Survey Reveals Plans, Opinions of Member Banks

ABOUT A THIRD of Kansas bankers responding to a marketing survey made by the Kansas Bankers Association plan to spend more on marketing expenditures during 1973.

Survey forms were sent to 609 KBA-member banks, with 70% (or 431 banks) responding, according to Len Alfano of Bank Marketing Service, Topeka, conductor of the survey.

Basic goals of the marketing survey were to learn what Kansas banks are doing in the broad field of bank marketing, to seek specific information concerning the statewide advertising program, to learn what Kansas banks need and want in the way of marketing services from the KBA and to give every Kansas bank a chance to make suggestions and recommendations concerning future bank marketing programs.

The survey revealed that country banks rely heavily on their own judgments to carry out marketing plans. For most of these banks, outside ad agency assistance and syndicated services are out of the question.

Respondents reported an expected outlay of more than \$4 million for marketing during 1973. Since this figure represents only slightly more than half the banks in the state, the projected figure could exceed \$7 million.

Thirteen banks reported budgeting less than \$5,000 each for marketing in 1973. Most of these are country banks, which greatly outnumber urban banks in the state.

The majority of responding banks expressed a desire for more information and assistance in such marketing areas as advertising, employee training, new business, marketing surveys, public relations and educational materials. The majority of banks, however, indicated they did not want marketing assistance from the KBA.

Among marketing media, newspapers hold the top spot among Kansas banks. Most responding banks reported the use of advertising specialties, with their use being greater by country banks.

The survey revealed that country banks tend to benefit more from a statewide advertising program.

More than 90% of respondents reported that the statewide advertising and bank image program was helping to promote better bank images in the state. Bankers felt that TV sports programming does the best job in this area. While most respondents felt the commercials should stress bank services, a

good portion felt bank-image commercials to be important.

Kansas banks seem to be posting good records in the community involvement sector. Relations with schools have been active as has the use of educational materials.

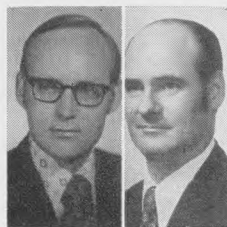
More than 75% of the reporting country banks had less than \$10 million in assets and were located in towns of less than 5,000 people. While the majority of country banks do not utilize personnel training and marketing surveys, most city and suburban banks do.

Country banks stressed savings and loans as their key services in advertising, while city banks reported savings and checking as the two most important advertised services. Suburban banks stressed checking first and loans second. Credit cards, in general, received little promotion. • •

Six Promotions Announced By First of Okla. City

OKLAHOMA CITY—Bob Barton and James L. Bush have been elected

vice presidents of First National. Mr. Barton is the department head for book-keeping and paying and receiving. He joined First National in 1964. Mr. Bush is



BUSH BARTON

a commercial loan officer, specializing in the petroleum industry. He has been with First National since last year.

The bank named four new officers: James R. Elder, assistant cashier, and Robert W. Folger, Jerry Taylor and Jerry Lynn Windel, assistant trust officers. All four joined the bank in 1972.

Chapin Retires as Chief Examiner Of Federal Reserve of St. Louis

ST. LOUIS—Earl H. Chapin, chief examiner of the Federal Reserve Bank of St. Louis, effected special service retirement March 1. He was assigned to the bank examination department, was appointed assistant chief examiner in 1962 and chief examiner in 1970.

Delmer D. Weisz, former assistant chief examiner, was named to succeed Mr. Chapin and was elected an assistant vice president. He joined the bank examination department in 1960, was named an assistant examiner in 1962, examiner in 1966 and senior examiner

in 1968. He became assistant chief examiner in 1970.

The Fed also named Edward J. Burda regulations officer. He came to the bank in 1930 and joined the bank examination department as assistant examiner in 1953. He was elected examiner in 1959, senior examiner in 1966 and first senior examiner in 1971.

■ JIM D. KUTCH has been named president of American Bank of Commerce, Oklahoma City. He formerly was a vice president of Fidelity Bank, Oklahoma City, and was a partner in a law firm.

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New Directions in Banking Explored At MBA's Bank Management Conference

LAKE OF THE OZARKS, MO.—A healthy crowd of 533 bankers gathered at Tan-Tar-A Resort February 13-15 for the 33rd annual bank management conference sponsored by the Missouri Bankers Association.

"New Directions in Banking" was the theme of the two-and-a-half-day conference. Some of the new directions explored included international banking, leasing, risk management and a psychological approach to dealing with customers.

Announcement of the 10% devaluation of the dollar on the opening day of the conference brought timely speculation from speakers on the effect of the move on various segments of the economy.

Conference Chairman David W. Lewis, president, Park Bank of St. Joseph, opened the conference, followed by remarks from James E. Cline, MBA vice president and president, Citizens State, Maryville.

Speaking on psychological applications in banking, Dr. Harvey M. Thomas, psychologist, of Thomas & Associates, Liberty, Mo., pointed out that all potential embezzlers share three

characteristics: 1. They have been placed in a position of trust. 2. They possess an unshareable problem. 3. The embezzlement is triggered when they realize that the solution to their problem is to embezzle money.

Dr. Thomas enumerated nine points—worked out by an officer of American National, St. Joseph—to consider when making loans: 1. Ask for facts. 2. Take the bigger view. 3. Work the credit files. 4. Have a good payment plan. 5. Remember the three "Cs"—character, collateral and capacity. 6. Write all details. 7. Expect good payment performance. 8. Take time to button up legalities. 9. Remember to think of the transaction as a two-way deal.

Dr. A. James Meigs, vice president of Argus Research Corp., New York City, speaking of the devaluation, said he anticipated that the ban on foreign lending by U. S. banks would be lifted under new guidelines.

William A. Glassford, executive director, Banking Profession Political Action Committee, Arlington, Va., speaking on BANKPAC, stated that Missouri has been involved in the program since its inception and that in 1972, 592 bankers made contributions. In the past three years Missouri bankers have contributed \$25,000.

A bond panel consisting of Frank K. Spinner, senior vice president, First National, St. Louis; William F. Enright Jr., executive vice president, American National, St. Joseph; Thomas L. Ray, senior vice president, Mercantile Trust Co., St. Louis; and Byron G. Thompson, executive vice president, United Missouri Bank of Kansas City, made their annual "fearless forecasts" for various rates. The panel, which has become a tradition at the conferences, chose this year to make the predictions for a vague point toward the end of 1973 rather than for year-end. Fed



Two of the participants on the risk management panel were Thomas E. Lofgren (l.), v.p., Mercantile Trust Co., St. Louis, and Fred W. Silverthorn, v.p., Republic Nat'l, Dallas.

funds drew a 7% forecast. The prime rate was predicted to be at 6%-7%. One-year treasury bills drew the 6% figure. Seven-year governments were forecast at the 7% level. Ten-year municipals drew 4½% response, and 20-year municipals drew a 5½% response.

The overall effect of the devaluation would be a trend to higher interest rates, the panel predicted.

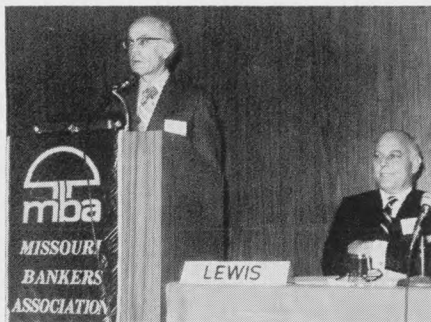


Bond panel participant Byron G. Thompson (r.) makes a point as Frank K. Spinner (c.) and William F. Enright Jr. listen.



George L. Schueppert, second vice president, Continental Illinois Nat'l, Chicago, conducts a special interest session on international financing.

Dr. Meigs makes a point.



A mortgage banking and investment panel featured Hayward Elliott (standing), pres., Sutro Mortgage Investment Trust, Los Angeles; and James W. Lewis, sr. v.p., Mitchum, Jones & Templeton, Inc., Los Angeles.

WHITE

THOMAS

SCHUEPERT

LEE



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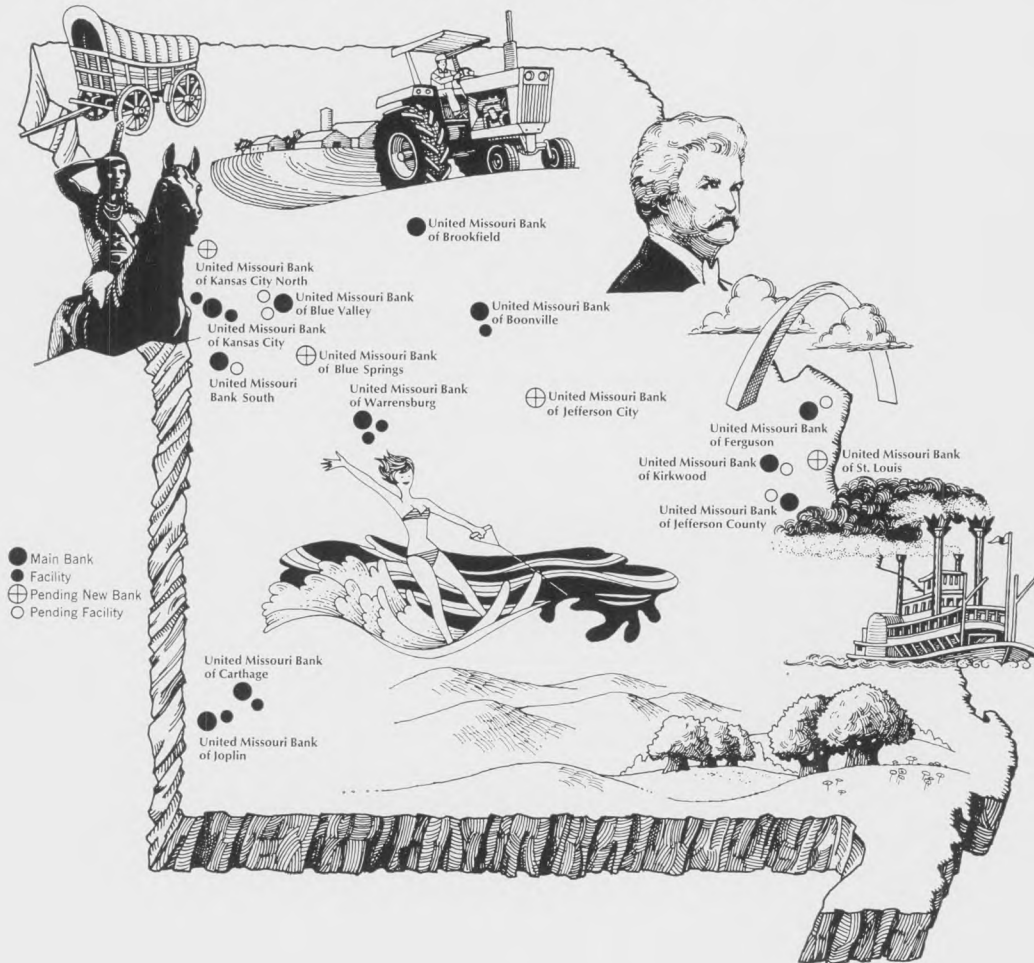
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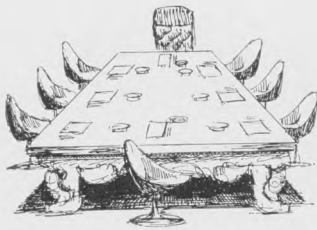


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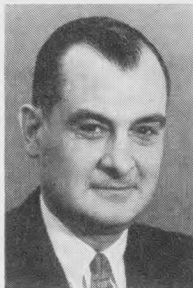
BOARD ROOM NEWS

Promotions • Staff Changes • Earnings Reports

Special Correspondent Section Formed for Midwestern Banks By Continental Bank, Chicago



BUKOWSKI



HOLLAND

CHICAGO—Continental Illinois National has announced formation of a special correspondent banking section to serve banks in a five-state midwestern area. The bank also made several staff changes. Among the latter is the appointment of Eugene Holland Jr., executive vice president, as head of the commercial banking department.

The new correspondent banking section will serve banks in Illinois, Indiana, Iowa, Michigan and Wisconsin. Robert H. Bukowski, senior vice president, heads the section, which consists of two administrative groups. William H. Grove, vice president, heads the group responsible for Illinois, Indiana and Iowa. Ralph W. Abelt, vice president, heads the group responsible for Michigan and Wisconsin.

Mr. Holland, in his newly created post, heads the metropolitan, national and credit and financial services divisions as well as the loan administration and commercial research and analysis divisions. He joined the bank in 1946 and became executive vice president in 1971.

In other action, Continental Bank elected five vice presidents: Craig R.

Carpenter, Sylvan L. Franklin and Roberta A. Skelton, commercial banking; Joseph P. Coriaci, operating department; and Thomas D. Larocca, trust department. Six second vice presidents were elected: James P. Kovach and William D. Snider, administrative services; Michael O. Rigg, bonds; Richard A. Beutal and James M. O'Keane, commercial banking; and Lawrence E. Robinson, trusts.

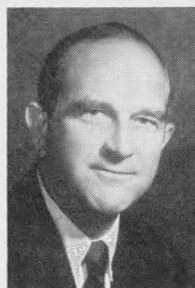
In addition, Continental Illinois Corp. and Continental Bank elected Michael Tenenbaum to their boards. He is president, Inland Steel Co.

'Conflict of Interest' Prompts Crouch to Leave Bank HC; Buttrey Is His Successor

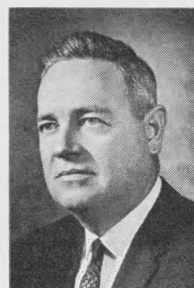
NASHVILLE—D. Roscoe Buttrey was elected president of Third National Corp. February 8, succeeding Hubert A. Crouch Jr. Mr. Crouch resigned the posts of president and a director in order to resolve a "conflict of interest," according to an announcement from the holding company. John W. Clay has been named chairman of the executive committee.

Mr. Buttrey continues as president of Third National Bank, and Mr. Clay remains chairman of the bank. Mr. Buttrey joined the bank in 1971 as chairman of its executive committee and became president in February, 1972. Previously, he had been president and treasurer of the Crescent Co., Nashville, and a banker in Tennessee and Florida.

Mr. Clay joined the bank in 1937,



CLAY



BUTTREY

became executive vice president in 1965 and chairman in February, 1972.

Mr. Crouch submitted his resignation to Third National Corp. because he is chairman and principal stockholder of First National, Tullahoma, Tenn., an independent bank. He believes the bank HC concept has now developed in Tennessee to the point that it's time that First of Tullahoma's directors consider affiliating with a holding company.

"In view of my position with Third National Corp. and my responsibilities to its shareholders, and my position with First National and my responsibilities to its shareholders," Mr. Crouch continued, "it would be impossible for me to fairly represent the best interests of one group without at the same time neglecting my responsibilities to the other. Therefore, I deem it to be in the best interests of all parties to tender my resignation."

Mr. Crouch had been president of the HC since January 1, 1972, when it became operational.

First Nat'l, K.C., Appoints Dudley Head of Correspondent Division

KANSAS CITY—George C. Dudley, senior vice president, First National, has been named head of the correspondent bank division. He succeeds Charles J. O'Connor, senior vice president, who will retire in October. Mr. O'Connor will continue as a full-time consultant until his retirement.



DUDLEY

Mr. Dudley has been in correspondent bank work for more than 25 years. He began his career in 1935 with Inter-State National, which later merged with First National. He has been a senior vice president since 1970.

Mr. O'Connor joined First National in 1926, became an officer in 1946 and senior vice president in 1962. He was



FONCANNON



O'CONNOR

named head of the correspondent division in 1965 and has traveled extensively in Kansas.

First National also announced formation of a new livestock loan department to be headed by Eugene B. Foncannon, senior vice president. Mr. Foncannon has been the bank's livestock loan specialist for the past eight years as a member of the correspondent division. He will continue to work closely with correspondent bank customers but will concentrate exclusively in the livestock lending field.

Twenty-Two Promotions Made at 1st American

NASHVILLE—First American National has announced 22 promotions, including the following from assistant vice presidents to vice presidents: John Oden, manager, Melrose Office; Lonnie E. Wilson, manager, Plus Park Office; and Leslie C. Bates, bank investment division.

In addition, two trust officers—Branon Huddleston and Hollis E. Johnson III—were advanced to vice presidents and trust officers. James M. Bates was promoted from assistant trust officer to trust officer.

Others promoted were: from assistant cashiers to assistant vice presidents, James E. French, Carl E. Scheuerman, Larry Vickers, Mrs. Ray Mathis and Logan E. King; to assistant cashiers, Andrew D. Holt III, William B. Mullins, Bobby O. Graham, James O. Williams, Donald F. Irwin, Ralph F. Butler, William H. Boner, C. Wayne Foster and Miss Jacqueline Edwards; to ad-



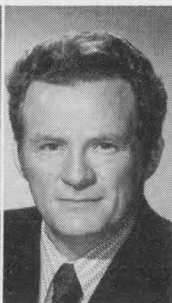
BATES



ODEN



JOHNSON



WILSON



HUDDLESTON

MID-CONTINENT BANKER for March, 1973

ministrative assistants, Mrs. Orville B. Hunter, secretary to the chairman, and Mrs. Thomas C. James, secretary to the president and vice chairman.

Manufacturers Hanover Promotes John Evans

NEW YORK CITY—John J. Evans was elected executive vice president in charge of Manufacturers Hanover Trust's operations division January 31. He also was named to the bank's general administrative board.

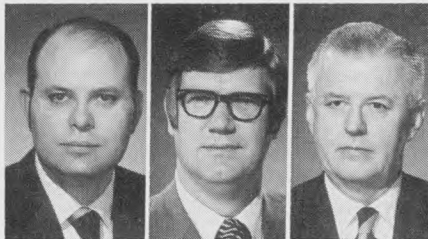


EVANS

In other action, the bank elected Thomas M. Macioce to its board. He is president and CEO, Allied Stores Corp. Mr. Macioce also was elected a director of the bank's parent, Manufacturers Hanover Corp.

Mr. Evans, formerly senior vice president, operations, joined Manufacturers Hanover in 1950. In 1963, he was named vice president, supervising bank business in 13 midwestern states. He was promoted to senior vice president in charge of branch administration in the metropolitan division in 1970 and transferred to operations in 1972.

Nashville City Bank Promotes 3



HARDCASTLE

YOKLEY

CALGY

Nashville City Bank advanced W. Dan Calgy Jr. and Jerry B. Yokley from v.p.s to sr. v.p.s. John B. Hardcastle was promoted from v.p. and cash. to sr. v.p. and cash. Mr. Calgy is industrial development dir. and dir. of government relations and Mr. Yokley heads the loan division. Mr. Hardcastle is in charge of the administrative division.

Lamberson Elected Vice Ch. Of Commerce Bancshares



LAMBERSON



GRISWOLD

KANSAS CITY—Bill M. Lamberson has been elected vice chairman of Commerce Bancshares, Inc. Carl F. Griswold was named executive vice president of the holding company and will assume Mr. Lamberson's duties as chief operating officer.

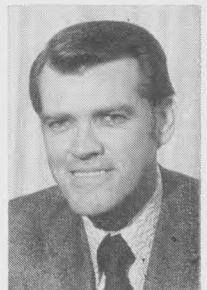
Mr. Lamberson joined Commerce Bancshares in 1968 as executive vice president. He had served as senior vice president and head of the correspondent banking department of Commerce Bank of Kansas City, an affiliate of Commerce Bancshares.

Mr. Griswold leaves his position as executive vice president of Commerce Bank to join Commerce Bancshares. He joined the bank in 1971 as senior vice president in charge of operations. Previously, he was vice president of the Federal Reserve Bank of Kansas City.

In other action, Commerce Bancshares directors voted to propose a two-for-one stock split to stockholders at their annual meeting April 18.

L. E. Lay Appointed a Director Of First Ark. Bankstock Corp.

LITTLE ROCK—Lyndell E. Lay, president of L. E. Lay & Co., Inc., has been elected a director of First Arkansas Bankstock Corp. (FABCO). L. E. Lay & Co., a mortgage loan financing firm, became a FABCO affiliate in December.



LAY

Mr. Lay founded the mortgage banking firm in 1968. He is past president of the Arkansas Mortgage Bankers Association and a member of the associates advisory council of the National Corp. of Housing Partnerships. Mr. Lay is a business graduate of Baylor University and a graduate of the School of Mortgage Banking at Northwestern University.

Twelve Promotions Announced At Third Nat'l, Nashville

NASHVILLE—Third National has announced a list of new promotions. Advanced from commercial officers to assistant vice presidents were David M. Amonette, J. Allen Kennedy Jr., John H. McAlister, Douglas C. McLaughlin, Johnny D. Northcutt, Jerry W. Robinson and Tim W. Wagner.

Enoch B. Stephenson Jr. was elected a trust officer. Miss Margaret L. Heer, Mrs. Helen D. Miller and Leamon Reed, former administrative assistants, were elected operations officers. Horace L. Simpson Jr. was named a commercial officer.



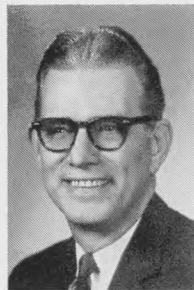
Recently promoted officers of Third National, Nashville, are: TOP (from l.) John McAlister, Doug McLaughlin, Allen Kennedy and Enoch Stephenson; MIDDLE (seated from l.) Tim Wagner, David Amonette, Johnny Northcutt and, standing, Jerry Robinson; BOTTOM (seated, from l.) Mrs. Helen Miller and Miss Louise Heer, and standing from l., Horace Simpson and Leamon Reed.

New 1st Nat'l Vice Presidents

CHICAGO—First National named four new vice presidents last month—Lyle P. Campbell, formerly vice president, Northern Trust; Richard C. Herd- rich, Benjamin F. Lenhardt Jr. and Stephen J. Nichols, all formerly assistant vice presidents.

McReynolds Succeeds Knox As Union Nat'l Chairman

SPRINGFIELD, MO.—Evans McReynolds was named chairman of Union National and will continue as president and chief executive officer. C. F. Knox, former chairman, will continue as a director of Union National and as chairman of Springfield National and U.N. Bancshares.



McREYNOLDS

Mr. McReynolds joined the bank in 1935 and was named executive vice president and a director in 1964. He became president in 1966. Mr. Knox, with the bank since 1920, was appointed president in 1956 and chairman in 1966.

In other action, the bank elected Clarence Wheeler a director. He is owner and president of Consumer Markets.

Seven Promotions Announced At First National, Memphis

MEMPHIS—First National has promoted two officers, elevated five staff members to officer status and elected a new director.

William Van Thompson and Phillip L. White were named assistant vice presidents. They joined the bank in 1969 and 1963, respectively.

Joseph M. Ash Jr. was promoted to bond department officer, Kenneth G. Meyers and William Thomas Moore were named international officers and Larry L. Smart and Bob S. Swords were named accounting officers. They joined the bank in the following years: Messrs. Ash and Smart, 1971; Messrs. Meyers, Moore and Swords, 1970.

The new director is Dunbar Abston Jr., president, Parts, Inc., automotive warehouse distributor. Mr. Abston is the fifth member of his family to serve on the bank's board.

James Young Receives Promotion At First Hutchings-Sealy Nat'l

GALVESTON—First Hutchings-Sealy National promoted James R. Young from vice president and senior trust officer to senior vice president and senior trust officer. He has been with the bank since 1971 and has been in banking 21 years.

Michael C. Doherty, former assistant trust officer, was named trust officer. He has been at the bank three years.

Roger D. Lawrence and Earlene Hausinger were appointed assistant cashiers.

Marine Midland Merger Planned for 1976

The 10 Marine Midland banks in New York State plan to merge into one bank in January, 1976, subject to federal and state supervisory approval. This one bank will be structured and regionally organized to preserve Marine Midland local services throughout New York State, said Charles A. Winding, chairman and president, Marine Midland Banks, Inc. Until 1976, the 10 banks will continue as separate corporate entities and function through their individual boards and officers as in the past.

Effective January 1, 1973, an "office of chairman" of Marine Midland Banks, Inc., was created in which Mr. Winding was joined by Edward W. Duffy, president, Marine Midland Bank-Central (Syracuse), who has been elected president and a director of the HC; John L. Hettrick, president, Marine Midland Bank-Western (Buffalo); Russell H. Knisel, senior vice president, Marine Midland Banks, Inc. (New York City); John S. Lawson, president, Marine Midland Bank-New York (New York City); and Roderick M. MacDougall, president, Marine Midland Bank-Rochester.

These five men continue in their bank posts and operate as co-equals in the HC to further integration of the one-bank concept. The office of chairman divides responsibilities for asset management and financial planning, operations and administration, retail banking, national and international banking and the fiduciary affairs of the 10 banks.



These officers of Marine Midland banks in New York State have been named to "office of the chairman." l. to r. are: Charles A. Winding, ch. and CEO, Marine Midland Banks, Inc.; Edward W. Duffy, pres., Marine Midland Bank-Central (Syracuse); Russell H. Knisel, sr. v.p., Marine Midland Banks, Inc. (New York City); John L. Hettrick, pres., Marine Midland Bank-Western (Buffalo); Roderick M. MacDougall, pres., Marine Midland Bank-Rochester; and John S. Lawson, pres., Marine Midland Bank-New York (New York City).

■ NEW YORK CITY—First National City has named William H. Ryan, Joseph G. Vacca, David S. Van Pelt, Peter H. Bellows and Paul S. Grip vice presidents.

Hannon Gets New Post At Bankers Trust

NEW YORK CITY—Bankers Trust has elected John W. Hannon Jr. chairman of the executive committee and a director.



HANNON

since 1971.

Mr. Hannon entered banking in 1946 with Commercial National, which was merged with Bankers Trust in 1951. He was a national banking department officer from 1951 to 1970.

Harry W. Lindhorst Retires From Harris Trust, Chicago

CHICAGO—Harry W. Lindhorst retired January 31 as senior vice president of Harris Trust after 27 years of service to banking.



LINDHORST

Mr. Lindhorst joined the bank in 1955 as a vice president in a commercial loan division, was elected senior vice president and named group executive of the Midwest banking group in 1971. The Midwest group encompasses three divisions that cover 11 states and various industries in the commodities, food-processing and other agriculture-related businesses.

As was reported in the February issue of MID-CONTINENT BANKER, Richard L. McAuliffe was elected a senior vice president in the banking department and head of the Midwest group, succeeding Mr. Lindhorst.

Kilpatrick Named Exec. VP At Houston Citizens Bank

HOUSTON—Houston Citizens Bank elected George H. Kilpatrick executive vice president and chief operating officer. He formerly was senior vice president in charge of five banking divisions and the credit department of First National, Dallas.

E. Michael Lallinger, former advisory director, was elected a director of Houston Citizens. He is president and chief executive officer of Gibraltar Sav-

ings Association and a director and member of the executive committee of Imperial Corp.

In other action, the bank announced a capital increase of \$10 million, bringing capital, surplus and undivided profits to \$29 million.

New Correspondent Man Named At Liberty of Louisville

LOUISVILLE—Sam T. Adams has been appointed to Liberty National's correspondent bank department.

He joined the bank's management training program in 1967 and worked in numerous positions throughout the branch system before being named manager of the Bardstown Road Suburban Branch. Shortly after being elected assistant cashier in 1971, Mr. Adams joined the business development department, where he worked until his latest assignment. He was elected an assistant vice president last December.



ADAMS

Haight Gets Bond Dept. Post At National Bank of Tulsa

TULSA—David Clinton Haight joined National Bank of Tulsa February 15 as vice president in charge of underwriting and trading in the municipal bond department.

Mr. Haight had been employed by Blyth Eastman Dillon & Co., Inc., in Tulsa as an institutional salesman dealing in common stocks, corporate bonds, municipal bonds, etc. He also has been with Tripp & Co., Inc., New York City, as a municipal bond dealer, underwriter and trader and with Northern Trust, New York City, in the municipal bond department.



HAIGHT

Schroeder, Kohler Promoted At First Kentucky Trust

LOUISVILLE—First Kentucky Trust has formed a planning, development and marketing division to be headed by George W. Schroeder, executive vice president. Donald F. Kohler, former vice president and investment officer, was promoted to executive vice president and will succeed Mr. Schroeder as head of the investment

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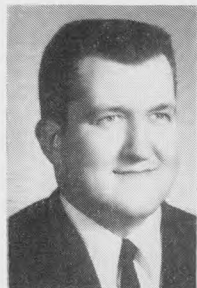
management division.

Also promoted was Holland N. McTyeire IV, from vice president and investment officer to senior vice president and investment officer. He will direct investment research in the investment management division, while continuing as an investment officer.

Miss Marion Rosenberger was advanced from assistant investment officer to securities trading officer and Mrs. Shirley Taliaferro was elected assistant securities trading officer.

Manufacturers of Detroit Announces Promotion

DETROIT—Manufacturers National has elected Paul H. Martzowka vice president-administration.



MARTZOWKA

In his new post, Mr. Martzowka is responsible for the investment department and administers the marketing, community relations and government relations departments. He continues to be the bank's economist and active in the corporate planning department.

Mr. Martzowka joined Manufacturers National in 1964.

Robert Reichert, 12 Others Promoted at Fidelity Bank

OKLAHOMA CITY—Fidelity Bank has promoted five staff members to as-



REICHERT

stant vice presidents, including Robert Reichert of the correspondent bank department. The other four are George Felts, installment loan department; Steve Dellinger, loan division; James Freeman, support division; and Kent

Williams, trust division.

Elected to officer status were: to assistant trust officer, Marge Mathes; and to assistant cashiers, Randy Essman, Terry Farris, Louis Schneider and Jim McKissick, all of the loan division; Richard Baker and Glenda Mote, both of the Master Charge department; and Margo Pritchett, support division.

■ NEW YORK CITY—Hans H. Angermueller has joined First National City Corp. and its principal subsidiary, First National City Bank, as senior vice president and general counsel.

Bank or HC Earnings

Great American Corp. (American Bank, Baton Rouge, is subsidiary)—1972 net income, \$3.9 million, or \$2.18 a share; 1971, \$3.2 million, or \$1.83 a share.

Central National Chicago Corp. (HC for Central National Bank, Chicago)—1972 consolidated operating income before securities transactions, \$3.1 million, or \$3.12 a share; 1971, \$2.8 million, or \$3.01 a share.

First Chicago Corp. (parent company of First National Bank, Chicago)—1972 income before securities transactions, \$78.3 million, or \$4.02 a share; 1971, \$66.1 million, or \$3.42 a share.

National Bank of Commerce, Dallas—1972 net income, \$2.4 million; 1971, \$2.1 million.

Detroit Bank—1972 income before securities transactions, \$18.3 million, or \$5.97 a share; 1971, \$18.4 million, or \$6.01 a share.

First Amtenn Corp. (HC for First American National Bank, Nashville)—1972 consolidated income before securities transactions, \$9 million, or \$1.91 a share; 1971 consolidated income, \$8.2 million, or \$1.74 a share.

Bankers Trust New York Corp. (HC whose primary affiliate is Bankers Trust Co., New York City)—1972 net income, \$67.6 million, or \$6.54 a share; 1971 net income, \$52 million, or \$5.04 a share.

American Fletcher Corp. (HC of American Fletcher National Bank, Indianapolis)—1972 consolidated operating income before securities gains or losses, \$11.2 million, or \$2.51 a share; 1971 income, \$10.1 million, or \$2.16 a share.

Indiana National Corp. (HC for Indiana National Bank, Indianapolis)—1972 consolidated income before securities gains and losses, \$10.9 million, or \$2.32 a share; 1971 income, \$9.1 million, or \$1.93 a share.

Chemical New York Corp. (HC whose principal asset is Chemical Bank, New York City)—1972 income before securities transactions, \$63.5 million, or \$4.65 a share; 1971 income, \$72.9 million, or \$5.32 a share.

Continental Illinois Corp. (HC for Continental Illinois National, Chicago)—1972 net income after securities transactions, \$78.4 million, or \$4.56 a share; 1971 net income, \$70.1 million, or \$4.11 a share.

American National, Chattanooga, Tenn.—1972 net income after securities

transactions, \$2.8 million, or \$5.60 a share; 1971 net income, \$2.4 million, or \$4.72 a share.

Commerce Bancshares, Inc. (Commerce Bank of Kansas City is principal subsidiary)—1972 income before securities gains and losses, \$13.6 million, or \$5.87 a share; 1971, \$11.1 million, or \$4.83 a share.

First National Charter Corp. (First National Bank, Kansas City, is principal subsidiary)—1972 consolidated net income before securities gains—\$6.4 million, or \$4.59 a share; 1971, \$5.8 million, or \$4.12 a share.

Commercial National, Little Rock—1972 income before securities gains or losses, \$1.4 million, or \$6.70 a share; 1971, \$1.1 million, or \$5.58 a share.

First Alabama Bancshares, Inc. (parent of First National Bank, Montgomery)—1972 income before securities gains or losses, \$7.6 million, or \$2.25 a share; 1971, \$6.8 million, or \$2.04 a share.

Third National Corp. (HC that owns Third National Bank, Nashville)—1972 consolidated net income before securities gains or losses, \$6,723,324, or \$3.49 a share; 1971, \$6,690,357, or \$3.19 a share.

New Orleans Bancshares, Inc. (Bank of New Orleans is a subsidiary)—1972 income before securities gains and losses, \$2.1 million, or \$2.72 a share; 1971, \$1.7 million, or \$2.20 a share.

Mercantile Bancorp., Inc. (parent company of Mercantile Trust Co., St. Louis)—1972 consolidated income before securities transactions, \$16.6 million, or \$3.26 a share; 1971, \$16.4 million, or \$3.11 a share.

First Union, Inc. (parent company of First National Bank, St. Louis)—1972 consolidated net operating income before securities gains and losses, \$11.6 million, or \$4.51 a share; 1971, \$12.7 million, or \$4.91 a share.

T G Bancshares Co. (parent of Tower Grove Bank, St. Louis)—1972 net income, \$1.5 million, or \$1.74 a share; 1971, \$1.7 million, or \$2.04 a share.

First Tulsa Bancorp., Inc. (parent of First National Bank, Tulsa)—1972 net income, \$7.3 million; 1971, \$5.9 million.

NBT Bancorp. (parent of National Bank of Tulsa)—1972 consolidated net income, \$4.9 million, or \$2.19 a share; 1971, \$4.4 million, or \$1.97 a share.

First National, Wichita—1972 income before securities gains, \$1.9 million, or \$32.35 a share; 1971, \$1.8 million, or \$30.81 a share.



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Todd and Foote Promoted At Elliott State Bank

JACKSONVILLE—Elliott State has promoted Gilbert H. Todd from senior vice president to executive vice president and G. Wayne Foote from cashier to vice president and cashier.

Mr. Todd, who joined the bank in 1949, became vice president in 1965 and senior vice president and director in 1970. Mr. Foote also came to the bank in 1949 and served as auditor, assistant vice president and cashier before his recent promotion.



TODD FOOTE

■ CENTRAL NATIONAL, Rockford, promoted James E. Gatton from vice president to senior vice president. He joined the bank in 1969.

■ A. R. COOPER, former executive vice president and assistant trust officer, Citizens National, Macomb, has been elected president. He succeeds J. B. Wolfe, former president and chairman, who will continue as chairman. In other action, Jerry G. Skiles, head of the real estate department, was advanced to assistant vice president and James Forman was named data processing control manager.

■ RICHARD P. LARSEN has been advanced from president to chairman of South Side Bank, Chicago. He is succeeded as president by Thomas P. Lewis, former senior vice president of Independence Bank, Chicago. Other promotions included: Stephen S. Plebanski, vice president and cashier; George W. Glasson, vice president and auditor; Lawrence Finch, assistant vice president; and Miss Ann Filipovich, assistant cashier.

■ KENNETH W. OESTERLE, former vice president and cashier, Bank of Belleville, was named executive vice president. Others promoted were: Elmer J. Arnold, vice president; R. Terry Patterson, cashier; Alice L. Gannon, assistant vice president; and Michael R. Tatalovich, assistant cashier. The bank also announced that construction is nearing completion on eight new drive-up windows and additional parking space.

■ R. F. APPLEQUIST has retired from First National, Rockford, after 41 years of service. He is succeeded as chairman and chief executive officer by Howard E. Bell, who will continue as president. Others promoted were: Richard S. Peterson, vice president and cashier; Harry L. Andreen and William E. Gorman, vice presidents; and John O. Benson, Richard J. Brynteson, J. Keith Riedesel, Carl A. Accardo, Gordon W. Early and William C. Thiede, assistant vice presidents. William R. Williams, president of an oil company, was elected a director of the bank.

IBA Consumer Credit Division Appoints Kussart President

Dan W. Kussart, vice president, First National, East St. Louis, has been elected president of the Illinois Bankers Association consumer credit division, effective July 1.

Other new officers elected were: first vice president, Robert C. Kraemer, executive vice president, Bank of Lakehurst, Waukegan; second vice president, Donald A. Saegesser, vice president, Champaign National; and secretary, George M. Morvis, secretary, Illinois Bankers Association, Chicago.

Elected to three-year terms on the division's executive committee were Thomas A. Sporer, vice president, American National, Chicago, and Robert G. Streuter, vice president, City National, Murphysboro.

■ MARK P. BURNS has joined Hyde Park Bank, Chicago, as vice president in charge of operations. He most recently was manager of marketing planning for 21 states in the Midwest for IBM Corp.

First Nat'l Opens Facility



First National, Champaign, recently opened its new First Plaza facility, which has both drive-in windows at left and a walk-up window. Equipment, including a cash-dispensing machine, was furnished by Diebold, Inc.

Cason Advances to President Of First Nat'l, Mattoon

MATTOON—Donald S. Cason has been elected president of First National, succeeding Melvin C. Lockard, who continues in the posts of chairman and chief executive. Mr. Cason, previously first vice president, has been with the bank since 1968 and before that was with First National of Centralia.



CASON

The bank also announced the promotion of Kim E. Hopkins from assistant cashier to assistant vice president and the appointments of Tim L. Clark and Mrs. Doris E. Klier as administrative assistants.

At the close of 1962, First National recorded resources of more than \$50 million, making it the first \$50-million bank in Coles County.

■ BANK OF HERRIN promoted Dale A. Young from assistant vice president to vice president and Denzil Walker from assistant cashier to cashier. Mr. Walker succeeds Wayne C. McCormick, who recently retired as cashier.

■ SOUTH SIDE BANK, Quincy, promoted Donald E. Poppen from vice president to president and cashier. He succeeds the late Marion E. Borton as president. Other officers elected were: Ernest A. Hayes, chairman; Donald J. Bell, vice president; and Mrs. Sandra J. Austin, assistant cashier. Mr. Hayes and Mr. Bell recently purchased controlling interest in the bank.

■ CHARLES C. CARTWRIGHT has succeeded Carl Presley as president of Bank of West Frankfort. Mr. Presley, who has been with the bank 32 years, will continue as vice president during an indefinite transition period, after which he will retire from the bank. Mr. Cartwright had been executive vice president and chief executive officer of Clinton (Ind.) State.

■ OFFICIALS of First National, Vandalia, recently cut a money ribbon of 108 one-dollar bills at the opening of the bank's new drive-in and mini-lobby facility. The dollar bills represented the bank's 108 years of service. The ribbon was given away as a grand prize at a free drawing held at the close of a week-long grand opening celebration.

■ MRS. BETTY A. STEPHENS has been elected cashier of First State, Morrisonville. She joined the bank in August.



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■ FARMERS STATE, LaGrange, is constructing new quarters that will be four times as large as its present building. Completion of the new structure is expected in the spring.

■ BEDFORD NATIONAL promoted Jack L. Meadows from assistant vice president to vice president and named William L. McFadden and Lester E. Grubb assistant cashiers.

■ BANK OF ORLEANS promoted Charles Lamb from cashier to vice president and cashier and W. H. Tegarden from assistant cashier to vice president.

■ J. M. MEYER JR., former assistant vice president, has been named vice president of Sellersburg State.

■ UNION NATIONAL, New Albany, promoted J. E. Croft Jr. from executive vice president to vice chairman.

■ CITY NATIONAL, Auburn, is constructing a new building to be completed in the spring or early summer.

■ H. EDWARD COOK has been elected personnel officer in charge of training and development for American Fletcher National, Indianapolis.

Indiana News

Ag School Dates Set

The Indiana Bankers Association will hold its second annual Agricultural Banking School October 14-19 at Purdue University, West Lafayette.

■ MARION NATIONAL promoted Jack S. Kightlinger from vice president and trust officer to vice president and senior trust officer. Marvin L. Foland, manager of the South Marion Branch, was advanced from assistant cashier to assistant vice president and Samuel L. Small, manager of the 16th Street Branch, was elected an assistant cashier.

Indiana Death

RUSSELL PICKETT, 69, chairman, Vevay Deposit Bank. Mr. Pickett joined the bank in 1923 and became chairman in 1971.

■ DAVID M. THURMAN was elected an assistant vice president of First National, Richmond. He has been in the computer department since joining the bank in 1968 and presently is supervisor of data processing operations.

■ ST. JOSEPH VALLEY BANK, Elkhart, has announced the following promotions: James W. Rieckhoff, vice president and trust officer; Dean F. Davis, vice president; Danny J. Thursby, assistant vice president; Jimmy A. Westfall, operations officer; James R. Kish, loan officer; Mrs. Sherry Johnson, personnel officer; Mario M. Bautista, branch manager; and Maurice E. Hawks, manager, credit department.

■ LINCOLN NATIONAL, Fort Wayne, promoted Robert J. Frazier from assistant vice president to vice president and Robert Porter from assistant cashier to assistant vice president. Both are in the mortgage loan department.

■ OLD NATIONAL, Evansville, has transferred \$2 million from undivided profits to surplus, bringing the latter to \$12 million.

Burcham Appointed Treasurer Of Kentucky Bankers Assn.

Elbert Burcham Jr., president, Citizens Bank, Hickman, has been elected treasurer of the Kentucky Bankers Association. He completes the term of Ben Hardin, who resigned as treasurer after accepting a position with Sarasota (Fla.) Bank. Mr. Hardin was president and cashier of Bank of Marrowbone.



BURCHAM

Mr. Burcham began his banking career with Farmers Bank of Woodland Mills in 1953 as assistant cashier and later became cashier and chief executive officer. He became president of Citizens Bank of Hickman in 1961.

■ NEW APPOINTMENTS at Farmers Deposit, Eminence, included: Mrs. Pauline Staley, vice president-operations and cashier; Lanier Burchett, vice president-loans; Mrs. Barbara Norton, assistant cashier and security officer; and Grant Satterly, manager, installment loans.

Kentucky News

■ PROMOTED from assistant vice presidents to vice presidents at Citizens Bank, Glasgow, were Douglas G. Atwell, Ledean B. Hamilton, C. T. Huffines, John E. Steffey and Howard P. Wood. Sandra Duvall and Tommy Jackson were named assistant cashiers.

■ FIRST-HARDIN NATIONAL, Elizabethtown, has elected Frank D. Hackathorn executive vice president and W. Bernard Johnson cashier. Donald Peace, Robie Richardson and Melvin Atcher were appointed assistant cashiers.

■ CENTRAL BANK, Lexington, advanced William H. Johnston and Timothy Wheaton from assistant vice presidents to vice presidents and named John S. Shropshire and Charles R. Thompson assistant cashiers.

■ L. S. NORMAN, former president of Covington Trust, has been named vice chairman. David C. Herriman, who was chairman of the executive committee and chief executive officer, is now president and chief executive officer.

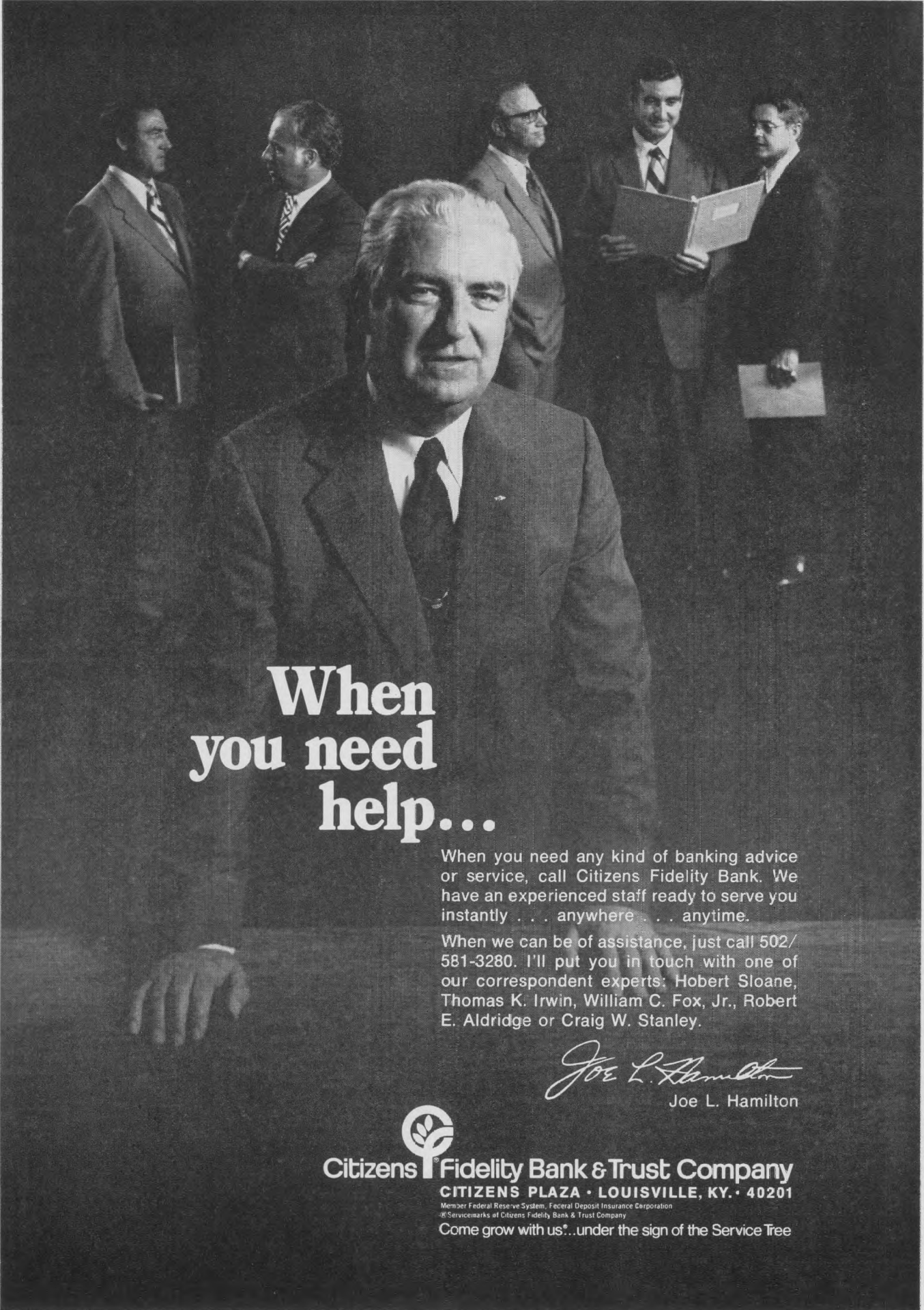
■ ERVIN ENZWEILER has resigned as vice president and cashier of West Side Savings, Newport, to become president of Bank of Alexandria. New assistant cashiers at West Side Savings are Vernon Enzweiler and Mrs. Judy Richard.

■ CITIZENS NATIONAL, Bowling Green, has received approval to establish a new branch. The North Gate Branch will have two inside teller windows, one drive-up window and night depository. Completion of construction is expected in April.

■ H. EDWARD PULLIAM has been named vice president of Peoples State, Chaplin. He formerly held the same post at First & Peoples Bank, Springfield.

■ HERBERT J. SMITH, president, American National, Bowling Green, has been reappointed to a three-year term as a member of the board of the Louisville Branch of the Federal Reserve Bank of St. Louis.

■ LOUISVILLE TRUST promoted William W. Gaunt III, David L. Lemmon and Donald P. Wolf to assistant vice presidents, Russell F. Davidson II to assistant treasurer and Larry D. Taylor to assistant trust investment officer.



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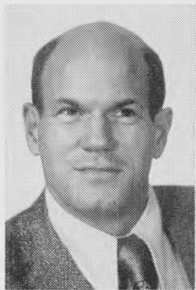
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Cobble, Rawlings and Marler Receive Executive Promotions At Hamilton of Chattanooga

CHATTANOOGA—Hamilton National has announced three executive promotions: Paul R. Cobble, head of the correspondent banking division, from senior vice president to executive vice president; Ben M. Rawlings Jr., also in the correspondent banking division, from vice president to senior vice president; and Earl A. Marler Jr., from



COBBLE



MARLER



RAWLINGS

Tennessee News

vice president to senior vice president to manage branch operations.

Mr. Rawlings also was named head of new business development in addition to national accounts. Mr. Marler has been named to the executive committee for branch offices.

Mr. Cobble recently was made senior vice president of Hamilton Bancshares, Inc., where he also has served as assistant secretary and treasurer. He joined Hamilton National in 1957 after service with First National City, New York City. Mr. Rawlings joined the correspondent banking department in 1963. Mr. Marler went to the bank in 1954.

In other action, Hamilton National promoted John Thurman to assistant vice president and head of the credit department; Walter Stack to assistant cashier and manager, East Ridge Branch; Toney Van Tone to assistant cashier, South Broad Branch, and Mrs. Jewell B. Burkett to assistant cashier-new business department.

The bank also elected two new directors, Olan Mills II, chairman, Olan Mills, Inc., a photographic studio; and Blackwell Smith Jr., chairman and

CEO, Millers Bros. Co., a department store.

Paul J. Kinser, president, East Brainerd Lumber Co., was appointed to the executive committee for branch offices of the bank.

■ R. L. ANDERSON, director of City Bank of McMinnville since 1955, was elected vice chairman. He succeeds the late Herman R. Spivey. Charles D. Haston Sr., former advisory director, was named a director. H. Ray Spivey, son of the late vice chairman, was named to succeed Mr. Haston as an advisory director. Mr. Spivey is president of a lumber and manufacturing company. In other action, the bank promoted Von L. Hall from assistant cashier to assistant vice president and declared a 10% stock dividend.

■ FIRST NATIONAL, McMinnville, announced the following promotions: Robert W. Jones, from vice president and trust officer to executive vice president and trust officer; John J. Savage Jr., from cashier and assistant trust officer to vice president and assistant trust officer; James E. Grissom, from assistant cashier to cashier; Charles Jacobs and Lester Cowell, from assistant cashiers to assistant vice presidents; and Betty S. Bouldin, Arla J. Simmons, Carolyn McBride and Martha Smartt, assistant cashiers.

■ BANK OF GORDO made the following new appointments: James K. Owens Jr., executive vice president and chief executive officer; James K. Bailey Jr., assistant vice president and cashier; Mrs. Frances M. Burkhalter, assistant vice president; and Miss Elise P. Housel, assistant cashier and manager of the bookkeeping department.

■ CENTRAL BANK, Birmingham, named Dean Harris branch manager of the Daniel Building Office and Otto L. Williamson branch manager of the Westgate Office. Mr. Harris came to the bank last September and Mr. Williamson in 1969.

■ WILLIAM E. PARAVICINI was named assistant cashier in the loan department of Capitol National, Montgomery, while Miss Helen Spears was promoted to administrative assistant in the loan administration department. Mr. Paravicini joined the bank last year and Miss Spears in 1966.

■ JOSEPH F. COSTA JR. was elected vice president in the credit department of City National, Birmingham. He returns to the bank after an absence of two years. Previously, he was with Fidelity Bank of Philadelphia.

Alabama News

■ JOHN W. HIGDON and W. Martin Pace were elected vice presidents of First National, Butler, while Mrs. Beatrice Sparrow was named vice president and cashier. Mrs. Elsie M. Myatt and Mrs. Georgia Dozier were elected assistant cashiers.

Ala.BA Past Presidents Retire



NELSON



MURPHY

Two past presidents of the Alabama Bankers Association retired from banking at year-end. R. J. Murphy, vice ch., First National, Brewton, was Ala.Ba pres. in 1966 and C. W. Nelson, vice ch., State National Bank of Alabama, Decatur, served as pres. in 1969.

■ FIRST NATIONAL, Childersburg, promoted Robert M. Cleckler Jr. from cashier to vice president and cashier and Dan W. Cleckler from assistant cashier to vice president.

■ BANK OF GERALDINE elected Miss Gayla Rogers cashier and Miss Carol Guice assistant cashier.

■ EXCHANGE BANK, Attalla, promoted Jewell S. Little to senior vice president, Miss Cora L. O'Dell to vice president and Raymond Drummonds to assistant vice president.

■ EXCHANGE SECURITY BANK, Birmingham, promoted George S. Wilkes from assistant vice president to vice president and L. Gwaltney McCollum to assistant cashier. Mr. Wilkes has been with the bank since 1967 and Mr. McCollum since 1970.

■ FRANK N. WARD has retired as vice president for public relations and advertising of Commercial National, Demopolis. He was with the bank 51 years.

■ DONALD C. THOMASON, executive vice president and trust officer, Talladega National, retired after 49 years in banking.



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Affiliate Banks:

The First National Bank of Montgomery
Exchange Security Bank, Birmingham
The First National Bank of Huntsville
The Dothan Bank and Trust Company

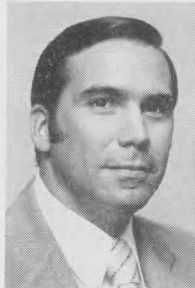
Mississippi News

Miss. Junior Bankers Plan Convention And Study Conference March 14-17

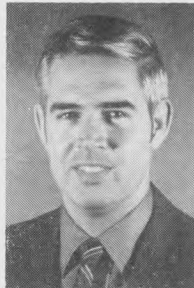
The Junior Bankers Section of the Mississippi Bankers Association will hold its 23rd annual combined study conference and convention March 14-17. The study conference will be held in Hattiesburg, followed by the convention in Biloxi.

Registration for the study conference will be Wednesday, March 14, at Holiday Inn North in Hattiesburg. A cocktail party and dinner at the Hattiesburg Country Club will follow, featuring a welcoming address by Wilmer H. Whittle, Junior Bankers president, and president, Newton County Bank, Newton, and remarks by J. C. Whitehead, president, Mississippi Bankers Association, and president, Bank of Mississippi, Tupelo.

The Thursday morning session will be held at the auditorium of the School of Business Administration at the University of Southern Mississippi. Presiding will be Robert H. Alexander, Junior



MALLORY



ALEXANDER

Bankers treasurer, and vice president, Commercial National, Greenville.

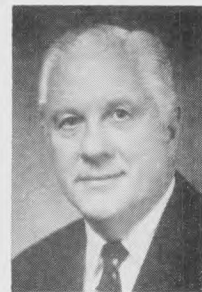
Opening remarks at the session will be given by Lewis F. Mallory Jr., vice president of the Junior Bankers, and executive vice president and trust officer, Peoples Bank, Starkville. Joe H. Davis, ABA treasurer, and executive vice president, First National, Memphis, will give the keynote address.

"Current Economic Outlook for 1973" will be discussed by Eugene Leonard, first vice president, Federal Reserve Bank of St. Louis. Following will be a general discussion on "Planning and Administering Estates," led by J. Peter Friedrich, senior partner of a Fort Lauderdale, Fla., law firm.

Late-morning workshops will cover the following topics: lending—Dr. Louis K. Brandt, Department of Finance, University of Southern Mississippi; marketing—Dr. J. Van Fenstermaker, Chair of Banking, University of Mississippi; and bank operations—Dr.



BRYAN



DAVIS

Harvey Lewis, Department of Finance, Mississippi State University.

After lunch, Harry Brock, president, Central Bank, Birmingham, will speak on "Practical Public Relations and Marketing Concepts for Small Banks," and R. B. Lampton, president, First National, Jackson, will discuss "Planning Investment Portfolios for Small Banks."

Cocktails and hors d'oeuvres will be served that evening at the Ramada Inn.

Jack R. Crigger, senior vice president, American National, Chattanooga, Tenn., and J. C. Whitehead will be the featured speakers at Friday's morning session. Mr. Crigger will cover "Analyzing Financial Statements" and Mr. Whitehead will give an "Outlook for Banking."

Convention registration will be held Friday afternoon at the Broadwater Beach Hotel in Biloxi, followed by an evening "get acquainted" hour and roaring '20s party and seafood safari.

Saturday morning will feature a general business session and women's breakfast and informal fashion show. Afternoon activities will include golf, bridge for the women and a visit to the Jefferson Davis Shrine, located west of Biloxi.

The convention will end with an evening social hour and banquet.

Junior Bankers officers. Wilmer H.

(Continued on page 108)



WHITTLE



WHITEHEAD



Mississippi Bank & Trust Company

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Pontchartrain State Opens In Metairie February 14

METAIRIE—Pontchartrain State Bank opened here February 14 with capitalization of \$2.7 million. The new bank has four drive-up windows, main banking area, safe deposit vault, conference room, executive and bookkeeping offices and customer parking area.



BOLDT



POITEVENT

Eads Poitevent, president, chairman and chief executive officer of International City Bank, New Orleans, is chairman of the new bank. Edward C. Boldt, senior vice president of ICB Corp., holding company for International City Bank, is president of Pontchartrain State.

Other officers of the new bank are J. Ned Mayeux, vice president and cashier, and George P. Sougeron, vice president.

Louisiana News

Red River Valley Bank Opens; Names Board of Directors

BOSSIER CITY—Red River Valley Bank opened here recently with capitalization of \$700,000. Percy V. Hubbard is chairman and president and Joel H. Anderson is vice president, cashier and a director.

Other directors are: William G. Anderson, oil and gas operator; John W. Evans Sr., president of an auto parts company; C. William Gerhardt, attorney; Joseph T. Johnson, general contractor and developer; P. B. Lombardino, restaurant owner; Charles E. Roemer III, president of a data systems company; and J. Tim White III, planter.

D. K. Dwyer Appointed President Of Louisiana Nat'l Leasing Corp.

BATON ROUGE—Daniel K. Dwyer has been named president of Louisiana National Leasing Corp., a subsidiary of Louisiana National Bank. He had been serving as vice president and manager of the bank's installment loan department.

Mr. Dwyer replaces G. Lee Griffin as president of the leasing subsidiary. Mr. Griffin, vice president and loan officer of the bank, has been appointed staff assistant to C. W. McCoy, chairman and president.

Lewis L. Simmons, assistant vice president, was named to succeed Mr. Dwyer as manager of the personal loan department. Donald P. Starns was promoted to manager of personal loan collections and Charles A. Hustmyre III was named Mr. Starns' assistant.

Gilly Named Director Emeritus Of Whitney National & HC

NEW ORLEANS—James Gilly Jr. has been named director emeritus of Whitney National and Whitney Holding Corp., in recognition of his 60 years of service to the bank. Mr. Gilly retired as vice chairman at year-end.

With the bank since 1912, Mr. Gilly was appointed vice president in 1928 and a director in 1946. He became executive vice president in 1960 and vice chairman in 1969.



GILLY

Henson Appointed President Of City Nat'l, Fort Smith

FORT SMITH—Harold E. Henson Jr. has been elected president of City National. He replaces Jeral L. Hampton, president of Citizens Bank, Booneville, who had been acting City National president since July 1.



HENSON

Mr. Henson had been president, chief executive officer and a director of United Missouri Bank of Joplin, Mo. Before that, he was vice president and manager of the consumer banking division of Worthen Bank, Little Rock, and executive vice president of Bank of Arkansas, Little Rock.

■ L. CLYDE CARTER was elected a director of First National, Stuttgart. He is president of Riceland Foods and is a director of Union National, Little Rock.

■ MRS. NAN DICKEY has been named a director of Security Bank,

Arkansas News

Paragould. She is in-service training director of the nursing staff at Community Methodist Hospital.

New Leasing Company Formed By Commercial Nat'l Bank

LITTLE ROCK—Commercial National has announced formation of Commercial National Leasing Co. as a wholly owned subsidiary. The company primarily will engage in the purchasing and leasing of personal property on a full paying basis.

Wallace B. Cunningham, senior lending officer of Commercial National Bank, is president of the new company. Lex Golden is executive vice president and general manager in charge of daily operations and Edwin P. Henry is vice president.

Commercial National's other two wholly owned subsidiaries are Commercial National Mortgage Co. and Little Rock Abstract Co.

Aubrey Williams Retires From Worthen Bank

LITTLE ROCK—Aubrey F. Williams, vice president and trust officer since 1962 at Worthen Bank, retired February 4. A banker since the 1930s, Mr. Williams joined Worthen's trust division in 1954 and had been a trust officer since 1957 and manager of the trust division since the late 1960s.

Mr. Williams appeared as a speaker on many programs and also had several articles published, including a 1962 article on "Personal Life Insurance Trusts" in the annual journal of the Arkansas State Association of Life Underwriters.

■ ADVANCED at First National, El Dorado, were: Bill Givens, vice president; E. Perry Schieffer, auditor and controller; Milas D. Reynolds, assistant vice president; Johnny Benson, assistant cashier; and Joe E. White, assistant trust officer.

■ A. J. GORNATTI, an officer of Worthen Bank, Little Rock, since 1967, has been named assistant auditor. He also is a director of First National, Harrison.

Texas News

D. W. Garrett, 44, Dies; Frost Nat'l President

SAN ANTONIO—Donald W. Garrett, 44, president, Frost National, died February 3 while attending ABA's national trust conference in New York City.



GARRETT

Mr. Garrett joined the bank in 1957, became successively, an assistant vice president, vice president, senior vice president and executive vice president. In 1969, he was elected a director and in 1971 became Frost National's sixth president. He was the first president in the bank's 104-year history not to carry the Frost name.

New Vice Presidents Named At Lubbock National Bank

LUBBOCK—Lubbock National has announced several new promotions. Advanced from assistant vice presidents to vice presidents were: Don Chastain, building manager; John E. Grist, commercial loan department; and Cary Johnson, Howard D. Smith and Carlos H. Thornton, mortgage loan department. Daniel J. Kelly was promoted from assistant vice president and assistant trust officer to vice president and trust officer.

Robert M. Askew, William F. Goodwin and Elizabeth Jordan were promoted from assistant cashiers to assistant vice presidents. Newly appointed officers are: Fred Timberlake Jr., assistant trust officer; and Vic Butler, David Lewis and Tommy Ogden, assistant cashiers.



Recently promoted at Lubbock National were: (from l.) Dan J. Kelly, v.p. and trust off.; and Howard D. Smith, John Grist and Don Chastain, v.p.s.

■ **FIRST NATIONAL**, Brownsville, elected: Floyd R. Shaw, trust officer; Mrs. Mercedes G. Colunga, assistant cashier and assistant manager of the international department; Mrs. Enriqueta Garcia, assistant cashier and manager of the proof department; and Larry Harrison, Miss Edna Arguelles and Mrs. Wanda Gilchrist, assistant cashiers. The bank also elected Hubert Gentry Jr., attorney, an advisory director. He is executive vice president and a director of Southwest Bancshares, Inc., Houston.

Mann Acquires Interest In First Bank of Bryan

BRYAN—First Bank has announced that Robert A. Mann of Waco has acquired a substantial interest in the bank. Mr. Mann is chairman of the State Banking Finance Commission and is chairman of First National, Waco; Citizens State, Woodville; Sabine National, Port Arthur; Kilgore National; East Texas Bank, Longview; and First Bank, Richardson.

Mr. Mann is the son of the late D. P. Mann and grandson of the late J. P. Mann, pioneer east Texas bankers.

Record Year in Pasadena

PASADENA—First Pasadena State has announced that 1972 was the best year it has had in its 53 years of existence. Total resources went over the one hundred million-dollar mark, reaching \$103.4 million as of year-end. Net income reached above \$1 million for the first time (it totaled \$1,015,473 at year-end). At year-end 1971, resources were \$93.6 million and earnings, \$892,264.

■ **LARRY T. OGG**, former executive vice president of McGregor Park National, Houston, has been named president of the new Executive National Bank of Houston. Construction of the bank's quarters is due for completion in early April. The bank will have three outside entrances and a lobby entrance from Executive Plaza Tower East. Expansion plans call for a total of 10 drive-in windows.

■ **PAT H. HOOD** has resigned as vice president of Grayson County State, Sherman, to join a bank in Austin. Mrs. Maurice Workman was named assistant cashier of Grayson County State, which she joined in 1968.

First Nat'l Sponsors Breakfast



Paul Mason (second from r.), ch., First National, Fort Worth, chats with guests at the bank's 21st annual Sunday Breakfast during the Southwestern Exposition and Fat Stock Show in Fort Worth. From left are: Dr. Paul M. Stevens, pres., Southern Baptist Radio and Television Commission and featured speaker at the breakfast; Miss Carol Sieverling, Eules 4-H Club; Mr. Mason; and Frederick McClure, pres., Texas Future Farmers of America. This year's breakfast was attended by about 800 4-H and FFA junior exhibitors at the stock show.

■ **PROMOTED** at North Freeway Commerce Bank, Houston, were: Leonard Self Jr., vice president; Mary B. Parker, cashier; and B. E. Hillman, assistant vice president.

■ **WILLIAM J. WHITLOCK** has joined First National, Brownwood, as vice president. He formerly was executive vice president and cashier of First Nichols National, Kenedy.

■ **ROSS L. JONES**, attorney, was elected a director of Coleman Bank.

■ **FIRST NATIONAL**, Weatherford, has announced the retirement of John C. Broyles as executive vice president and a director.

Five Promotions Are Announced At Exchange Bank of Dallas

DALLAS—Exchange Bank has promoted W. Frank Landers, William A. Lanfer and T. Frank Wallace to senior vice presidents. Adrian E. Doxy was elected vice president and Bill V. McClellan assistant vice president.

Mr. Landers, manager, consumer banking, joined the bank in 1965. Mr. Lanfer, manager, commercial banking, has been there since 1971. Mr. Wallace is manager, marketing. Mr. Doxy and Mr. McClellan are installment lending officers.



LANFER

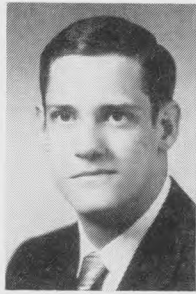
LANDERS

WALLACE

Ebert Named Vice President At Manufacturers Hanover

NEW YORK CITY—Manufacturers Hanover Trust has elected Douglas E. Ebert a vice president in its national division. He represents the bank in New Mexico, Oklahoma and Texas.

Mr. Ebert joined the bank's management program in 1968, was transferred to the national division in 1969 and assigned to the national division's Southwest district this year. He became an assistant vice president in 1971.



EBERT

First Nat'l Bank of Lea County Announces 13 Promotions

HOBBS—First National Bank of Lea County has announced 13 officer promotions. Lewis B. Nance, senior vice president and cashier, was advanced to senior vice president and controller. Stan Newman, marketing officer, was advanced from vice president to senior vice president.

Advanced to vice presidents were:

New Mexico News

Ann M. Kelley, customer services officer; Andrew Morrow, cashier; Thom Falls, commercial loan department; Denzil R. Hartless and Richard Carney, consumer loan department; and Max Rodolph, data processing manager.

New assistant vice presidents are: Fern Stowers, operations officer; Jim Renfrow and Clarke Evans, credit officers; and Ron Mahan, assistant branch manager of the Lovington Office. Jim Denton was elected data processing officer.

■ ALBUQUERQUE NATIONAL has named G. Robert Hester assistant vice president and manager of the East Menaul Office. He joined the bank last November. Mr. Hester has more than 20 years' banking experience in Illinois and California.

■ BOB TINLEY has been named president and chief executive officer of Fidelity National, Albuquerque. He was senior vice president and a member of the executive committee of First

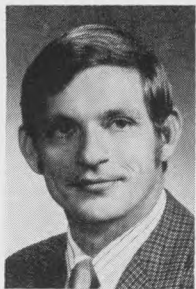
National Bank of Lea County, Hobbs. Jack Daniels and Reed H. Chittim have been elected directors of Fidelity National. Mr. Daniels, who recently purchased a majority of Fidelity National's outstanding shares, is chairman of First National Bank of Lea County and Mr. Chittim is president.

■ FIRST NATIONAL, Las Cruces, advanced Alden C. Tombaugh, Charles Dickerson and Dwain E. Bradshaw to assistant vice presidents and elected Ray Barrera loan officer. Mr. Dickerson has been manager of the bank's Hatch Branch since 1971. Mr. Tombaugh came to First National in 1965 and since 1970 has managed the University South Side Branch. Mr. Bradshaw joined the bank in 1970 in the installment loan department. He will now move to commercial loans. Mr. Barrera joined the bank last year.

■ ARTHUR L. ORTIZ was elected president of Centinel Bank, Taos. He succeeded Orlando G. Baca, who has resigned. Mr. Ortiz was an organizer of the bank and a member of its first board of directors. He has had extensive experience as a business executive and government official.

Barry M. Hudson Honored By Bartlesville Jaycees

BARTLESVILLE—Barry M. Hudson, vice president, First National, was named Outstanding Man of the Year by the Bartlesville Jaycees. He was presented an engraved plaque at the Jaycees' distinguished service award banquet.



HUDSON

Mr. Hudson was honored for his leadership in various civic organizations, including his roles as president of the Bartlesville Welfare Association, president of the Oklahoma Bank Marketing Association and assistant city treasurer.

■ FIRST NATIONAL, Muskogee, has announced the following new appointments: K. L. Meyer Jr., executive vice president and trust officer; Cameron McKeel and Bob Haggard, vice presidents; Russell Courson, cashier; Mrs. Vivian Pasko, Jim Phillips and Bill Cale, assistant vice presidents; Frances Cope, assistant cashier; and Joann Brannon and Charles Small III, trust officers.

Oklahoma News

Two Retire From Nat'l Bank

McALESTER—National Bank of McAlester has announced the retirements of C. L. Priddy as vice chairman and Harry W. Owens as assistant vice chairman. Both men were named directors emeritus.

Mr. Priddy formerly served the bank as president and Mr. Owens as executive vice president. Both joined the bank in 1929.

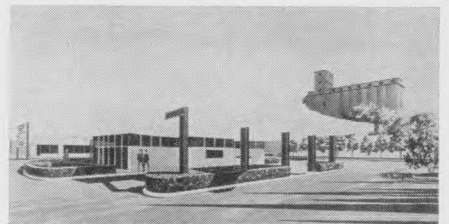
■ W. J. EYESTONE has been advanced from president to chairman of Citizens Bank, Drumright. He succeeded as president by W. A. Fowler, former executive vice president and cashier. Both men joined the bank in 1963. In other action, Mrs. Maxine Nichols was promoted from cashier to assistant vice president. She has been with the bank since 1953.

■ AMERICAN BANK, Edmond, named Art Johnson vice president and cashier and Mrs. Thelma Gilchrist assistant vice president.

■ W. A. FOWLER, former president of First State, Oilton, has been named chairman. George W. Carlton, who was vice president and cashier, was named to succeed Mr. Fowler as president. Mrs. Vernell Endecott was advanced from assistant cashier to cashier and Mrs. Carolyn Clemens was elected assistant cashier.

■ WILEY G. SARTIN has been promoted from executive vice president to president of Cache Road National, Lawton. James H. Lents was advanced from cashier to vice president and Terry L. Scruggs from assistant cashier to cashier.

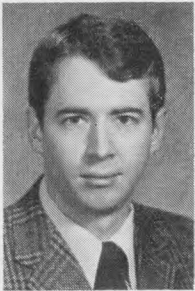
Oklahoma Nat'l to Expand Building



Oklahoma National, Chickasha, has announced plans for alterations and additions to its quarters. The expansion program will include four drive-up windows and four remote units. Bank Building Corp., St. Louis, is the consultant and construction manager for the project and Wilburn C. McCormick, an associate of Bank Building, is the architect.

Kansas News

Kansas Bankers Association Adds Paul Lewis to Staff



LEWIS

Paul S. Lewis has joined the staff of the Kansas Bankers Association. He will serve as an assistant in research, in banking education and in bank marketing activities.

Mr. Lewis was graduated from Washburn University in 1969 with a degree in business administration. He later graduated from Engineer Officer Candidate School at Fort Belvoir, Va., and for three years was in the military command at Fort Leavenworth.

Burgert Named Pres. & CEO Of First State, Pittsburg

PITTSBURG—First State has promoted Hugh L. McGuire from president to chairman and named A. L. Burgert president and chief executive officer. Mr. Burgert had been executive vice president and trust officer. He continues as trust officer.

Mr. McGuire has been a director of First State for 20 years and was named president last year. Mr. Burgert joined the bank in 1950, was named vice president and trust officer in 1967 and assumed additional responsibilities as chief executive officer a year ago.

Mr. Burgert's wife, Mrs. Betty Burgert, recently was honored as Pittsburg's Outstanding Woman of the Year for 1972.

■ RICHARD KING, executive vice president, Planters State, Salina, was a finalist for the Jaycees' 1973 Outstanding Man of the Year award in Salina. Mr. King's name will appear in the Outstanding Americans 1973 edition of *Who's Who in America*.

■ NICHOLAS V. HUDELSON JR. has been elected executive vice president of First National, Shawnee Mission. He joined the bank last year, after serving as vice president and cashier of Bank of Jacomo, Blue Springs, Mo.

Three Promotions Announced At Wichita State Bank

WICHITA—Wichita State has promoted three officers—Glenn F. Blake to assistant vice president and installment loan manager; Gerry Bradfield to assistant vice president and marketing director and Mrs. Lois Clary to auditor.



BLAKE BRADFIELD

Mr. Blake joined Wichita State in 1966 and was named assistant cashier in 1971. Mr. Bradfield went to the bank in 1968 as business representative and was promoted to assistant cashier and marketing officer in 1971. Mrs. Clary joined the bank in January, 1966, as a bookkeeper and was placed in charge of the general ledger the following September.

■ UNION NATIONAL, Manhattan, advanced Mrs. Bonnie Nespor from assistant vice president to vice president and promoted Troy Fautot, Thomas L. Holder, Tony D. Woods and Kenneth M. Warren from assistant cashiers to assistant vice presidents. Ken Lewis and Mrs. Karen L. Welliver were named assistant cashiers and Mrs. Jan Ray was named director of marketing. Elected a director was Larry K. Allingham, owner of several Volkswagen dealerships.

■ BAXTER STATE, Baxter Springs, promoted Floyd Chase from vice president and cashier to executive vice president and Erma Kent from assistant cashier to cashier. Dr. Richard M. Chubb was elected a director.

Promotions at Twin Lakes State



HOOPES

RAINS

HOWELL

Promoted at Twin Lakes State, Wichita, were: Robert E. Hoopes, sr. v.p. in charge of loans and credit; Mrs. Beth A. Rains, v.p. and cash.; and Gary N. Howell, v.p. Mrs. Kathlyn Smart was elected asst. v.p. and sec.

Four Promotions Announced

KANSAS CITY—Security National has announced the promotions of James S. Quim from assistant vice president to vice president, consumer loans; Glenn P. McCarty from assistant trust officer to assistant vice president and assistant trust officer; Mrs. Verna Simmons to assistant cashier, safe deposit department; and John E. Tiszka to assistant loan officer.

Bank Control Purchased

WICHITA—W. R. Murfin, owner of a drilling company, has purchased controlling interest in East Side National from J. W. Owen, chairman, and C. W. Aikins Jr., vice chairman. Mr. Owen and Mr. Aikins purchased the bank in 1965.

■ COMMERCE STATE, Topeka, promoted Larry C. Carlson to cashier, H. David Brown to loan service officer and Anna L. Griffith to assistant cashier.

■ PLANTERS STATE, Salina, advanced Don Hamilton from agricultural representative to vice president. New directors are: Quintin A. Applequist, president of Roberts Industries, Inc.; Richard E. Brown, secretary-treasurer of Elmore, Inc.; Sam Evans, an associate of Evans Grain Co. and Evco Distributing, Inc.; and George L. Frisbie, president of Frisbie Construction Co., Inc.

CNB

COMMERCIAL NATIONAL BANK

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Kansas City, Kansas 66101



HENRY BLANCHARD BERNARD RUYSSER

PROFESSIONAL CORRESPONDENT BANKING SERVICE

Mercantile Trust Promotes Two In Correspondent Department



STOECKER



GALLO

ST. LOUIS—Mercantile Trust has announced two promotions in its correspondent banking department. David T. Stoecker was advanced from assistant vice president to vice president and Lawrence F. Gallo, former correspondent banking officer, was named an assistant vice president. Both men are in the Illinois division. Mr. Stoecker joined the bank in 1965 and Mr. Gallo in 1970.

In other action, Mercantile Trust advanced Athan Mertis from assistant vice president to vice president in the national accounts department. He has been with the bank since 1967.

Other new promotions included: Jerome J. Sandweg and John E. Berra, assistant vice presidents, data processing department; William A. Johnson and Ernest J. Rathjen, assistant trust officers; Edward W. Sunder III, assistant investment officer; and L. Sheridan Clark, assistant data processing officer.

Michael Braude Named Officer Of Columbia Union National

KANSAS CITY—Michael Braude has joined Columbia Union National as vice president in the marketing department.

Mr. Braude had been vice president of Kansas City's Mercantile Bank since 1966. Before that, he was with Commerce Trust (now Commerce Bank) of Kansas City as head of the Family Banking Center. His career also has included service with the Kansas City Life Insurance Co.

Mr. Braude has written 12 children's



BRAUDE

books on business subjects, one book for adults, "Managing Your Money," and teaches an economics course during the fall semester of the Kansas City AIB Chapter. Another extracurricular activity is that of teaching a course in "Personal Finance" to all hostesses in training at TWA's Breech Academy.

United Mo. Bank of K. C. Names Yocom Sr. VP

KANSAS CITY—United Missouri Bank of Kansas City, formerly City National, promoted three officers and elected two new ones. Harold L. Yocom was advanced from vice president to senior vice president. He is in charge of the Master Charge credit card division and now assumes additional responsibility as head of the retail banking division. He joined the bank in 1968.

William C. Boaz II was named assistant vice president and corporate trust officer. He has been with the bank's mutual funds division since 1966 and was named corporate trust officer in 1968.

Richard H. West was promoted to trust investment officer. He came to the bank in 1968 and was elected assistant trust investment officer in 1970.

New officers are M. M. Aslin, employee benefits planning officer, and Douglas Gilmore, estate planning officer.

In other action, United Missouri Bancshares, Inc., multi-bank holding company, promoted E. J. Robertson to senior vice president. He is in charge of loan administration and joined the holding company last year.

New officers of the holding company are Greg J. Helm, assistant director of public relations and advertising, and Gerald N. Pittman, data processing auditor.

■ SOUTHERN COMMERCIAL & SAVINGS BANK, St. Louis, has shortened its name to Southern Commercial Bank. The bank had used the longer name since its founding in 1891.

Union State Has New Building



Above is an artist's sketch of Union State of Clinton's new building. The structure has drive-in windows, kitchen facilities and employee lounge. A community room is expected to be finished in the near future. The building's interior features cherry paneling, antique gold wallpaper and teller fixtures of colonial design.

■ CHARLES MacGOWAN has been advanced from president to vice chairman of Sugar Creek National. M. J. Kuklenski, former executive vice president, is now president, chief executive officer and a director. Miss Esther Struwe was promoted from cashier to vice president and cashier.

■ SOUTHEAST STATE, Kansas City, named Stan Smith, Jerry Stewart, Willie Newby and Mrs. Nadine Bratcher assistant vice presidents. New assistant cashiers are Mrs. Jan Anderson and Mrs. Sue Burkhart.

■ CLAY R. NIEMEYER has been named president of Jefferson-Gravois Bank, St. Louis. He formerly was deputy commissioner of finance for Missouri. He has more than 21 years' experience in banking and credit administration.

■ BRENTWOOD BANK made the following new appointments: Ray C. Lullman, senior vice president; Robert A. Radel and James A. Beal, vice presidents; and Patience Dayton and Joann Nelson, assistant vice presidents.

Open House at Union National



Union National, Springfield, recently held a two-day open house celebrating the opening of its new 75,000-square-foot, \$2.5-million building. The event featured hourly drawings for Sunbeam appliances (above) and free refreshments.

March 15-16 Dates Set For MBA Ag Conference At Osage Beach Resort

The 16th annual Agribusiness Conference for Missouri Banks, sponsored by the Missouri Bankers Association's agricultural and rural affairs committee, will take place March 15-16 at Tan-Tar-A Resort, Osage Beach.



WHISLER

Chairman of the event is Vernon Whisler, vice president, agriculture, American National, St. Joseph, and chairman of the sponsoring committee.

The day-and-a-half conference will include such topics as "Pitfalls of Agricultural Lending," "What Makes a Good Ag Representative?" "What Does the Ag Rep Expect From Management?" "What Management Expects From the Ag Rep," "Estate Planning," "Are Land Prices too High for Profitable Ag Production?" and "Who Is Going to Control American Agriculture?"

Special-interest sessions will cover equipment leasing, the agriculture outlook and the amount of debt a farmer can safely carry.

Size group meetings are also scheduled.

Speakers will include Ben A. Parnell Jr., MBA president, and president, Peoples Bank, Branson; Ron R. Poor, president, Western State, Garden City, Kan.; Earl E. Rogers, vice president, Bank of Kirksville; Charles Belshe, senior vice president, First National, Galatin; Horace Dunagan Jr., president, First State, Caruthersville; Roy F. Lee, vice president, First National, Kansas City; Don Schooler Sr., chairman, United Missouri Bank, Brookfield; James R. Bocell, senior vice president and senior trust officer, American National, St. Joseph; and Lindley Finch, vice president and agricultural consultant, Continental Illinois National, Chicago.

Registration opens at 8 a.m. on March 15 and adjournment will be at 11:30 a.m. the following day.

Missouri Death

HECTOR R. DOMINGUEZ, 65, retired vice president of First National, St. Louis. He was a vice president for 10 years in charge of the bank's foreign department.

MID-CONTINENT BANKER for March, 1973

■ CITIZENS BANK, Gerald, appointed John Kolbe vice president and a director.

■ JOHN M. HEADRICK has been promoted from vice president to senior vice president of Lewis & Clark State, which is located in an unincorporated area of north St. Louis County. Mr. Headrick, who handles all loan activities, joined the bank last year, after serving as vice president and director of time finance for Mark Twain Bancshares.

Sanguinet Elected President Of St. Louis County Nat'l

CLAYTON—St. Louis County National elected Edward H. Schmidt chairman and chief executive officer and Merle M. Sanguinet president. Mr. Schmidt, who is also president of County National Bancorp., which owns the bank, formerly was both chairman and president. Mr. Sanguinet was executive



SANGUINET

vice president.

Mr. Schmidt has been with the bank 25 years and has been president since 1966 and chairman since 1967. Mr. Sanguinet joined the bank as a vice president in 1952. He became a director in 1965, senior vice president in 1966 and executive vice president in 1971.

■ R. WILLIAM SMITH has been elected president and a director of Bank of House Springs. He replaces Arthur W. Green Jr., who has been on temporary assignment with the bank. Mr. Smith formerly was a senior vice president with Mark Twain Northland Bank, Jennings. Bank of House Springs is a subsidiary of TG Bancshares Co., which is also the parent company of Tower Grove Bank, St. Louis, and Continental Bank, Richmond Heights.

■ CITIZENS BANK, University City, elected Leonard Kiem a director and Bernard S. Levin an advisory director. Mr. Kiem is president of a development company and Mr. Levin is vice president of several oil and tire companies.

■ GARTH CLINKSCALES, an organizer of National Bank of Boonville, has retired as chairman but will continue as a director. Thomas J. Miller, president, has assumed the additional title of chairman.

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Standing: John Ramer, Hubert Barksdale

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**Baudendistel Named President
Of Mark Twain Northland**

JENNINGS—Robert J. Baudendistel has been elected president of Mark Twain Northland Bank. He succeeds M. P. McCarthy, who has been named director of holding company operations for the Federal Home Loan Bank, Washington, D. C.



BAUENDISTEL

Mr. Baudendistel is an organizer of the Mark Twain Banks, chairman of Mark Twain South County Bank, Mehlville, and a director of Mark Twain Bancshares, Inc., multi-bank holding company. He also is president of a real estate company.

William L. Marietta has been named executive vice president of Mark Twain Northland. He had been senior vice president of Mark Twain South County, which he joined in 1969 after 22 years in the financial field.

In other action, Mark Twain Northland named Raymond F. Pieper secretary of the board. He has been a director since 1971 and is executive vice president, secretary and director of J. S. Alberici Construction Co. Richard C. Jensen, vice president, was elected assistant secretary. Elected a new director was Emery C. Turner, dean of the School of Business Administration, University of Missouri at St. Louis.

**Approval to Issue Capital Notes
Received by Mark Twain Banks**

ST. LOUIS—Mark Twain Banks have been authorized by state and federal authorities to issue \$1.5 million in capital notes paying 7% annually, interest paid semiannually, in units of \$1,000. The capital notes mature December 31, 1984.

The new capital notes will be available only through Mark Twain South County Bank, Mehlville; Mark Twain Northland Bank, Jennings, and Mark Twain State, Bridgeton. All banks are members of Mark Twain Bancshares, Inc., registered multi-bank holding company.

■ ALLEN BANK, Harrisonville, appointed Juanita M. Buckbee assistant cashier in charge of notes and discounts. She has been with the bank since 1958. The bank also announced plans to open a new facility.

**Miller Named President & CEO
Of County Bank of St. Charles**

ST. CHARLES—O. J. Miller Jr. has been elected president and chief executive officer of County Bank of St. Charles, an affiliate of Mercantile Bancorp., Inc., St. Louis. He succeeds Carl W. Sydow, who has retired after 50 years in banking.

Mr. Miller had been executive vice president and treasurer of Fidelity Bank, Creve Coeur. Previously, he was with Southern Commercial & Savings, St. Louis, Arnold Savings (now United Missouri Bank of Jefferson County) and Bank of Pevely.

**MacCarthy Named Exec. VP
At St. Louis Union Trust**

ST. LOUIS—John Peters MacCarthy has been elected executive vice president and a director of St. Louis Union Trust. He was previously secretary of the organization, a post he continues to hold with First Union, Inc., holding company of which St. Louis Union Trust is an affiliate.



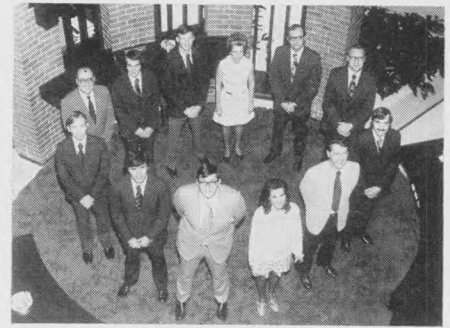
MacCARTHY

Mr. MacCarthy joined St. Louis Union Trust in 1969.

Promotions at First Stock Yards

ST. JOSEPH—First Stock Yards Bank has announced several changes in officer titles. John E. Karn, former vice president and cashier, is now vice president. Philip R. Miller was advanced from assistant vice president to vice president-agriculture, while Robert L. Sanders moved up from assistant vice president to cashier. Leo J. Petrovick was promoted from loan officer to assistant cashier.

Union Nat'l Promotes 12



Recently promoted officers of Union National, Springfield, are: (front row, from l.) Bill Monday, asst. operations off.; Steve Bowers, data processing off.; Jim Riggins, asst. consumer loan off.; Connie Stevenson, operations off.; Gary Coffey, asst. data processing off.; and Doug Neff, asst. consumer loan off. (Back row, from l.) Paul Kirk, trust off.; John Adair, trust off.; John Calhoun, asst. v.p.; Rose Marie Fellin, operations off.; Jack Twitty, v.p.; and Gary Jordan, operations off.

**Walker Re-Elected to Board
Of Columbia Nat'l Bank**

COLUMBIA—Dr. Pinkney C. Walker, one of the original organizers and directors of Columbia National, has been re-elected to the bank's board. He left the board in 1971 when he was appointed by President Nixon to serve as a member of the Federal Power Commission. He held that position until his resignation became effective December 31.

Dr. Walker joined the faculty at the University of Missouri in 1940 and was appointed dean of the School of Business and Public Administration in 1964. He has returned to the university and presently holds the position of professor of economics.

■ THE MISSOURI INDEPENDENT BANKERS Association has elected new officers for 1973. They are: president, Jordan Lindsey, president, Allen Bank, Harrisonville; vice president, J. Richard Furrer, executive vice president, South Side National, St. Louis; and secretary-treasurer, Frank Blair Jr., president, Bank of Belton.

New Finance Commissioner

JEFFERSON CITY—William R. Kostman has been appointed commissioner of finance of Missouri by Governor Christopher Bond to succeed H. Duane Pemberton. Mr. Kostman was formerly vice president, Commerce Bancshares, Inc., Kansas City.

As announced previously, Mr. Pemberton has become president of Springfield's Southern Missouri Trust, a subsidiary of Mercantile Bancorp., St. Louis.

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Mississippi Jr. Bankers

(Continued from page 98)

Whittle, president of the Junior Bankers, is president of Newton County Bank, Newton. He joined the bank in 1960 and was elected assistant cashier in 1961. He became a director in 1963 and president in 1969. Mr. Whittle is a graduate of the School of Banking of the South at Louisiana State University.

Lewis F. Mallory Jr., vice president, is executive vice president and trust officer of Peoples Bank, Starkville. He has been with the bank since 1965 and was named a director and member of the executive committee in 1969. Mr. Mallory also is a graduate of the School of Banking of the South at Louisiana State University.

Robert H. Alexander is treasurer of the Junior Bankers and vice president of Commercial National, Greenville. He joined his bank in 1962 as assistant cashier and became assistant vice president in 1966, subsequently being named to his present position as vice president in 1971.

John R. Bryan, Junior Bankers secretary, is assistant vice president in the correspondent bank department of Mississippi Bank, Jackson. He was elected assistant vice president in 1969, after serving as assistant cashier. He joined the bank in 1966. • •

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■ NEW YORK—Joseph P. Cashin and Richard J. Kitts have been named assistant operations officers of the Bank of New York.

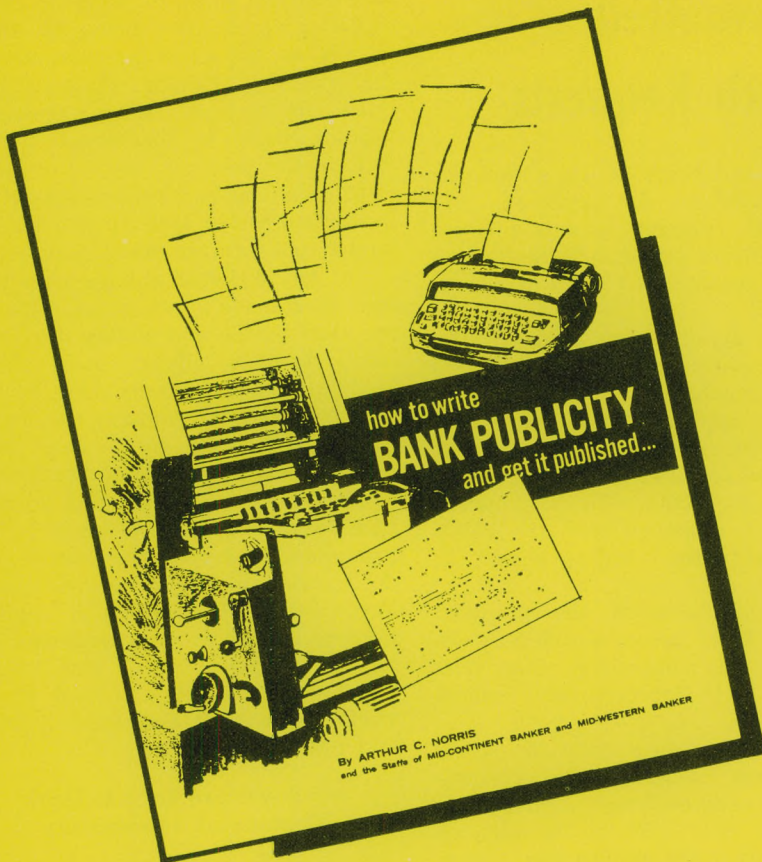
Net Income Is \$5.4 Million

INDIANAPOLIS—Merchants National Corp. and subsidiaries report net income for 1972 as \$5.4 million, or \$5.23 per share, compared to \$4.4 million, or \$4.25 per share for 1971. The financial information for 1971 is for Merchants National Bank. The one-bank holding company was formed January 3, 1972, with the bank as its principal subsidiary.

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Placing the News Story . . . We explain the procedure for getting news about your bank into the news media, tell you how to decide in which news section the story belongs and offer a few thoughts on when to call and how to handle a news conference.

Placing News in Banking and Business Publications . . . We examine the problems you

will have to solve if you want to shoot a good game of getting news about your bank into localized and specialty publications.

How to Handle Photos . . . We tell you how to have pictures taken that tell a story, what type of photo to send out, what information to supply, and even how to attach the picture caption to the photographic print.

Handling "Sticky" Situations . . . We tell you—when a "sticky" situation arises in your bank—how to hold adverse publicity to a minimum—situations like money shortages, officer suicides, missing officers; in the event of a holdup how to protect your people from threats and coercion, and in all cases how to handle both the news people and the police.

How Not to Do It . . . We give you examples of how publicity stories should not be written in order to underline the poor approaches that all too frequently are made in writing bank publicity.

"Tie-In" for Better Publicity Results . . . We outline how to make community events and historical anniversaries work for you as a means of getting publicity that might be termed "free."

Dealing With News Media . . . We give you eight simple rules on how to make and keep friends among news people and in each case expand the rule so that you will have a short course in "How to Win News Friends and Influence News People."

Odds and Ends . . . We discuss various angles on getting publicity printed that didn't seem to fit into any of the preceding chapters.

Bibliography . . . We give you the names, titles and publishers of various books on publicity and public relations as recommended by a number of professors of journalism.

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Regional FDIC Directors Permitted To Approve De Novo Branch Requests

WASHINGTON, D. C.—The FDIC last month announced that its 14 regional directors can now—under certain circumstances—approve *de novo* branch applications. Under the new policy, which became effective March 1, the corporation hopes that at least 60% of all branch applications filed by state nonmember banks can finally be disposed of at the regional office level. During 1972, in the absence of such delegation, the FDIC's board had to pass on 728 such applications, only 12 of which were denied.

The FDIC noted that it has not delegated authority to *deny* branch applications. Only the corporation's board can do that.

Ensuring Uniformity

To ensure uniformity throughout the 14 FDIC regions, the FDIC's board outlined the circumstances that must exist before approval of a *de novo* branch application can be granted:

1. The applicant must have obtained all necessary final approvals from the appropriate state authority.

2. Each of the six factors set forth in Section 6 of the Federal Deposit Insurance Act must have been considered and favorably resolved. These six factors are: (i) financial history and condition of the applicant; (ii) adequacy of its capital structure; (iii) its future earnings prospects; (iv) general character of its management; (v) con-

venience and needs of the community to be served by the applicant; (vi) whether its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act (12 U.S.C. Section 1816).

3. The applicant must be in substantial compliance with the FDIC's rules and regulations.

4. The applicant must have adequate fidelity coverage.

5. Legal fees and other expenses incurred in connection with the proposed branch are consistent with the policy announced by the board on August 25, 1972.

6. Establishment of the proposed branch will not have a significantly adverse effect on competition in any relevant area or lead to destructive competition.

7. The applicant's adjusted capital and reserves, including written commitments for additional capital funds, constitute at least 7.5% of its adjusted gross assets if the applicant is a commercial bank or 6% of its adjusted gross assets if the applicant is a mutual or guaranty savings bank.

8. The applicant's aggregate fixed-asset investment, including its investment in the proposed branch, must not be in excess of 50% of its adjusted capital and reserves (including written commitments for additional capital funds).

9. The estimated income of the pro-

posed branch must be equal to or in excess of its expenses during the third year of its operations or, alternatively, the applicant's earnings must be adequate to support limited operating losses incurred by the branch during its formative years.

10. The applicant's management has been rated fair or better in the FDIC's most recent report of examination.

11. Any financial arrangements that have been made in connection with the proposed branch and involve the applicant's directors, officers, major shareholders or their interests must be fair and reasonable in comparison to similar arrangements that could have been made with independent third parties.

The FDIC emphasized that applications for *de novo* branches may be approved by the corporation even if they don't meet all the circumstances outlined above. However, such applications will continue to be approved by the FDIC's board rather than by the director of the Division of Bank Supervision or the FDIC's regional directors under delegated authority.

Northwestern Bank to Mark Centennial Anniversary

ST. LOUIS—Northwestern Bank will celebrate its 100th anniversary here in May. The bank's anniversary was featured in a recent newspaper article, which gave the history of the bank and highlights of its years of service.

George A. Speer, president, said the bank plans to observe its centennial anniversary this spring by setting up an old-style teller's cage in the bank lobby, with employees dressed in costumes of 100 years ago. In addition, the bank will offer its customers sets of four glasses depicting scenes of historic St. Louis.

Mo. Announces Schedule Of Regional Meetings

The Missouri Bankers Association has announced the schedule of its 1973 regional meetings. Arthur J. Holst, humorist and line judge for the National Football League, will speak at all meetings, to be held as follows:

REGION ONE: September 17, National Guard Armory, Moberly.

REGION TWO: September 18, High School, Trenton.

REGION THREE: September 19, Hotel Robidoux, St. Joseph.

REGION FOUR: September 20, Hotel Muehlebach, Kansas City.

REGION FIVE: September 27, Elks Club and City Park Auditorium, Washington.

REGION SIX: September 25, Holiday Inn, Sikeston.

REGION SEVEN: September 24, Holiday Inn, Springfield.

REGION EIGHT: September 26, Ramada Inn, Columbia.

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