

MID-CONTINENT BANKER

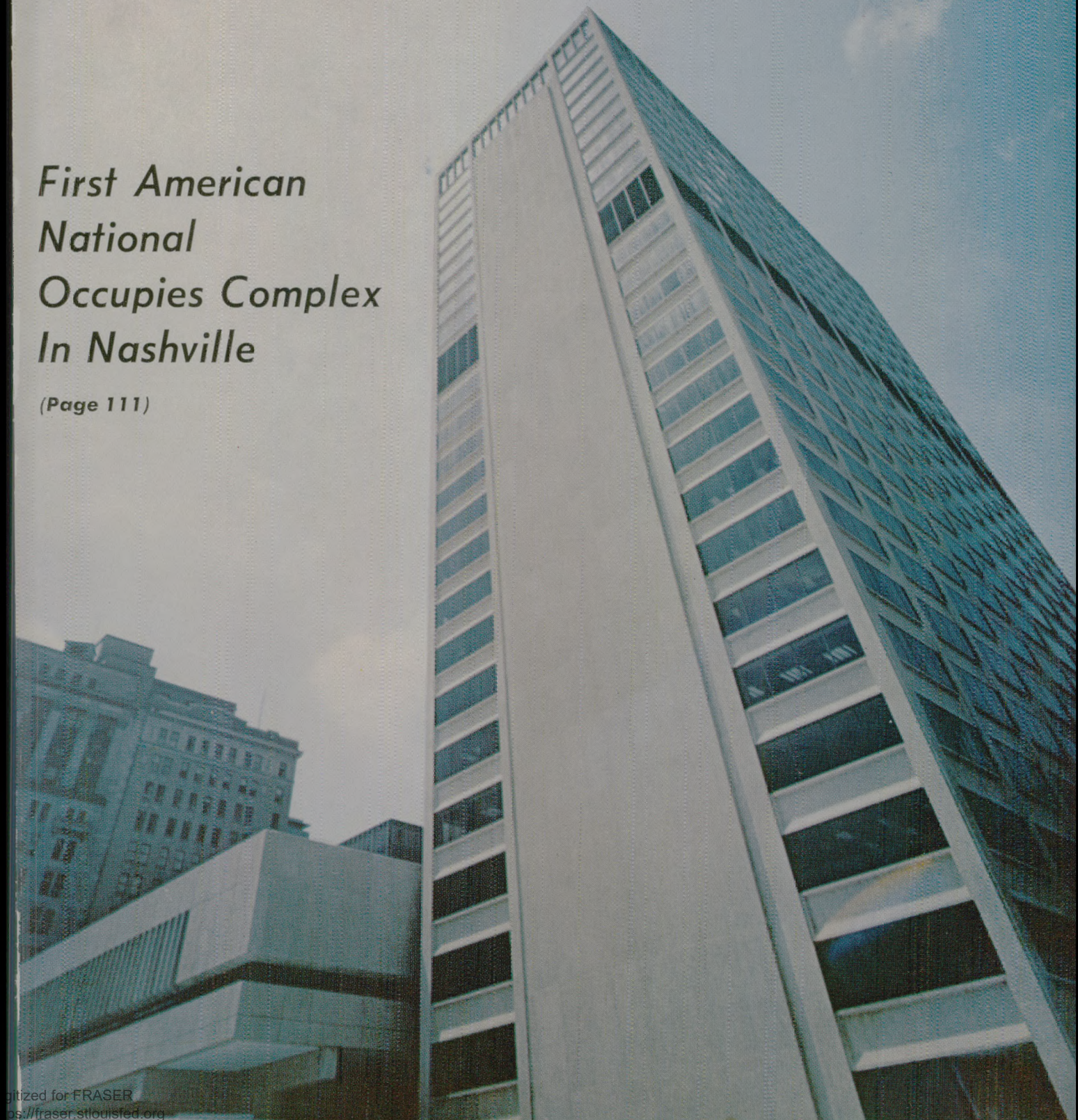
The Financial Magazine of the Mississippi Valley & Southwest

CHRISTMAS AND LEASING ISSUE

AUGUST, 1973

First American National Occupies Complex In Nashville

(Page 111)





Is your bank ahead of or behind competition in automated "officer analysis" reporting?

James L. Kienholz
Assistant Vice President

Can you identify the installment loan officer who's handling 16% of the dollar volume, making 33% of the loans, with 28% of the charge-offs and is contributing only 7½% to installment loan profits.

Can you single out this individual? Possibly. But not likely without data processing.

You see, the right data processing program can give you an "officer

analysis" report detailing each individual's productivity, as outlined above. With it, you can pin-point areas of weakness and take the proper steps to correct them. You can also single out exceptional officers for the recognition they deserve.

Detailed officer analysis reports is just one of the benefits of Data Processing. Other equally important management reports include: Accrual Calculations; Interest No-

tification; Employee Loans; Ledger Card; Past Due Lists and more.

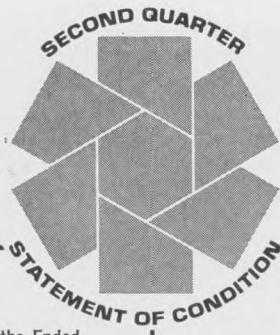
Yes, Data Processing can help you solve a multitude of problems. And, enable you to run a more efficient and profitable operation. If you have any questions about establishing or changing your Data Processing Program, contact our Correspondent Department so that you'll receive the right answers to your specific problems - and gain a step on your competition, too.



The Liberty National Bank and Trust Company of Oklahoma City P. O. Box 25848 73125 Phone 405/231-6163 Member F.D.I.C.

MID-CONTINENT BANKER is published 13 times annually (two issues in May) at 403 Olive, St. Louis, Mo. 63102. August, Vol. 69, No. 9. Second-Class postage paid at Fulton, Mo. Subscription: \$7

**FIRST
COMMERCE
CORPORATION
AND SUBSIDIARIES**



**FIRST
NATIONAL BANK
OF COMMERCE
NEW ORLEANS, LOUISIANA**

**COMPARATIVE CONSOLIDATED
STATEMENT OF INCOME**

	Six Months Ended	
	June 30, 1973	June 30, 1972
OPERATING REVENUES		
Interest and Fees on Loans	\$19,625,000	\$12,754,000
Interest on Funds Sold	1,324,000	412,000
Interest and Dividends on Investments	3,119,000	2,529,000
Service Charges, Exchange and Underwriting Fees	2,090,000	1,809,000
Other Operating Revenues	1,467,000	1,287,000
Total Operating Revenues	\$27,625,000	\$18,791,000
OPERATING EXPENSES		
Salaries and Employee Benefits	\$ 4,362,000	\$ 3,941,000
Interest on Deposits, Funds Purchased	13,905,000	6,993,000
Occupancy Expenses on Bank Premises, Net	1,116,000	924,000
Equipment Rentals, Depreciation & Maintenance	1,085,000	883,000
Provision for Possible Loan Losses	876,000	840,000
Other Operating Expenses	3,034,000	2,600,000
Total Operating Expenses	\$24,378,000	\$16,181,000
Operating Income Before Income Taxes and Securities Gains or Losses	\$ 3,247,000	\$ 2,610,000
Applicable Income Taxes	662,000	397,000
OPERATING INCOME BEFORE SECURITIES GAINS OR LOSSES	\$ 2,585,000	\$ 2,213,000
NET SECURITIES GAINS OR LOSSES (After Tax Effect)	55,000	393,000
NET INCOME	\$ 2,640,000	\$ 2,606,000
Earnings Per Share Based on Average Shares Outstanding (2,162,581 and 2,092,433 shares respectively)		
Operating Income Before Securities Gains or Losses	\$1.20	\$1.06
Net Income	\$1.22	\$1.25
Earnings Per Share Assuming Full Dilution		
Operating Income Before Securities Gains or Losses	\$1.04	\$0.99
Net Income	\$1.06	\$1.16

**COMPARATIVE CONSOLIDATED
STATEMENT OF CONDITION**

	June 30	
	1973	1972
ASSETS		
Cash and Due From Banks	\$ 126,599,000	\$122,235,000
U. S. Government Securities	52,276,000	30,478,000
State and Municipal Obligations	87,486,000	79,044,000
Federal Reserve Bank Stock and Other Securities	1,978,000	1,186,000
Trading Account Securities	2,020,000	-0-
Federal Funds Sold	160,650,000	94,750,000
Loans	545,559,000	405,004,000
Premises and Equipment	14,736,000	11,062,000
Customers' Liabilities on Acceptances	3,599,000	356,000
Accrued Interest Receivable and Other Assets	13,044,000	6,980,000
Total	\$1,007,947,000	\$751,095,000
LIABILITIES		
Demand Deposits:		
Individual and Business Banks	\$ 223,899,000	\$225,386,000
U. S. Government and Other Public Funds	78,327,000	72,876,000
Other Public Funds	18,369,000	20,795,000
Total Demand Deposits	\$ 320,595,000	\$319,057,000
Time Deposits:		
Savings	\$ 81,286,000	\$ 76,599,000
Other Time Deposits	295,971,000	193,436,000
Total Time Deposits	\$ 377,257,000	\$270,035,000
Total Deposits	\$ 697,852,000	\$589,092,000
Funds Purchased	215,823,000	98,687,000
Mortgages Payable	1,921,000	2,105,000
Acceptances Outstanding	3,599,000	356,000
Accrued Taxes, Interest and Other Liabilities	10,953,000	7,954,000
Total Liabilities	\$ 930,148,000	\$698,194,000
RESERVE FOR POSSIBLE LOAN LOSSES	\$ 6,820,000	\$ 4,418,000
4% CONVERTIBLE SUBORDINATED DEBENTURES DUE 1997	\$ 20,000,000	\$ -0-
CAPITAL ACCOUNTS		
4% Convertible Capital Notes Due 1991	\$ 2,952,000	\$ 3,948,000
Stockholders' Equity:		
Preferred Stock, no par value Authorized and Unissued—500,000 shares	-0-	-0-
Common Stock, \$5 par value Authorized 5,000,000 shares Issued 2,171,588 and 2,128,071 shares	\$ 10,858,000	\$ 10,640,000
Capital Surplus	25,166,000	24,246,000
Retained Earnings	12,392,000	9,649,000
Total	\$ 48,416,000	\$ 44,535,000
Less Cost of 14,900 Shares Held in Treasury	389,000	-0-
Total Shareholders' Equity	\$ 48,027,000	\$ 44,535,000
Total Capital	\$ 50,979,000	\$ 48,483,000
Total	\$1,007,947,000	\$751,095,000

BANK OFFICERS

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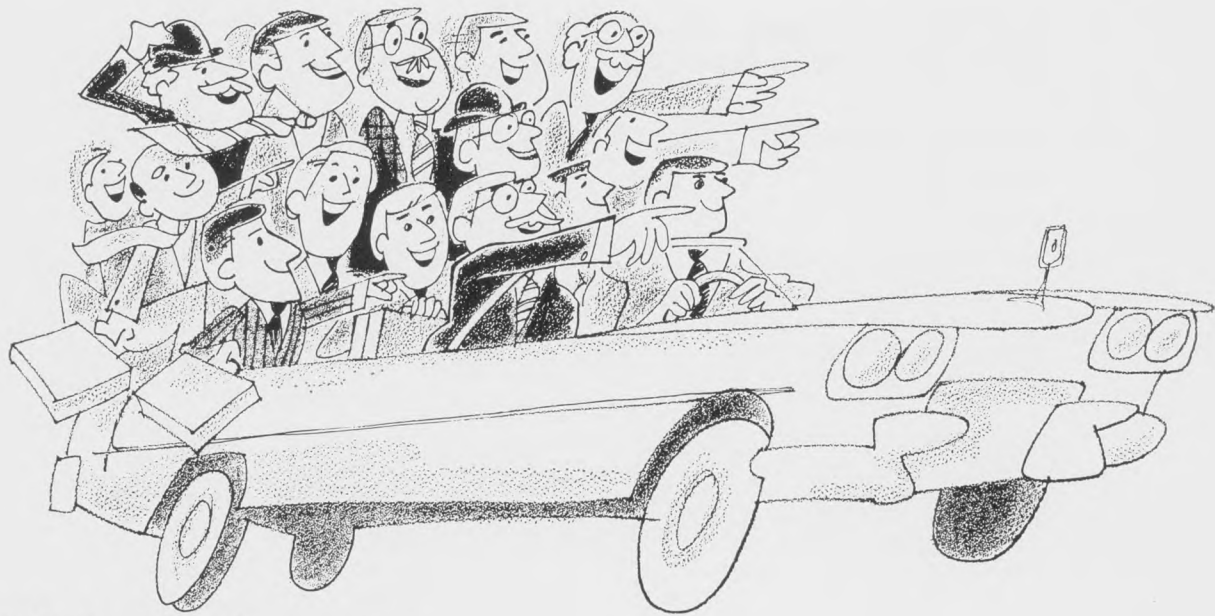
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MANUFACTURERS NATIONAL CORPORATION

PARENT COMPANY OF MANUFACTURERS NATIONAL BANK OF DETROIT

CONSOLIDATED BALANCE SHEET June 30, 1973

ASSETS

Cash and due from banks.....	\$ 363,155,000
U.S. Treasury securities.....	174,455,000
Public housing authority securities.....	48,194,000
State and municipal securities.....	185,883,000
Other securities.....	30,258,000
Total securities.....	<u>438,790,000</u>
Federal funds sold.....	110,000,000
Commercial loans.....	691,382,000
Instalment loans.....	180,971,000
Real estate mortgage loans:	
Insured or guaranteed.....	267,092,000
Other.....	446,952,000
Total loans.....	<u>1,586,397,000</u>
Bank properties and equipment.....	53,196,000
Accrued income and other assets.....	27,613,000
Total assets.....	<u>\$2,579,151,000</u>

LIABILITIES, RESERVE AND SHAREHOLDERS' EQUITY

Demand deposits.....	\$ 829,291,000
Personal time and savings deposits.....	1,165,250,000
Other time deposits.....	212,917,000
Total deposits.....	<u>2,207,458,000</u>
Federal funds purchased and securities sold under agreements to repurchase.....	131,770,000
Notes payable.....	15,853,000
Accrued expenses and other liabilities.....	41,143,000
	<u>2,396,224,000</u>
Reserve for possible loan losses.....	22,639,000
Capital notes:	
Capital notes—4.65%, due 1989.....	22,000,000
Convertible capital notes—5%, due 1994.....	14,075,000
Total capital notes.....	<u>36,075,000</u>
Shareholders' equity:	
Preferred stock—no par value:	
Authorized and unissued—250,000 shares.....	—
Common stock—\$10 par value:	
Authorized—4,000,000 shares.....	
Outstanding—2,067,820 shares.....	20,678,000
Capital surplus.....	60,247,000
Retained earnings.....	43,288,000
Total shareholders' equity.....	<u>124,213,000</u>
Total liabilities, reserve and shareholders' equity.....	<u>\$2,579,151,000</u>

NOTE: Securities carried at approximately \$190,296,000 were pledged at June 30, 1973 to secure public deposits (including State of Michigan deposits of \$22,046,000) and for other purposes as required by law.



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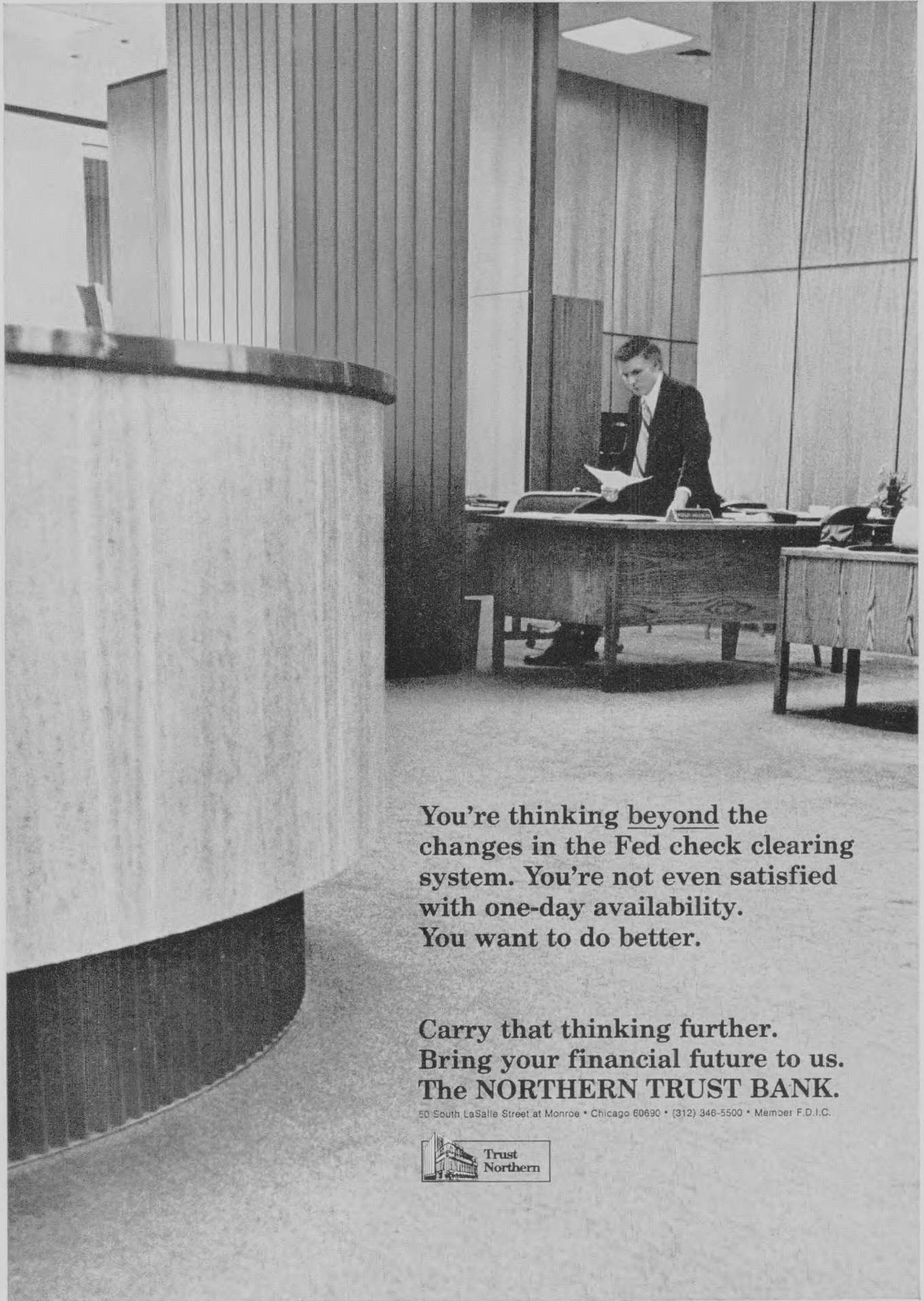
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Clifford DePuy Dies; Was Former Publisher Of Mid-Continent Banker

By **DONALD H. CLARK**
Chairman of the Board
Commerce Publishing Co.
(Mid-Continent Banker)

CLIFFORD DEPUY, publisher since 1912 of "Northwestern Banker" and "Underwriters Review" of Des Moines, Ia., died of a heart attack at his home June 30. He was for many years publisher of MID-CONTINENT BANKER of St. Louis until he sold it to Commerce Publishing Co. of St. Louis some 40 years ago.

Cliff DePuy was not only a former employer of mine, but he was also one of my best friends for 50 years. I first met him when I was a cub reporter on a Des Moines newspaper soon after World War I. One of my jobs was to call on banks and insurance companies and, of course, I included the two publications devoted to insurance and banking. Cliff was always a good news source as he had a wide acquaintance not only in Des Moines, but nationwide among leaders in those two important lines of business. After a year or so of casual acquaintance, he proved he was also a good salesman as he convinced me that instead of being a "great national or international news reporter or commentator," I should go into industrial journalism, and soon I became editor of "Northwestern Banker" and "Underwriters Review."

At that time, Cliff owned MID-CONTINENT BANKER of St. Louis in partnership with the late R. Fullerton Place. In 1923, he bought Mr. Place's interest, and I came to St. Louis as editor and business manager of the publication. Some 10 years later, I bought Mr. DePuy's interest, and with my other St. Louis partners, expanded Commerce Publishing Co. We now also publish "Life Insurance Selling," "American Agent & Broker," "Club Management," "Decor" and "Mid-Western Banker," the latter of Milwaukee, which also at one time was owned by Cliff. He also for a time owned bank journals in Kansas City and Fort Worth.

A native of Des Moines, Cliff went to North High and the Cumming Art School in Des Moines and later attended Harvard Business School. In World War I, he served as first lieutenant in the Field Artillery.

But Cliff's career was not just that of
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MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 69, No. 9

August, 1973

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Commerce Publications: American Agent & Broker, Club Management, Decor, Life Insurance Selling, Mid-Continent Banker, Mid-Western Banker and The Bank Board Letter. Donald H. Clark, chairman; Wesley H. Clark, president; Johnson Poor, executive vice-president and secretary; Ralph B. Cox, first vice-president and treasurer; Bernard A. Beggan, J. T. Elliott, Allan Kent, James T. Poor and Don J. Robertson, vice-presidents.

NEWS OF THE BANKING WORLD

- Mrs. Marcella Perry, chairman, First Pasadena State, has been named to a two-year term on the Port Commission of Houston. She is the first woman to serve in the position.

- Walter Clark Jennings, vice president and trust officer, First National, Little Rock, was named faculty chairman of the freshman class at the annual spring board meeting of the Southwestern Graduate School of Banking. He will direct freshman class activities and serve on the administrative committees of the school.

- Roy W. Davis, vice president in the metropolitan division of Continental Illinois National, Chicago, was named president-elect of Kiwanis International at the organization's 58th annual convention in Montreal in June. Mr. Davis has been with the bank since 1931.



JENNINGS



DAVIS




LeMAISTRE

- George LeMaistre, chairman, City National, Tuscaloosa, Ala., and a past president of the Alabama Bankers Association, has been appointed as director on the board of the FDIC. Mr. LeMaistre succeeds Irvine Sprague.

- Roy E. Jackson has been named regional director in charge of the Memphis Region of the FDIC, comprising the states of Arkansas, Louisiana, Mississippi and Tennessee. Mr. Jackson

succeeds James W. Thompson, who retired recently.

- Charles E. Woodruff has been named vice chairman of Manufacturers Hanover Trust and Manufacturers Hanover Corp., New York. Llewellyn Jenkins was elected executive vice president of the bank's national division and Frederick A. Rager Jr. and James G. Lindley were named senior vice presidents in charge of national division regions.



Let this man help your bank profit.

A lot of bankers do.

He's Bob Hughes, one of our correspondent bankers.

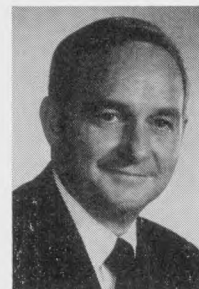
First Alabama Bancshares, Inc.
 Affiliate Banks:
 The First National Bank of Montgomery
 Exchange Security Bank, Birmingham
 The First National Bank of Huntsville
 The Dothan Bank and Trust Company
 The First National Bank of Bay Minette



RAGER



JENKINS



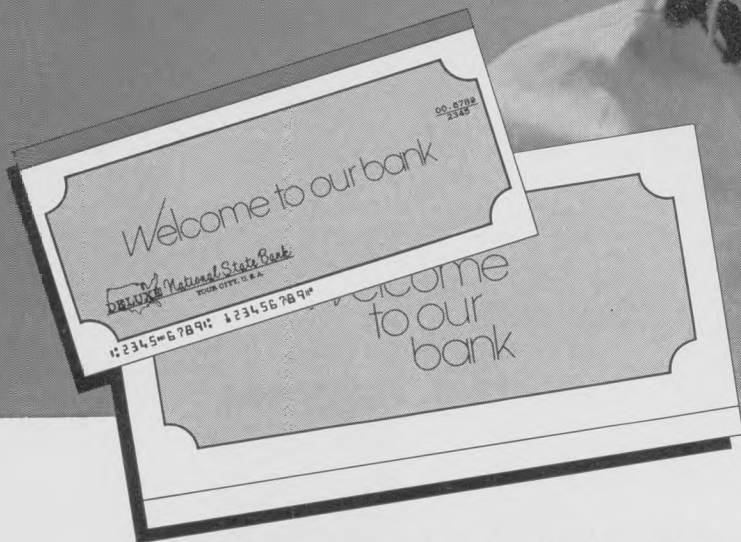
WOODRUFF



LINDLEY

- Bank Administration Institute has re-elected John V. Anderson, senior vice president, Liberty National, Oklahoma City, and elected Eugene C. Ernsting, president, Roselle (Ill.) State, to its board. Both men serve as directors-at-large on BAI's 10-member executive committee, which is responsible for the policy-making decisions of the association.

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MID-CONTINENT BANKER for August, 1973

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STRATEGICALLY LOCATED PLANTS FROM COAST TO COAST

Community Involvement

Bank's Faith in Downtown Renewal Sparks \$18 Million in New Projects

WHAT happens when a bank takes a leadership role in revitalizing a downtown area by announcing the construction of a high-rise bank building?

Just ask the people at Union Bank in Montgomery, Ala. Back in 1967, when bank officials announced the building project, things looked pretty bleak for the downtown area. Major business firms were fleeing to the suburbs where their customers could find adequate parking and sparkling new buildings.

Union Bank officials didn't like what they saw going on in their neighborhood. It took courage to tackle a problem of such magnitude, but the bankers felt it was vital to take steps to encourage a turnaround of the situation.

Bank President John H. Neill Jr. and the board knew that downtown Montgomery had been a leading business



Union Bank Tower was catalyst that turned the tide for renewal of downtown Montgomery, Ala. Since announcement of building project, business firms have reaffirmed their faith in downtown area by making approximately \$18 million in commitments for new construction.

center in the South for over a century and that the city had all the economic ingredients required to rebuild the area into a thriving business section. They realized that the downtown area needed a shot in the arm and some catalyst was needed to provide it.

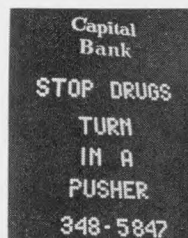
Thus the announcement of Union Bank's new 15-story, \$4 million building project—the first high-rise office building to be constructed since the 1920s and the tallest building in the city.

"The Union Bank Tower inspired others to stay downtown," said Mrs. Elizabeth Wright, director of the urban redevelopment program. "It came at the beginning of our work and convinced others to invest in the renewal and growth of the downtown area."

Mrs. Wright points with pride to \$9.6 million in new buildings completed, \$4.3 million in buildings under construction, about \$61,000 in rehabilitations and \$4 million in proposed construction. Most of this construction and renovation followed building of the Union Bank Tower.

In addition to the construction work, Mrs. Wright's office reported that 400 permanent new jobs have been created in the downtown area. • •

• Capital Bank, Baton Rouge, is co-operating in a parish-wide drive to encourage people to report information about drug pushers to law enforcement agencies. The bank used its illuminated message sign (see illustration) to remind passersby of the phone number to call to turn in drug pushers. Persons calling need not give their names and they are eligible for rewards up to \$1,000 if their information leads to the conviction of a pusher. During the first two months of the program, almost 2,000 calls had been received, about 25% of which have provided good leads for enforcers.



• First National, Skokie, Ill., recently sponsored a Bike Safety Day in conjunction with the local safety commission. Side reflectors, required on bicycles by Illinois law, were installed free by the bank on all bikes brought in. The bank also arranged for a free safety check and bike registration for each person attending the event.

STATEMENT OF CONDITION FIRST PASADENA State Bank

PASADENA, TEXAS

AT THE CLOSE OF BUSINESS JUNE 30, 1973

RESOURCES

Cash and Due from Banks	\$15,706,193.00	
Securities	28,008,977.38	
		\$ 43,715,170.38
Loans		56,374,586.12
Federal Funds Sold		2,500,000.00
Real Estate, Furniture and Fixtures		2,604,622.83
Other Resources		1,470,044.86
TOTAL		<u>\$106,664,424.19</u>

LIABILITIES

Capital Stock	\$ 2,250,000.00
Certified Surplus	2,500,000.00
Undivided Profits and Reserves	6,055,150.33
Deposits	<u>95,859,273.86</u>
TOTAL	<u>\$106,664,424.19</u>

MRS. MARCELLA D. PERRY
Chairman of the Board

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

HOWARD T. TELLEPSEN
Vice Chairman of the Board

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

J. O. KIRK
Executive Vice President

Senior Vice Presidents

GENE ALEXANDER
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



New Center For Your Financial Needs.

Tulsa is growing in importance as a hub of business in the Southwest. And now, more than ever, First of Tulsa has the vision and resources to work with you and your customers on any financial endeavor. Regardless of size.

With the new First National Tower now topping Oklahoma skies at 41 stories, and assets over \$600 million, First is building a new dimension in banking services—the First Dimension. It means that First of Tulsa offers you the flexibility and imagination to help

you and your customers reach the goals you've set.

Loan participations. Trust and financial management programs. Bond services. Directors' audits. Bank profit planning and security measures. Data processing.

Whatever your need, let's join forces and reach new heights together! For First Dimension services, call John Harding (918) 560-5159.

The First National Bank & Trust Company of Tulsa.

FIRST  **TULSA**
YOUR FULL SERVICE BANK

MEMBER FDIC

MID-CONTINENT BANKER for August, 1973

13

Installment Lending

Auto Mats, Desk Pads, With Bank Imprint, Increase Installment Loans From Dealers

WHAT BANK wouldn't want to have its advertising displayed in auto, recreational vehicle and mobile home dealer display rooms? What bank interested in gaining additional installment loans wouldn't want its advertising clearly visible in new and used cars on sales lots?

It's being done, economically and unobtrusively, say a number of bankers. And it's being done through use of cardboard and rubber auto mats for cars that are imprinted with bank advertising and supplied by banks to dealers doing business with the banks. The auto mats not only keep the floors of new and used cars clean, they quickly inform prospective customers where the dealer does his banking—and, consequently, which bank the dealer probably will recommend for financing.

The mats are in use throughout the U.S. by banks. In most cases they are sold to only one financial institution in a given area.

The mats—and other items—are supplied by Bobby F. Griffin, Inc., Bristol, Va. The firm claims its products have been building good dealer relations for banks for 12 years.

The firm also supplies desk pads, each of which includes 50 sheets of paper bearing the advertisement of the bank. These pads are given to auto dealers for use on the desks of salesmen. There is ample room on the desk pad sheets to figure out auto deals or make notes. The bank's advertisement on the desk pads attracts the attention of both customer and salesman.

Another Griffin item is an attractive board that provides an orderly approach to key control for auto dealers. The boards are designed to be hung on the wall of an auto agency. Each board has hooks for 40 auto keys and the top portion of the board is devoted to bank advertising.

Loral E. Barnett, vice president, Citizens National, Evansville, Ind., says his bank has been using Griffin auto mats for 15 years and is currently using them at a rate of 5,000 sets per year. The mats are distributed to the auto dealers with which the bank does business in a radius of 100 miles of the bank. Mr. Barnett says the mats are "the best investment we have made. Our dealers place the mats in both their new and used cars. This permits us to keep our bank's name before the public as well as keeping the carpet clean during inclement weather."

Citizens National has been using Griffin desk pads for two years, distributing them to dealers, salesmen and financing and insurance men for use in their offices.

First Security National, Lexington, Ky., has been using Griffin products for about 12 years. The bank orders 4,000 cardboard floor mats and some 500 desk pads per year.

According to Sally Hudson Meece, assistant cashier, the bank took an informal survey of how its auto dealer customers liked their auto mats. Comments included the following:

- Greatest thing there is—real good deal for dealers.

- Valuable to the dealer as well as the bank.

- Another way to put the bank's name in front of the public.

- Helps keep cars clean and when it comes time for talking finances they have already seen the name of the bank and know where we do our financing.

First Security also supplies auto mats to a local dinner theater which places them in customer's autos as they are parked for the evening by attendants.

Other items offered by the Griffin firm include carpet door mats, mobile home runners, desk top nameplates and dealer signs for desk or wall. All carry the imprint of the sponsoring bank and all are designed to enable banks to increase their installment loan portfolios and build good dealer relations. • •

A Showcase for Loans?

What does the Chicagoland/Midwest Do-It-Yourself Show have to do with banks? For one thing, says its sponsor, the American Exposition Corp., Chicago, it is a vehicle through which aggressive, full-service banks can use their marketing know-how to open new leads for loan department business. The show will be held October 30-November 4 at Chicago's International Amphitheater and will cover a seven-state area.

The sponsor points out that in many cases, home owners have an exaggerated opinion of repair costs or the immediate financial outlay required. Usually, American Exposition continues, the cost is considerably less than anticipated. In such cases, many do-it-yourselfers think immediately in terms of what else can be done as an additional project with the "money we just saved." It's here, says the show's sponsor, that banks can demonstrate to home-improvement buffs such items as types of loans available, 100% financing, open-end provisions of a paid-down mortgage, rewriting a mortgage of recent vintage, time period for repayment and an FHA Title I loan.

The show this fall will feature a Mrs. Fix-It workshop and Super Handyman Theater, in which 15 schools will function. These schools will include wallpapering, plasterboard, landscaping, power tools, as well as those concerning arts and crafts and creative living. As the sponsor describes the show, it will fully inform the do-it-yourself enthusiast in all aspects of home improvement, remodeling, lawn and garden and leisure-living interests.

Bankers interested should write: Ronald P. Ranke, general manager, American Exposition Corp., 135 S. LaSalle Street, Chicago, Ill. 60603.

MOBILE HOME PARK

★ SALES ★ APPRAISALS
★ FINANCING

• 25 YEARS EXPERIENCE
IN REAL ESTATE &
FINANCE

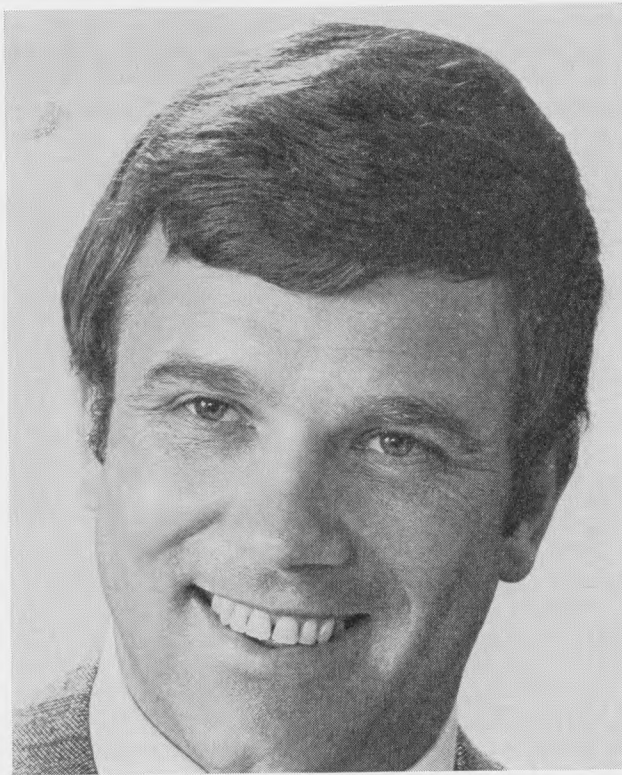
• SPECIALIZING IN
MOBILE HOME PARK
SALES

• SOLD MILLIONS

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ADVERTISING

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204 Jersey Normal, Ill. 61761
(309) 452-1177



Coffee, Tea or Mobile Homes?

Philip Inglee, vice president of Barclays Bank of California. And the world . . . Barclays has over 5000 branches around the globe.

Barclays loan portfolios include coffee, tea, ebony and teak. And now, the Barclays office in Orange, California, has a loan portfolio which includes Insured Payments' unique non-recourse mobile home finance service plan.

As manager of a Barclays branch, Philip Inglee intends to

continue the Barclays profit and growth tradition.

Insured Payments will help him do it with a profitable program aimed at the fastest-growing part of America's housing industry . . . mobile homes.

Like to know more?

Ask Philip Inglee about us.

Or ask us about us. Or do both.



We make HOME ownership HAPPEN

Home Office: 8561 Long Point Suite 200 Houston, Texas 77055

Commercial Lending

Unsung American Patriot:

Financing of Revolutionary War Carried Out by Robert Morris

ROBERT MORRIS has never been a household name.

This unsung American patriot, who brilliantly financed the Revolutionary War, never received—even during the height of his accomplishments—what could be called “good press.”

Morris was a signer of the Declaration of Independence and the nation's first superintendent of finance under the Articles of Confederation. He helped establish the colonial Navy and was later elected senator from Pennsylvania.

However, he is best remembered as the man who secured the funds to enable Washington to move his army from the New York environs to York-

town, which ultimately resulted in the surrender of Lord Cornwallis in 1781. To finance this and earlier military operations, Morris performed financial miracles, including advancing his own money or that borrowed on personal credit.

But his memory is perhaps unfairly dimmed by his historical footnotes documenting his postwar investment ventures that were instrumental in leading him to financial ruin. Morris spent a portion of his last days in a Philadelphia debtors' prison, an embittered bankrupt. Thus, Colonial America's genius of public finance was denied much of the fame and respect that many feel should have been his.



Nevertheless, Robert Morris is not forgotten. Today, in the most select of banking circles, his name lives on—bright and untarnished. Some 5,500 bank commercial loan and credit officers, representing almost 1,400 banks nationwide, honor the memory of the financier through their organization, Robert Morris Associates (RMA).

Chartered in 1914, this national association, headquartered in Philadelphia, states as its goals the “. . . continuous improvement in principles and practices of commercial lending, loan administration and asset management in commercial banks.”

The national RMA membership is divided into 28 chapters. Some cover a major city and its surrounding areas. Others cover an entire state, and still others are comprised of several states. Each chapter conducts its own business, including electing its officers and planning its own programs and projects.

Some 2,200 commercial loan and credit officers from 550 banks in the states covered by MID-CONTINENT BANKER are members of seven of the association's chapters. New officers of the local chapters were elected in the spring of 1973 and will take office by September 1.

New chapter presidents of the local chapters are Richard C. Houseworth, executive vice president, Arizona Bank, Phoenix, Arizona Chapter (which includes bank members in New Mexico); Norman I. Pickles, vice president, Northern Trust, Chicago, Chicago Chapter; William E. Drenner, senior vice president, First National, Topeka, Missouri Valley Chapter.

Also Gary O. Clark, vice president, First National, Elkhart, Ind., Northern Indiana Chapter; Albert T. Lord, vice president, First National, Cincinnati, Ohio Valley Chapter; (Walter) Tom Maloan, senior vice president, Union

(Continued on page 70)

Ask KCIC about a complete financing program.

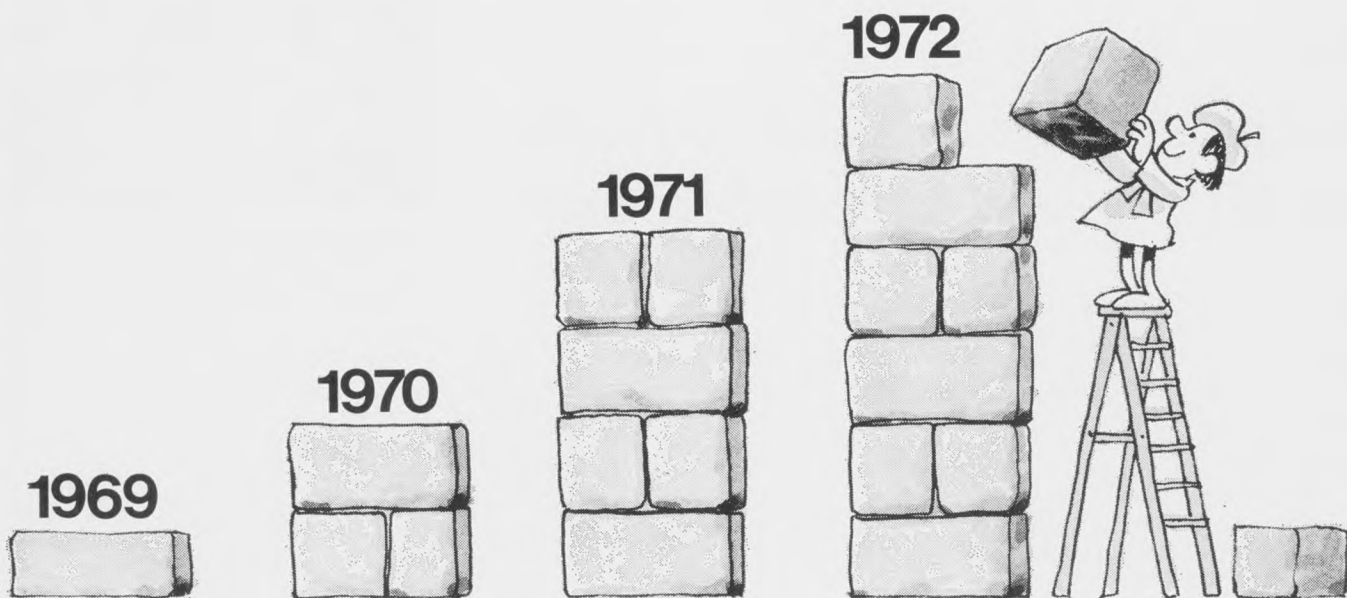


Full service is what you get from KCIC. Mobile Home Dealer solicitation, finance procedure supervision, delinquent account collection, claims processing, insurance handling and computing, personnel counseling, plus a claims department to handle repossessions, resale and salvage make up the comprehensive plan offered. You also get 100% security against repossession loss. Ask KCIC how a complete financing program can help your consumer credit department.



KEYSTONE CREDIT INVESTORS CORPORATION

A James Company • P.O. Box 1675, Harrisburg, Pa. 17105, (717) 761-6820
Oklahoma Branch Office: 700 LVO Enterprise Building, Tulsa, Oklahoma 74103, (918) 587-2444.



SOLID GROWTH

Our controller says our growth picture (above) would look better in a bar graph, but we prefer the artist's conception. It conveys the idea of rock-solid growth . . . and in a good-humored way . . . which, in fact, is the way we have grown!

It has been a great experience to have made so many new friends in the banking industry in just four years. That's a short business history, yet there's a long story to tell in the good experience banks have had with the coverages we provide.

However, as we build up new business, we realize we're building up new responsibilities, too. If we were to graph improvements in our service, we'd hope they would stack up right along with sales.

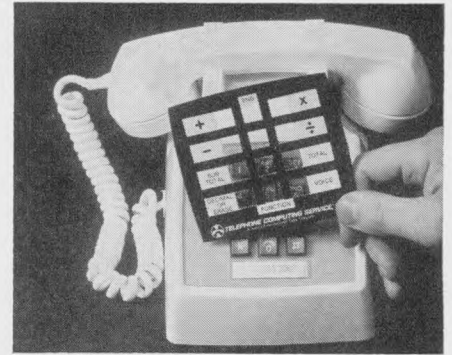


FINANCIAL INSURANCE SERVICE, INC.

2200 EAST DEVON AVENUE • DES PLAINES, ILLINOIS 60018 • 312/297-4660

Pay Bills by Phone?

Computer, Telephone Linked to Provide Six Major Services by Bank Subsidiary



Template, plus handbook, provides instruction for customer to use push-button telephone in In-Touch home computing service offered by subsidiary of Seattle-First Nat'l.

PAY BILLS, do the family budgeting, keep household records or store income tax data all by telephone? Seattle residents can, thanks to a new computer service called In-Touch. The service, said to be the first of its kind in the country, is provided by a new firm, Telephone Computing Service, Inc., a subsidiary of Seattle-First National.

In-Touch utilizes any push-button telephone, which then is accessed directly to a talking computer. Each user has a personal safety code number that activates the phone computer tie-in. A handbook outlines the various ways of numerical entry that are punched in on the phone dial.

In-Touch provides six major programs and several auxiliary programs:

- *Payment of bills by telephone.* Money is transferred from the user's checking account to the business account without checks, envelopes, stamps or other inconveniences.

- *Family budgeting.* The computer will do all the bookkeeping for money management. A complete printout organized as to budget categories is mailed to the user every two weeks. In-

cluded are the reporting period and year-to-date totals.

- *Storage of income tax data.* Tax-deductible expenses can be recorded during the year. At filing time, the user can request the computer to provide a special report, organizing deductions and tax calculations.

- *Personal calendar reminder.* Every two weeks, the user is reminded of important dates, anniversaries or appointments that have been encoded in the system. These could include a church meeting, wife's birthday, doctor's appointment, etc.

- *Household record keeping.* A permanent file of serial numbers of valuable items as well as other pertinent data can be kept. In case of theft or loss, a special printout can be requested for use by the authorities.

- *Calculator.* In-Touch adds, subtracts, divides and multiplies numerical problems, and the voice-response system provides an immediate answer.

Cost for the service is \$6.50 a month.

The user controls the computer from his or her home, Joseph W. Gelzer Jr.,

president, Telephone Computing Service, pointed out. It does the functions the user wants, he continued, keeps the information the user wants it to. The firm's executive vice president and treasurer, Howard Phillips, said he and Mr. Gelzer foresee all sorts of other applications and refinements such as for small or large businesses, for professionals and others.

Messrs. Gelzer and Phillips conceived the In-Touch idea nearly three years ago, made exhaustive studies of consumer reaction and feasibility and incorporated their firm in the state of Washington in 1971. In July, 1972, it became a subsidiary of Seattle-First National. Both men hold bachelor of science degrees—Mr. Gelzer from Mississippi State University and Mr. Phillips from Carnegie-Mellon University—and both are former Boeing Co. employees. In addition, Mr. Gelzer holds a master of science degree from the University of Washington. • •

In Baton Rouge:

Newlyweds Are Pampered By Love Coordinator At Louisiana National

It's not every bank that boasts a love coordinator! In fact, there's a good chance that Louisiana National, Baton Rouge, is the *only* bank with a love coordinator.

But if LNB's new service to snag newlyweds as bank customers pays dividends, you can be sure that the title—or something similar—will become more common.

What does a love coordinator do? Two things, primarily.

LNB's Mary Boston plans "honeymoon love voyages to Mexico" for newlyweds-to-be. These trips are billed as being low-cost, yet high quality, planned meticulously. The voyages take honeymooners to Mexico City or

INCOME TAX —			TWO WEEKS ENDING: JUNE 15, 1973		
ITEM	THIS PERIOD	YEAR TO DATE	ITEM	THIS PERIOD	YEAR TO DATE
MEDICAL DENTAL INS.	15.00		SPECIAL SALES TAX		
MEDICINE & DRUGS	5.00		PERSONAL PROPERTY TAX		
MEDICAL & DENTAL EXP.			CONTRIBUTIONS	5.00	
REAL ESTATE TAX			INTEREST EXPENSE	45.15	
GASOLINE TAX			MISC. EXPENSE	13.26	
FILING STATUS			SALARIES & WAGES		
EXEMPTIONS			INTEREST INCOME	13.25	

BILL PAYMENT			TWO WEEKS ENDING: JUNE 15, 1973		
DATE	BILLING COMPANY	AMOUNT	DATE	BILLING COMPANY	AMOUNT
4	NORDSTROM	25.00			
12	WASH NATURAL GAS	28.75			
4	FIRSTBANK MORTGAGE CORP	276.23			
12	FIRSTLINE MASTER CHARGE	46.10			
12	PUGET POWER	58.25			

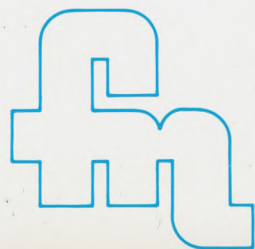
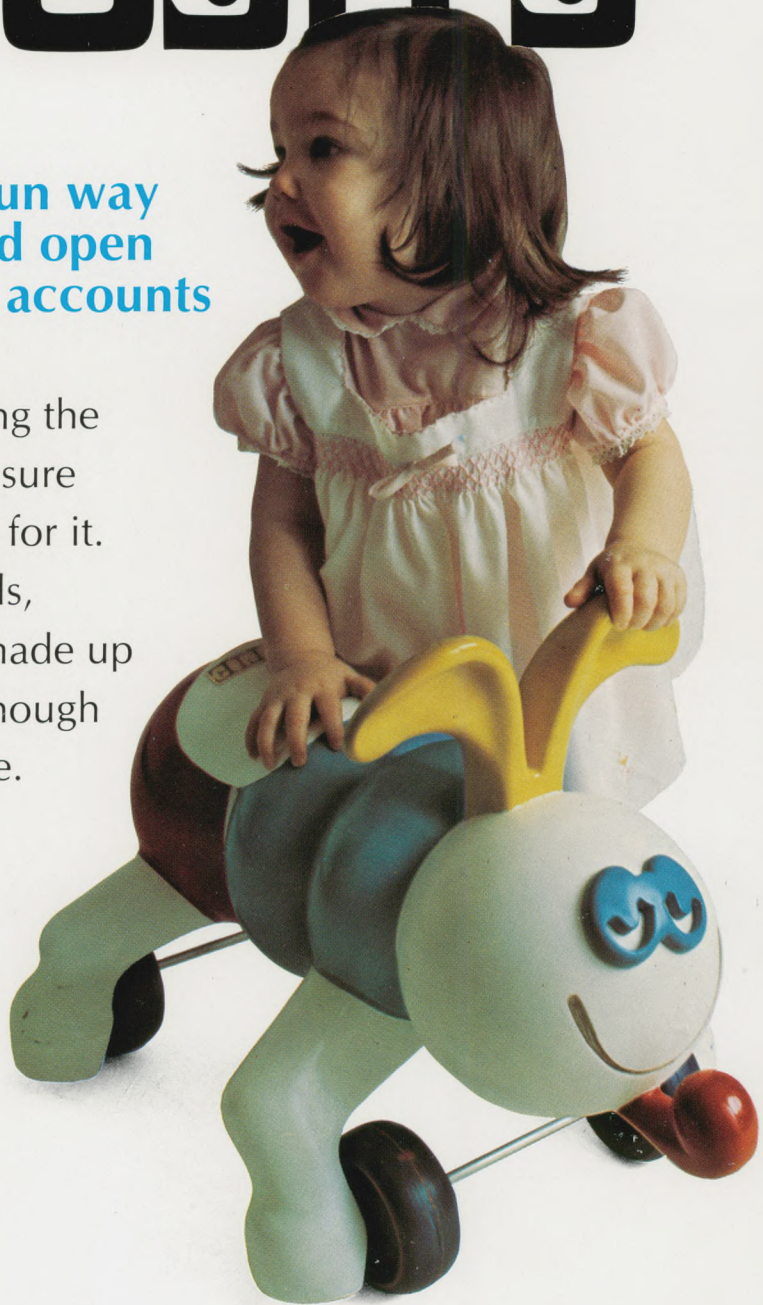
This is sample printout on income tax and bill-payment data provided subscribers to In-Touch home computing service offered by subsidiary of Seattle-First Nat'l. Other services include family budgeting, personal calendar reminder, household record keeping and answers to numerical problems.

TOYS BUILD DEPOSITS

This promotion is the fun way to increase deposits and open new Christmas savings accounts

When you promote something the kids are sold on, you can be sure Mom and Grandad will save for it. This collection of toys for kids, by the Cootie Company, is made up of things that are fun, even though they are educational and safe. The kind kids really go for (remember how much fun you had playing Cootie?).

We have selected three groups of toys to appeal to three levels of your savers. Please see other side for details.



Another business builder from

FINANCIAL MARKETING

Put the kids to work this year selling



CHRISTMAS SAVINGS



They know how to get parents—and they'll do it every time. There's a "kiddie cutie" for every level of saver, too. Your Christmas Toy promotion can work something like this. For a savings deposit of \$50 to \$100, the customer selects a free gift from Group A (the Cootie game, Billy Goat or The Last Straw). When he deposits \$250 to \$500, he is entitled to a free gift from Group B (Johnny Pick-up or the Lil' Jolly Racer). And, if he deposits \$1,000 to \$2,000, he gets a free Ride 'em

Cootie, sure to delight any little guy on Christmas morning. All of these toys are offered on a guaranteed sale basis. So those you don't get rid of, you can return for 100% refund. All are ADVERTISED NATIONALLY ON TELEVISION—especially during the fourth quarter, so your promotion will gain an added impetus. CHECK THESE TOYS OUT FOR FUN.

GROUP A

- COOTIE**—the classic fun game for children 5 to 75. A challenge to see who completes his bug first.
- THE LAST STRAW**—the "camel" game where the last straw you add to the camel's pack may be the one that breaks his back. Fun!
- BILLY GOAT**—a knock 'em down game of blocks beautifully designed for hours of play value.

GROUP B

- LIL' JOLLY RACER**—a delightful pull toy for little guys. You can actually see the pistons of this little auto move up and down.
- JOHNNY PICK-UP**—a push toy with real action. Squeeze the handle and it picks up things up to two pounds.

GROUP C

- RIDE 'EM COOTIE**—a lovable riding toy of tough, durable high-impact styrene. This pet cootie is safe, sturdy and ready for fun.



Dear Sirs:

Please send me more information on: The Christmas Toy promotion. Other business building ideas you might have. More information on Financial Marketing itself.

NAME _____

INSTITUTION _____

TITLE _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

TELEPHONE _____

Please mail this coupon to:



FINANCIAL MARKETING

12715B State Hwy. 55
Minneapolis, Minn. 55441 Telephone 612/540-5412

For more details on business building ideas from FINANCIAL MARKETING, please call or clip and mail this handy coupon.



Puerto Vallarta, or both.

Miss Boston's other main duty is to introduce newlyweds-to-be to the bank's services. In fact, it is necessary for a prospective honeymooner to open a checking account, a savings account or a BankAmericard account in order to be eligible for a "love voyage."

Newlyweds-to-be opening checking accounts receive 50 free picture checks. If they open a savings account, the bank starts it off with a free dollar. An added bonus is an LNB24 card for access to automatic cash dispenser machines.

The bank introduced the new service via a full-page ad in printed media (see illustration). The catchline in the ad was, "It's a special feeling and a new service for newlyweds-to-be."

Part of the text of the ad read as follows: "If you're planning to be married soon, know that LNB has LOVE. First, LOVE is a very special kind of concern LNB has for you. It's a determination on our part to help you get started on the right financial foot. It comes to you in the form of a special package of financial services plus a romantic honeymoon offer no soon-to-be-married couple should miss.

"For letting us introduce to you the banking services you need, we'll arrange your honeymoon in beautiful Mexico for far less than you'd normally pay. You can choose a LOVE Voyage to Mexico City or Puerto Vallarta or BOTH! Each detail, every step of the way, has been meticulously planned for your ultimate enjoyment. Nowhere can you purchase this honeymoon trip for less."

The ad then explains the basic banking services newlyweds need, including

checking, savings, BankAmericard and LNB24.

The ad is headlined with a large "LOVE," followed by "something nice from Louisiana National Bank."

'Midnight Teller' Available At First Nat'l, Mobile

MOBILE, ALA.—First National has followed the example of supermarkets and other retail businesses by providing late-hours service at one of its branches. In fact, the bank has a human drive-in teller working from 5 p.m. until midnight every night of the week at a separate drive-in facility at the rear of the Office Park Plaza Branch.



OUR NEW MIDNIGHT TELLER SPEAKS FOR HIMSELF.

The bank that brought you people hours now brings you people after hours. With a drive-in teller on duty till midnight, each week night. At our convenient Office Park Plaza Branch on Airport Boulevard. Our Midnight Teller can cash checks for First National customers. Take deposits, and accept loan applications. Even issue money orders. In fact, do almost anything you'd expect of a teller. Only he works night.

So when you need a banker after work or after shopping or even after a night out, one you can find one. Yet, our new Midnight Teller does much for himself, smiles, and answers to the name of Hugh. He's open from 5 until midnight every Monday through Friday. If you like this service we will continue and expand it. At First National, we want your business. And we're doing what it takes to get it. And keep it. Member FDIC.

First National Bank's Office Park Plaza.

A newspaper ad announcing these unusual banking hours is reproduced here. In addition to the teller, a security guard is on duty until the window closes each night. As the ad points out, the teller speaks for himself, smiles and answers to the name of Hugh, then goes on to say that if this extended service is accepted well by the public, it will be continued and expanded.

As the bank's president, James S. Crow, said, First of Mobile has an automated teller the same as the other banks in town, but feels its customers will appreciate more a banker they can talk with after hours. He added that the best part of the new service is that if a customer has a question or a problem, he has someone who will answer his queries.

The new midnight teller is an extension of First National's "people hours," which went into effect a year and a half ago, when all offices began to be open continuously throughout the day.

face it!

"It takes a banker to know one."

We service banks with people...

TOM HAGAN & ASSOCIATES

(816) 474-6874

P.O. Box 12346

No. Kansas City, Mo. 64116

LOVE

SOMETHING NICE FROM LOUISIANA NATIONAL BANK

It's a special feeling and a new service for newlyweds-to-be.

If you're planning to be married soon know that LNB has LOVE. First, LOVE is a very special kind of concern LNB has for you. It's a determination on our part to help you get started on the right financial foot. It comes to you in the form of a special package of financial services plus a romantic honeymoon offer no soon-to-be married couple should miss.

Honeymoon Love Voyages to Mexico.

For letting us introduce to you the banking services you need, we'll arrange your honeymoon in beautiful Mexico for far less than you'd normally pay. You can choose a LOVE Voyage to Mexico City or Puerto Vallarta or BOTH! Each detail, every step of the way has been meticulously planned for your ultimate enjoyment. Nowhere can you purchase this honeymoon trip for less.

Six basic banking services you'll need.

To take full advantage of this fantastic honeymoon offer, simply open a checking account (we'll give you your first 50 Picture Checks free), a savings account (we'll put the first \$1.00 in for you), a BankAmericard account (just fill out a short application) and, as an added bonus, we'll give you an LNB24 card for 24-hour banking (available only at LNB).

Call Mary Boston, the LOVE Coordinator, at 389-4567. She will explain the fantastic LOVE Voyages and assist you in selecting the one you want.

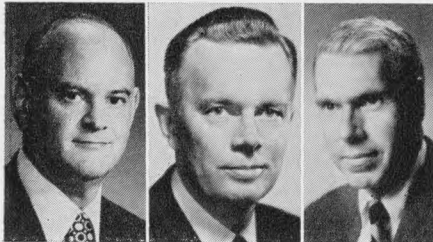
LOUISIANA NATIONAL BANK

Member FDIC

Corporate News Roundup

• **Bank Consultants of America.** A Chicago office was opened recently by Bank Consultants of America, Denver-based firm specializing in the design and construction of financial institutions. The firm has projects going in Kansas, Oklahoma and Illinois, as well as other states.

• **Talcott National Corp.** James C. Slaughter and Harvey M. Kelsey Jr. have been elected chairman and CEO and president and chief operating officer, respectively, of both Talcott National Corp. and James Talcott, Inc.



SLAUGHTER

DONAHUE

KELSEY

Mr. Slaughter, who had been president, succeeds Herbert R. Silverman, who continues as executive committee chairman. Mr. Kelsey was formerly executive vice president-finance.

Russell B. Donahue, president of the Business Finance Division of James Talcott, Inc., was elected to the position of executive vice president of Talcott National Corp. He will continue to be based in Oakbrook, Ill.

John C. Leathers was elected an assistant vice president of James Talcott, Inc. He is now business development manager for the Chicago district. Alfred F. Ryan was elected a senior vice president of the Business Finance Division of James Talcott, Inc. He is district manager of the Detroit office, which serves a large part of Kentucky.

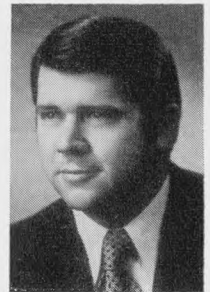
John E. Reeves and Harold V. Gleason were elected directors at Talcott National's annual meeting. Mr. Reeves is chairman and CEO, Reeves Brothers, Inc., and Mr. Gleason is chairman and CEO, Franklin New York Corp., and of its subsidiary, Franklin National. Both are from New York.

• **Bank Building Corp.** John R. Pendergrass and George E. Mills have been named consultant services managers for the Southern Bank Facilities Division and the Greater Metropolitan

St. Louis area, respectively, by Bank Building Corp., St. Louis. Mr. Pendergrass represents the firm in Alabama and Mr. Mills previously represented the firm in Iowa.



PENDERGRASS



MILLS

• **B. C. Ziegler & Co.** Gerhard C. Spielman, vice president and secretary, has been elected executive vice president of B. C. Ziegler & Co., West Bend, Wis. Charles W. Chapman, treasurer and comptroller, was elected to the new position of vice president-finance. Mr. Spielman joined the firm in 1945 and Mr. Chapman has been with Ziegler since 1952.

• **Christmas Club a Corporation.** Acquisition of Bankers Engraving Co., New York City, has been announced by Christmas Club a Corporation, Easton, Pa. The newly acquired firm will be a division of the latter corporation.

COLES COUNTY'S FIRST AND ONLY 50 MILLION DOLLAR BANK

DIRECTORS

George W. Bock
Donald S. Cason
J. I. Dilsaver
J. Logan Gover

Melvin C. Lockard
Chairman

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Donald S. Cason
President

COMMERCIAL LOANS

Philip S. Weller
Senior Vice President

Edward J. Behm
Vice President

Truman J. Sanner
Assistant Vice President

INSTALLMENT LOANS

Floyd E. Sell
Vice President & Manager

Kim E. Hopkins
Assistant Vice President

OPERATIONS AND PERSONNEL

Grant Fleenor
Vice President & Cashier

TRUST DEPARTMENT

Clark W. Brogan
Vice President &
Trust Officer

C. Dean Easton
Assistant Vice President &
Assistant Trust Officer

FARM DEPARTMENT

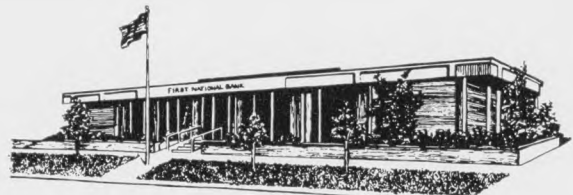
Edward J. Behm
Vice President & Director
of Farm Services

MARKETING

Robert F. Jones
Assistant Vice President

AUDITING

Melvin L. Hebert
Auditor



CONDENSED REPORT OF CONDITION AS OF JUNE 29, 1973

RESOURCES

Cash and due from banks	\$ 6,374,034.35
U. S. Government Securities	7,306,000.08
Other Bonds & Securities	12,433,065.96
Loans and Discounts	20,442,942.39
Federal Funds Sold	3,450,000.00
Banking House, Furniture & Fixtures, etc.	1,036,322.83
Other Assets	779,463.21
	\$51,821,828.82

LIABILITIES

Common Capital Stock	\$ 600,000.00
Surplus	1,000,000.00
Undivided Profits	1,283,322.48
Reserves	1,642,937.37
Unearned Discount	443,236.71
Other Liabilities	191,848.16
Deposits	46,660,484.10

\$51,821,828.82



We made our first correspondent banking arrangement in 1927, the year that Babe Ruth set his record for home runs.

We're still going like 60.

Like the immortal Babe who gave his all to the game he loved, we're committed wholly and irrevocably to our correspondent banking customers. Of which there are more than 370, spread over 5 states.

Our correspondent Banking Division now numbers 11 people with an aggregate 196 years experience. And we plan to add more people,

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THIRD 
NATIONAL BANK
IN NASHVILLE

The 60 home runs hit by Babe Ruth in 1927 is still the Major League record for a 154-game season.

Operations

New Signature Retrieval System Performs Well for Northern Trust

AS BANKS have grown larger, it has become more difficult for tellers to know and remember all customers. In many banks, tellers have to leave their customers to verify signatures in a central card file. The time required can be annoying to customers. From the customers' point of view, tellers ought to know them and remember their signatures. The whole process should be improved, they feel.

Several banks agree. Some are turning to automated systems to solve the signature verification problems—with varying degrees of success.

One of the most advanced systems is now in use at Chicago's Northern Trust. Speaking recently to the Exchanger Group of Banks, Northern Trust's senior vice president for operations, Stuart Hamilton, explained the bank's system. In just four seconds, he reported, Northern Trust savings and checking tellers can verify any one of the bank's more than 150,000 personal account signatures.

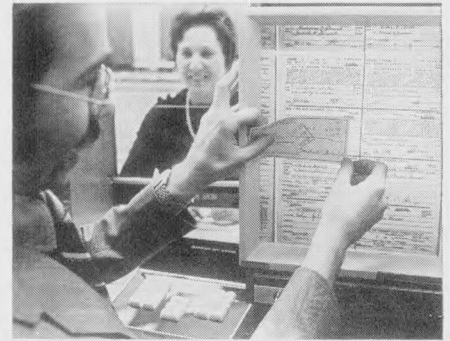
Northern Trust is the first bank in the country to use the system, which was developed by Microform Data Systems of Mountain View, Calif. Originally, the basic machinery was created

by Microform to support the directory assistance operations of major telephone companies. System hardware includes a satellite mini-computer, which operates independently of the bank's main processing equipment; a disk drive to store the data base; a tape drive to update the system; a teletype to enter updated information; a card reader for programing; and a number of keyboard controlled units for signature display.

"All savings and checking account signature cards are photographed on ultrastrips—an advanced form of microfilm," Mr. Hamilton explained. "Each 1x6-inch strip contains approximately 13,000 signatures.

"The teller access process is simple and efficient," he noted. "The account number is keyed in and the 'enter' key depressed. Within four seconds, the mini-computer has instructed the reader where to locate the ultrastrip and the specified signature is displayed on the teller's terminal."

The system also has the capacity to display up to 99 special instruction messages for tellers, including such standard operating messages as "new account," "closed account," "lost pass-



Signature cards for any of Northern Trust's more than 150,000 personal accounts can be displayed on teller viewing screens within four seconds. High image resolution allows tellers to verify signatures quickly.

book," etc.

"For example, if an account is closed today," explained Mr. Hamilton, "a special instruction screen—which notes the account has been closed and instructs the teller to refer all activity to a service representative—may be assigned immediately."

Northern Trust is presently using 18 display units to provide reference capabilities for 70 teller stations on three floors. When the bank opens its personal banking facility in the Northern Building in September, an additional four units will be installed to provide customers with the same level of service at either location.

In discussing the benefits of the system, Mr. Hamilton noted that Northern Trust's system has been in operation for more than six months.

"It has lived up to our expectations in every way," he commented. "The system is reliable and there has been an absolute minimum of down time. Comments from our tellers have been entirely favorable, particularly in regard to the quality of the displayed signature images.

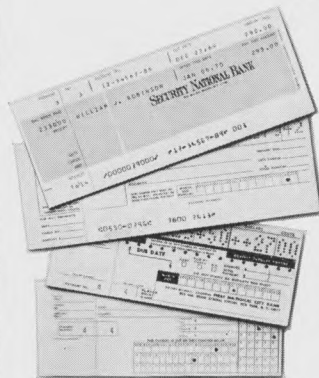
"More importantly, though, many of our customers tell us that they are able to conduct their personal banking quickly, without the tellers leaving them for 'long' periods of time. When we tell them about the system, they wonder why banks didn't think of this long ago." • •

Wheat Heads Ad Review Board

OKLAHOMA CITY—Willis J. Wheat, senior vice president-marketing, Liberty National, has been named chairman of Central Oklahoma's Advertising Review Board, sponsored by the Oklahoma City Advertising Club and the Better Business Bureau of Central Oklahoma. The board is charged with improving advertising standards.

Also serving on the board is John Powell, vice president-marketing, First National.

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Randcomp is Rand McNally's fully computerized turnaround system that delivers coupon books directly to your customers. Promptly! It cuts preparation costs by 20% to 40% and eliminates transcription errors. No wonder more Randcomp coupons are now being processed in bank computer systems than any other computer-generated coupon.

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NEWS ROUNDUP

News From Around the Nation

FDIC Merger Stand Denied

The FDIC's contention that it has the authority to deny bank merger proposals on anti-competitive grounds even though the anti-competitive effects may not be serious enough to violate the antitrust laws has been rejected by the U. S. Court of Appeals for the Ninth Circuit.

The court upheld an earlier District Court ruling that the "FDIC does not have the power under the Bank Merger Act of 1966 to deny a merger application on the basis of a competitive standard more stringent than the antitrust laws of the U. S."

S&Ls Blast Hunt Proposals

An official of the National League of Insured Savings Associations has said S&Ls "are not only opposed to the Hunt Commission report as a whole, but in some instances are violently opposed to it."

The official said S&Ls would strongly oppose any attempt by banks or regulatory agencies to enact proposals of the commission as a package.

The package approach, under which S&Ls would trade advantages they are now presumed to have for broader lending powers, investing and service authority, has been the basis of proposals that are now moving through the Nixon Administration for final approval.

Especially odious to S&Ls is a Hunt Commission recommendation that would eliminate tax-free bad-debt reserves permitted by S&Ls and banks and replace them with a tax credit for mortgage lending.

'Bigness-Is-Badness' Charged by BofA

BankAmerica Corp. has charged the Justice Department's antitrust division with applying a bigness-is-badness standard to the HC's proposed acquisition of GAC Finance, Inc., the nation's 10th largest finance firm. The merger has been strongly opposed by the division.

Justice has warned that the merger could have serious long-run adverse effects on the structure of financial competition in the consumer loan area, that it could worsen the chances for unaffiliated finance firms to survive and that it could have a direct anti-competitive impact on consumer lending in California.

(As MID-CONTINENT BANKER was going to press, the Fed announced it was denying the HC's request to acquire GAC. The vote was 4-to-3.)

Banks Could Collect Political Funds

A proposal has been made to have banks get into the business of collecting campaign contributions from the public. The plan, made by ABA President Eugene H. Adams, president, First National, Denver, was suggested as a simpler alternative to the wave of legislative reform

that appears certain in the wake of Watergate.

Mr. Adams urged trial of what is essentially a contribution checkoff plan for bank depositors. Under the system, a bank customer could give to either a candidate or party of his choice by having the political contribution deducted from his savings or checking account.

The customer could make the contribution by filling out a contribution card with the name of the candidate or party and listing the amount to be deducted.

Banks could make money by attracting funds under the system, Mr. Adams said, but he maintained that given the current chronic scarcity of campaign funds, "I don't think banks would get a great deal of use of the money deposited in these small political accounts."

New Bank Secrecy Bill Drafted

A compromise bill designed to protect the rights of citizens from unwarranted invasion of privacy while still providing law enforcement officials with legal weapons to track down hidden profits of organized crime is expected to be introduced soon.

Authors of the bill are Senator Alan M. Cranston (D.-Calif.) and Representative Fortney H. Stark (D.-Calif.). The bill is intended to satisfy critics of the current bank secrecy law, enacted in 1970. The law has been attacked in the courts by financial institutions and civil rights groups that contend it goes too far in granting law enforcement agencies access to individual bank records.

The new version is expected to be more acceptable to law enforcement officials because it would provide an administrative subpoena procedure considerably less stringent than the search warrant clause contained in previous bills.

Fed Mulls Rule Change

The Fed has said it might allow bank HCs to perform management consulting services for nonaffiliated banks.

Such consulting activities could be performed by a non-bank subsidiary of the HC or the HC directly. Explicit pricing for the services would be required.

The Fed said its proposal arises in part from a pending application by Citizens & Southern Corp., Charleston, S. C., for permission to perform such services through a proposed subsidiary.

Ban of Bank Insurance Activities Urged

States are being encouraged by the National Association of Insurance Commissioners (NAIC) to enact legislation to prevent lending institutions from being licensed property and casualty insurance agents.

According to a spokesman for NAIC, "Banks should not have outside interests which may divide their attention from their main banking interest. Banks should stay in their own backyards, which are certainly fertile enough."

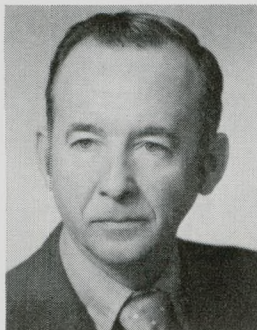
MID-CONTINENT BANKER for August, 1973



How to help your customers lease the equipment they need.



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BOB OLIVER

The burdens of owning expensive equipment demand too much of your customer's precious time and capital. Leasing from your bank, with the help of First National's Leasing Department, works to the benefit of your bank's interests, and your customer's. So remember to help your customers lease the equipment they need, and forget about the problems of buying and selling and depreciation. Call Eldon Beller (AC 405 272-4102) in Oklahoma City, Bob Oliver (AC 918 749-7366) in Tulsa, or your First National Correspondent Officer (AC 405 272-4093). Their business is to help you provide your customer's business anything it needs to do business.

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Larry T. Pitts, John T. Fowler, Eugene B. Foncannon



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First KC

First National Bank of Kansas City

Banks were quick to announce new savings rates. TOP—Lobby poster at First Nat'l, Jackson, Miss., announces new 7% rate for long-term time deposits. BOTTOM—First Nat'l, Memphis, newspaper ad bears catchy headline.



Most Banks Rush to Raise Interest Rates; Long-Term Rates Jump as High as 8½%

BANKS ACROSS the nation have hastened to adjust the interest rates they are paying on savings deposits as a result of the higher ceiling rates authorized by the Federal Reserve Board and the FDIC.

The majority of banks contacted by MID-CONTINENT BANKER have raised their rates to the new ceilings, as have their S&L competitors, who were authorized to do so by the Federal Home Loan Bank Board.

The new rates are as follows:

Instrument	Bank Rate	S&L Rate
Passbook accounts	5%	5¼%
90-day time deposits	5%	5¾%
One-year time deposits	5½%	6¾%
2½-year time deposits	6%	6¾%
4-year time deposits	6½%	6¾%

New CDs Limited by Agencies

The Fed and FDIC have acted to limit the amount of CDs with unlimited interest rates that a bank can issue to 5% of the bank's total time deposits and savings deposits. All CDs above the 5% limit are subject to the 6.5% ceiling that applies to CDs that mature in 2½ years or more.

The Fed also has proposed a rule to require banks to include a notice in their advertising that federal law prohibits them from redeeming a CD before maturity unless some interest is forfeited. Comments on the proposal can be made prior to August 27.

Time deposits of four years and over were placed in a new category and exempt from ceilings, an action that triggered races on the part of most financial institutions to be first to offer the highest rate.

The higher rates are expected to slow the rate of disintermediation plaguing financial institutions as well as enable them to attract new deposits to improve loan-to-deposit ratios and thus take some of the pressure off the tight money situation that has been causing the prime rate to soar. New savings money also would enable heavily loaned-up banks to rely less on Fed funds to satisfy reserve requirements. (At this writing, Fed funds had soared to a new record high of 12%.)

At press time, the prime had hit 8¾%, with observers predicting a 9% level in the near future if the government doesn't intervene in the rate-setting mechanism.

Observers said there was little in the Nixon Administration's Phase Four economic program to lower rates in the short-run. Before the Phase Four announcement, observers had been predicting a 50-50 chance for money markets to rally and send interest rates down somewhat. After the announcement, outlooks were rephrased to say the odds had changed to one-in-a-hundred that the market would rally.

An overwhelming majority of banks contacted are offering the new ceiling rates. Only a handful of banks (some 100 reporting from major cities through-

out the nation) have not increased their passbook interest rates and only one bank (in Alabama) did not increase any of its regulated savings rates.

It is interesting to note that the nation's largest bank, Bank of America, San Francisco, raised all but its passbook rates. In a press release, the bank stated that "across-the-board increases on savings and time deposits may not be in the long-run interest of either the consumer or the financial institution involved, and we do not think it wise to take action that will tend to freeze high rates and put a floor under the

(Continued on page 64)

The grass just got greener at First National.

Few savings plans can compare in safety and return with First National's new, higher rate of interest certificates of deposit.

First National Bank will now pay you 7% interest on certificates of \$1000 left for 4 years or more. And 6½% on certificates left from 2½ to 4 years; 6% for 1 to 2½ years and 5½% for 90 days to 1 year, all with only a \$100 minimum.

Get the safety and high return of a First National Bank Certificate of Deposit.

Rate	Minimum Deposit	Maturity
7% Certificate	\$1,000	4 years or more
6½% Certificate	\$100	2½-4 years
6% Certificate	\$100	1-2½ years
5½% Certificate	\$100	90 days to 1 year

Special note: New Federal Reserve Regulations apply on withdrawals of certificates before maturity. When withdrawal occurs before the certificate of deposit matures, interest will be paid on the length of time that the money was on deposit, less 90 days, at a rate of 5%.

FIRST NATIONAL BANK

ADVERTISING COPY SENT TO US BY CREDIT AND ADVERTISING DEPARTMENT OF FIRST NATIONAL BANK CORPORATION.

State Association Presidents Speak Out on Problems Facing Banking

MENTION S&L COMPETITION to a group of bankers, and they'll probably agree that such institutions have an unfair competitive advantage over banks. Ask whether bankers should become involved in legislative and political activities, and again there usually is agreement that they should. But switch the conversation to multi-bank holding companies and/or branching, and this unanimity of opinion disappears.

A survey undertaken recently by MID-CONTINENT BANKER editors bears this out. Questionnaires were sent to the 12 newly elected presidents of state banking associations in MCB's territory. A survey also was sent to the president-elect of the Kentucky Bankers Association, but he declined to comment because the KBA convention won't be held until September and, therefore, he won't be taking office until this fall. The survey covered five subjects: banking structure, holding company acquisitions, competition, political action and banking associations. The survey was answered by:

Alabama—J. M. Barrett, president, First National, Wetumpka; *Arkansas*—Van Smith, president, Bank of Tuckerman; *Illinois*—James P. Ghiglieri, president, Citizens National, Toluca; *Indiana*—James P. Coplen, president, National Bank of Logansport; *Kansas*—Henry G. Blanchard, chairman, Commercial National, Kansas City; *Louisiana*—Arthur J. Broussard, chairman and president, Guaranty Bank, Lafayette; *Mississippi*—Leo W. Seal Jr., president, Hancock Bank, Gulfport.

Missouri—James E. Cline, president, Citizens State, Maryville; *New Mexico*

—James A. Clark, executive vice president, Albuquerque National (until August 1, he was president, Security National, Roswell); *Oklahoma*—Glenn P. "Red" Ward, senior vice president, Fourth National, Tulsa; *Tennessee*—John P. Wright, president, American National, Chattanooga; and *Texas*—C. Truett Smith, president, First State, Wylie.

In discussing banking structure, Mr. Barrett of Alabama said his state was going through a rapid change due to the advent of HCs a few years ago. Four major HCs are acquiring banks over the entire state, he continued, and

What the survey covered:

- 1. Banking Structure**
 - 2. HC Acquisitions**
 - 3. Competition**
 - 4. Political Action**
 - 5. Banking Associations**
-

it's anticipated that growth in this area will continue the next several years. He maintained that HC acquisitions, e.g., leasing, mortgage, insurance, finance companies, haven't created a problem for small banks at this point, but if HCs become active in more cities and community banks, this could create a tight competitive situation in the future.

Mr. Smith of Arkansas—on banking structure—described a liberalized branching bill passed at the latest session of the General Assembly as a for-

ward move and believes it should serve for the next few years unless HC permissive legislation is passed. (Only one multi-bank HC exists in the state. It was approved before a law banning HCs was passed a few years ago.) Mr. Smith said his association is committed to making an in-depth, two-year study of the HC concept.

Mr. Ghiglieri of Illinois has a particular interest in bank structure at this point because of the rift in the IBA that has led to about 10% of its membership dropping out. (See p. 29, July MCB, and p. 33, this issue.) The dissident bankers want the IBA to take a neutral position on multi-office banking, but the association—at its 1973 convention—voted to continue its traditional stand against any kind of multi-office banking. The dissident bankers have formed the Association for Modern Banking in Illinois (AMBI), whose purpose is to obtain state legislation allowing multi-office banking.

Mr. Ghiglieri said that while it's difficult to anticipate the future form of bank structure in his state, it would appear that some minor changes may have to be instituted to serve those areas of Illinois that need commercial banking facilities and to meet the increasing competition from other financial institutions. He said it's his goal—and the goal of his fellow IBA officers—to repair the split within the IBA.

As for HCs, Mr. Ghiglieri pointed out that his state leads all others in number of one-bank HCs, and, generally, he views their formation as a positive way to expand areas open to commercial banking. For the most part,

Survey by "Mid-Continent Banker" of 12 new state bankers association presidents shows them to have similar opinions on S&L competition

and political action. However, their thinking differs when it comes to branching and/or multi-bank HCs.



BLANCHARD OF KANSAS—Many recent bank purchases were made with formations of bank HCs in mind.



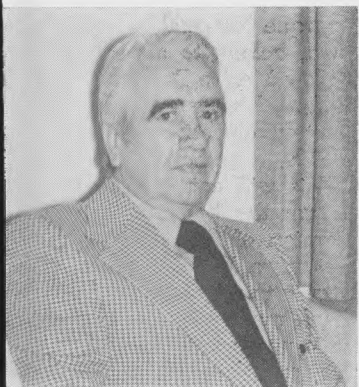
BROUSSARD OF LOUISIANA—LBA committee is to make recommendations for changing "antiquated banking laws."



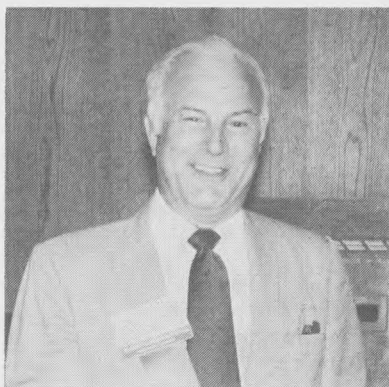
CLINE OF MISSOURI—Bank structure can't ensure growth necessary to meet needs of customers.



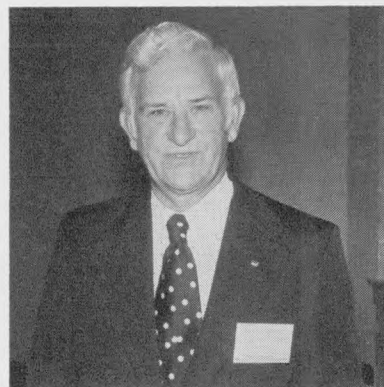
CHIGLIERI OF ILLINOIS—HC acquisitions should be financially related and in best interests of public.



SMITH OF ARKANSAS—Ark.BA is committed to making an in-depth, two-year study of HCs.



WRIGHT OF TENNESSEE—There will be activity on both sides of the HC question . . . some . . . legislation.



COPLEN OF INDIANA—IBA's board voted to remain neutral on bank structure, including HCs.



SEAL OF MISSISSIPPI—State-wide poll shows bankers to be satisfied with present setup.

he continued, he believes most of the controls stipulated in the Bank Holding Company Act are sufficient and are adequately reviewed by the Fed as to type of acquisitions that banks may acquire. Mr. Chiglieri also believes acquisitions should be financially related and should be in the best interests of the public that the one-bank HCs serve. Multi-bank HCs, which also are an integral part of the controversy in Illinois, are not permitted by law there, he added.

Mr. Coplen of Indiana reported the IBA's new board unanimously voted on June 27 to remain neutral on banking structure—including multi-bank HCs. He pointed out that individual

bankers there still differ on the HC question, and small organizations exist that are both for and against HCs. For instance, he continued, the League for Economic Development in Indiana is for an expanded banking structure, but the Indiana Independent Banking Association advocates no change whatever.

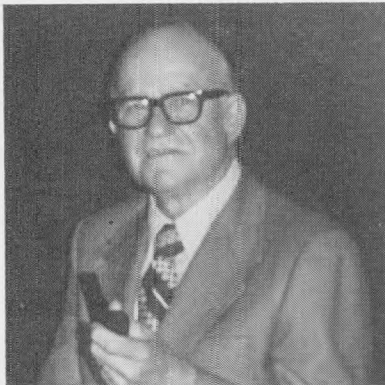
Continuing on bank structure, Mr. Blanchard of Kansas said his state doesn't allow multiple or branch banking, but does allow one-bank HCs. According to the new KBA head, many recent bank purchases have been made with formations of bank HCs in mind because this is the best way to retire debt incurred in such purchases. He

warned that there could be some dangers to a unit-banking state by the purchases of finance and insurance firms and branch leasing offices by large banks having multiple banking powers. He said he hopes that banking stays close to bank-related services and remains the financial leader.

Mr. Blanchard also referred to the modified facility bill recently passed by the state legislature. Banks now can have three facilities instead of one, with additional services limited to safe deposit boxes. Pressure for a further lifting of restrictions, he predicted, will come from cities and suburban areas, where competitive pressures from S&Ls, credit unions and finance com-



CLARK OF NEW MEX.—
HCs are the best possible
vehicle for expansion
of financial services.



WARD OF OKLAHOMA
—Multi-bank HCs will
be introduced into
Oklahoma in five years.



SMITH OF TEXAS—
Many Texas Bankers
believe HC growth will
level off.



panies are heaviest. A KBA task force this past year modernized the association's constitution and this year is working on a recodification of Kansas banking laws.

In discussing bank structure, Mr. Broussard of Louisiana said his state operates on a parish (county)-wide branching system. He described action by the state legislature creating a committee of three senators and three representatives, who will study bank structure in the state. In addition, the LBA's state banking affairs committee, said Mr. Broussard, is studying Title 6, which relates to banking laws, and this committee is to come up with recommendations for changing what he called "present antiquated laws."

As for HC acquisitions, Mr. Broussard said his state doesn't allow multi-bank HCs and told of a survey made a year ago by the LBA on HCs, state-wide and metropolitan-area branching. He reported that of the 237 banks surveyed, 161 responded, and 81% of those answering preferred the present status (limited branching). At the 1973 LBA convention, he said, the membership decided to take a neutral stand on the question of multi-office banking, state-wide and metropolitan-area branching.

Mr. Seal of Mississippi prefaced his answers to MCB's survey by pointing out that it would be extremely difficult to mirror the general attitude of bankers in his state because of the wide variances in bank sizes, ages of top management and population differentials. He said his answers, at best, would represent only about 60% of the banks in Mississippi.

As to bank structure there, Mr. Seal said most bankers feel that the present setup is adequate—branching within a 100-mile radius of a bank's main office and one-bank HCs. He based his belief on a state-wide poll taken last year by the MBA. The latter found that 69.5% of those surveyed did not want the state law amended to permit multi-bank HCs, and 85.4% were against changing the state's branching laws.

Continuing, Mr. Seal said a bill has been introduced into the state legislature for the past two years to permit multi-bank HCs and didn't get out of committee either time.

The Mississippian does advocate restricting bank HCs and banks to the geographical limits of at least their own states because major banks, he said, are getting around statutes by putting loan production offices in other states and buying finance and mortgage firms

and operating them regionally or nationally.

Mr. Cline of Missouri doesn't believe banking in his state is so structured at present to ensure the growth that's necessary to meet the needs of banking's customers and consumers. He favors adopting the necessary laws and regulations to provide banks with the capabilities required to meet these needs, but he didn't elaborate on what kinds of new laws are needed.

The Missourian also strongly favors bank HCs acquiring financially related firms such as leasing, mortgage and finance companies. However, he does not favor going any further in acquisitions.

As to banking structure and HC acquisitions in New Mexico, the NMBA's Mr. Clark pointed out that his state has county-wide branching, which he believes is serving the state's financial needs effectively. In past legislative sessions, state-wide branching bills have been defeated (very decisively in 1973), he said, and he doesn't expect another major effort toward obtaining this type of legislation for the next few years.

He prefaced his remarks on HC acquisitions by saying that both Security National, Roswell, which he recently left, and Albuquerque National, which he has just joined, belong to a multi-bank HC, First New Mexico Bankshare Corp., and therefore, his remarks may not seem completely objective. However, he went on, he does believe that the growth of HCs will continue and that these HCs are the best possible vehicle for expansion of financial services to bank customers. He said he has found that belonging to a HC has made each member bank more aware of the different economic needs and potential of New Mexico and has convinced every HC bank that it should help provide financial assistance to meet these needs. He added, though, that reasonable controls should and will be applied.

Mr. Ward of Oklahoma said the majority of bankers there are still fiercely unit-bank minded, but the present structure (no branching, but one detached facility per bank allowed) is not adequate to compete with outside financial institutions that can branch at will state-wide. He believes that the present 1,000-foot restriction on facilities doesn't allow for competition for deposit money. Many larger and county-seat banks are pressuring for multi-bank HCs and possibly branching, said Mr. Ward, who foresees, within five years, an extension of the facility limitation and introduction of multi-bank HCs in the state.

Mr. Ward said the reason bankers object to multi-bank HCs is that they

(Continued on page 66)

BARRETT OF ALABAMA
—HC acquisitions could
create tight competitive
situation for small banks.

New Banking Groups Continue Their Activities In Bank Structure Area

THE SITUATION in Illinois banking is quieter now than it was about a month ago, but activity there has by no means ceased. The newly formed Association for Modern Banking in Illinois (AMBI) continues its organizational efforts while the Illinois Bankers Association seeks to keep its membership from decreasing further because of a rift over multi-office banking.

There is news pertaining to banking structure in several other Mid-Continent-area states—Alabama, Indiana, Louisiana and Tennessee. In addition, the Federal Reserve Board has proposed that bank HCs be allowed to perform management consulting services for nonaffiliated banks.

The IBA told MID-CONTINENT BANKER that, as of press time, 103 banks had confirmed their resignations from the association and there were 45 unconfirmed resignations. Before the rift, the IBA had 1,150 members.

A spokesman for AMBI said the new group was to hold an organizational meeting in Springfield July 31 following a balloting by mail on directors for the association.

At this meeting, AMBI's new directors were to elect officers, name an executive committee of nine members and appoint chairmen of the following committees: finance, membership, member services (including education and consumer credit), public information, legislative and government relations. The AMBI spokesman emphasized that AMBI will provide a full range of services for its members, who numbered

By **ROSEMARY McKELVEY**
Managing Editor

178 as of press time. He said the group was not going to be active only in the legislative area.

Next January, according to the spokesman, AMBI will ask the Senate

CHICAGO—Although state law prohibits First National from having branches in Illinois, the bank has announced plans to open a chain of 24 regional wholesale banking offices in cities across the country over the next three years.

Chauncey E. Schmidt, vice chairman of the bank and of its parent company, First Chicago Corp., said regional offices will be opened initially in Los Angeles, Houston, Atlanta and New York. He said these offices will offer a complete range of corporate banking services, including deposits, loans, investment banking (other than the actual public underwriting of corporate securities), as well as data processing, leasing and other related nonbanking financial services. Deposits and loans will be accepted and made on behalf of the bank's Head Office in Chicago and not in the names of the regional offices themselves.

Primary target of this drive to use its corporate banking capabilities on a national scale, continued Mr. Schmidt, will be small to medium-size firms with annual sales of around \$10 million-\$75 million.



Officers of new Louisiana Independent Association of Banks (LIAB) are: (l. to r.) pres., Wilmore W. Whitmore, pres., First Nat'l, Houma; pres.-elect, Stacy Williams, pres., Peoples Bank, Natchitoches; and sec.-treas., W. C. Earnest Jr., pres., Avoyelles Trust, Bunkie.

Rules Committee to approve putting two bills pertaining to multi-office banking and HCs back on the agenda at the second session of the 78th Illinois General Assembly. He said this action will be taken because of the importance of the legislation and the closeness of the vote on the bills at the first session. At that time, the Senate Committee on Insurance and Financial Institutions voted 6-6 not to report SB 934—limited branching—out of committee. The committee voted 7-5 to keep SB 935—introduction of multi-bank HCs—in committee. In other words, he said, both measures were defeated.

The split in Illinois occurred following the adoption at the IBA's convention in May of a declaration of policy that placed the association in opposition to multi-office banking. Although this stand has been traditional with the IBA, this year—prior to the annual meeting—the council of administration voted to adopt a position of neutrality on multi-office banking and inserted this word in the declaration. However, those IBA members who don't want any type of multi-office banking in the state heard about this action and introduced an amendment that would reinstate the IBA's usual opposition to multi-office banking. On the final afternoon of the convention, speakers for both sides of the issue were heard, and a standing vote was taken, with each member bank allowed one "accredited" vote. Those opposing the neutrality stand won—396 to 187—and the IBA again went on record as opposing any

New Banking Groups (Continued)

change in Illinois' banking laws.

As a result, AMBI, which was created in February as an outgrowth of an earlier group, Association for Full-Service Banking, became operational. About 10% of the banks belonging to the IBA withheld their dues over the multi-office banking issue, and most of the dissident banks joined AMBI.

In Alabama, three important banking bills are before the current legislative session. Two of them—H 416 and S 243—would permit county-wide branching, and the Alabama Bankers Association has taken a neutral position on them. The House bill was heard in the Banking Committee June 27 and reported out by a vote of 10-2 and went on the calendar June 28. As of press time, the House had taken no action on this bill.

The Senate branching bill was brought on the floor July 10 and re-committed to the Senate Banking Committee. Also, as of press time, no action had been reported on it.

The Ala.BA has taken a stand against H 1093, which possibly could allow any two banks in the state to merge. According to the association, although the bill doesn't specifically authorize the merger of a bank in one county with a bank in another county, it doesn't prohibit such a merger. If passed, said the Ala.Ba, it may not provide a completely open door to bank mergers across county lines, but it would remove a principal legal obstacle. The association said it's opposed to the measure because it would, at least, weaken Alabama statutes against state-wide branching.

In Louisiana, as reported in the July issue of MCB, there also is a new banking group, but there's no rift between this new association and the Louisiana Bankers Association. The new group, called Louisiana Independent Association of Bankers (LIAB), has as its main purpose preserving the dual-banking system as it now exists in the state and to oppose any change in state law that would liberalize branching regulations. The LIAB is opposed specifically to multi-bank HCs and state-wide and metropolitan-area branching.

According to the LIAB's president, Wilmore W. Whitmore, president, First National, Houma, it will also review the Hunt Commission report and other recommendations on bank structure and the probable effect of such changes on Louisiana banking.

Other LIAB officers are: president-elect, Stacy Williams, president, Peo-

ples Bank, Natchitoches; and secretary-treasurer, W. C. Earnest Jr., president, Avoyelles Trust, Bunkie.

LIAB representatives are canvassing the state for members and hope to obtain 75% or 80% of the 237 banks there. There were more than 100 members as of press time. The LIAB also was to hold a meeting late in July or early in August, at which time it was to consider such topics as the appointment of a full-time lobbyist, set a fee schedule and discuss whether to have a full-time executive director.

In Tennessee, the new Independent Bankers Division of the Tennessee Bankers Association was to meet July 25 to discuss sponsoring legislation that would be agreeable to all factions in banking there—in other words, a compromise banking bill. Governor Winfield Dunn, who last spring unexpectedly vetoed a bill limiting expansion of multi-bank HCs, has ordered a staff study of the state's banking structure. When he receives a report on this study, he is expected to take a position on the type of legislation he would like to see enacted.

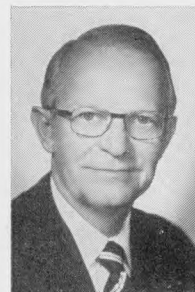
In Indiana, the new board of directors of the Indiana Bankers Association voted unanimously June 27 to continue its position of neutrality on the state's banking structure. Indiana now has county-wide branching and one-bank HCs.

The Fed has proposed that bank HCs be allowed to perform management consultant services for nonaffiliated banks, and comments were invited through July 31. Previously, the Fed had said that a bank HC could not engage in general management consulting except for its own subsidiary banks. If the proposal goes through, it would be No. 11 on the "laundry list" of nonbanking services allowed bank HCs by the Fed.

The new proposal would permit these consulting services to be performed by a nonbank subsidiary of a holding company or the HC directly, would require explicit pricing for such services and would foster competition for such services, said the Fed. To prevent such a service being used as a device to control a bank that isn't a part of the same HC system, the Fed continued, such services would not be permitted to be furnished to a nonaffiliated bank if the bank HC or any of its subsidiaries owned or controlled any equity securities in such a bank, or any officer, director or employee of the bank HC or any of its subsidiaries served at the same time in a similar capacity with the recipient bank. • •

Vinson Named Director Of Directors' Assembly Planned for Nov. 16-20

B. Finley Vinson, chairman, First National, Little Rock, will be the director of the 18th Assembly for Bank Directors to be held November 16-20 at the Fairmont Hotel in San Francisco.



VINSON

Mr. Vinson, immediate past president, Arkansas Bankers Association, is a former chairman of the American Bankers Association's Government Relations Council and Federal Legislative Committee. He also has been active in other ABA activities, as well as in his own state association. In addition, he was chairman of the Arkansas Council on Economic Education, which sponsored the nationally recognized "Model Program" in this field.

Mr. Vinson was dean for bankers of the Southwestern Graduate School of Banking at Southern Methodist University, Dallas, 1968-70, and now is chairman of the Senior Management Case there. He also is on the board of the Foundation of SWIGSBIE and the council of the assemblies.

A faculty of 25 will serve as speakers and counselors at the 18th assembly. Among them is a Mid-Continent-area banker, Eugene L. Swearingen, chairman and CEO, National Bank of Tulsa.

The 17th assembly is scheduled for August 31-September 4 at Montreal's Le Chateau Champlain Hotel. The 1974 assemblies will be held as follows: March 22-26, Fairmont, San Francisco; and August 31-September 4, Broadmoor Hotel, Colorado Springs, Colo.

Information about the assemblies can be obtained by writing Dr. Richard B. Johnson, Assemblies for Bank Directors, Southern Methodist University, P.O. Box 1319, Dallas, Texas 75275.

C. Y. Davis Jr. Gets New Post At Memphis Multi-Bank HC

MEMPHIS—Clifford Y. Davis Jr., senior vice president and director of marketing, First National, has been promoted to the newly created post of vice president, corporate planning, of the bank's parent company, First Tennessee National Corp. He was succeeded at the bank by Myron L. Resneck, vice president and director of marketing planning.



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.

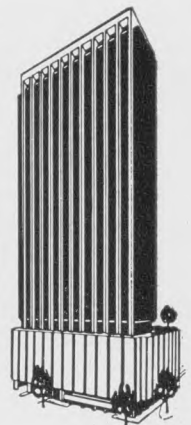
Fourth provides both the financial facilities you'll need, and the kind of alert, clear-eyed correspondent know-how that produces profitable results.

If you're ready for a really "pro" correspondent, call Glenn "Red" Ward or Wilber Waters. They'll provide the driving "will to win" to get things moving—and keep them moving toward the championship. Remember: When you need an Action correspondent, recruit Fourth National . . . the Action Bank of Tulsa. It's the way to win.

The
Action
Bank
of
Tulsa



FOURTH
NATIONAL BANK
515 SOUTH BOULDER
TULSA, OKLAHOMA 74103



Missouri Banks Provide Assistance To Victims of River Disaster

ASSISTANCE in time of emergency is a point banks have been concentrating on in their advertising in recent years.

The disastrous floods along the Mississippi and Missouri rivers throughout the spring of 1973 gave many banks an opportunity to prove their point.

Information collected by the Missouri Bankers Association from its members illustrates the "extra mile" that many Missouri banks went to give assistance to flood victims. There is little doubt that banks in other flood-ravaged states did likewise.

In the St. Louis area, the three Mark Twain banks offered interest-free, short-term loans to qualified flood victims. The loans were tailored to meet immediate needs while flood victims were waiting for promised federal funds to come through via the Small Business Administration, the federal agency designated to work with flood victims.

The loans from the Mark Twain banks were available to those who had filed disaster assistance applications with the SBA. Prime rate loans were offered to individuals who were forced to delay applications for federal assistance until flood damage could be accurately assessed.

Several of the largest firms in St. Louis supported the loan program by making special deposits at the banks in the form of \$100,000, 90-day CDs. The banks publicized the names of these firms and appealed to the general public to invest to make more loan funds available for flood victims.

Mark Twain Bancshares, HC for the three banks, ran advertisements bearing the word "HELP" in huge letters in the local media. The ads announced the availability of the flood-relief loans, the participation by large corporations and encouraged citizens to get involved with flood relief by investing in Mark Twain involvement certificates.

First National, St. Louis, offered to defer mortgage and installment loan payments due from customers who were faced with financial difficulties as a result of the flooding.

Clarence C. Barksdale, president, stated, "Many of these people affected by the flood are customers of First National and we want to ease their burden and worries as much as possible."

Mr. Barksdale also urged all flood victims needing financial assistance to contact the SBA or to pick up SBA loan applications at the bank.

Brentwood Bank, St. Louis, granted payment extensions of from 30 to 90 days to its customers requesting them. The bank also offered to lend additional funds and to assist customers in filling out SBA forms.

Lemay Bank, also in St. Louis, came

close to being flooded out by the rising waters of River Des Peres. Two-thirds of the bank's parking lot was inundated. Quinton Keller, executive vice president and comptroller, said the bank's premises were utilized by the Red Cross, the Salvation Army, Civil Defense and other agencies during the crisis. In addition, the bank handled directly some of the loans for home repair from flood damage in its immediate area and it assisted others in filling out forms and contacting government agencies that were processing claims.

The bank also intends to become involved in seeking a solution for preventing the flooding of the area in the future.

Lewis & Clark State, in north St. Louis County, ran announcements in the local press to inform flood victims of sources of assistance. The bank explained the availability of disaster loans and where they could be obtained. It also advised residents that bank employees would assist with filling out relief forms and loan applications.

Bank of New Madrid, located in the Missouri Bootheel, assigned two of its employees on a full-time basis to assist victims in filling out SBA loan applications. Jim Edwards, vice president, said that many victims were in need of assistance in completing the applications and that the bank felt the providing of such assistance was a valuable community service. Copies of documents to accompany applications were made at the bank's expense.

These are just a few examples of how Missouri banks—and banks in other states affected by the spring floods—rallied to help victims of the swirling waters. There should be little doubt on the part of flood victims that banks can be depended upon to offer assistance at all times—but especially when disaster strikes! • • •

HELP

1. HELP is interest-free loans for flood victims from the Mark Twain Banks.
2. HELP is the involvement of community leaders like Alpha Portland Cement Company, Div. of Alpha Portland Indus., Inc., Emerson Electric, General Dynamics, Laclede Gas Co., Pet Inc., Ralston Purina and Union Electric.
3. And, HELP is the involvement of everyone in the community.

MARK TWAIN BANCSHARES, INC.

Ad sponsored by Mark Twain Bancshares announced availability of loans for flood victims, publicized names of firms supporting loan program with deposits and called on citizens to get involved in assistance program.



LeFebure's New Tel-Air System Five presents carrier to customer automatically.

**We make more of
the things you
need than anyone
else in the world...**

**...with an important extra...
Branch offices and warehouses in all
principal cities from coast to coast.**



LeFebure Corporation

CEDAR RAPIDS, IOWA 52406



August Is the Time to Begin Planning For a Memorable Bank Christmas!

By MARJORIE LONGO, Editor, Public Relations & Advertising Dept., Mercantile Trust Co., St. Louis

AUGUST and these hot summer months may not seem conducive to thoughts of Christmas—but in banking (and in many other fields) it is time to begin plans for the coming season's lobby displays and bank decorations. Whether in a large metropolitan bank or a country bank, Christmas is the one time of the year staff members and customers alike enjoy being reminded of this



LONGO

holiday's spirit.

Decorating a bank lobby can be a monumental task for some, and for others a simple joy and addition to the holiday season. It can demand a huge budget using the imagination and capabilities of an outside commercial display company, or it can be done comparatively inexpensively and still exude the warm, welcoming glow of an old-fashioned Christmas at home. Determining the budget to be spent is the first step. Once decided, plans for Christmas can move ahead.

Here at Mercantile, we like to get the staff involved. We start with selecting the toy and doll committee co-chairmen from the staff. It is then their job to pick committee members who are in the position to lend their expertise and time in choosing dolls to be dressed and expanding a toy contribution program in which the complete staff participates.

Several hundred dolls are purchased by the bank and dressed by employees—oddly enough by both men and women. And the choice of dress is theirs. They run the gamut from cuddly baby dolls in bunting outfits to teenage dolls in blue jeans and head bands. Usually the doll manufacturer offers several doll styles to choose from as well as a choice of hair and skin color. Doll clothes can be purchased or made by hand. Many staff members display hidden talents by dressing their dolls in hand-knitted or crocheted outfits.

However, the doll program can be handled in a number of ways. Just remember to keep in mind the size of your lobby balanced against the number of dolls you might want to display. Also, how about having a "doll dressing" contest? You might call in outside

judges for the event and offer a prize for the best dressed, most novel dressed doll, the cutest doll and so on. Or if you have a limited number of dolls and all can be put on view to your customers, let your customers vote for the dolls of their choice.

Our toy fund is contributed to by all staff members. The toys are purchased from various retail outlets where the best discount can be obtained. This means most of the toy buying is done early in the fall when we can realize double buying power with the amount of money in the fund.

Lobby displays should have a dominant or focal point to catch the visitors' attention. As an example, we erect a revolving carousel featuring Santa's sleigh and eight reindeer in the center of our lobby. Some forty dolls are used in this center display along with gaily wrapped Christmas packages. Colorful flashing lights add to the warmth and charm of this carousel. Throughout the lobby the handsomely dressed dolls are displayed on free-standing, red and gold boards. We also use more than one hundred small, white Christmas trees with blinking gold lights to line

(Continued on next page)

Festive Publication Brightens Homes With Holiday Ideas

The striking illustration on the facing page is taken from a special publication available to bankers for use in connection with holiday promotions. Published by Meredith Publishing Services, Des Moines, Ia., "All-Time Favorites for Christmas" is a 68-page magazine filled with holiday articles from *Better Homes and Gardens* magazine.

The colorful publication is designed and tailored to meet the promotional needs of banks during the holiday season. Banks using the publication can arrange to have a custom full-page ad or logo imprint printed on the back cover.

According to Del Rusher, account manager for Meredith Publishing, banks can use the magazines as a mailing piece to current Christmas club members to remind them to sign up again for the following year; as an incentive to new and existing customers to sign up for the Christmas club *in the bank* and receive a free Christmas magazine for doing so; as a goodwill gesture by banks giving the books away in the bank during the holiday season, without tying it to specific services; or as a cross-selling tool to promote charge card use for holiday purchases through a special message on the back cover of the publication.

Contents of the magazine includes holiday recipes,

(Continued on next page)

Festive Publication

(Continued from page 39)

decorating ideas that can be done economically, unusual gift wrapping ideas and numerous others. The illustration on page 38 accompanies an article concerned with the making of festive custom candlesticks for Christmas candles. The candlesticks are simple to make, utilizing items normally found in the home.

For instance, the candlestick at the extreme lower left of the illustration is made from a half-pint cardboard or plastic container covered with two-inch

squares of newspaper. The article tells how to apply the newspaper squares after dipping them in white glue, how to make the design out of heavy string that has been dipped in glue and how to paint the item. Other candlesticks in the illustration are made from things normally found around the home, but not usually thought to be practical in making candlesticks.

"All-Time Favorites for Christmas" will have lasting value to bank customers, as the ideas it contains will be useful for years to come. And every copy a bank sends out will carry the bank's name as a reminder to the recipient as to where the publication came from. That's advertising money well spent! • •

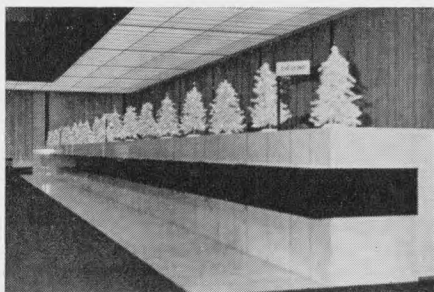
August

(Continued from page 39)

the tellers' counters. Against a black marble wall in the center of the lobby are displayed huge, colorful Christmas ornaments along with a special "Merry Christmas" message.

Be assured these same toys and dolls go to a very worthy cause. Under the directions of a local welfare council, a day or so before Christmas these toys and dolls are distributed to various hospitals, children's agencies and day-care centers throughout the St. Louis area to be given to needy and less-fortunate youngsters on Christmas morning.

Of course, a smaller lobby area can be decorated just as prettily. An artificial Christmas tree (today many of these trees look like the real thing) hung with old-fashioned and even handmade Christmas ornaments, strings of beads and popcorn, tinsel and silver icicles can add the warm Christmas spirit to any bank lobby. Toys and packages under the tree lend an even more authentic look to the display. You could even include an old rocking chair



Mercantile Trust's teller counter sparkles with miniature white Christmas trees decorated with gold blinking lights during holiday season.

with a colorful afghan over one arm to add to the scene.

How about a slide-theater display? Slides showing Christmas scenes around your city or area, or even Christmas scenes from other countries are attention-getters. You can include a few hand-lettered slides to tell your Christmas story. Equipment for this kind of a display can be rented at a nominal figure.

Music should always be a part of your Christmas spirit. An organist in the lobby or recorded Christmas carols played softly in the background add to the holiday atmosphere. Perhaps a choral group made up of bank personnel or from an outside organization could be used during the Christmas season. Here at Mercantile, we have an organist located in the main lobby to play carols and answer requests from our customers during the month of December. In addition we have an in-bank chorus which begins rehearsing for the Christmas season in October. They carol in our lobby daily during the noon hour the week prior to Christmas.

As an added touch, we have had our tellers wearing small red and white lapel pins which greet every customer with the message, "Merry Christmas." A pretty Christmas tree pin or small Christmas corsage would serve just as well and convey the Christmas spirit.

Visitors to a bank, especially young-

sters, like to see and be a part of the Christmas festivities. Small giveaways such as candy canes, coloring books geared to the Christmas theme, or any child-oriented novelty will be welcomed by the youngsters and perhaps you will have gained a potential customer when he or she is ready to do business with a bank.

However, don't forget your bank's steady customers. Some things they can use throughout the year to come are calendar cards and appointment calendar books. There are excellent giveaways which bear your advertising messages and are still useful items.

In addition there are many items a bank has that make ideal Christmas gifts. Coin banks are a welcome gift for youngsters, especially the more unusual ones—such as the series of old-time automobiles, banks that divide and tally the coins dropped into them and the "Snoopy" banks—to mention only a few. Then there is the Christmas record album that many banks offer, commemorative coins, Christmas club savings accounts, as well as regular pass-book savings accounts, savings certifi-



Bank employee Flora Walther displays dolls dressed by staff members. Dolls are donated to children's hospital for distribution on Christmas Day.



Eye-catcher in Mercantile Trust's lobby at Christmastime is this revolving carousel featuring Santa, his sleigh, reindeer and dolls outfitted by bank employees.

“ I am happy to report that we sold our entire stock of 1500 cans,

and could have easily sold 500 to 1,000 more. ”
Next year we will know.

National Bank
of Commerce
Jackson, Tenn.

MONEY in a can

Your bank's best Christmas Customer relations program!

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

Can-O-Cash will be your bank's most popular customer relations program. In fact, it will become an annual tradition. Call or write to reserve Can-O-Cash for your bank's exclusive use.

can-o-cash^{TM.}
NOW FOR ALL OCCASIONS



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



cates, government savings bonds, and, of course, for those whose interests have a foreign flair, there are always "tip packs" of coins from various foreign countries which make nice Christmas gifts. And, of course, cash makes a nice Christmas gift! And it can be given in a variety of ways besides folded neatly in a Christmas card. There are "cans of cash" you can offer your customers—how about a "pound of coins"? Paper money can be folded in numerous ways, bow ties, fans, etc., to add variety to your gift giving.

If your bank offers Christmas club accounts, a specially constructed counter might be erected in the lobby for selling these accounts. The counter could be decorated in a Christmas motif and used to display the various items previously mentioned which your bank has for gift-giving.

A coffee bar which also offers cookies or rolls is a welcome invitation to customers who have been out in the winter's cold doing their Christmas shopping. It will leave a warm spot in their hearts (as well as their tummies) for your thoughtfulness during a very busy season.

Let's not forget the exteriors of bank buildings. They lend themselves to Christmas decorations, particularly when they include drive-up windows and facilities. When decorating, these spots should be included in your overall plans. Lighted outdoor ornaments, evergreen roping with colorful Christmas lights entwined and huge electric candles shining from windows add to the spirit of Christmas. Spotlit Christmas trees, Santa and his happy elves, or any Christmas scene can be used out-of-doors. Made from weather-

resistant materials, these decorations can be used again and again so their initial cost could be spread over a number of years.

The Christmas season at your bank should have a special meaning for your customers and staff members alike. And although this may not seem to be the time of year to get started on your Christmas plans, you may find that putting off the planning may leave you unable to attain the Christmas spirit you wish to demonstrate at this happiest season of the year. • •

Clifford DePuy

(Continued from page 9)

a successful businessman—he was a real community leader. He was a president of the Rotary Club of Des Moines, the Advertising Club, a trustee of the Des Moines Public Library and president of the Greater Des Moines Chamber of Commerce. He was active in Plymouth Congregational Church, the Des Moines Club, and the Des Moines Art Center. He was a member of Wakonda Country Club, the University Club and the American Legion. He was national treasurer of Sigma Delta Chi, professional journalistic society, for one year.

In 1958, he sold his interests in "Northwestern Banker" and "Underwriters Review" and the Iowa-Nebraska Bank Directory to Malcolm Freeland, associate publisher, and Ben J. Haller Jr., editor. Cliff continued as chairman-emeritus, regularly worked at his downtown office with the company and wrote an occasional article or editorial.

His first wife was the late Frances Prouty, daughter of the late Judge and Mrs. S. F. Prouty; they had two children, Emerson DePuy of Menlo Park, Calif., and Mrs. Talbot Peterson, Appleton, Wisc.; four grandchildren and a sister, Mrs. F. A. Robinson, Des Moines.

In November, 1963, Cliff married Margaret Merschen Green, former wife of the late Samuel C. Green of Des Moines. In recent years, the couple have been world travelers for several months of each year, and in fact they were planning an extensive journey for this fall.

Clifford DePuy had a successful life and I am glad to say a happy life; he also helped many others to have more success and more happiness. I am proud to have known such a man and to have worked with him. • •

■ JEAN WILLIAMS, assistant cashier at Kansas State Bank, Wichita, has been promoted to assistant vice president. Mrs. Williams joined the bank in 1943 and was made assistant cashier in 1966.



3 GREAT MUGS FOR THE CHRISTMAS SEASON

9 OZ. CERAMIC IRONSTONE COFFEE MUGS

Screen-decorated in 2 colors with decoration permanently fused into the glaze. Positively guaranteed to stay on the mug through repeated dishwashings. Will not craze.

These can be furnished with Company logo at slight additional charge. Any quantity from 12 dozen on up. Price is dependent upon quantity ordered.

Maury Kranzberg
NORTHWESTERN BOTTLE COMPANY
 2222 NORTH SECOND STREET DEPT. MB
 ST. LOUIS, MISSOURI 63160 • PHONE: (314) 231-5959

Call or write:

Mugs are packed 3 dozen to a shipping carton or can be furnished individually boxed in corrugated air-cell mailers at additional cost.

Various other items also available; tumblers, stemware, ash trays, beer mugs, tiles, etc.

"MONEY TALKS"

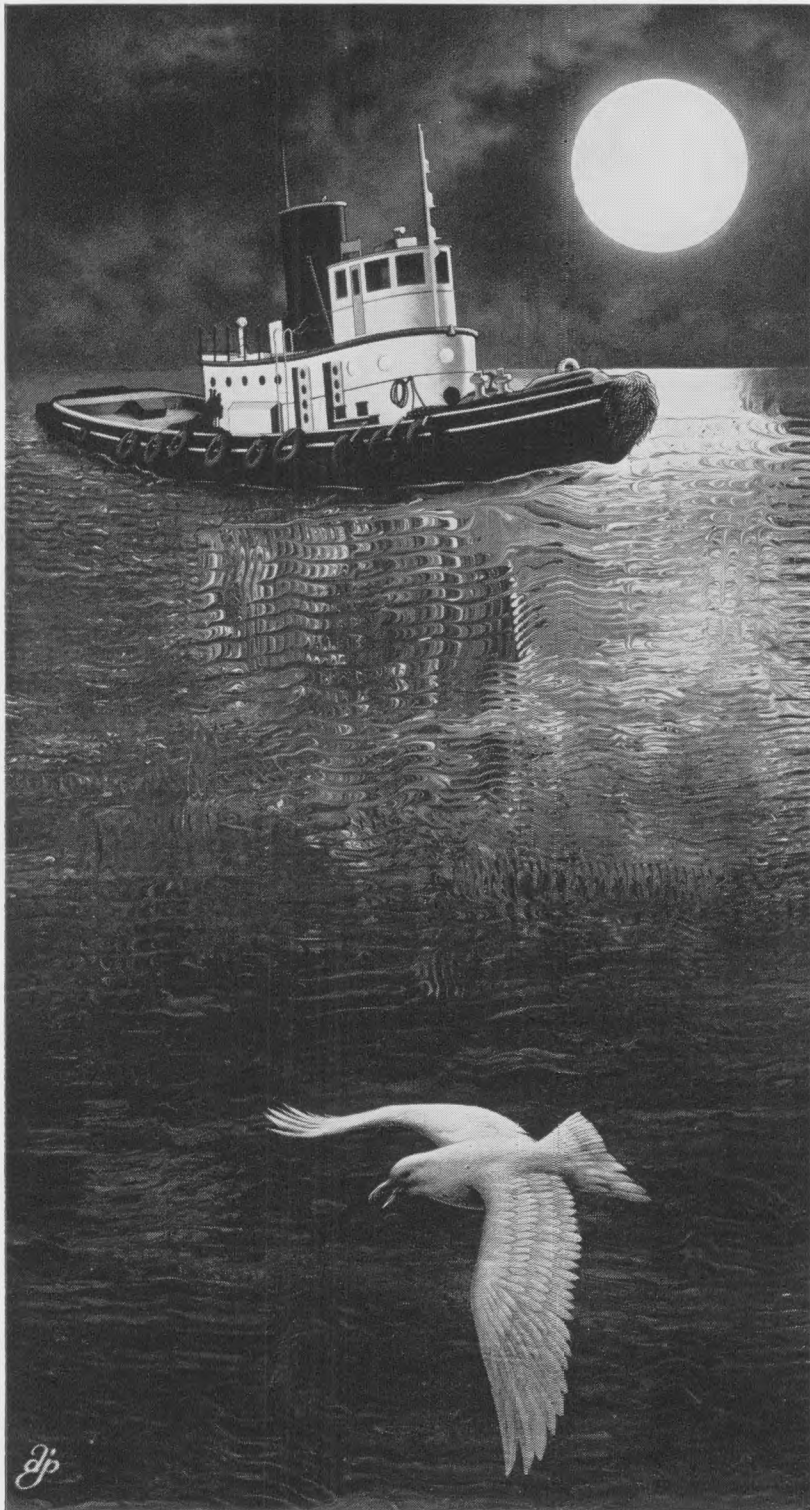
Having PERSONNEL TURNOVER problems? We have mature young adults who have successfully completed an extensive training program in banking. They live in or near your city and could be working for you now as tellers, bookkeepers or in any department. What's so great about that? It won't cost you ONE PENNY to find out about these and future graduates. Write immediately:

BANKERS TRAINING CORP. OF AMERICA

4420 Madison

Kansas City, Missouri 64111

Attn: Placement Division



We cast our bread upon the water.

We improved on the rules of the sea for Captain C. C. Brooks.

When his bank didn't seem to understand what Captain Brooks wanted, he came to us.

Captain Brooks, one man who had already built a small navy of tugs, tow-boats and barges.

Serving customers from Brownsville to Florida, his navy was growing, needed new equipment.

He did some good talking, offering the experience of one Captain Brooks as part of his collateral.

We did some good listening.

We made the loan. First came a new barge, \$70,000. Then a new tow-boat.

Now a new twin-diesel tug, the 800-horsepower "Captain B."

A million-dollar fleet and still growing. Like you. Like the Southwest. Like Bank of the Southwest.

Because we know this land, know its people, and cast our bread upon the water.



Bank of the Southwest

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

In Decatur, Ill.

Millikin National 'Mugs' Customers, Doubles Christmas Club Accounts

BANK 'mugs' Christmas club customers!

The above sounds like a newspaper headline describing the crime of the century. Certainly no bank would permit its customers to be mugged, at least, not in the common sense of mugging.

But there's a different kind of mugging going on in banks—at least it went on last December at Millikin National in Decatur, Ill. And this type of mugging had an astounding effect on the bank's Christmas club accounts—it doubled them!

It all began a year ago when Darrell Isbell, assistant vice president and new accounts head at the bank, noticed a photo of a ceramic drinking mug with a holiday design on it. The photo appeared in this magazine's "Christmas in August" issue as an idea for a low-cost holiday premium. The mugs are manufactured by Northwestern Bottle Co., St. Louis.

Mr. Isbell made contact with the supplier and arranged for 5,000 mugs bearing the message "Season's Greetings." The mugs were to be offered to customers signing up for new Christmas club accounts according to the following schedule: Those opening a \$25 club were eligible for one mug, those opening \$50 clubs could receive two mugs, a \$100 club was good for four mugs, a \$150 club brought six mugs and clubs of \$250 and up paid off with eight mugs. Millikin National's advertisements also reminded customers that the bank pays 4½% interest on its Christmas club accounts.

The purpose of the promotion, according to Mr. Isbell, was to double the bank's Christmas club accounts—a pretty ambitious goal!

An important and effective part of the promotion was an employee incentive plan aimed at getting customers to open Christmas club accounts for the first time.

By **JIM FABIAN**
Associate Editor

Employees earned points valued at one cent and 1½¢ each when they signed up new customers. For each \$1 worth of points, the employee's name was placed in a box for a cash drawing which was held at the end of the promotion. The top two prizes were for \$25 each, with five more prizes of \$10 each. Points were earned only for new accounts, not renewals.

It wasn't long before people from the bank's trade area started coming in to open Christmas club accounts and claim their mugs.

And it wasn't long before Mr. Isbell had to place a rush order for 5,000 more mugs to tide the bank over for the duration of the promotion. That made for a total of 10,000 mugs, almost all of which were disbursed.

The bank realized its goal of doubling its Christmas club accounts and it also realized a 70% increase in new money represented by the first-timer clubs. As of June, the bank had three times more dollars in its Christmas club accounts than it had a year ago.

What are some of the reasons for the success story at Millikin National? The bank selected one item that was popular with customers. The mugs were available in quantity—up to eight for an account of \$250 or more—eliminating the necessity for a customer to open eight different accounts if he wanted eight mugs. The mugs, with their holiday motif, became conversation pieces in customer's homes or places of business—you simply weren't "with it" if you didn't have a mug from Millikin National!

The promotion gave the bank ample opportunity to cross sell, and the employee incentive program encouraged employees to be active in their cross-sell efforts. Another point not to be overlooked is that the majority of the club members are coming into the bank at regular intervals to make their Christmas club payments, thus making it possible for employees to continue their cross-selling efforts.

Millikin National has learned that it is profitable to "mug" its customers. And no doubt hundreds of them will be bringing their holiday mugs out of cabinets for use come next December. As soon as they do, they'll remember Millikin National. What better advertising could a bank want? • •



Free!

Free Attractive, Fine
Christmas Holiday Ceramic
Mugs When You Join
The MILLIKIN NATIONAL
BANK CHRISTMAS CLUB

WHEN YOU OPEN A	\$25 Club	--	1 Mug
	\$50 Club	--	2 Mugs
	\$100 Club	--	4 Mugs
	\$150 Club	--	6 Mugs
	\$250 & Up Club	--	8 Mugs

PLUS 4½% DAILY INTEREST!

Plan NOW for the money you will
need NEXT Christmas. Enroll in
our Christmas Club Today!

THE MILLIKIN NATIONAL BANK
OF DECATUR

Service Since 1860

Member F.D.I.C.

Decatur's Oldest and Largest
"Christmas" Bank



This newspaper ad was used by Millikin National to announce its mug promotion to the public. Bank distributed some 10,000 mugs to those signing up for Christmas club accounts.

2 great ideas to boost your bank's goodwill power!



1 Holiday Greeting Drive-In Banking Envelopes

Send your customers a "Christmas Card" every time they visit your bank all through the Holiday Season! These GOODWILL-POWER tools are a proven way to make a strong and lasting impression on your customers. You have a choice of 4 colorful il-

lustrations, 4 greetings, 3 association logos and each is personalized with the name and address of your bank. These double-duty envelopes perform a convenient, time-saving banking service and boosts your bank's GOODWILL-POWER at the same time.



2 Holiday Greeting Deposit Receipts

Start using them right after Thanksgiving Day for extending a personalized greeting to your customers, expressing your appreciation for the opportunity to be of service.

Mail the coupon for detailed information and samples. It's the first step toward boosting your bank's GOODWILL-POWER!

MAIL COUPON TODAY TO:

**The Geo. D.
BARNARD CO.**

3863 LACLEDE AVE. • ST. LOUIS, MO. 63108

Yes, I'm interested. Rush information.

BANK _____

STREET _____

CITY _____ STATE _____ ZIP _____

ATTENTION _____



Alexandrians 'Flip' Over Mountain Toy Headlining Christmas Promotion

IT'S NOT OFTEN that a banking promotion captures the imagination of a community, but last Christmas in Alexandria, La., the flipper dinger, a Blue Ridge Mountain toy, did.

Presented by Guaranty Bank, this hand-crafted folk toy inspired newspaper articles, radio commentaries, businessmen's inquiries and unusual community reaction.

"Where's your flipper dinger?" rivaled "What are you getting for Christmas?" as the most popular question of the holiday season!

Guaranty found that the small wooden toy which looks like a basketball game on a stick appealed to people of all ages, incomes and occupations. In fact, more than 15,000 people dropped by the bank during the promotion, setting a record for bank traffic.

"Our biggest problem was keeping enough toys in stock," said Jim Morris, marketing director. "We didn't expect the tremendous response the promotion received."

In addition to the flipper dinger, the bank offered moon winders, bull roarers, jumping jacks, spinning tops and corn shuck dolls—all part of the Americana Folk Toy Collection. Made of

natural materials like river cane, mountain laurel and corn silk, the toys are handmade by 200 families in the Blue Ridge Mountains from designs passed down for generations.

"I think these toys appeal to people because they are part of our American heritage," Mr. Morris said, "and they're a reminder of times when life was simple, unautomated and uncommercial-

ized."

The bank built lobby displays featuring old-fashioned log cabins to exhibit and sell the toys. In addition, the promotion included free Santa Claus masks for children, candy for tired shoppers and free wrapping paper for packages.

Through a fully integrated, multi-media advertising campaign based on the theme, "Have We Got a Christmas for You, Ho Ho Ho!," Guaranty promoted its checking accounts, savings bonds and Christmas club accounts as excellent gifts.

As a result, Guaranty, which had run second to its major competitor in Christmas club accounts, took over a commanding lead in both number of accounts and total deposits, according to Mr. Morris.

"Perhaps the best result from our flipper dinger campaign was the image it brought the bank," Mr. Morris observed.

After enjoying so much success from the Americana Collection, Guaranty decided to market both the toys and a coordinated marketing program to other banks through a new affiliate, The Marketing Concern, Inc. • •



Customers bought folk toys at old fashioned log cabin booth located in bank lobby. Approximately 2,500 toys were moved during the holiday promotion. The offer is expected to be repeated next December.

Patience is a virtue, but not when there's money on the line. And playing the waiting game can cost a bundle. That's why Security Corporation decided to inventory bank equipment in regional warehouses.

The result is something unheard of: 30-60 day equipment delivery in an industry where normal is 4-6 months.

But timely delivery is only one of our innovations. We were first with a completely stainless steel vault

door. First with a built-in emergency vault ventilator (which we offer as standard). First with an aluminum safe deposit box. And first again with the Free Safe Deposit Box Program.

Our full product line includes everything from vault doors to drive-up systems. Either stock or tailor-made to fit special applications. Both ways you get all our quality and built-in extras at no extra cost.

Then to sell and service it all, another progressive concept. A

national network of experienced, independent dealers. That means you get sales and service from one local source.

So write today for Security's complete product/service information package, and learn how you can avoid the waiting game. Because when we promise delivery, you can bank on it.

SECURITY CORPORATION  2055 S.E. Main Street
Irvine, California 92705
(714) 979-9000

With other bank equipment companies it's dig in and wait.





Specially dressed personnel manned "Can-o-Cash" table at Central Trust, Cincinnati, last holiday season. Display includes decorated cans, lid sealer and reproduction of bank's newspaper ad.

'Can-o-Cash' Revisited

Money-in-Can Gift Idea Spreads As Banks Report Success Stories

"I WONDER why my bank doesn't do something like this!"

The above is a typical comment made to bankers farsighted enough to have signed up for an exclusive "Can-o-Cash" deal last Christmas season.

"Can-o-Cash" is the money-in-a-can promotion that is revolutionizing the holiday atmosphere at banks throughout much of the Mid-Continent area. Banks offering the service report that customers of competing banks are often observed taking advantage of the unique gift idea. Their visits usually include the statement which begins this article.

After two seasons, the "Can-o-Cash" concept has proved itself to be one of the most popular crowd pleasers ever devised, according to many banks surveyed by MID-CONTINENT BANKER. Echoing these words is Dale Krebbs of Advertising Concepts, Inc., Wichita, Kan., who is marketing the promotion.

"Can-o-Cash" isn't popular only with small banks. Among those institutions using the concept last season were Central Trust, Cincinnati; and Third National, Nashville.

Central Trust reported that "Can-o-

By **JIM FABIAN**
Associate Editor

Cash" was undoubtedly the most widely accepted and talked-about promotion the bank had ever sponsored. "We ordered 4,000 cans and ran the promotion from December 4 to 22," reported Barbara Begley of the advertising department. Central Trust offered the cans only at its downtown Main Office.

Ads were featured in two daily newspapers and on radio and TV. The ads were headlined "Money in a can . . . a gift even Scrooge would like!" A booth was set up in the lobby that was serviced by young women dressed in fur-trimmed holiday outfits.

"From the very beginning, we knew we had a bonanza on our hands," Miss Begley reported. "Our only problem was the fear we would run out of cans before Christmas. As it turned out, we did make it through to the last day. We were very pleased, not only with our customers' acceptance of 'Can-o-Cash,' but by the way it was accepted

by our own top management and board of directors."

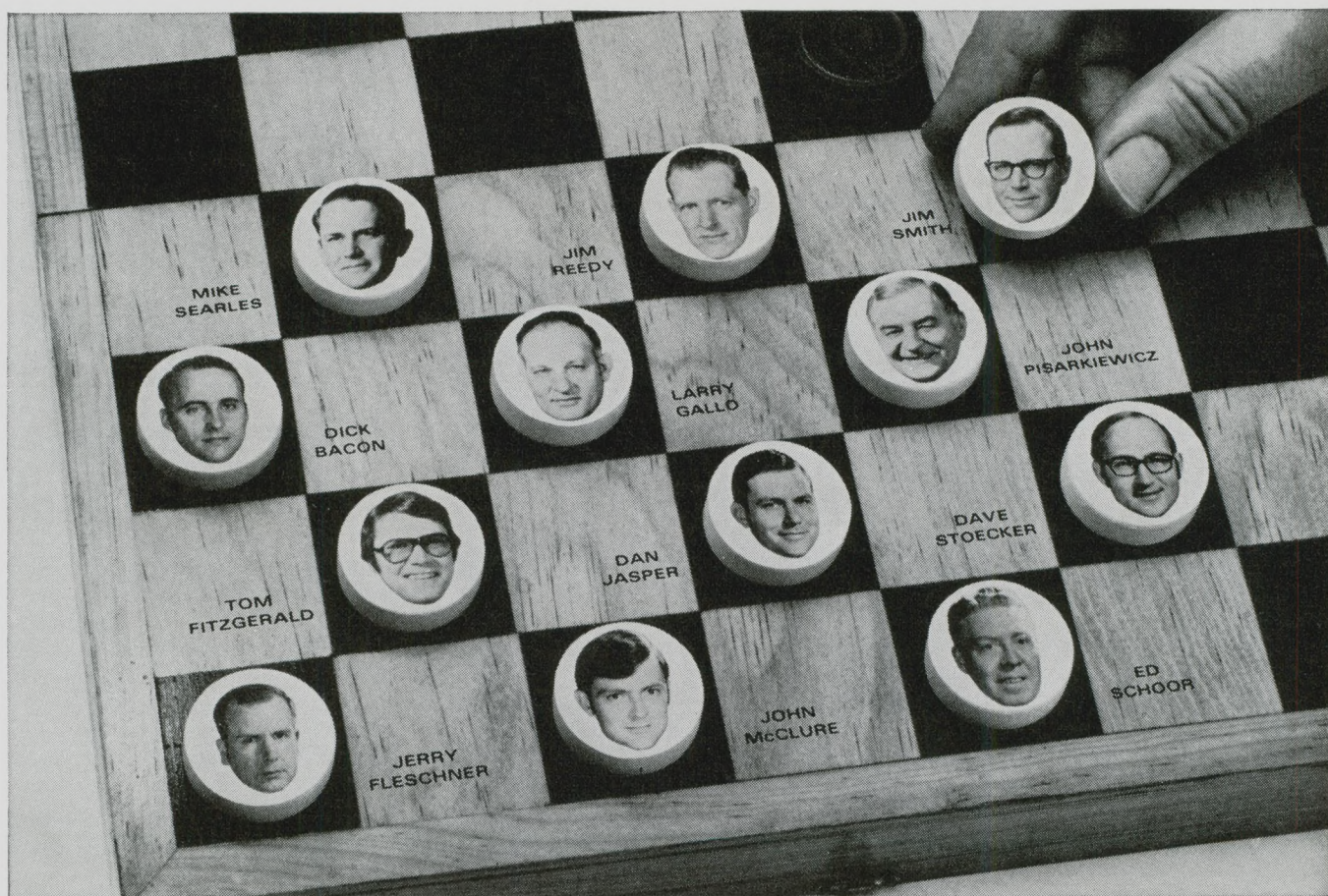
Central Trust plans to offer the cans next Christmas on a branch-wide basis.

Third National, Nashville, disbursed 2,830 cans during the month of December at its Main Office. According to Gay McClanahan, "Can-o-Cash" brought a lot of enthusiasm, "in spite of the fact that we did very little advertising and only had one location set up. A department store in Nashville has asked if it can use the can idea, with a different name . . . so its patrons can buy gift certificates and put them in the cans."

Commerce Bank, Columbia, Mo., started its promotion with 1,000 cans on December 4. By December 19 the can supply was exhausted. F. H. Kruse Jr., assistant vice president, estimated that the bank could have used another 1,000 cans.

Due to his uncertainty of the widespread appeal of the program and the expense of an additional canner, "Can-o-Cash" was offered only at the Main Office. "The demand was great at our motor bank, and this coming Christmas we won't make the same mistake again,"

In this age of quick moves,
 Mercantile dependability
 keeps you a jump ahead.



NEW REGULATIONS. New problems. A whole new game in banking. For immediate help on—faster collections via regional check processing centers—a cash letter analysis—or any other banking opportunity of these fast-moving days—

count on **Mercantile**
 in St. Louis

Serving over 1100 banks
 throughout the nation

MERCANTILE
 Phone 314/231-3500 **TRUST**
COMPANY MEMBER FDIC.

AFFILIATE OF MERCANTILE BANCORPORATION INC.

Mr. Kruse said.

The bank began distributing the cans through its new accounts department, utilizing personnel from the department. They sealed cans on a part-time basis in addition to servicing new account customers. After a few days, it became apparent that handling the cans was a full-time occupation, so another employee was brought in to do nothing but seal and distribute the cans, Mr. Kruse said.

The offer was limited to one to a customer and each customer was asked to sign a list giving his name, address, whether he was a customer or not and how he had heard of "Can-o-Cash." The list was utilized to generate new business and to evaluate the effectiveness of the bank's advertising.

The promotion brought hundreds of non-customers into the bank, Mr. Kruse said, as well as generating a lot of goodwill among existing customers.

National Bank of Commerce, Jackson, Tenn., sold 1,500 cans and could have handled up to 1,000 more cans, according to Mrs. Louise Keith in the marketing department. Cans were disbursed by tellers at all the bank's locations.

Guaranty Bank, Belzoni, Miss., handled 590 cans, and expects to order 100 additional cans for the coming season. Mrs. Mary Ellen Carter personally designed outfits for the bank's personnel that were color-coordinated with the colors of the can labels. Mrs. Carter said that each bank employee felt as though he had contributed something to the gift by sealing it for the receiver. She also said the bank had opened many new accounts as a result of "Can-o-Cash" traffic.

National Bank, McAlester, Okla., sold about 1,000 cans at 10¢ each last year. I. E. "Buck" Conner, vice president, said he appreciated the fact that the bank had an exclusive on the promotion. The nearest bank offering "Can-o-Cash" was 90 miles distant.

Stock Yards Bank, Oklahoma City, used 2,100 cans during its month-long promotion. Dale E. Simms reported that inquiries about "Can-o-Cash" came from throughout the state as a result of the bank's advertising. He said one customer used 130 cans to give Christmas bonuses to employees, despite the fact that bank charged \$1 per can!

First National, Des Plaines, Ill., reported that its "Can-o-Cash" promotion exceeded expectations. "Our strategy was to use the idea as a 'plus' to focus attention on the bank during the busy holiday season and serve as a traffic builder," reported William R. Kinnaird, vice president.

"'Can-o-Cash' as a suggestion for Christmas giving was new and consequently untried," he said. "We decided to use it as a giveaway as an experiment. Our original order was for 1,000 cans. An announcement of their availability was made by newspaper ad and a small item in the news section.

"The offer was free and unrestricted. By December 11, the supply was exhausted. On an emergency re-order we could obtain only 500 additional cans. These were placed in distribution at 8:30 a.m., December 19. By 10:30 a.m. the supply was again depleted, in spite of a five-per-customer limit," Mr. Kinnaird said.

"We feel the benefit to the bank was the great amount of goodwill created and the considerable word-of-mouth publicity that extended beyond our area. It was another 'first' for the bank and an appreciated solution to the perennial 'what-to-give' problem," Mr.

Kinnaird said.

Most banks reported that they made sure the customer saw his money or other item being placed in the can and watched as it was sealed, to avoid any chance of mixup (since all cans look alike).

Banks reported numerous items other than money being placed in the cans, ranging from bourbon to horse manure! Popular items were diamond rings, car keys, lingerie and holiday bonus checks.

Herget National, Pekin, Ill., reported that customers used the cans to ship various items to servicemen.

All reporting banks said they intend to offer "Can-o-Cash" again this year.

■ ROBERT D. GOODE has been appointed assistant vice president at First North County Bank, St. Louis. He is a past president of the Savings Association of St. Louis Banks.

Family Portrait Photos as Christmas Gifts Create New Business, Good Will for Bank

MORE BANKS are finding out that family portrait programs, tied in with the Christmas season, are popular with customers and serve to bring new customers into the bank.

Waukesha (Wis.) State conducted such a promotion last November with excellent results, according to Martin H. Frank, assistant vice president.

The offer was scheduled for a week-long period in mid-November so that delivery of the photos would be assured before Christmas. The entire concept was billed as a Christmas present from the bank. Due to a larger than anticipated demand for photos, the offer was extended for a second week.

Any bank customer was eligible for a free 8x10 photo in color. Non-customers desiring photos could qualify by depositing as little as \$50 in a new account. Additional prints of the photos, in any size, were available for sale, but no customer was pressured to buy additional bank services, Mr. Frank said.

Approximately 1,400 families participated in the promotion. That number of sittings posed a logistics problem, but everything went smoothly, Mr. Frank said.

The purpose of the promotion was to develop new accounts and to improve the relationships between the bank and its existing accounts—and the community as a whole.

"There is no doubt that we accomplished these goals," Mr. Frank said. The promotion was unique in that it

brought families into the bank together and gave them a better knowledge of the bank, Mr. Frank said. Many people who had felt uncomfortable about entering a bank overcame this feeling, he said.

"People seldom write letters unless they have a problem, but we received literally dozens of thank you notes from extremely satisfied customers. Even now, many months later, I still receive many comments from people about the photo promotion," he said.

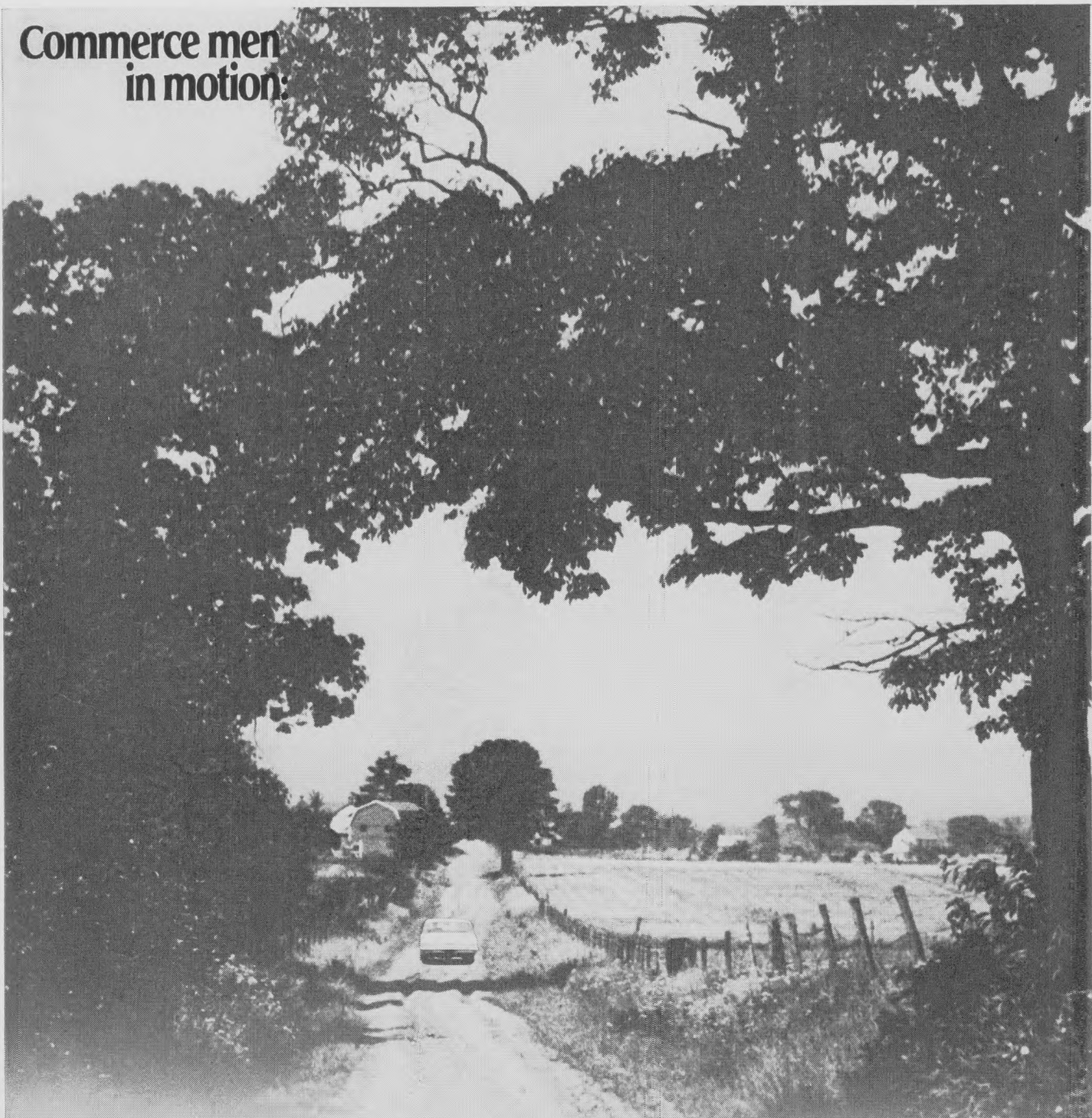
Mr. Frank said the success of this type of program is dependent upon smooth handling of the mechanics involved. People must not have to wait to have their pictures taken and they must not encounter delay in receiving their proofs. A good amount of attention to detail is imperative.

Not to be overlooked is dealing with a reputable and efficient supplier. Depositors Portrait Service International, Schaumburg, Ill., serviced Waukesha State.

He also said that banks anticipating such a promotion should check with local photographers—especially those who are bank customers—before going ahead.

There is little doubt that family photos have great sentimental value. They will be kept for years and referred to often. All this amounts to a great deal of potential goodwill and business when the photos are known to have been a gift from the local bank!

Commerce men
in motion:



**Tom Cannon travels
any way he can
to keep
his customers'
money in motion.**

No matter where you are in the Midwest, when you have an appointment with Tom Cannon you can be assured he'll be there on time.

Banks of all sizes rely on Commerce to keep them up to date on investments, new methods and systems, regulations, trends and everything involved in the changing pace of banking today.



Tom has an advantage over his competitors since he can draw upon hundreds of Commerce Bank specialists. Call Tom Cannon, and you call Commerce Bank—the Midwest's most experienced correspondent.

COMMERCE BANK
(816) 842-7500
of Kansas City ^{NA}



Holiday Gift Ideas

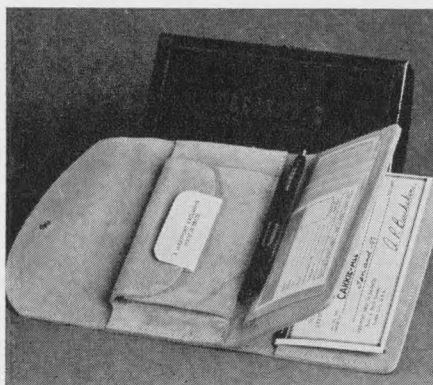
BANKS PLANNING Christmastime giveaways or premium promotions are always on the lookout for something novel and practical. The following items have come to the attention of the editors and are available for the 1973 season.

- 90 minutes of favorite Christmas music are available on two 12-inch long-playing stereo records from Pickwick International, Inc., 135 Crossways Park Drive, Woodbury, N. Y. 11797. The records contain 36 selections and come in a full-color jacket, making

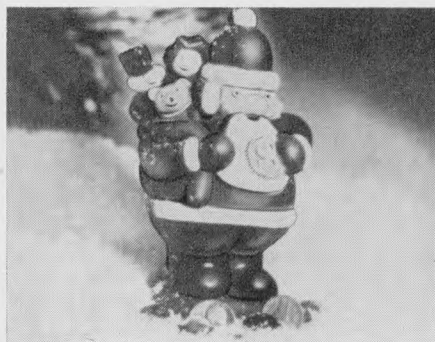


them suitable for Christmas club and new account promotions or even as giveaways or self-liquidators. These records can also be used as personalized musical greeting cards by bank customers. They are available to banks for as little as \$1.20 per set.

- Buckskin suede leather clutch purses are available from Brandmark Sales Co., P.O. Box 59320, Chicago, Ill. 60659. The items normally retail at \$15 each, but cost \$3.50 each in quantity. Purses are useful as wallets, have storage areas for bills, change, ID cards and checkbooks—everything needed for organized Christmas shopping! They even come in red for Christmas—also in blue, gold, brown, sand and rust.



- Coin banks in the form of a Santa will attract lots of attention during the holiday season. These banks can be used as toys, as holiday decorations or as special gifts for children or adults.



They can be useful in teaching young people to begin the savings habit early in life. They are available from Christmas Club a Corporation, P.O. Box 20, Easton, Pa. 18042.

- Christmas toys can build deposits—and a bank can be assured that when it promotes something children enjoy, other members of the family will be willing to make a savings deposit to get the item. Toys from the Cootie Co—Schaper Manufacturing—appeal to three levels of savers and offer a fun way to increase deposits and open new Christmas savings accounts. For free brochure, write Financial Marketing,



12715B State Highway 55, Minneapolis, Minn. 55441.

- Mr. and Mrs. Claus are the latest addition to the line of coin banks manufactured for financial institutions by Royalty Industries, Inc., 601 W. 27th Street, Hialeah, Fla. 33010. Coin banks make attractive gifts for children and adults alike. Banks can be personalized



with a bank's name to make for a lasting advertisement for the bank in customers' homes.

(Continued on page 64)

Metal Tray Boosts Club Accounts



This 1868 Currier & Ives winter scene, reproduced in color on a metal serving tray, enabled Mechanics & Farmers Savings Bank, Bridgeport, Conn., to increase its Christmas club memberships by a third last year. Victor C. Cogswell, president of the bank, called the promotion "one of the most successful Christmas club promotions we've ever offered." The trays are supplied by SDR Marketing, Inc., Fairfield, Conn.

Statement of Condition as of June 30, 1973

HIBERNIA NATIONAL BANK in new ORLEANS

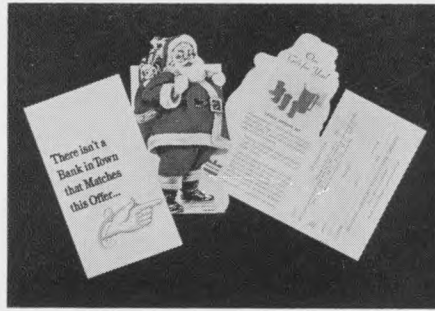
RESOURCES

Cash on Hand and Due from Banks	\$ 78,465,414.68
Federal Funds Sold	17,400,000.00
U. S. Treasury Securities	56,911,484.06
Obligations of U. S. Government Agencies	11,073,043.95
Municipal Bonds	64,794,468.93
Stock in Federal Reserve Bank	757,200.00
Loans	301,976,695.23
Interest Earned	3,962,231.66
Customers' Liability on Acceptances	166,793.83
Bank Buildings, Furniture and Equipment	5,632,909.48
Other Real Estate	222,076.27
Other Assets	1,069,366.14
TOTAL	<u>\$542,431,684.23</u>

LIABILITIES AND CAPITAL ACCOUNTS

Demand Deposits	\$222,833,020.15	
Savings Deposits	61,517,863.56	
Time Deposits	<u>162,937,682.14</u>	
Total Deposits		\$447,288,565.85
Federal Funds Purchased		29,525,000.00
Due Federal Reserve Bank		12,000,000.00
Liability on Acceptances	\$ 1,948,396.11	
Less: In Portfolio	<u>1,781,602.28</u>	166,793.83
Quarterly Dividend, Payable July 2, 1973		360,000.00
Accrued Taxes, Interest and Expenses		<u>7,802,750.62</u>
Total Liabilities		\$497,143,110.30
Reserve for Possible Losses on Loans		\$ 1,679,075.67
Capital Accounts		
Capital Notes Due 1997		\$ 10,000,000.00
Stockholders' Equity		
Common Capital Stock	\$ 9,200,000.00	
(920,000 shares @ \$10. par)		
Surplus	16,040,000.00	
Undivided Profits	<u>8,369,498.26</u>	
Total Stockholders' Equity		\$ 33,609,498.26
Total Capital Accounts		<u>\$ 43,609,498.26</u>
TOTAL		<u>\$542,431,684.23</u>

Member Federal Deposit Insurance Corporation



Cut-out applications for Christmas club accounts were used extensively by National American, New Orleans, to promote its club accounts.

'Total Commitment' Is Key to Success For Boosting Christmas Club Totals

THE SECRET of success regarding Christmas club promotions is total commitment, says Ralph Giardina Sr., executive vice president at National American Bank, New Orleans.

Mr. Giardina should know what he's talking about, for his bank has chalked up an impressive gain in total number of clubs and deposits in the last year.

National American has been offering Christmas club accounts to its customers for about 10 years, because its management realizes the important cross-selling benefits of the club concept. Management appreciates the fact that most club members will come into the bank a number of times during the year to make club payments, thus providing opportunities for bank personnel to offer the services of the bank in other financial areas.

A year ago, the bank's share of the New Orleans Christmas club market was only 13,000 clubs with a payout of \$1.3 million. That wasn't enough for Mr. Giardina, so he and his associates formulated a "total commitment" plan to boost account and deposit totals.

Cornerstone of the new plan was to have the bank make the first payment on every new Christmas club account. This meant that anyone coming in to open a Christmas club account could do so at no cost. This encouraged customers to commit themselves to a membership just by signing an application.

But that wasn't all. The bank continued giving premiums, as it had in the past, with every new account.



Young woman carries picket sign publicizing Christmas club promotion in front of National American branch office.

Of course, it didn't do much good to make these offers unless the people of the New Orleans area were made aware of them. So a mass media advertising campaign was initiated on October 16, 1972, to inform the public of the bank's Christmas club offer early enough to get customers into the bank by the first club payment date of November 6. Mailing pieces were included in statements and with 1972 club payout checks. In addition, the bank was on the air six days a week with 30-second TV and radio spot announcements.

On Sunday, October 29, a special advertising supplement was enclosed with the *Times-Picayune*, followed by advertisements in the November issue of *New Orleans Magazine*. Car cards appeared on public transport vehicles, too. In addition, floor displays were mounted in each of the bank's branches and Santa cutouts applications were placed on all bank counters.

During Halloween week, two other promotions were carried out—both involving lovely women and personal contact with the public. The bank arranged for a picket line in the vicinity of each of its offices. The lines were "manned" by young women carrying signs reading: "This bank unfair to other banks with its 'Go-American' Christmas club plan." The signs referred to the fact that National American was the only bank in town to pay the first Christmas club installment for its customers. Reports of the picket lines were

Christmas Clubs? Who needs them!

If that's your answer, you're missing a bet. You need them because your customer wants them. The discipline provided by the coupon book, and the security of knowing that as the coupons disappear they keep getting richer, are among the reasons customers love 'em! But don't take our word, let the figures speak for themselves...

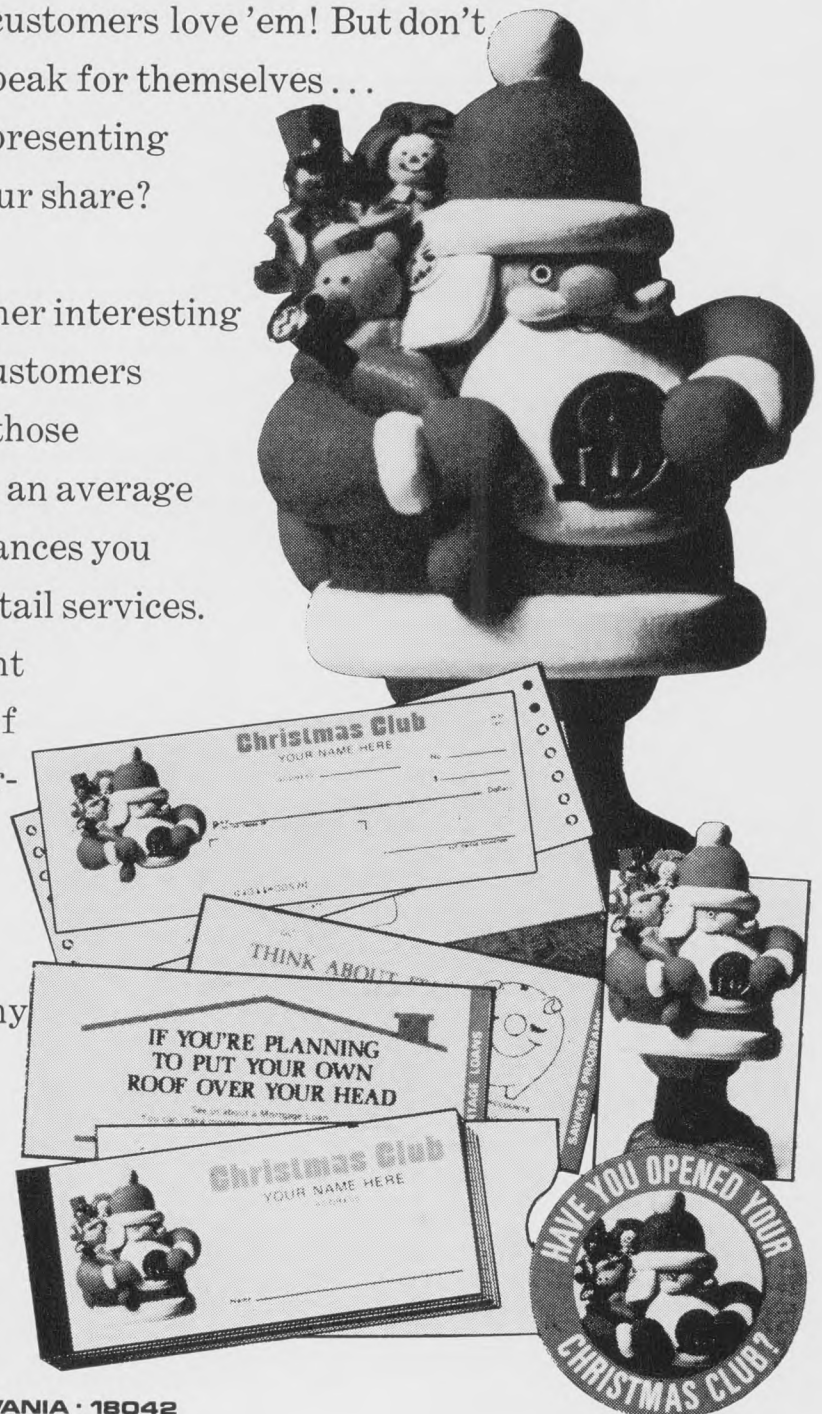
18,000,000 Christmas Clubs representing \$3,000,000,000. Do you have your share? Your share is \$1.00 profit for every \$128.00 on deposit. Another interesting fact is that 65% of those club customers are under 45 years of age, and those customers come into your bank an average of 35 times a year. That's 35 chances you have to cross-sell them other retail services. Here's something else you might not know; the retention value of your customer increases proportionately with the number of retail services you are able to sell him. That's a fact!

If you would like more facts, why not fill out the reply card and drop it in the mail today!

**CHRISTMAS
club** a corporation

KUEBLER ROAD • EASTON • PENNSYLVANIA • 18042

MID-CONTINENT BANKER for August, 1973



given extensive coverage by the local press and TV.

The second promotion involved the same young women. Each was given a supply of Santa cut-out application cards for Christmas club accounts, with instructions to cover the various offices in the business district and hand out cards to anyone they came in contact with. The people were urged to take advantage of the bank's club offer.

Results were immediate in some cases—people actually tried to hand money to the young women, saying

they hadn't gotten around to getting down to the bank to open accounts!

American National's plan of total commitment to boosting its Christmas club account totals paid off. When all the hullabaloo was over, accounts had jumped to some 30,000—just a year after the total had been only 13,000—for a hefty increase of 131%! Deposits for the new clubs averaged \$119, making for an estimated 1973 total payout of more than \$3.6 million. Figures for 1972 were \$100 and \$1.3 million, respectively. This boils down to a 274

increase in total deposits in just one year!

The bank's commitment to Christmas club accounts has not lagged since last fall. In gearing up for the next effort, the bank is planning to offer a larger selection of premiums.

According to Mr. Giardina, just having Christmas club accounts available is not enough. They must be promoted—and the promotion must be backed by total commitment on the part of management and employees. • •

Banks Report on Christmas Club Success Secrets

A NUMBER of banks throughout the nation experienced substantial increases in their Christmas club account totals in 1972 over 1971. A number of these banks were queried as to the secrets of their success.

The majority of respondents indicated that the offering of interest (average rate—4½%) was the primary factor in building club accounts. Running a close second and third were extra effort on the part of employees and bank advertising.

Practically every banker queried said that the main reason why Christmas club accounts are offered is to get people to come into the bank on a regular basis so they can be exposed to other bank services. Another reason was to provide an additional service for customers.

One key to the success of the efforts of Long Island Trust Co., Garden City, N. Y., to build its Christmas club accounts was the holding of a Christmas flower show over a weekend and a 30-minute daily choral concert by students from local schools during the holiday season. This bank's Christmas club payouts rose from \$3.2 million to \$4 million in one year's time.

Park National, Knoxville, Tenn., encourages employees to ask for customers' Christmas club accounts. The bank sparks competition among its offices and offers prizes to the three offices chalking up the greatest increases in new club accounts. The office in first place receives \$100, with the second- and third-place offices receiving \$60 and \$40 respectively. The offices can use the prize money as their personnel see fit—to throw a party, to divvy up among employees or make improvements in the employees' lounge, etc.

Park National's club payout for 1971 was \$852,948. For 1972 it had jumped to \$1,024,373.

Liberty National, Louisville, auto-

matically opens new club accounts for any customer who has completed at least one-half of the payments for the previous year's club. This is done at the time the payout checks are sent. Thus, many customers find they have a new coupon book in their hands without going near the bank to sign up. Liberty National also pushes automatic club payment deductions from checking accounts, both for convenience on the part of the customer and for cost reduction for the bank, because handling of coupons is eliminated.

Liberty's 1972 payout was \$2.7 million, compared to 1971 figures of \$2.4 million.

Georgia Railroad Bank, Augusta, reports that it stopped using coupon books two years ago in favor of its own interest-paying Santa Savings Plan. This has enabled it to reduce its costs, to stipulate no limit on the size of club accounts and to provide for accounts that continue without interruption from year to year.

Georgia Railroad's club totals rose from 6,447 in 1971 to 9,000 in 1972. Payouts rose from \$872,000 in 1971 to \$1.5 million in 1972.

Other banks posting good gains in Christmas club accounts include the following:

- Genesee Bank, Flint, Mich.—from 12,040 accounts in 1971 to 14,640 in 1972. Payouts—\$1.2 million in 1971 and \$1.9 million in 1972.

- Trust Company of Georgia, Atlanta—from 7,129 accounts in 1971 to 11,043 in 1972. Payouts—\$185,000 in 1971 and \$239,000 in 1972.

- Ohio National, Columbus—from 19,342 accounts in 1971 to 22,607 in 1972. Payouts—\$3.3 million in 1971 and \$4.1 million in 1972.

- American National, Mobile, Ala.—5,873 accounts in 1971 to 7,054 in 1972. Payouts—\$789,000 in 1971 to \$1.1 million in 1972.

- Western Savings, Philadelphia—from 19,448 accounts in 1971 to 22,199 in 1972. Payouts—\$3.3 million in 1971 to \$4.1 million in 1972.

- Citizens & Southern National, Columbia, S. C.—from 15,517 accounts in 1971 to 30,072 in 1972. Payouts—\$1.9 million in 1971 to \$4.6 million in 1972.

- Williamsburgh Savings, Brooklyn, N. Y.—from 13,500 accounts in 1971 to 16,167 in 1972. Payouts—\$2.3 million in 1971 to \$3.2 million in 1972.

- Fulton National, Lancaster, Pa.—from 10,228 accounts in 1971 to 16,028 in 1972. Payouts—\$1.6 million in 1971 to \$3.7 million in 1972. • •

Dunstedter Named Vice President At Boatmen's of St. Louis

ST. LOUIS—Donald F. Dunstedter, manager, Fort Leonard Wood Facility, Boatmen's National, has been promoted to vice president.

In addition, the bank elected the following assistant vice presidents: Jim P. Cato, W. Mike Lindhorst, Michael H. T. Lynch, Charles R. Niemann and



DUNSTEDTER

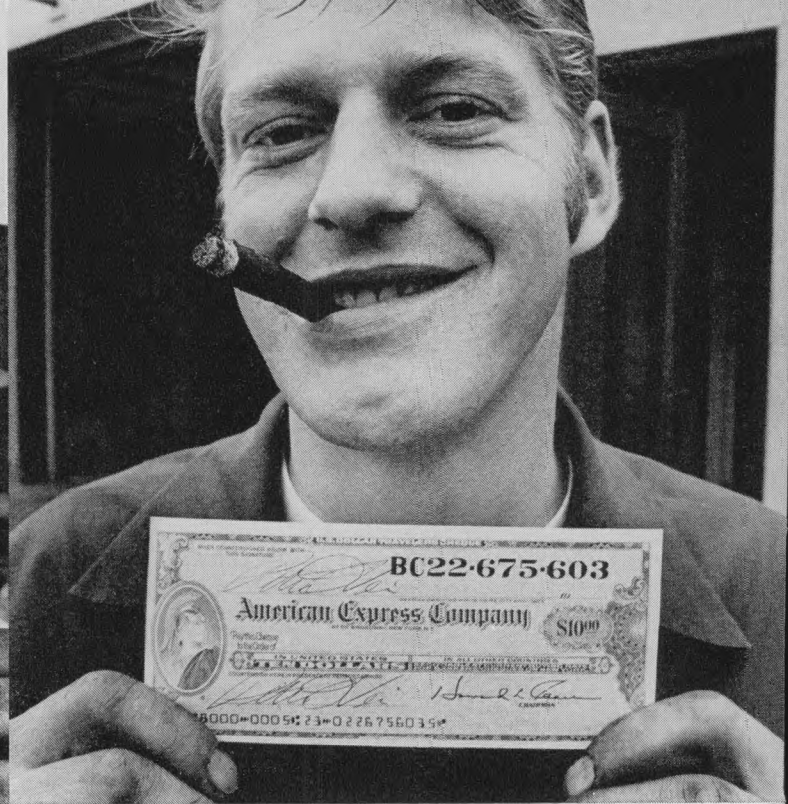
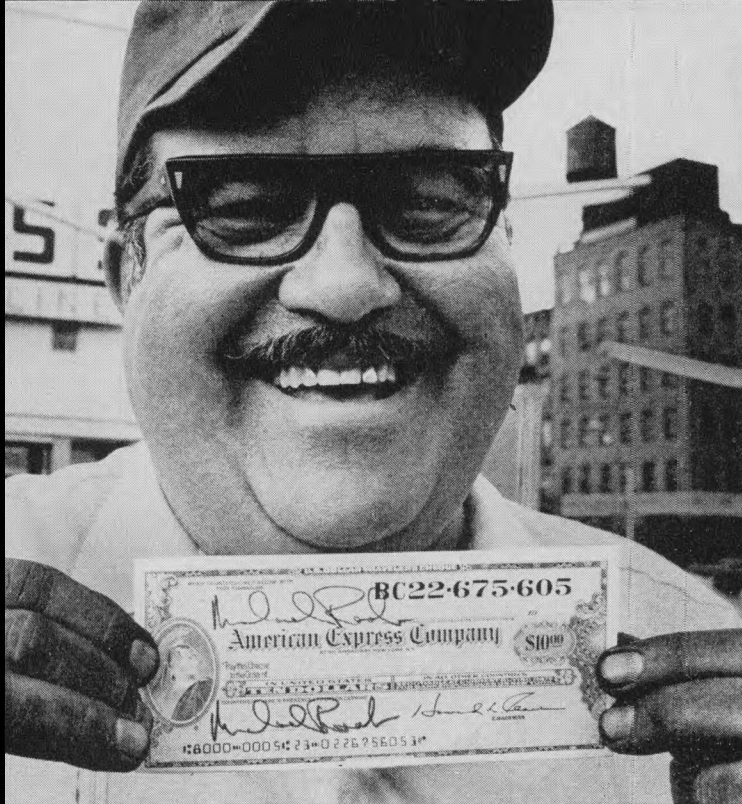
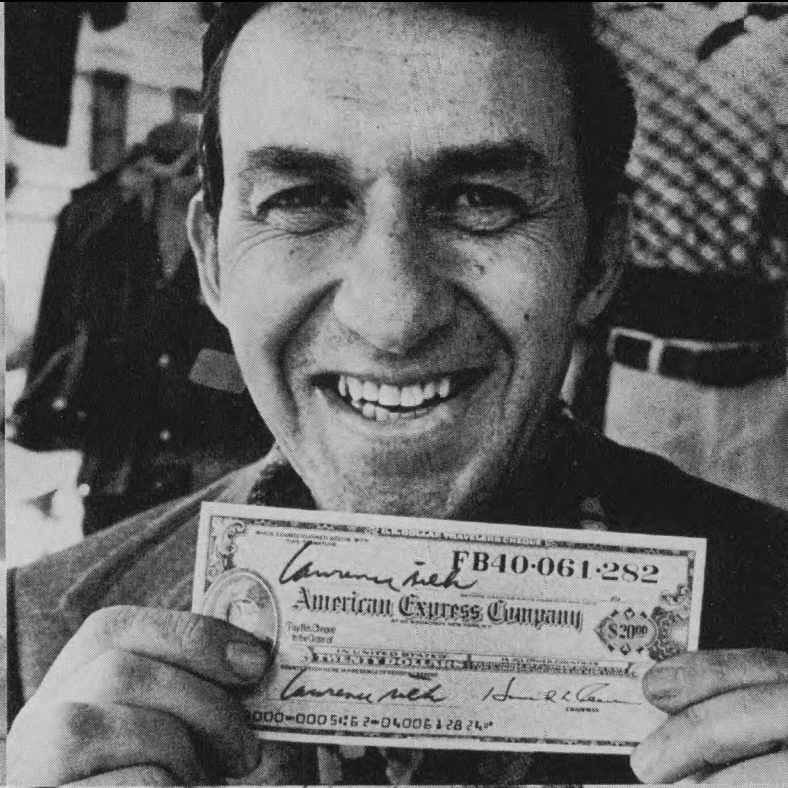
David E. Wiese. Douglas Bair was made an assistant trust officer and Thomas E. Bechtold an installment loan officer.

Mr. Dunstedter joined Boatmen's in 1955. Messrs. Cato and Lindhorst were data processing officers; Messrs. Lynch, Niemann and Wiese, operations officers and Mr. Bechtold a credit specialist. Mr. Bair, who joined the bank this year, was formerly portfolio administrator, A. G. Edwards.

Our competitors in the travelers cheque business would probably like us to keep the facts in this new Nielsen Survey a secret.

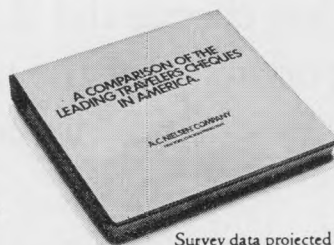


Earlier this year, an A. C. Nielsen Company Survey sampled thousands of retail outlets across America. As part of this survey, hotels, motels, restaurants, service stations and retail shops were asked this simple, direct question: which one brand of travelers cheque did they prefer to accept? On the following pages we will report some of the more astonishing facts that are found between the covers of this document.



Retailers prefer American 7 to 1 over any

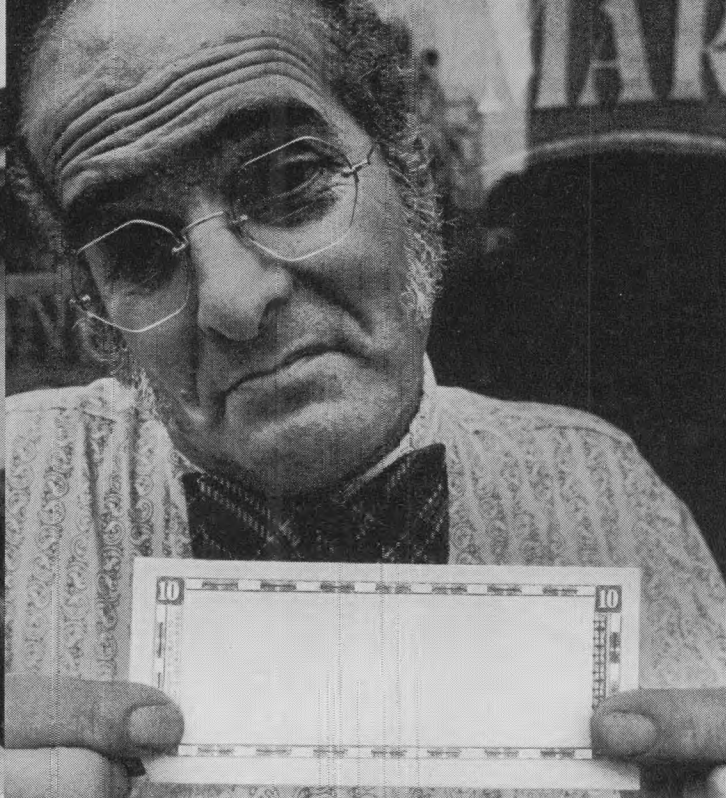
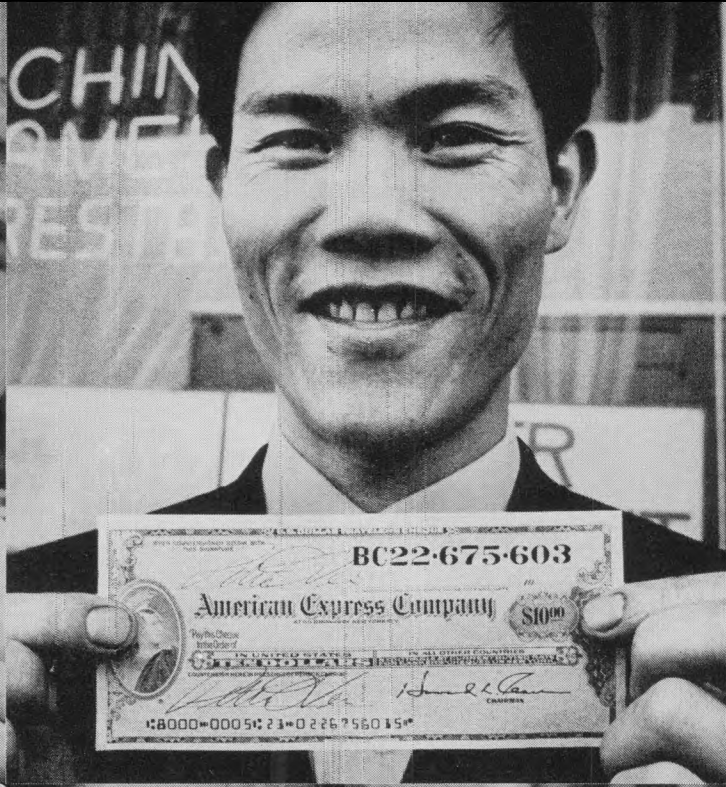
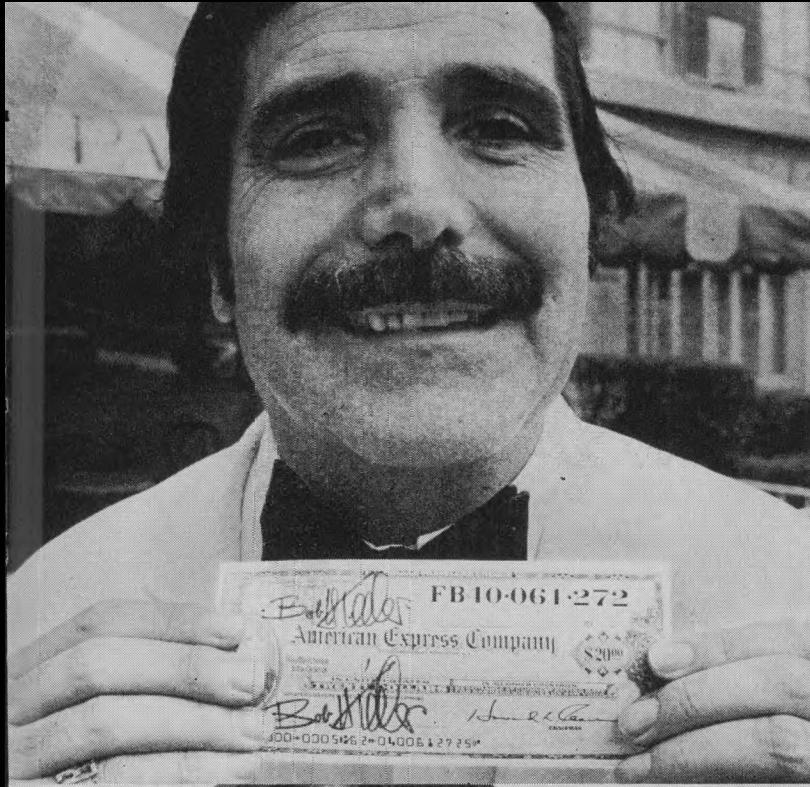
Service stations prefer
it. Restaurants prefer it.
Hotels and motels prefer it.
Jewelers, camera stores,



both men's and women's clothing stores, liquor stores
and department stores prefer it.

In fact, across America retailers prefer to accept
the American Express Travelers Cheque 7 to 1 over any

Survey data projected from sample by A. C. Nielsen.



American Express Company

Express Travelers Cheques other brand.

other brand of travelers cheque. These astonishing facts are documented in the new Nielsen Survey, "A Comparison of the Leading Travelers Cheques in America."

Unequivocally, the American Express Travelers

Cheque is the most accepted Travelers Cheque in America. If you were doing the buying instead of the selling, which travelers cheque would you ask for?



Which travelers cheque should your customers carry?

The one retailers prefer 7 to 1?

Or one they don't?



If you'd like a *summary* of the report for your bank, write:
Summary of Nielsen Report, P.O. Box 107, Bowling Green Station,
New York, New York, 10004.

In Dallas

'Money Store' Goes Over Big With Customers



Pat Patterson, a.v.p. at Exchange Bank, manned "Money Store" in bank lobby during holiday season. She wears green velvet, fur-trimmed suit and holds "money by the yard" gift, a popular item last year.

PEOPLE stood in line to buy money at the "Money Store" last Christmas in Dallas. And they walked out with "money by the yard," "money by the pound" and "money by the barrel." All items were gift packaged and ready to place under the Christmas tree or stuffed into a stocking.

Where was this "Money Store"? In a bank! Exchange Bank of Dallas.

The "Money Store" offered something unusual for almost everyone—for the person who had everything and for the person who had little. You just couldn't miss with a gift from the "Money Store!"

The unique idea—it was said to be the first and only "Money Store" in the country—was conceived by Frank Wallace, vice president of marketing at Exchange Bank. "The 'Money Store' piqued the public's imagination in the area of Christmas gift giving. We opened the store on November 20 and did a landslide business every day it was open. We sold over \$350,000 worth of money, far exceeding our original projections," said Mr. Wallace.

Pat Patterson, assistant vice president of marketing, helped in the execution of the idea and acted as "store-keeper." During the holiday season she was seen in her green velvet, fur-trimmed suit behind the counter at the "Money Store" making a "yard of dimes"—sure to brighten up some child's eyes Christmas morning—or a \$25 box of assorted coins. The \$25 gift box was one of the favorite gift items.

"Can't you just imagine how much fun it would be to get a large box of coins, not really knowing what dollar value was in it? Half the fun would be digging in and counting the pennies, dimes and dollars," she said.

The show stopper gift, of course—akin to Neiman's Chinese junks and "his and hers" models—was the \$100,000 certificate of deposit, packaged in a green velvet case tied with gold ribbon.

In addition to the actual money packaged in various ways, the "Money Store" sold several money-related gift items, including paper weights, coin clocks, miniature U. S. coin tie tacks and cuff links and Indian-head penny key chains, money clips, bracelets, tie tacks and cuff links. Also on display and for sale at the store were wallets, banks and check balancers.

Exchange Bank proved that there's no more popular gift item than money—by the yard, pound, barrel or tied with a gold ribbon! • •

Interest Rates

(Continued from page 29)

loan rates consumers will pay in the future."

Most banks made the new rates retroactive to July 1; the remaining placed their new rates in effect anytime from July 6 to August 1.

A bonanza of media advertising resulted from the institution of the new rates, with many banks advertising the changes within 48 hours of the announcement of the new ceilings by the regulatory agencies.

The greatest variance in interest rates concerned the long-term deposits that were exempt from ceilings. The majority of banks contacted listed 7% as the new rate; others listed rates from a low of 6½% to a high of 8½%. The Atlanta area reported a 7¼% rate, with Tulsa, Indianapolis and Dallas listing 7½%. Birmingham, Ala., reported a rate of 8¼% and New Orleans topped out with 8½%.

Bankers commented that they were happy that the new rates brought bank savings more in line with Treasury bill rates. They were also pleased that the differential between S&L and bank

rates had been halved in most categories.

Most respondents agreed that the competitive factor among banks and with other financial institutions played an important role in the decision to raise interest rates. While few banks would opt to pay more interest for savings, few would be willing to take the chance of not raising rates after their competitors had. In line with this, an Indiana bank stated it had decided on a 7% long-term time-deposit rate, but the S&L competition forced it to settle for a 7½% rate.

Bankers seemed pleased with the higher rates because they are expected to draw new deposits to their institutions, deposits that would tend to improve loan-deposit ratios. The ratios of those banks contacted ran the gamut from a low of 50% to a high of 90%. The majority were in the 60%-70% range. Banks in St. Louis, Denver and Atlanta reported the highest loan-deposit ratios.

A Houston banker said that, with the narrowing of interest rate differentials between banks and S&Ls, banks have a new competitive edge to use in selling savings accounts with checking accounts, and flexibility to attract larger amounts of long-term savings funds. Also, he said, banks are now forced to

make greater utilization of asset management, staff sales training and other key factors in order to adapt to changing demands.

A Missouri banker wasn't happy with the new rates, however. He said that competition on both the local and national levels made it necessary for his bank to increase its rates in order to maintain its present deposit volume. "We feel this is a necessary evil," he said.

A Texas banker said he felt the Fed's timing was horrible, "since we had just completed a large savings ad campaign."

Another Texas banker reported that his bank had no choice in raising its interest rates, since five of its competitors were quick to raise theirs. ••

Gift Ideas

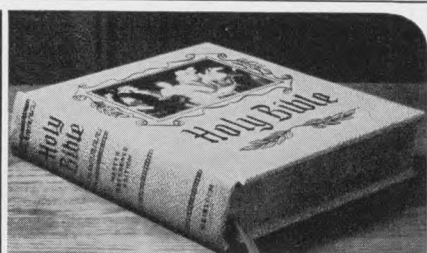
(Continued from page 52)

• Nondenominational Christmas wreath displays that express the greetings of the season to all ethnic groups are available from Garland Display Corp., 126 North Park, Glen Ellyn, Ill. 60137. These displays can be designed to blend with the colors of the bank and are fireproof and reusable. The wreaths can be used for either interior or exterior display and come in sizes from 30" to 54" in diameter. Bankers are reminded that custom-made holiday displays must be ordered well in advance of the holiday season.

• Attractively gift-wrapped vials of White Christmas perfume are available from Brandmark Sales Co., P.O. Box 59320, Chicago, Ill. 60659. This item has sold for as much as \$18.50 per ounce, but is available in quantity to banks for \$1 per bottle. The item can be used to promote Christmas club accounts, as a giveaway or a low-cost premium. Samples are available at \$1 each from the supplier.



**INCREASE
YOUR DEPOSITS
WITH**



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Your bank can attract new checking and savings accounts when you offer the Heirloom Family Bible to depositors for less than \$10. It normally sells for much, much more. Your cost is only \$7.95 each direct from the publisher.

We provide promotional materials free of charge, including display stands, newspaper ad mats, glossy photos and radio and television scripts. In addition, we supply statement stuffers, brochures, filmed TV spots and taped radio commercials at cost.

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

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- Large, Easy-to-Read Print
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- Silk Ribbon Marker

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HEIRLOOM BIBLE PUBLISHERS

P. O. BOX 132M

WICHITA, KANSAS 67201

TELEPHONE (316) 267-3211

Consolidated Statement of Condition, June 30, 1973

ASSETS

Cash and Due from Banks.	\$ 319,934,432
United States Treasury Securities.	224,272,542
United States Government Agency Securities	18,011,801
State and Municipal Securities.	419,337,110
Other Securities.	9,626,374
Trading Securities	18,172,258
Total Securities.	<u>689,420,085</u>
Federal Funds Sold and Securities Purchased Under Agreements to Resell	59,000,000
Commercial and Consumer Loans.	972,039,909
Real Estate Mortgage Loans.	614,744,096
Total Loans.	<u>1,586,784,005</u>
Bank Premises and Equipment.	28,395,604
Accrued Income Receivable and Other Assets.	26,756,499
TOTAL.	<u>\$2,710,290,625</u>

LIABILITIES

Demand Deposits.	\$ 731,499,138
Savings and Personal Time Deposits.	1,316,606,957
Other Time Deposits.	244,963,931
Total Deposits.	<u>2,293,070,026</u>
Funds Borrowed.	168,854,734
Unearned Income.	15,866,289
Accrued Expenses and Other Liabilities.	30,252,196
Total Liabilities.	<u>2,508,043,245</u>

RESERVE

Reserve for Loan Losses.	<u>23,737,791</u>
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CAPITAL ACCOUNTS

Preferred Stock—No par value	—
Authorized	500,000
Outstanding	—
Common Stock—\$10 par value	30,641,700
Authorized	4,500,000
Outstanding	3,064,170
Capital Surplus.	115,000,000
Retained Earnings.	32,867,889
Total Capital.	<u>178,509,589</u>
TOTAL.	<u>\$2,710,290,625</u>

On June 30, 1973, securities having a par value of \$136,834,000 were pledged where permitted or required by law to secure liabilities and public and other deposits totaling \$74,916,651 including deposits of the State of Michigan of \$9,383,798.

Board of Directors

WALKER L. CISLER Chairman of the Board The Detroit Edison Company	EDWARD J. GIBLIN President Ex-Cell-O Corporation	JAMES McMILLAN Director	H. LYNN PIERSON Chairman of the Executive Committee Dura Corporation	CLEVELAND THURBER Partner Miller, Canfield, Paddock and Stone
FRANK A. COLOMBO Executive Vice President The J. L. Hudson Company	WILLIAM E. GRACE Chairman of the Board Fruehauf Corporation	PAUL S. MIRABITO Executive Vice President Burroughs Corporation	ROBERT F. ROELOFS Executive Vice President Empire-Detroit Steel	HERBERT B. TRIX Director The Standard Products Company
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WALTER B. FORD II Chairman of the Board Ford & Earl Design Associates, Inc.	JASON L. HONIGMAN Partner Honigman, Miller, Schwartz and Cohn		ARBIE O. THALACKER President Detrex Chemical Industries, Inc.	



DETROIT BANK & TRUST
DETROITBANK CORPORATION

Association Presidents

(Continued from page 32)

fear a centralization of banking resources. However, he wrote MCB, multi-bank HCs would have the competitive benefit of being able to enter fields now controlled by S&Ls because these HCs could have mortgage and finance firms. A multi-bank HC law would allow Oklahoma banks to compete with out-of-state banks that are entering the state via the mortgage, finance and leasing company route, he added.

Mr. Wright of Tennessee said the banking structure in his state is now being studied carefully by bankers, as well as by representatives of state government, ranging from the governor's office to individual legislators. Tennessee, he pointed out, is a county-wide branching state (the only exceptions are two banks that operate under a grandfather clause). There is much HC activity, he said, and present indications are that there will be eight to 10 major HCs in the state.

Two Philosophies

According to Mr. Wright, two differing philosophies on HCs have emerged—HC advocates don't want any state legislation regulating such companies and would leave regulation to the regulatory and legislative bodies in Washington. Another viewpoint, from the independents, said Mr. Wright, calls for some state legislation regulating HC activity. He referred to the recent situation in Tennessee, where a bill limiting HC activities was passed by the legislature, but was vetoed by the governor. During the coming months, he forecast that there will be activity from both sides of the HC question, with probably some type of state legislation becoming a reality. He doesn't foresee such legislation going so far as to require HCs to divest themselves of previous acquisitions, but he does believe restrictions on sizes or de novo entries are a real possibility.

The Tennessean also believes that, within the next four or five years, the state's branching law may be liberalized to enable banks to serve their market areas by branching into contiguous counties, rather than being forced to expand through the HC route, which is expensive. Provisions for expansion through branching, he said, could well be limited to banks not involved in HC activities.

On the question of HC acquisitions, Mr. Wright firmly believes Tennessee will allow HCs to expand into finan-

cially related areas approved by regulatory and legislative action in Washington.

Mr. Smith of Texas, in discussing bank structure, said that—although the constitutional prohibition of branching remains in effect there—multi-bank HCs are making considerable headway. Many believe, he continued, that the pace has been too fast and that a slowdown is in order, at least until some experience is gained in the HC field. Many Texas bankers believe, he said, that within the next two years the HC growth will level off and the state will have HCs and still a large number of strong, independent banks of varying sizes throughout the state. He pointed to the Constitution Revision Commission, which is studying the revamping of the state's constitution, but said no immediate efforts to weaken the branching statutes are foreseen at this time.

Turning to HC acquisitions, Mr. Smith said if regulatory authorities become too permissive, bankers shouldn't be surprised to see legislative controls on such acquisitions within the next two to four years. Some bankers, too, he said, are concerned about the direct entry of out-of-state banking offices into some of the larger cities in his state. Up to now, these entries have been Edge Act offices, but at least two large banks are reported to be considering opening loan production offices, he said, and these would present some real competitive problems. He said many bankers believe some sort of controls also should govern this type of expansion.

The theme that ran through most of the association presidents' comments on the subject of competition was that S&Ls and other thrift institutions, if they want the same privileges as commercial banks—like third-party transfers—should play under the "same ground rules," as Mr. Smith of Arkansas phrased it. That is, the thrift institutions should pay the same taxes and rates of interest on deposits and maintain the same bad-debt reserves as do commercial banks.

Hunt Commission

Several bankers referred to the Hunt Commission proposals in their discussions of competition. They expressed the hope that if any bills are passed as a result of this study, they should put commercial banks on a par with S&Ls—identical reserve requirements, equality of taxation and uniform deposit-interest ceilings.

In discussing competition, Mr. Ghiglieri of Illinois referred to the recent Federal Home Loan Bank Board ruling that federally chartered S&Ls can branch within a 100-mile radius of

their main offices. He added that although state-chartered S&Ls in Illinois don't have the same privilege, S&Ls that are financially troubled or are located in declining areas can seek merger approval from the Illinois commissioner of S&Ls, and mergers of uninsured S&Ls also are allowed. According to the IBA president, there have been an increasing number of such supervisory mergers not only in the Chicago area, but also throughout downstate Illinois.

Finance Companies

Mr. Ghiglieri said Illinois has a lot of finance companies, many of which, oddly enough, are being acquired by out-of-state one-bank HCs. Although such firms compete with banks in the installment credit area, Mr. Ghiglieri believes they are of value to a particular segment of the public. He added that Illinois banks as a whole have been very aggressive in serving the consumer credit needs of their customers, and there hasn't been any particularly adverse effect from finance company competition. Perhaps of more concern, he added, are the growth and expanding powers of credit unions.

As to political action, most of the survey respondents endorsed the idea of bankers becoming more politically involved, particularly through BANK-PAC (Banking Profession Political Action Committee). Mr. Coplen of Indiana, who said he's been active in politics, will implement his belief in political activity by laying out an "Action Course in Practical Politics" at the IBA regional meetings in September.

Mr. Seal of Mississippi made a plea to elect representatives who are basically "free-enterprise-system" oriented and said bankers need to go all out to defeat banking's antagonists, such as the Patmans, Proxmires and McGoverns, and those persons openly hostile to the banking industry. Many survey respondents stressed the need to sacrifice self interest in the political area, and Mr. Wright of Tennessee emphasized the necessity of bankers coming up with plans and proposals of their own at state and national levels, instead of reacting to others' proposals. Mr. Ghiglieri of Illinois also said bankers should be concerned first with their roles as citizens interested in good government at all levels and not be worried solely about protecting their professional interests.

A suggestion from Mr. Broussard of Louisiana was that his association perhaps should do what some of the local chambers of commerce around the state have done: Hold political action seminars so that bankers could thoroughly

If you don't make high-ratio loans, somebody else will.



Why let other lenders get all the 95% mortgage business? There's plenty around, right in your community. Young families, for instance, just starting out. Properly and responsibly underwritten, they are excellent risks. And often, excellent customers: for savings accounts, checking accounts, installment loans, estate planning. For financial advice of all kinds—for years to come.

Many older, more established families are also candidates for high-ratio loans, either to reduce their down payment—to free up cash

for new-home expenses—or to buy a larger home with the same down payment.

Your MGIC representative can help you go after these customers. He can show you how to reduce your risk, cut through red tape, decrease your loan costs and—through the MGIC Secondary Market Sales Facility—improve the marketability of your loans. He can offer you ideas, services and experience to help your business grow.

Talk to him. Somebody else will. Dial toll-free 800-558-9900; in Wisconsin 800-242-9275.

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MCB-8

Please send me your brochure, "This is MGIC!"

Name _____

Organization _____

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Mortgage Guaranty Insurance Corporation, MGIC Plaza, Milwaukee, WI 53201

understand just what such action consists of.

The Texas president referred to an organization in his state called BAL-LOT (Bankers Legislative League of Texas), which seeks to broaden the base of bankers' participation in legislative matters there.

Oklahoma has a group called BANC (Banker Action Now Committee), said Mr. Ward, and its objective is to help banking's legislative friends stay in office.

Although the various state leaders expressed confidence and pride in their associations, some of them did have suggestions for improvement. For instance, Mr. Ghiglieri of Illinois believes the IBA could offer more local educational programs such as the workshops now sponsored by its agriculture committee. In addition, he would like to see some type of forum established or perhaps a traveling representative appointed who would learn Illinois bankers' opinions and observations.

Educational Opportunities

Mr. Coplen of Indiana said there's a definite need for his association to improve educational opportunities for middle management and junior officers. Mr. Wright of Tennessee echoed this sentiment by saying not enough effort has been placed on teaching people to be managers.

Mr. Seal of Mississippi suggested that banking associations should furnish speakers to high schools and colleges, where they could appear before classes and answer questions about banking.

Mr. Ward of Oklahoma said the ABA, state associations and banks in general could well direct their advertising and image making to reminding consumers how banks have contributed to "every worthwhile cause, innovation, invention, engineering, manufacturing, wholesale, retailing and consumer utilization of every manmade object in existence."

It was Mr. Smith of Texas' suggestion that both the ABA and the Independent Bankers Association of America should worry less about "image" and concern themselves more with banking issues directly affecting a broader cross-section of member banks.

This publication's survey indicates that state association presidents are fully conversant with the problems and issues that face banking in their respective states. Their desire to help solve these problems also is evident. Not so evident, however, are any "sure-fire" or rapid solutions, particularly in those states where bankers are seriously divided on their approach to the structure of banking.

Yet change will take place . . . in the future as it has in the past. Almost all state banking presidents agree on that. • •

At Brentwood Bank

Antique Popcorn Wagon Lends Festive Atmosphere During Holiday Season

Christmas is a time for traditions at Brentwood Bank, St. Louis. And one favorite Christmas tradition is popping corn. That's what happens every year in the lobby of the bank during the month of December.

An attractive antique popcorn popping machine is placed in the lobby and is operated by a bank employee. Customers at the bank are entitled to a free bag of popcorn while they do their banking.

The colorful machine is borrowed from a local theater owner. It's a gay-'90s creation, built by a Chicago firm for sidewalk vendors. It has a candy-striped canopy, yellow-spoked wheels and shiny brass fixtures. It is equipped with a peanut roaster and special attachments for steam power.

According to Gayle W. Lichtenstein, bank president, the machine lends a change of pace to financial business. He says customers seem to enjoy snacking while banking.

Last Christmas season the bank popped and distributed about two bushels of corn.

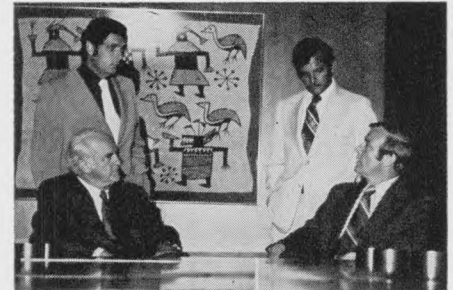


Brentwood Bank Hostess Jeanette Schweizer offers bag of free popcorn to customer in front of antique popping machine. The colorful machine "makes the scene" every December in the bank lobby.

Automatic Payroll Processing Offered by Citizens Fidelity

LOUISVILLE—Citizens Fidelity has retained Automatic Data Processing to handle the bank's corporate customers in the areas of payroll, accounts receivable, accounts payable and general ledger services.

Automatic Data Processing picks up the informational input to be fed into the computers at its data processing center. When the payroll checks or accounting reports are completed, they are returned to customers. This service makes it possible for the bank to deliver a complete payroll to a corporate customer in a 24-hour period, according to bank officials.



Officials of Citizens Fidelity and Automatic Data Processing (ADP) discuss bank's new automated payroll processing service. Seated: Maurice D. S. Johnson (l.), bank ch.; William E. Hutton, ADP. Standing: Robert J. McNiff (l.), ADP; R. Gene Smith, sr. v.p. and asst. to pres. of Citizens Fidelity.

Holiday Hints

■ **REFRESHMENTS** with holiday flair are popular with bank customers during the holiday season. Decorate a table with red tablecloth and Christmas items and use it to serve punch and cookies to Christmas shoppers who stop by the bank.

■ **TIRED SHOPPERS** would appreciate a display of vibrator lounge chairs in the bank lobby so they can refresh themselves. Place the chairs close by a Christmas club account booth to give them the idea to sign up for next year.

■ **RED OR GREEN** outdoor carpeting can lend a festive air to the front entrance to a bank during the holiday season. Weatherproof carpeting is relatively inexpensive and can help keep dirt and slush from being tracked into the lobby.

■ **CHRISTMAS MUSIC** makes any bank lobby a festive place. Arrange for local school choral groups to give noon-hour concerts or ask the local organ dealer to install an instrument that can be played by local church organists or a musically inclined banker.

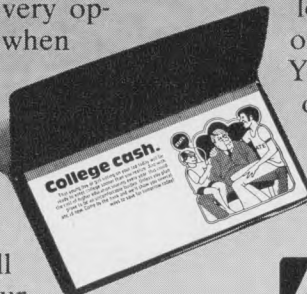
If all you offered were checking accounts we could put our Cross Sell Inserts on ice.



But since you have savings accounts to fill and loans to make you should use Harland Cross-Sell inserts to promote these services at every opportunity. And one of the best times is when customers open their checking account. One or more of the 12 different "mini-ads" can be stitched right into your check starter sets, where your customers can't miss them.

■ And if your bank has private design checks you can include up to 6 Cross-Sell inserts in your check orders. When your

customers pick up a new filler (about once a month) they'll see a colorful "ad" for vacation loans, auto loans, retirement savings or one of the 12 important services featured. You can even have your bank logo imprinted on them. Harland Cross-Sell inserts are attractive, inexpensive, and most importantly, they bring in the business. Get your Cross-Sell program rolling. Call your Harland man today.



JH **JOHN H. HARLAND COMPANY**
P.O. Box 13085, Atlanta, Georgia 30324.

Because you need more, we give you more.

Key to Premium Promotion Success— Wide Range of Useful Household Gifts

HOW DOES a bank go about boosting its savings deposits with a premium promotion while seven of its competitors are doing the same thing?

By offering more premiums than the competition—81 to be exact!

Liberty National, Buffalo, N. Y., presented its customers with an array of tempting items—from steak knives to high-intensity lamps—when they opened new savings accounts or added to existing accounts.

Anyone depositing from \$100 to \$499 for a 12-month period was eligible for a free ladies' bubble umbrella—the kind that lets you see where you're going in a downpour.

For those depositing from \$500 to \$4,999, one of a number of premiums was available for the asking, including clocks, fondue pots, dictionaries, candlesticks, tote bags, canister sets, frying pans—you name it!

For the really big deposits—more than \$5,000—the bank offered electric appliances, cameras, wrist watches, stools and numerous other high-quality items, one of which was available free to the depositor.

The gifts were supplied by Performance Incentives Corp., Chicago. And it was the variety of gifts that put Liberty National's 30-day savings building promotion over the top. More than that—the bank doubled its original new-money goal, according to Douglas C. Wolfmueller, advertising manager.

Needless to say, the bank thinks its premium promotion was outstanding!

The program was offered in all 38 offices of the bank and a total of 14,000 premiums were moved.

Newspaper ad for Liberty National's premium promotion displayed all 81 gifts customers could obtain by making savings deposits.

Customers made their premium selection from four-color brochures which illustrated and described the various gifts. After a customer made his qualifying deposit, he was given a certificate for use in ordering the premium he had selected. After filling in the certificate, he mailed it to Performance Incentives Corp., which mailed the premium directly to the customer. The

bank was billed at stated intervals, at which time a portion of each redeemed certificate was offered as proof that the billed-for transactions were actually made.

In Buffalo—as well as many other areas in which banks have used premiums from Performance Incentives—the success of a premium promotion is dependent upon the number and variety of premiums offered!

Just ask the people at Liberty National!—Jim Fabian ••

Commercial Lending

(Continued from page 16)

National, Little Rock, Southeastern Chapter; and Edwin Rasco, vice president, Citizens First National, Tyler, Tex., Texas Chapter.

The national association provides its members with an atmosphere for the development and exchange of ideas and a guiding standard of ethics in banking. RMA maintains ongoing publications and educational programs geared to the development of capable personnel in the commercial lending field. The association also has research services. In addition, through its committee system, it provides a means for cooperating with related professions for mutual problem solving.

Selecting Robert Morris as the namesake for such a banking association is not without irony. But these bankers will tell you they could not have chosen better.

The Morris dictum was "... confidence is the source of credit and credit is the soul of all pecuniary operations," a maxim any banker could support.

And though Morris may have erred with his personal fortune, his position in American finance was, and is, unchallenged and ranks with that of Alexander Hamilton. In fact, with Hamilton and Haym Solomon, Morris organized in 1781 America's first national bank, the Bank of North America.

While historians and biographers still probe the shadows of Morris' life, they do appear to agree on at least one point. As Samuel Eliot Morison says in his "Oxford History of the American People," "Morris in finance accomplished as much for independence as Washington and Franklin did in their respective fields."

"Morris," an RMA officer said recently, "nearly singlehandedly kept the Revolutionary War effort going through his sheer wizardry at finding funds—oftentimes with his own personal credit—to cover military expenses." ••

Valley National Bank of Arizona

139 offices throughout Arizona

Consolidated Statement of Condition

June 30, 1973

RESOURCES

Cash

Cash on Hand and Collection Items	\$ 143,622,392
On Deposit in Federal Reserve and Other Banks	156,271,575
TOTAL	\$ 299,893,967

Bonds and Investments

U. S. Government	\$ 133,645,546
States and Political Subdivisions	344,483,840
Federal Agencies	40,005,778
Other Securities	7,757,294
Money Market Investments	34,500,000
TOTAL	\$ 560,392,458

Loans

Agricultural and Livestock	\$ 226,393,156
Commercial and Industrial	595,752,335
Instalment Loans	428,643,486
Credit Card Loans	50,098,736
Mortgage Loans	412,590,187
TOTAL	\$1,713,477,900

Other

Accrued Interest Receivable	\$ 21,125,006
Bank Premises & Equipment (Net of Depreciation)	99,708,785
Customer's Acceptance Liability	21,057,868
Other Assets	9,835,348
TOTAL	\$ 151,727,007

TOTAL RESOURCES \$2,725,491,332

LIABILITIES

Deposits

Demand Deposits	
Individuals, Businesses and Banks	\$ 765,721,743
U. S. Government & Other Public Funds	62,673,943
Total Demand Deposits	\$ 828,395,686
Time Deposits	
Savings Accounts	\$ 474,094,182
Certificates of Deposits — Regular	809,852,666
Certificates of Deposits — Public Funds	136,660,004
Total Time Deposits	\$1,420,606,852
TOTAL DEPOSITS	\$2,249,002,538

Other Liabilities

Funds Borrowed & Repurchase Agreements	\$ 196,275,275
Unearned Income	55,215,781
Acceptances Outstanding	21,057,868
Accrued Expenses and Reserves	8,860,429
Accrued Income Taxes	5,649,504
Other Liabilities	1,860,034
TOTAL OTHER LIABILITIES	\$ 288,918,891

Reserves on Loans

Reserve for Possible Loan Losses	\$ 19,218,277
----------------------------------	---------------

Capital Accounts

Capital Notes — Convertible	\$ 12,135,000
Capital Notes — Subordinated	30,000,000
Equity Capital	
Capital Stock	22,241,683
Surplus	52,909,911
Undivided Profits	51,065,032
Total Equity Capital	\$ 126,216,626
TOTAL CAPITAL ACCOUNTS	\$ 168,351,626

TOTAL LIABILITIES AND CAPITAL \$2,725,491,332

Member F.D.I.C.

Board of Directors

HAL D. ADAMSON, JR. <i>President, Mobat Adamson Tire Company</i>	
JOHN G. BABBITT <i>President, Babbitt Brothers Trading Co.</i>	
EARL L. BIMSON <i>President, Valley National Bank</i>	
TOM W. CHAUNCEY <i>President, KOOL Radio and Television, Inc.</i>	
NORMAN FAIN <i>President, Fain Land & Cattle Company</i>	
WELDON B. GIBSON <i>Executive Vice President, (& President, SRI International) Stanford Research Institute</i>	
ROBERT W. GOLDWATER <i>Chairman of the Board, Goldmar Incorporated</i>	
DEVENS GUST <i>Partner, Gust, Rosenfeld & Divilbess, Attorneys</i>	
LUCIAN B. JOLLY <i>Vice President and Arizona Chief Executive Officer The Mountain States Telephone and Telegraph Company</i>	
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C. W. BOND <i>The Valley National Co. — Insurance — Retired</i>	
E. RAY COWDEN <i>President, Cowden Livestock Company</i>	
H. L. DUNHAM <i>Banker — Retired</i>	
READ MULLAN <i>President, Read Mullan Motor Co. and Southwest Auto Lease Co.</i>	
JAMES E. PATRICK <i>Retired Chairman of the Board, Valley National Bank</i>	
RAYMOND RUBICAM <i>Retired Founder and Chairman of the Board, Young & Rubicam International, Inc.</i>	



**Main Office — Valley Center
Phoenix, Arizona 85001**



Robert W. Nichols (r.), investment management officer, First Nat'l, Louisville, goes over a small bank's investment portfolio with Diana Martin, administrative assistant, and John Swaim II, investment administrative assistant. Mr. Nichols heads bank's new MINUTEMANagement program, which is discretionary investment management service for correspondent banks, tailored to individual needs and objectives of each of these banks.

From First of Louisville—

An Investment Management Service Tailored to Fit Individual Needs Of Small, Medium-Sized Banks

UNLIKE HIS metropolitan counterparts with their large and expert staffs, the bank president in mid-America's small and medium-sized communities often must assume the role of a modern-day Solomon in applying personal wisdom to a wide variety of decisions in an increasingly complex banking world.

The weight of these decisions can be immense. The president of a successful county seat bank in central Kentucky stressed that point recently:

"We had been growing quite a bit, and when the examiners finished their work in the spring of 1972, they reminded me that I was sitting on about 45% of the bank's total assets in our bond portfolio. That's quite a personal responsibility for any man, particularly when he has as many other duties as the president of a small town bank must have."

A few months earlier, one of his metropolitan counterparts in Louisville had been wrestling with problems that are impairing the capacity of larger banks to maintain their earnings trends. One of these problems is rising money costs. Another is the dramatic swing in consumer banking habits—a trend that has bolstered savings deposits at the expense of demand deposits available to banks for investment purposes.

But a more recent development also concerned A. Stevens Miles, president of First National of Louisville.

"We could see that the winds were changing in correspondent banking relationships," Mr. Miles said.

He referred most specifically to the movement toward direct check processing between the Federal Reserve Bank and those small banks that formerly relied on metropolitan banks for clearing services. The earning power of account balances that small banks have traditionally maintained with larger banks has been a means of paying for this and a variety of other services.

"The demise of clearing services has substantially reduced the justification for our bank and others to benefit from the earning power of these account balances," Mr. Miles said. "We were determined to find more realistic means of providing valuable service to our correspondent banks, as well as an equitable method of compensation for these services."

Like other large banks, First National has attracted correspondent banks into its extensive data processing system on a fee basis. The bank also has developed computerized packages for central information files and charge-card accounting. These packages are available to correspondent banks on a

fee basis and to other banks, large and small, as a software program.

"These kinds of programs are popularizing in the banking industry a business-management principle that has been prevalent in many other industries for some time—the principle that paying a fee for a needed service often is a preferable alternative to investing in the personnel and hardware needed to duplicate that service," Mr. Miles said.

The corporate structure of the bank and its associate companies offers some inherent advantages in developing fee services. First National Bank Trustees is the registered bank holding company that owns the bank. The same holding company also owns First Kentucky Trust Co. and First Kentucky Co. No trust institution in the Mississippi Valley bears greater fiscal trust responsibility than First Kentucky Trust, which manages assets valued at about \$1.25 billion. First Kentucky Co., with assets totaling more than \$21 million, is the Trustees' privately held investment company.

First Kentucky Trust provides discretionary investment services for some 3,000 individuals and institutions. The investment decisions of First Kentucky Co. have consistently out-performed the standard market indicators. These

**On July 1, 1973,
the largest
mobile home
service company
in America
changed
its name from
Century Financial
Corporation to...**



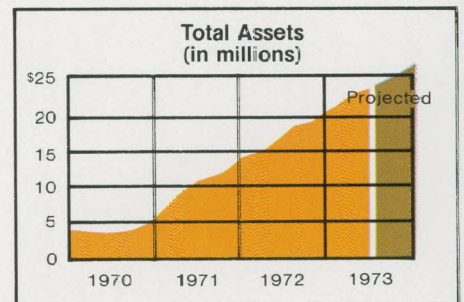
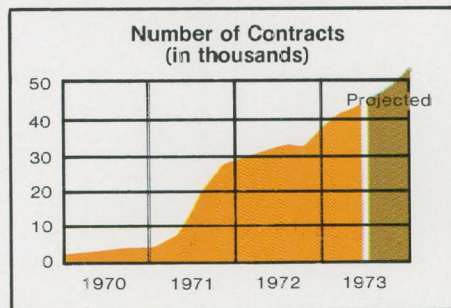
A little less than three years ago, Century Financial Corporation acquired four mobile home service companies.

On July 1, the corporation adopted the name of one of its operating subsidiaries, which has become Sebrite Service Company, Inc. In addition, Sebrite Corporation operates Commercial Consulting Services, Inc., Financial Counselors, Inc., and Mobile Associates, Inc.

Corporate Services

Through our locally based service offices, Sebrite Corporation pro-

vides a complete mobile home financing program for lenders and dealers. Sebrite provides forms and suggests procedures to lenders and dealers. Develops and improves dealer operating proce-



dures. Checks inventory covered by floor plan financing. Performs credit checks, collections and the repossession, refurbishing and resale of repossessed mobile homes.

As a nationally based corporation,

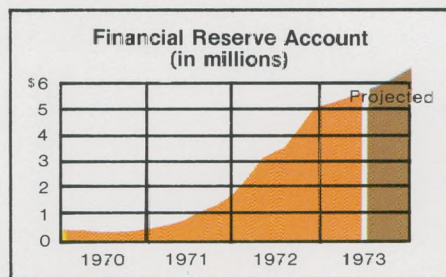
SEBRITE CORPORATION

we also provide financial institutions with the opportunity to purchase mobile home loan contracts developed outside of their marketing area through our rediscounting program.

Our Credentials

Today, we have more than 250 field representatives working out of 35 offices servicing over 660 financial institutions in 42 states.

In just over three years, we have increased the list of lender clients from less than 100 to more than 660, contracts written from 2012 to 34,284 in 1972 and the number



of mobile home dealers served from less than 300 to more than 3000. Our total assets were \$22,063,959 in 1972, up from \$13,885,763 the year before.

If you're considering entering the mobile home lending market or

are already an established lender looking for increased yields and better service, we think we can help. Call us collect at the nearest Zone office listed on the next page.



We think of everything

Corporate Headquarters

Donald J. Roe
President
Sebrite Corporation
8501 West Higgins Road,
Suite 510
Chicago, Illinois 60631
(313) 693-3797

Eastern Zone

Robert Tambur
Senior Vice President
Sebrite Corporation
352 Pierce Street
Kingston, Pennsylvania 18704
(717) 288-8486

Central Zone

Donald Bundy
Senior Vice President
Sebrite Corporation
999 East Touhy Avenue,
Suite 170
Des Plaines, Illinois 60018
(312) 298-1320

Mid-America Zone

Harvey Broussard
Senior Vice President
Sebrite Corporation
P.O. Box 1663
3010 South Lamar
Austin, Texas 78767
(512) 444-0551

Southern Zone

James Hudgins
Senior Vice President
Sebrite Corporation
One Perimeter Way, N.W.
Atlanta, Georgia 30339
(404) 432-4161

Western Zone

Walter Hennig
Senior Vice President
Sebrite Corporation
2417 Bank Drive
Boise, Idaho 83705
(208) 336-0677



two companies and First National Bank have many interlocking officers and directors.

From these three factors, it became apparent to First National executives motivated by Mr. Miles' concern that the bank and its associate companies possessed the talent and experience to develop a new service to correspondent banks. The executives believe this service may be unique in the banking industry.

The unique program: discretionary investment management services for correspondent banks, tailored to the individual needs and objectives of each of these banks.

The fee for this service is determined on a graduated scale. The charge for managing a portfolio with a market value of \$5 million is about \$500 per month. For a smaller portfolio, the fee is proportionately larger, and for a larger portfolio, it is proportionately smaller.

Investment Management Officer Robert Nichols, who heads this new service, maintains that results to date more than justify the fee.

"We take the position that we can improve the yield which correspondent banks had been realizing under their own management by one-fourth of one per cent," Mr. Nichols said. "Based on actual experience to date, this has proved to be a conservative estimate."

Mr. Nichols concedes that selling this unusual new service—christened MINUTEMANagement—is not always easy when the customer is the president of a small bank. The president is placed in the position of convincing his board that someone else can produce a better yield from investing the bank's reserve assets than he can, inclusive of fee.

One bank president who successfully justified this decision to himself and his board is James T. Pace, president, Citizens Bank, Glasgow, Ky.

"I analyzed the whole thing from beginning to end and realized that I could increase our yield by at least the amount of the fee if I had nothing more to do than manage our bond portfolio. For the president of a bank of this size, there are many, many more management responsibilities, and most of them seem to take precedence over managing the bond portfolio."

One alternative that had been suggested for his bank was the employment of a specialist to manage the portfolio.

"I didn't buy this idea," Mr. Pace said. "A qualified man would command a substantial salary, and it would not be prudent to turn over this responsibility to someone who is not properly

qualified."

Internal growth and assets gained through the merger of a smaller bank into Citizens have made it difficult to compare precisely the performance of reserve assets under First National's management with the yield that might have been attained through internal management, but Mr. Pace considers himself a satisfied customer.

"It has been worth a tremendous amount to me from the standpoint of time saved for other duties. I no longer have to be on the phone with bond salesmen," he said.

Under First National's bond portfolio management program, responsibility for talking to bond salesmen on behalf of the individual bond portfolio of each participating correspondent bank falls to the same team of specialists that weighs First National's own investment decisions.

Mr. Nichols draws a sharp distinction between this activity and the policy of some banks that advise correspondents to buy from or sell into their own bond inventories.

"We are not buying or selling issues in which we have some specific interest," he explained. "We apply the same judgment that we use for our own investment purposes, with consideration for the variations in specific objectives of each of the correspondent banks for which this service is provided. We decide which issues to buy, rather than leaving the ultimate decision to the customer."

This aggressive policy places a burden of responsibility on First National. If the customer is not satisfied with any given decision, First National's bond portfolio managers must rescind that decision.

Bank Sponsors Scoreboards



Boulevard State, Wichita, is sponsoring a new computerized scoring and information system for Wichita State University. One scoreboard will be in the football stadium, the other in the gymnasium. Representatives of American Sign and Indicator, Corp., Spokane, Wash., will begin erecting the system this summer. In photo are (from l.) bank president Robert V. McGrath; Ted Bredehoff, WSU athletic director; James Donnell, mayor of Wichita; and Clark Ahlberg, WSU president.

"In a very practical sense, reserve assets represent leftover money, and bankers in smaller communities, who have many more pressing duties, often must manage these funds when they have leftover time," Mr. Nichols said. "We can apply the research capabilities of our own trust company staff and decide what to buy and sell and when, rather than waiting for someone to try to sell us a given issue."

In addition to research and the mechanics of investment decisions, MINUTEMANagement provides computerized bookkeeping and accounting services for customer banks. The banks receive monthly printouts.

This service can significantly reduce the workload of a small bank's accounting department. Most MINUTEMANagement customers are small banks, with bond portfolios ranging from \$1 million to \$15 million.

When a bank such as this expresses serious interest in First National's bond portfolio management program, a First National representative analyzes the community banking environment, tax considerations, liquidity needs and the bank's overall bond investment portfolio. Then recommendations are made for changes within the bounds of the objectives cited above.

If the correspondent bank accepts the recommendations and the portfolio management program, First National automates the account to its computers, determines which portfolio changes should be made immediately and which should be delayed because of market conditions. Long-range portfolio objectives also are established.

First National has some 300 correspondent banks in Indiana, Tennessee, West Virginia and Kentucky. Its bond portfolio management program was launched April 1, 1972. As of June 1, 1973, First National was managing portfolios with assets totaling \$75 million. Bank officials are pleased with the progress of this new service.

"We realized in developing this program that First National was venturing into an area for which there was no precedent, and it was a matter of some concern," Mr. Miles recalled. "But we were determined to extend our scope of services, and the results to date have been most gratifying." • •

Historical Painting Unveiled

MOBILE—An original painting depicting the Mobile waterfront at the latter part of the 19th century was unveiled recently by A. Danner Frazer, chairman, American National.

The painting, done by Marshall Bouldin III, will hang permanently in the bank's board room.



TELLERS RECEIVE AWARDS

A PAT on the back to teller personnel for jobs well done has become a monthly occurrence at Standard Bank, Evergreen Park, Ill. One teller is singled out monthly for accuracy, customer service, punctuality and cooperation. The current recipient of the award has the privilege of displaying a "teller of the month" plaque at his or her window. The teller's name is engraved on the plaque. Shown receiving first award from John Benik, assistant cashier and teller supervisor, is Mrs. Loleta Joyner.



TREES HONOR POWs, MIAs

A SALUTE to the prisoners of war and those missing in action from the Chattanooga, Tenn., area took place recently when 10 "freedom trees" were donated and dedicated by John P. Wright, president, American National, on behalf of the bank. Each tree was dedicated to one of the 10 POWs or MIAs from the area and a plaque inscribed with the name of one of the 10 men was placed before each tree. With Mr. Wright (r.) are Captain David B. Grant, recently released POW, and Mrs. Wanda Fleming.

idea page



BANK SPONSORS RV AND BOAT EXHIBIT

SOME 9,000 people attended a recreational vehicle and boat show sponsored by Bank of Indiana, Gary, at its Twin Towers location in Merrillville, Ind., recently. Thirty-four area dealers exhibited nearly 200 units at the show and hour-long entertainment shows were held on each of the two days of the show.

Liberty National Bank invites you and your Belle...



Left to Right
Sam Adams
Murphy Brock
Peggy Blankenship
Phil Hayes

to be its guest on the Belle of Louisville during the KBA Annual Convention.

Relive the Steamboat Era aboard this famous stern-wheeler
...the center for relaxation during the Kentucky Bankers
Convention, September 9th through 11th in Louisville, Ky.

Liberty
NATIONAL BANK
& TRUST COMPANY
LOUISVILLE, KENTUCKY

We do our Corresponding in person

Harris Trust Makes Promotions, Reorganizes Banking Group

CHICAGO—Numerous officer promotions and elections have been announced by Harris Trust, along with the reorganization of the banking group.

Molly M. Kramer, Edward W. Lyman Jr., John G. Ronchetto, Guy W. Steagall and James D. Seitz were promoted to vice presidents. The first three are in the banking department, Mr. Steagall is in the marketing ser-

VICES office and Mr. Seitz is in the trust department.

Named assistant vice presidents were the following: Ralph A. Berg, David S. Finch, James L. Roberts, Raymond M. Thayer Jr. and Edward J. Williams—banking department; Charles R. Jones (New York Office) and Craig H. White—investment department; David J. Blears, Richard G. Mason and Arnold P. Robinson—trust department; Donald G. Lutes—general administration; and Cecil R. Coleman and Nancy M. Sorensen—personnel.

Nineteen new officers were named,



RONCHETTO STEAGALL LYMAN J. SEITZ

including David F. Forwood, John M. Remsen and Robert H. Scott to commercial banking officers; Stephen R. Kerr to corporate services officer; Marcelo C. Mariaca and Herman Stolk to international banking officers; and Ramon L. Seitz to metropolitan banking officer—all in the banking department.

New investment officers include David V. Brosseau, Chicago, and John L. Butler, Kenneth A. Holmen and Frederick G. Medick, New York.

Clifford M. Lind was elected a trust officer and Robert L. Newman and Robert E. Reininga were named investment research officers in the trust department.

Other new appointments include Edward A. Komrska and Roland Watkins, operations officers; Robert D. Maram and Rebecca H. Tolentino, credit officers; and Jeremy J. Redfield, training officer in the personnel administration department.

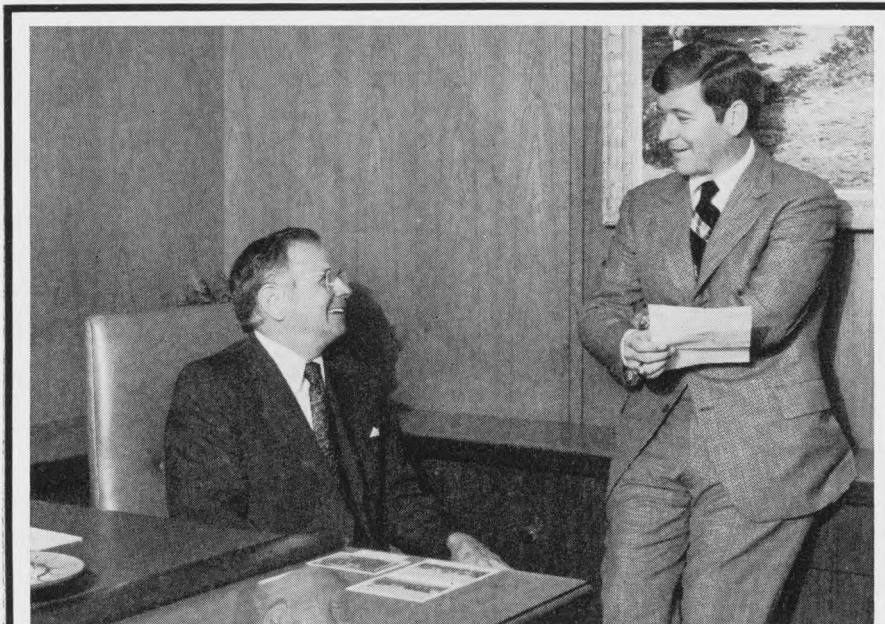
The bank has also announced a reorganization of the banking group serving individual customers and smaller-size Chicago-area business firms. The newly designated metropolitan group consists of seven divisions: convenience banking, personal banking, savings, installment loan, mortgage loan, charge card and business banking.

Formerly organized as the personal banking group, the metropolitan group has a total staff of 205 and is headed by George R. Slater, vice president.

Research Project Announced To Improve Check Handling

A multi-phase research project to increase the efficiency of exception item handling in banking's check collection system has been announced. Participants will include the Bank Administration Institute, the ABA, the Fed, the Conference of State Bank Supervisors and the Independent Bankers Association of America.

The project will involve a two-phase approach—(1) to collect the data necessary to highlight the important aspects of the problem, to quantify its scope and to develop a series of solution suggestions and (2) to evaluate proposed solutions—with pilot tests if necessary—and to promote the implementation of the recommended solutions and monitor their success.



Expanded Correspondent Service...

Bryan J. Williams III has come home; home to Lubbock and the South Plains. Bryan is the newest addition to Lubbock National Bank's Correspondent Bank Department, and he hasn't come home empty-handed. Besides a lovely wife and two fine sons, Bryan brings a wealth of experience, travel and management that can keep you in touch with the newest opportunities in banking. He understands your correspondent banking needs and is eager to apply his initiative and skill to help solve your problems.

Charley Signor and Bryan will be handling LNB's correspondent banking relations. They will be around to help you in any phase of correspondent banking.

Call upon either Charley or Bryan (806) 765-7661. Thank you for letting us serve you. As a result we are now able to add another reason for banking with Lubbock National Bank, the bank for the 70's and beyond.

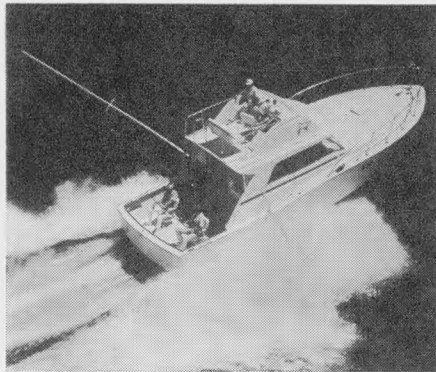


MAIN AND TEXAS
LUBBOCK, TEXAS
MEMBER F.D.I.C.

Premium for a Millionaire:

**Cabin Cruiser Offered
In Lieu of Interest
On Million-Dollar CD**

A CABIN CRUISER as a bank premium? Anyone who deposits \$1 million in a certificate of deposit at Corpus Christi (Tex.) Bank can take delivery on a sporty, 36-foot cabin cruiser—fully loaded. To claim his boat, or rather place his order, the millionaire leaves his money at the bank in a \$1-million CD for one year.



Anyone who deposits \$1 million in CD at Corpus Christi Bank for one year can take 36-foot cabin cruiser like this in lieu of interest.

The Texas-style savings promotion is believed by bank officials to be the first time a premium has been offered that would appeal to a millionaire.

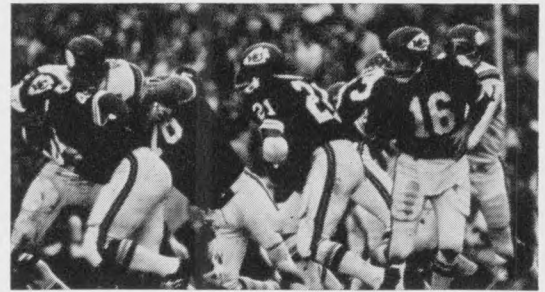
The Chris Craft cabin cruiser is custom made, and the new owner will be allowed \$4,267.26 in cash to rig it out. The boat sleeps six in two private cabins forward and a convertible couch in the main salon. The master stateroom forward has crossover berths, considerable locker space and can be closed off for privacy.

The guest cabin on the port side, aft of the master stateroom, has upper and lower berths, plenty of cabinet and storage space. The large cockpit is especially suitable for entertaining, sunning, fishing and carrying of all gear needed for water sports.

The ocean-going cruiser is the "flagship" of Corpus Christi Bank's series of savings premiums with a nautical theme. For those who like the seafaring life but who don't have \$1 million, the bank offers other premiums in place of interest on CDs. They include a 21-foot Glastron 1/0 with 170 horsepower engine for a \$100,000 CD for one year; a 15-foot Glastron outboard runabout with 65 HP Johnson motor and galvanized trailer for a \$50,000 CD; 13.2-foot Dolphin Junior sailboat for a \$10,000 CD; a 14-foot flat-bottom john boat and trailer for a \$5,000 CD;

MID-CONTINENT BANKER for August, 1973

**See the
CHIEFS
in action
at ARROWHEAD**



Football Fans . . . See the K. C. Chiefs in the nation's most breath-taking sports facility . . .

Beautiful Arrowhead Stadium

Plus hotel accommodations at the beautiful PROM-SHERATON MOTOR INN located at I-70 and the Modern Gateway to the City—Sixth & Main, K. C., Mo., and a weekend of fun and excitement with SPORTSTOURS, INC.

- Saturday Guided tour of the City, including the Harry S. Truman Library and the World Famous Country Club Plaza Shopping Center.
- Saturday If game is played Sat. night—bus transportation from hotel or auto reserved parking at the stadium.
Choice \$10.00 Box Seat (best in stadium) near our private suite.
Complimentary drinks in our air conditioned \$50,000 Golden Circle Suite during the game.
- Saturday Hotel accommodations at the beautiful Prom-Sheraton Motor Inn (2 days, 1 night). It's an intown resort bounded by parks, history and excitement. Relaxation, Recreation, Great Restaurants, Night Spots and Fun.
- Sunday Pre-Game Brunch
Bus Transportation from hotel or auto reserved parking at the stadium provided for you.
Choice \$10.00 Box Seat near our private suite.
Complimentary drinks in our air conditioned \$50,000 Golden Circle Suite during the game.

ALL FOR \$39.95 PER PERSON (Double occupancy)

Please Note—Games played Sat. night, Sun. night or Monday night (Brunch & Tour not included)

Regular Seasonal Games from Sept. 16-Jan. 20, add \$10.00 per person.



Our Sportstours Golden Circle Suite is the ultimate in prestige luxury and comfort. Each suite is equipped with both outside television and direct closed circuit television, temperature controlled system for all weather comfort, a bar, private rest room, refrigerator and buffet table to handle food service. The private stadium seats that accompany our Golden Circle Suite are located directly outside the suite so that you and your friends will enjoy the very best view of the football field.

CHIEFS' SCHEDULE

Check Game-Weekend Desired

() New Orleans	Aug. 4	() Denver	Oct. 7
() Detroit	Aug. 13	() Chicago	Nov. 12
() Minnesota	Aug. 18	() Houston	Nov. 18
() Green Bay	Aug. 26	() Cleveland	Dec. 2
() Los Angeles	Sept. 16	() San Diego	Dec. 16
() Oakland	Sept. 30	() All-Pro Game	Jan. 20

Sunday night game—SPORTSTOURS pkge in effect (Sunday & Monday)

Monday night game—SPORTSTOURS pkge in effect (Monday & Tuesday)

A non-refundable deposit of \$20.00 must accompany order. Balance to be paid within 5 days of game.

**BLOCK
SEATING
AVAILABLE**

Mail your check and order to:
SPORTSTOURS, INC.
2724 Commerce Tower
Kansas City, Mo. 64105
AC 816 221-5001

Your
inquiry
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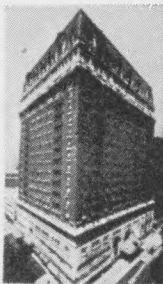
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All premiums—except the 36-foot cabin cruiser—were placed on display in the bank lobby. • •

Promotions and Elections Made at Northern Trust

CHICAGO—Northern Trust has announced a number of promotions and new appointments.

Ralph A. O'Meany was named a vice president in the foreign exchange trading division of the bond department and Peter W. Howkinson, Charles V. Rainwater and Amy Van Dever were named bond investment officers.

In the trust department, James M. Conner and John C. Goodall Jr. were promoted to vice presidents. Named second vice presidents were H. Joseph Bourn, Raymond J. Teborek, John P. Tyrell and Eugene E. Weber. New

trust officers include David H. Gerber and William E. McClintic. D. Joseph Clarkson and Steven C. Wirth were appointed real estate officers and Robert R. Brown and Richard B. Thies were named investment officers.

Named officers in the operating department were John G. Eilering and William H. Miller. New assistant managers in the administrative department are Robert A. Peterson and David E. Turney.

Levitan, Five Others Promoted At Whitney Nat'l, New Orleans

NEW ORLEANS—The election of Samuel T. Levitan as a vice president tops the list of promotions announced by Whitney National. Mr. Levitan, with the bank since 1942, was formerly an assistant vice president and is assigned to the Poydras Street Branch.



LEVITAN

Elected assistant vice presidents were Elmer H. Hemphill Jr., Felix Jackson and Charles N. Monsted III, all formerly assistant cashiers. Mr. Hemphill is with the Harrison Avenue Branch; Mr. Jackson is in the trust department, and Mr. Monsted is a lending officer.

New assistant cashiers are John C. Dubret Jr. of the international and credit departments, and David L. Eustis of the auditing department.

Which Way Is Up?



D. G. White (r.) expresses surprise—and well he might—when the new facility that Security Bank, Paragould, Ark., named for him was dedicated. The plaque, when unveiled, was upside down! Mr. White is a director of the bank. Bank officers were unruffled, pointing out that the bank's philosophy is one of non-conformity and uniqueness. They also said that this philosophy has been responsible for an \$11-million growth in deposits (a 100% increase) in the last four years. The D. G. White Annex houses the bookkeeping and loan departments and diningroom-board room combination.

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Two Executive VPs Named At Citizens Fidelity

LOUISVILLE—Two new executive vice presidents have been named by Citizens Fidelity. Charles W. Poindexter was promoted from senior vice president and trust officer to executive vice president and manager of the trust division, succeeding Houston Zettel, who will retire in October. Joseph McDowell Rodes has joined the bank as executive vice president in the investment division. Mr. Rodes is a Louisville securities executive.

Also on the promotions list were Robert L. Hanks, from assistant vice president to vice president; Larry C. Coomes, to operations officer; and Charles Hall and Harold Leppert, to assistant cashiers.

John Gray, vice president, has changed titles from manager of data processing to a commercial lending officer, and Kenneth Browne, senior vice president, has retired after 44 years with the real estate department. Beach Craigmyle, vice president, succeeds Mr. Browne.

Eight Promotions Announced At Fort Worth National Bank

FORT WORTH—Fort Worth National has promoted eight officers: Ethan Allen Jr., from assistant vice president and trust officer to vice president and trust officer; Gene Gray and Freddy L. Jones, from assistant vice



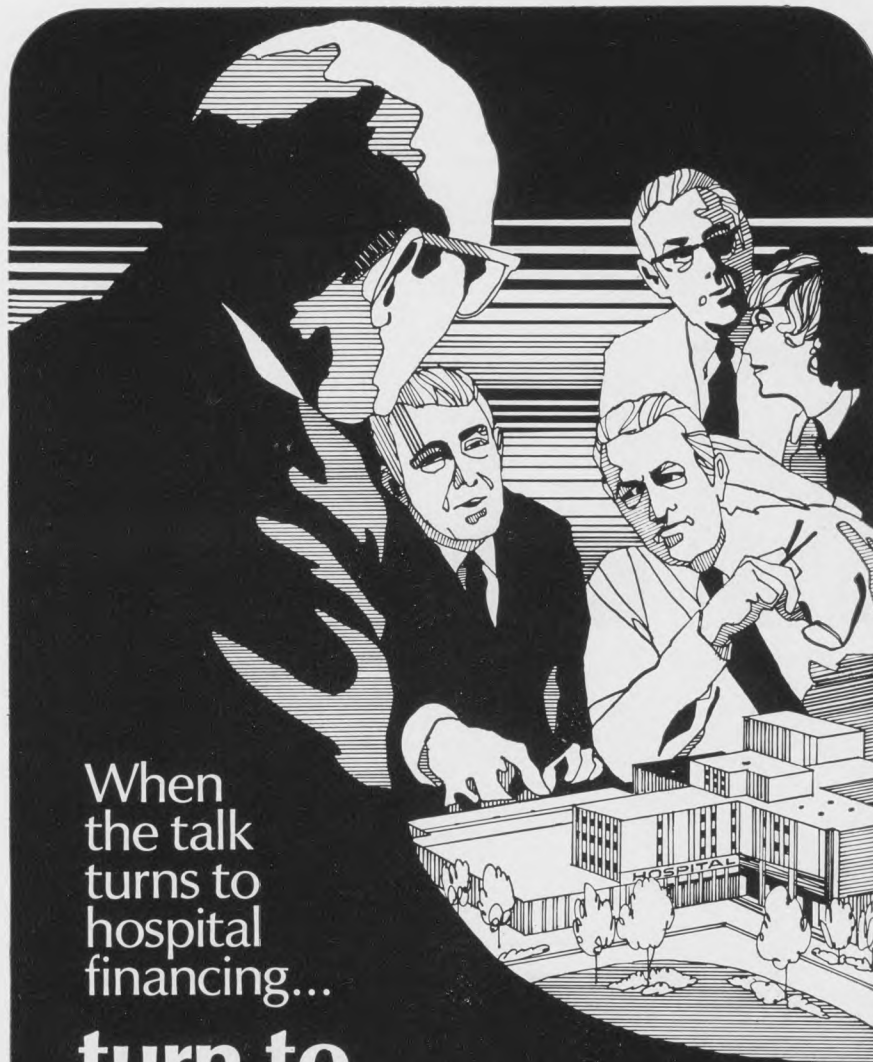
BROWN GRAY JONES ALLEN

presidents to vice presidents; John R. McGuire and Kenneth D. Roach, from trust officers to assistant vice presidents and trust officers; N. David Moore, from loan officer to assistant vice president; Ronald P. Pollard, from operations officer to assistant vice president, and Jack L. Gregory, from accounting officer to assistant comptroller.

Mr. Brown went to the bank in 1950, Mr. Allen in 1958, Mr. Gray in 1965 and Mr. Jones in 1964.

■ SOUTHWEST BANK, St. Louis, has elected Fred A. Giacoma Sr. executive vice president, Edward C. Berra senior vice president, Ray R. Schnietz vice president and Richard L. Viola cashier. Mr. Berra was also elected a director.

MID-CONTINENT BANKER for August, 1973



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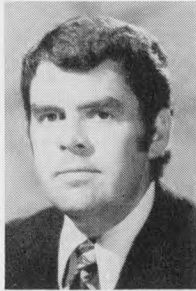
**13 Promotions, 2 Retirements
At First National, Ft. Worth**

FORT WORTH—Four elections, nine promotions and two retirements have been announced by First National.

Jack F. Demetruk, senior vice president, was given the additional title of cashier and James W. Jones was promoted to senior vice president.



DEMETRUK



JONES

Advanced to vice presidents were James D. Ballard and H. T. Cook. Lloyd B. Faulk was raised from auditor to vice president and manager of a new section in the operations and data processing division.

Rod Hailey was promoted to trust officer, H. "Sandy" Ledbetter was

named auditor and James G. Dickson Jr. and John Gerlach were made assistant vice presidents.

The four new officers are Jerry W. Brigman, operations officer; Jackie Collins and Joe Cox, installment loan officers; and Donald S. Mears, investment administrative officer.

Those retiring included J. T. Vaught, senior vice president, with 47½ years' service, and Ed R. Meyer, vice president, with 45 years' service.

■ CITY BANK, Tulsa, has elected John W. Pilkington Jr. vice president and director of marketing and Mrs. Hazel Shell assistant cashier. They joined the bank in 1968 and 1969, respectively.

Convention Calendar

MID-CONTINENT AREA

Kentucky, Sept. 9-11, Louisville, Galt House.

MID-CONTINENT AREA (1974)

Alabama, May 8-10 or May 15-17 (to be decided), Mobile, Municipal Auditorium

- Arkansas, May 5-8, Hot Springs, Arlington Hotel
- Illinois, May 19-21, Peoria, Peoria Hilton Hotel
- Indiana, June 12-13, French Lick, French Lick-Sheraton Hotel
- Kansas, May 8-10, Kansas City, Kan., Ramada Inn Center City
- Louisiana, April 27-30, New Orleans, Fairmont Roosevelt Hotel
- Mississippi, May 18-21, Biloxi, Buena Vista Hotel
- Missouri, May 12-14, St. Louis, Stouffer's Riverfront Inn
- New Mexico, June 13-15, Albuquerque, Hilton Inn
- Oklahoma, May 7-9, Oklahoma City
- Tennessee, May 12-14, Knoxville, Hyatt-Regency Hotel
- Texas, May 5-7, Ft. Worth

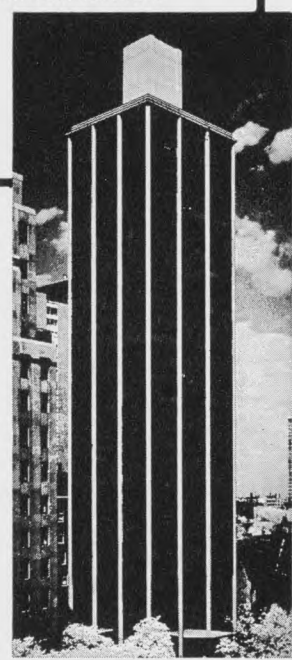
NATIONAL

- ABA, Oct. 6-10, Chicago
- ABA Agricultural Conference, Nov. 11-14, Minneapolis, Leamington Hotel
- ABA Charge Account Bankers Div. Annual Convention, Sept. 23-26, Los Angeles, Century Plaza
- ABA Mid-Continent Trust Conference, Nov. 5-6, St. Louis, Stouffer's Riverfront Inn
- ABA Personnel Conference, Sept. 16-19, Philadelphia, Sheraton Hotel
- Bank Administration Institute, Oct. 28-31, San Francisco
- Bank Marketing Association, Sept. 23-26, San Francisco
- Bank Marketing Association's Holding Company Marketing Workshop, Nov. 4-7, Phoenix, Mountain Shadows Resort
- Bank Marketing Association's Marketing Planning Workshop, Aug. 12-15, Toronto, Canada, Royal York Hotel
- Bank Marketing Association's Southeast Regional Conference, Nov. 19-21, Atlanta, Executive Park Motor Hotel
- Bank Marketing Association's Trust Marketing Workshop, Oct. 28-31, Phoenix, Mountain Shadows Resort
- Consumer Bankers Assn., Oct. 28-Nov. 1, Newport Beach, Calif., Newporter Inn.
- Robert Morris Associates Annual Fall Conference, Oct. 21-24, Phoenix, Del Webb's Townhouse
- Robert Morris Associates Regional Workshop on Accounts Receivable and Inventory Lending, Sept. 10-11, Dallas, Sheraton-Dallas Hotel
- Robert Morris Associates Regional Workshop on Construction and Real Estate Development Lending, Sept. 12-13, Dallas, Sheraton-Dallas Hotel

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NATIONAL (1974)

Independent Bankers Assn., March 20-24, Dallas, Fairmont Hotel

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**Craigmyle Elected Senior VP
At Citizens Fidelity Bank**

LOUISVILLE—Beach Craigmyle has been elected senior vice president of Citizens Fidelity and James D. Wakeman vice president. Mr. Craigmyle, with the bank since 1946, recently was named manager of the real estate department, succeeding Ken Browne, who retired. Mr. Wakeman has been manager of the BankAmericard department since last December.

In other action, Richard D. Whitty, Giulio Guinchigliani and Chris A. Mueller were made assistant vice presidents, and the following assistant cashiers were elected: James W. Kraeszig, David G. Anderson, Grover Johnson and Walter D. Fransden. Robert J. Bicknell, manager, Lexington Bank



WAKEMAN

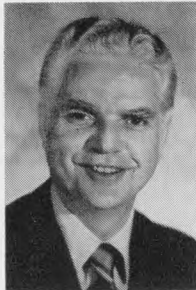


CRAIGMYLE

Data Center, was appointed an operations officer. Mr. Whitty is manager, technical accounting section, finance department; Mr. Guinchigliani, manager, general accounting department; and Mr. Mueller, manager of marketing, BankAmericard department.

**Edmund Vorhes Named Pres.
St. Louis AIB Chapter**

ST. LOUIS—Edmund L. Vorhes, assistant treasurer, Manufacturers Bank, has been elected president of the St. Louis AIB Chapter.

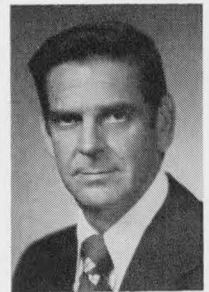


VORHES

Other officers include George T. Guernsey III, senior vice president, Manchester Bank—first vice president; Richard L. Johannesman, vice president, Mercantile Trust—second vice president; Angela Mazzola, Manchester Bank—associate vice president; Albert A. Miller, vice president and cashier, Big Bend Bank, Webster Groves—treasurer; and Joseph G. Steel—executive director.

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To Serve S&L Customers**

NEW ORLEANS—Marcel J. Baudot Jr. has been promoted from assistant vice president to vice president at Hibernia National. He now has complete responsibility in all aspects of electronic data sales with special emphasis on savings and loan customer services.



BAUDOT

Mr. Baudot joined the bank in 1962 and had been assistant vice president since 1967.

Among others promoted were the following to assistant vice presidents: Larry J. Acosta, Richard K. Easterly, William J. Henderson, Stephen G. Ricks, John G. Robin Jr. and Paul J. Sparacello.

■ GENE EDDIE, vice president of B. D. Eddie Enterprises, has been elected to the board of Liberty National Corp., Oklahoma City.

Peter J. Laninga, Banker Associate
Retired Vice President
Continental Illinois National Bank
Chicago, Illinois

Walter E. Burtelow, Banker Associate
Retired Chairman of the Board
Jefferson-Gravois Bank of St. Louis
St. Louis, Missouri

Albert E. Cleere, Banker Associate
Retired Senior Vice President
First City National Bank
Houston, Texas

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"Correctly done, leasing can be profitable for banks or bank HCs with funds and tax structure available for use."

Trends in Leasing

Tax-oriented equipment leasing has become an important financing device

By PETER K. NEVITT, President, First Chicago Leasing Corp.

ALTHOUGH the topic is "Trends in Leasing," the subject might better be described as "Trends in Banking." During the past 30 months,



NEVITT

tax-oriented equipment leasing has become an important financing device offered by banks and bank holding companies alert both to the needs of their customers and to the profitable nature of this type of transaction.

Although there are many types of leases, this discussion is concerned with tax-oriented equipment leasing of large items of equipment as distinguished from leases which are really conditional sales, real estate leases or small item leases, such as car leases.

Leasing is not a new device for financing equipment. Ship charters and leases have been used since the time of the Phoenicians. Except for ship charters, however, equipment leasing was not commonly used as a means of equipment financing until World War II, when leasing became a popular means of financing equipment over the life of "cost-plus" contracts. After World War II, leasing declined in popularity except either as a high-cost secondary method of secured financing

(often used by companies which did not have bank financing available) or as a device used by a manufacturer to control sales or resales of its products.

However, in the early 1960s the tax-oriented lease as an equipment financing device began to come into use after the passage (for the first time) of the 7% investment tax credit (ITC).

The value of the ITC was equivalent to 7% of the purchase price to user companies or leasing companies with available tax shelter. A few alert banks and finance companies discovered they could offer attractive lease rates and at the same time earn handsome profits by leasing equipment through tax-oriented leases in which they claimed the tax benefits incidental to ownership.

A tax-oriented lease works as follows: A user-company decides on the equipment it wants. It selects the manufacturer and decides exactly what optional or special features are needed. The user-company arranges terms of warranties, guarantees, delivery, installation and service. The user-company also negotiates the price.

After the equipment and purchase terms are agreed upon, the user-company negotiates a lease with the leasing company. The user-company assigns the purchase contract to the leasing company, which then buys the equipment selected. When the equipment is delivered and accepted by the user-

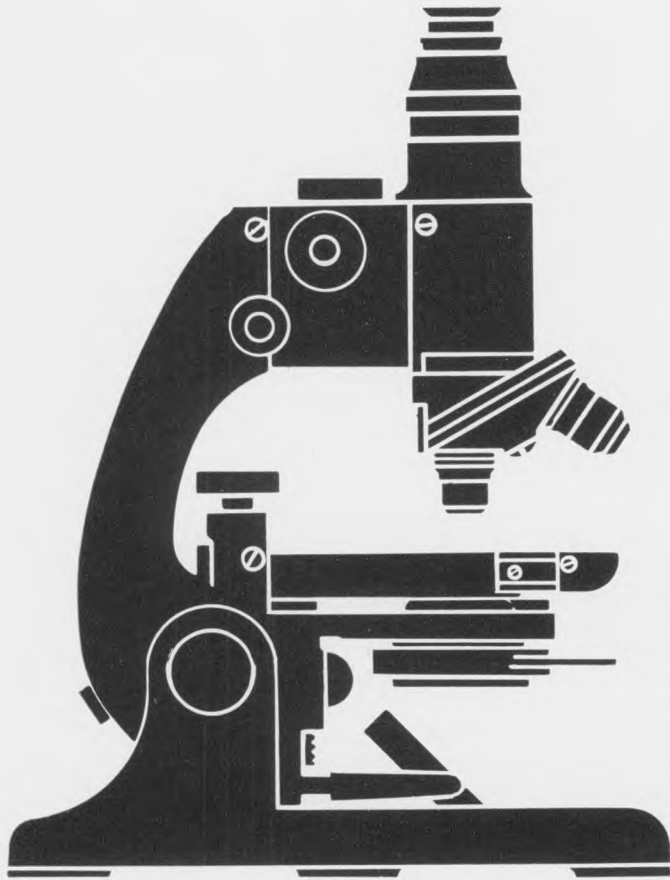
company, the leasing company pays for the equipment and the lease commences. The leasing company owns the equipment at the end of the lease term and claims all income tax credits and deductions which are incident to ownership.

Before the tax-oriented lease came into wide use in the early 1960s, the ITC was repealed. While depreciation deductions offered some tax shelters, discounts from normal borrowing rates permitted by such leases in which the lessor could claim only the benefit of depreciation were much less than permitted where both depreciation and ITC could be claimed.

Consequently the popularity of leasing declined—until the ITC was again placed into effect by Congress in the mid-1960s.

As might be expected, the second enactment of the 7% ITC gave rise to a new surge of leasing. More banks and more finance companies began to engage in tax-oriented leasing. Also, syndicates of individuals assembled by investment bankers and brokers began to lease capital equipment. Such syndicates could offer lower lease rates than banks, even though their borrowing costs were higher because their tax shelter was 70% rather than the corporate tax rate.

In 1969 Congress once again repealed the ITC as the economy began to move at what Congress and the Ad-



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ministration considered to be too fast a pace. As we all know, money became tight. Once again tax-oriented leasing by banks declined.

The ITC had now acquired a reputation as a stimulant to the economy. Therefore, when the economy needed stimulating in 1971, Congress and the Administration enacted the ITC for the third time, but this time with limitations on the amounts of ITC individuals could claim, which effectively eliminated syndicates of individuals from tax-oriented leasing.

In the meantime, Congress had enacted bank holding company legislation and the Fed had issued its famous "laundry list" of activities permitted by bank HCs. Leasing of capital equipment was a permitted activity.

Therefore, the third enactment of the ITC, the desire of newly-formed bank HCs to engage in the permitted activities and the ability to conduct such activities outside of the bank corporate structure, led many banks to engage in tax-oriented leasing on a serious basis and to actively solicit such business for the first time. Bank HCs which might have held back from leasing proceeded to engage in leasing as a defensive move to protect existing customer relationships.

Leasing suddenly became respectable. Financial officers became educated as leasing began to be promoted aggressively by banks and brokers seeking to arrange leases for banks. Financial officers, always vigilant to hold down borrowing costs and under pressure to cut costs during the economic recession we were experiencing, began to utilize leasing as a low-cost source of financing equipment needs.

Tax-oriented long-term leases were demanded by customers as they attempted to finance large items of equipment for most of the useful life of such equipment. Many bankers, however, had unpleasant memories of term loans which they were reluctant to repeat by leasing on a long-term basis. This combination of circumstances helped to give rise to a new type of lease—the "leveraged" lease.

The leveraged lease works as follows: The user selects and orders the equipment the same as in a usual tax-oriented lease. The leasing company purchases and becomes owner of the equipment by providing 20-40% of the purchase price. The remainder of the purchase price is borrowed from institutional lenders on a non-recourse basis to the leasing company. This loan is secured by a first lien on the equipment, by an assignment of the lease and by an assignment of the lease rental payments.

The cost of the non-recourse borrowing is a function of the credit standing of the lessee. The lease rate naturally varies with the debt rate and also with the risk of the transaction.

The leasing company as owner can claim all tax benefits incidental to ownership. These include depreciation and ITC.

Because of the large tax shelters early in the lease and the small amount the leasing company invests, the leasing company can recover its investment, can set aside sufficient reserves to cover future tax liabilities incident to the lease and can pay itself a profit, before the lease term is more than one-fourth to one-half completed.

Thus, the leveraged lease has gained in popularity as a device to write longer term leases, utilize tax shelters and reduce credit exposure to a period of time less than one-half the lease term. Possible liability for tax recapture in the event of default, however, continues for the entire lease term.

Some people are concerned regarding a bank or bank HC leasing and claiming tax benefits as a lessor. They are concerned that there is something wrong with this use of tax shelters by banks.

Actually, the congressional intent in passing the investment tax credit was to permit leasing companies and lessors of capital equipment to claim and retain tax benefits. Congress intended the ITC to stimulate the economy by encouraging investment. Obviously, the companies most needing stimulation were those experiencing loss or break-even years and had little in the way of profits against which to claim depreciation and investment tax credit.

If the benefits of investment tax credit and depreciation were limited to profitable companies, the depressed

companies in the same industry would find themselves at a competitive disadvantage in the purchase of equipment and modernization of their plants. Depressed industries would not benefit at all from the investment tax credit.

Therefore, Congress intended to benefit such companies by permitting leasing companies to claim tax benefits and pass such benefits through to companies unable to utilize the tax benefits of ITC and depreciation in the form of lower rent payments.

If the tax laws change reducing or eliminating the ITC, we believe leasing will continue as a widely used method of financing capital equipment. In the past 18 months many companies have leased for the first time.

How banks and HCs engage in leasing. Banks can engage in leasing activities either in the name of the bank or by forming a subsidiary of a bank HC.

A number of reasons are often cited for engaging in the business of tax-oriented equipment leasing through a subsidiary of the HC:

- Such a leasing company has the ability to establish offices nationwide, although it may have to qualify to do business in other states where equipment is located or offices established. A bank may not be able to qualify and thus assume the risk of local taxation, not only of lease income but also of other income from loans originating in the same state.

- Funding of leases can be segregated from funding loans. Regulation Q does not restrict the interest rate a leasing subsidiary pays for funds. Commercial paper may be used to fund some leases.

- The lending limit of the bank may be exceeded.

- Legal liability of the bank can be insulated through use of a subsidiary of a bank HC.

- The leasing company has greater identity. This may make it easier to attract people from outside the bank.

- More flexibility of operation may be possible as a result of not being tied to policies which may be good for banking but poor for leasing.

However, none of these reasons is necessarily overriding. It is not necessary to have a bank HC to engage in leasing. A bank can engage in leasing in its own name and hold title to property in particular transactions through trustees or special subsidiaries of the bank which will provide special tax elections and some liability insulation.

As important as the question of where to place a leasing activity in a corporate structure, is the question as to the marketing strategy to employ to penetrate the market and profitably en-

Bankers Serve Heart Assn.



Three Arkansas bankers have been elected to officer positions with the Arkansas Heart Association. They are, from left: Ed Penick Jr., executive vice president, Twin City Bank, North Little Rock—treasurer; Miss Dorothy Harris, assistant cashier, First National, Wynne—chairman; and B. J. Daugherty, president, First State, Conway—vice chairman.

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gage in the leasing business.

There are two approaches to generating profitable lease business: (1) Staff up as a full-fledged leasing company with capacity to actively solicit business in the marketplace. (2) Assign two or three persons the responsibility of reviewing lease investment proposals presented by agents, leasing companies or banks with large leasing staffs.

Inasmuch as establishing and staffing leasing subsidiaries to engage in leasing actively has been more of a commitment than most banks or bank HCs have been prepared to undertake, many of them have established leasing operations managed by one or two officers who rely for the most part upon lease opportunities referred to them by brokers or by other bank HCs engaged in the leasing business.

This has proved to be a fairly satisfactory method of doing business. People within the bank are capable of analyzing transactions. They are especially qualified in making credit decisions. Large startup charges are avoided. The overhead to support leasing is kept to a minimum. The leasing function provides a good training area for trainees. Salary structures within the banks are not disturbed by going to the outside to hire people experienced in leasing at salaries which are high because of a shortage of competent people. The bank maintains flexibility to reduce the leasing activity if changes in the tax laws eliminate some of the competitive advantage of lease rates compared to loan costs.

Analysis of lease referrals. Reliance on referrals can be profitable and economical, but it is not without pitfalls.

A proliferation of brokers has resulted from the willingness and ability of bank HCs to enter into lease transactions developed by independent agents-brokers. Competition has become severe as lease brokers and banks offer the lowest possible rental rate to prospective customers. Inasmuch as brokers usually do not have lease equity and debt sources arranged at the time they bid on a transaction, they must line up such capital and debt as quickly as possible if they are the successful bidder. Furthermore, they must locate capital sources at rates low enough to permit their fees to be absorbed by the bank or company which accepts the transaction.

It is the usual practice for a lease broker to prepare and present to a prospective lessor a financial analysis of a transaction he seeks to "lay off." This analysis usually shows cash flows, tax reporting, yield and book reporting of a proposed transaction. As competition

has heightened, the structuring and financial analysis of transactions have become imaginative and innovative, and in some cases have outrun the bounds of common sense. With increasing frequency, transactions are structured and/or analyzed by some lease brokers in an unsound manner. Questionable transactions are made to appear to be attractive investments through use of unrealistic assumptions.

An irresponsible lease broker with no investment or continuing interest in a transaction is sometimes called a TACAR (pronounced "taker"). The initials stand for "take a commission and run." Persons dealing with a TACAR are often taken!

The usual method of analyzing a lease transaction is to determine a "return on investment" (ROI). The investment is the initial dollar amount invested to purchase the asset for lease. This investment results in cash flow to the lessor from three sources: (1) Lease payments; (2) Deferred taxes and tax credits; and (3) Proceeds from sale of the asset at end of the lease.

The ROI figure calculation answers the question, "At what rate (yield) do these cash flows exactly amortize the lessor's initial investment?" This ROI analysis is most sensitive to assumptions when analyzing what is generally called a leverage lease in which the lessor invests 20-40% of the cost of the asset as equity and the remaining 60-80% of the cost of the equipment is raised by issuing senior debt certificates to a group of lenders which is *non-recourse* to the equity holder.

Investment objectives and assumptions vary, of course, for different bank HCs. Firm guidelines are not applicable in all cases. The following factors,

however, should be closely scrutinized in reviewing an analysis of a proposed lease transaction and in determining whether it meets the criteria for an acceptable transaction.

Reinvestment rate. In an analysis of a leveraged lease transaction, earnings are sometimes attributable to funds set aside during the early years of a lease to cover deferred tax liability in the later years of a lease. A question arises as to what earnings, if any, should be attributable to this sinking fund. Overstating the rate earned on the sinking fund obviously distorts the earnings produced by a lease.

We believe it is unrealistic to assume a sinking fund rate of more than 3% (after tax) unless specific facts exist which justify such a rate. We further believe a leveraged lease should show a positive rate of return without assuming any reinvestment rate.

Residual value. The realistic expected value of leased equipment at the end of a lease term may be taken into consideration in the analysis of expected yield on a lease. This is justified, however, only where the equipment clearly will have a value at the end of the lease term. A mere probable residual value has no place in analyzing the expected yield on a transaction except as a speculative upside potential. An analysis which contains a hard dollar figure for a residual value of equipment at the end of the lease term requires an in-depth study of the equipment, its use during the lease term, its possible obsolescence, its portability, the cost of transportation and preparation for transportation, its possible value to a third party and its present value.

If the lease includes an early termination schedule, such schedule must be consistent with any expected residual value.

Sharing of residual. A sharing by the lessor and the broker of the residual value of the leased equipment at the end of the lease term raises serious tax questions which might result in the lease being treated as a conditional sale resulting in loss of tax shelters. Although it is possible to share a residual under certain circumstances, this aspect of the transaction makes a tax ruling or careful scrutiny by tax counsel essential.

Depreciation election. A presentation of a proposed lease transaction by a broker may assume a method of depreciation which either is not available to the investor without the establishment of a special purpose corporation or is lost to the investor because of a shift in timing of the delivery of the asset. Availability of the method of depreciation and depreciable life should be re-

Indiana National Honored



Indiana National, Indianapolis, was one of 25 firms throughout the nation honored by the National Business Committee for the Arts and "Esquire" magazine for outstanding corporate support of the fine and performing arts during 1972. Bank President John R. Benbow (c.) is shown receiving award from Arnold Gingrich (r.), publisher of "Esquire," while Dr. Frank Stanton, chairman, Business Committee for the Arts (l.), looks on.

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viewed with tax counsel. Lack of availability of the assumed depreciation may adversely affect the rate of return.

Casualty values and termination schedules. These should be drawn so as to protect the lessor's investment in the equipment. Casualty loss schedules protecting the lessor should be consistent with the lessor's method of booking the lease for financial reporting purposes so as to exclude the possibility of a book loss in the event of a casualty loss.

Tax rulings. If a transaction is of any size and contains any unusual features, a tax ruling is usually advisable in view of the vagaries of the tax laws. Since earnings from such leases are wholly dependent upon tax shelters, loss of such tax shelters will result in the transaction showing a substantial loss. This risk must be weighed carefully before proceeding without a tax ruling.

If a tax ruling is requested, the ruling request should be reviewed to make certain all pertinent details of the transaction are disclosed. A tax ruling is of minimal value if any key facts are omitted in seeking the ruling.

Tax Rate. Since tax shelters are critical to generate cash flows, the economic analysis must reflect the effective tax rate to the lessor. Overestimating the tax rate in the early years of the

lease or underestimating the tax rate in the later years of a lease will overstate the yield.

Correctly done, leasing can be profitable for banks or bank HCs with funds and tax structure available for use. Many lease brokers perform a valuable service for banks and bank HCs in packaging and presenting lease transactions for consideration. Care in review of lease analysis is necessary in all cases, however, to make sure the yields and cash flows are based on realistic assumptions and that the lease transactions will result in earnings which can be booked for financial reporting purposes. • •

Women, Minorities Show Gains In Banking Work Force

WASHINGTON—A survey of 560 urban-area commercial banks showed that females comprise 62.4% of the work force and minorities account for 15.2%.

This compares with national labor force percentages of 34.6 for females and 10.4 for minorities, according to the Labor Department's seasonally adjusted figures for March, 1973.

The survey, conducted by the ABA, was mailed to 996 banks in urban areas and with deposits of \$50 million or more. Some 560 banks responded and their work force reported was 424,503

employees, about 40% of the total industry work force. The term "minorities" refers to blacks, Indians, Orientals and Spanish-surnamed Americans.

The survey also revealed that women comprise 17% of the officials and managers of the responding banks, and minorities represent 4.6%.

According to survey projections for January 1, 1978, however, the outlook for women and minorities is even brighter. Almost 85% of the responding banks indicate they expect an increase over the next five years in female officers and managers. And, 81% see increases in the numbers of minority officers and managers.

The survey, administered by the ABA's Urban and Community Affairs Committee, was also concerned with the sources of industry career-oriented recruitments.

It found that:

Some 9.2% of female college graduates entering banking were graduates of colleges for women.

Of the black graduates recruited by banking, 43.7% received degrees from predominantly black colleges.

Nearly 70% of all banks responding indicated a willingness to consider "lending" executives to serve as guest lecturers at minority colleges and women's colleges.

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Morgan Guaranty Trust Company

OF NEW YORK

Consolidated statement of condition

June 30, 1973

Assets

Cash and due from banks	\$ 5,118,701,165
U. S. Treasury securities	367,941,618
Obligations of U. S. government agencies	47,429,461
Obligations of states and political subdivisions	742,511,171
Other investment securities	369,345,444
Trading account securities	117,207,765
Federal funds sold and securities purchased under agreements to resell	159,150,000
Loans	9,196,030,334
Premises and equipment	85,044,108
Customers' acceptance liability	426,199,946
Other assets	665,093,092
Total assets	\$17,294,654,104

Liabilities

Demand deposits	\$ 4,442,283,763
Time deposits	2,985,527,830
Deposits in foreign offices	5,712,450,604
Total deposits	13,140,262,197
Federal funds purchased and securities sold under agreements to repurchase	1,172,372,159
Other liabilities for borrowed money	508,569,069
Accrued taxes and expenses	191,771,721
Liability on acceptances	448,765,569
Dividend payable	17,334,460
Convertible debentures of a subsidiary (4¼% , due 1987)	50,000,000
Mortgage payable	16,400,660
Other liabilities	516,903,691
Total liabilities	\$16,062,379,526

Reserve

For possible loan losses	\$ 137,984,960
------------------------------------	----------------

Capital accounts

Capital notes (6¾% , due 1978)	\$ 100,000,000
Capital notes (5% , due 1992)	91,580,000
Equity capital:	
Capital stock, \$25 par value (9,123,400 shares)	228,085,000
Surplus	336,500,000
Undivided profits	338,124,618
Total equity capital	902,709,618
Total capital accounts	1,094,289,618
Total liabilities, reserve, and capital accounts	\$17,294,654,104

Assets carried at \$1,333,545,838 in the above statement were pledged as collateral for borrowings, to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

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BULL LEASING

Its Objective Is to Help Farmers Grow Top-Quality Cattle

RAISING top-quality cattle is, of course, the goal of beef-producing farmers and ranchers, but many of them, for various reasons, cannot always achieve that objective. However, thanks to Robert E. Curry, a Pulaski, Tenn., banker, there's a way banks can help farmers upgrade and improve their herds without a lot of expense. The method? Bull leasing!

Mr. Curry, now president of Pulaski's First National, is credited with originating this service about 10 years ago. Since then, the idea has spread around the country, and several Mid-Continent-area banks are offering similar programs. (In the middle 1960s, MID-CONTINENT BANKER published a feature article on the Pulaski program.)

According to the American Angus Association, St. Joseph, Mo., the program at First of Pulaski works something like this:

- First, it is designed to help established beef cattle breeders or new-

By **ROSEMARY McKELVEY**
Managing Editor

comers to the business by offering a lease program for outstanding performance-tested bulls.

- Second, the bank offers the service of a full-time farm department to help cattlemen establish a sound beef-breeding program, organize and set up working facilities for livestock and select the type of cattle that will improve their overall beef production.

- Third, the bank offers cash incentives for breeders to enroll in a state or national beef cattle improvement program. This is accomplished by awarding cash prizes to the cattlemen with the highest overall weaning weights on their annual calf crops.

- For youngsters, the bank offers a loan program for up to 100% of purchase cost for breeding-age cattle with the principal due after the cattle are in production.

- Last, First National uses its agricultural activities as a hub for its entire promotion and advertising program.

The mechanics of the program are simple: A farmer or rancher signs a lease on a bank-owned bull for six months (at some banks, three- and 12-month leases also are offered). The "rent" usually is 10% of the cost of the bull's purchase price. The bank pays for the insurance on the bull. The breeder is responsible for following good husbandry practices, care and maintenance and for paying all veterinary bills. At the end of the lease, the breeder can buy the bull at the bank's remaining cost in the animal. This arrangement enables breeders to eventually buy bulls they otherwise couldn't afford. Should the bull die of natural causes during the leasing period, the bank reserves the right to replace the animal with another bull of like quality and character or refund the rental prorated as to the time it is in possession.

LEFT: First Nat'l, Pulaski, Tenn., held this exhibit of five production-tested bulls at Giles County Fair last year. Bank has such an exhibit at each year's fair. Fair goers are offered opportunity to guess animals' weights, with nightly winners and grand winner at end of fair. About 7,000 persons visited display in 1972. **RIGHT:** (standing, l. to r.) Edwin Moore, v.p. of bank, who has been involved in its bull-leasing program; Robert E. Curry, pres., who originated bull-leasing idea in

1963; Terrell Jackson, Giles County agent; Joe Warren, who runs program for bank; (seated, l. to r.) Dr. Haley Jamison, head of production testing department, University of Tennessee; C. O. Dickey, who helped bank start bull-leasing program 10 years ago; and Orville Sweet, exec. sec., "Polled Hereford World." Mr. Sweet spoke to about 150 beef cattle producers at bank's annual banquet March 1.





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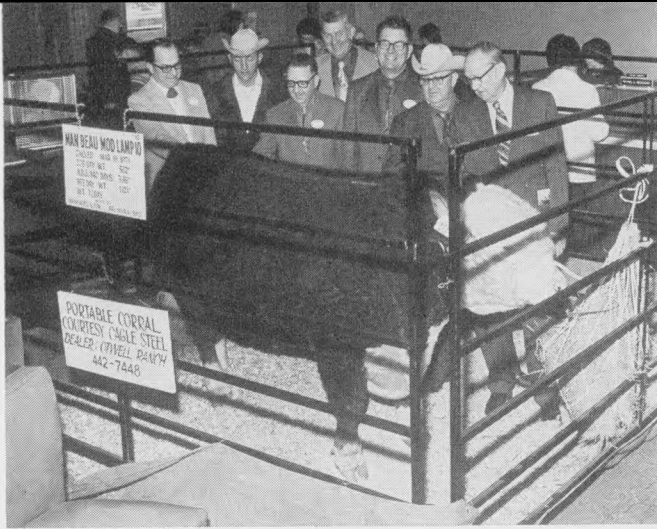
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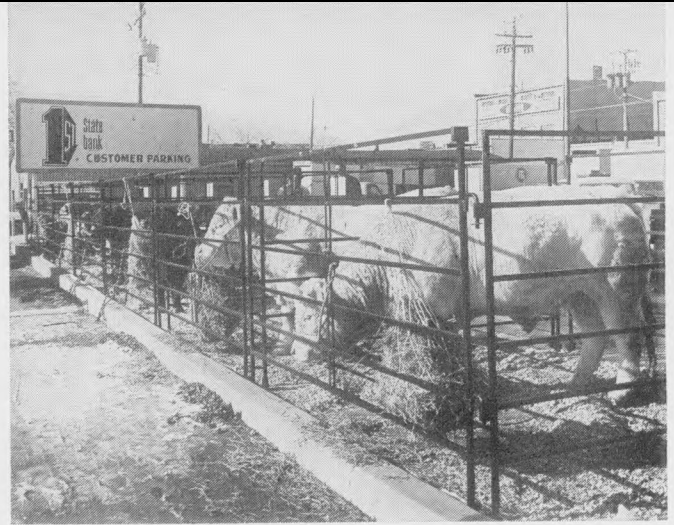
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LEFT: This Polled Hereford bull was exhibited in lobby of First State, Springdale, Ark., to kick off bank's bull-leasing program. Visitors were asked to guess animal's weight, with money given for prizes to those who guessed closest. Shown with bull are (l. to r.): Tom



Bain, pres. of bank; Harold Sargent, Arthur Johnson, H. E. Russell, J. E. Hinsaw and Thurman Parsons, all on bull leasing committee; and Joe Steele, ch. of bank. RIGHT: Other bulls offered for lease were displayed on bank's parking lot last December.

sion of the lease.

Bulls offered for lease by the banks conducting these programs are quality animals that have performance records showing proved ability to gain. As explained by one bank—Corpus Christi (Tex.) State National—"Performance testing is no myth; it has been tried, tested and proved. The better-quality bulls that have superior test records produce better calves that weigh more at market time and prove to be higher-quality animals."

The bull-leasing idea came to Mr. Curry in 1963, when he was driving through his home county of Giles and observed that the quality of calves being produced on farms there was inferior to many that he had seen in other counties. He visited organized feeder calf sales throughout the state and became convinced that what were lacking on beef producers' farms were good bulls that would transmit traits of economic importance to their offspring.

He then went to his bank's board with the suggestion that the bank make available several thousand dollars to buy top performance-tested bulls as a step toward improving the beef industry in Giles County. These bulls would be leased to beef cattle producers for six-month periods at a small cost.

In his presentation to the bank's directors, Mr. Curry emphasized that the purpose of such a program was not to make a profit for First National, but to increase income in the beef cattle industry, and this eventually would boost the bank's business. He asked for and received \$50,000, which was to be used over a 10-year period to promote the growth of better beef cattle in the county. Mr. Curry then selected a four-man committee to help with the

program—two area beef breeders, a county extension agent and a bank representative, who, together, selected six performance-tested bulls. Three of the latter were Angus and three were Herefords. Since then, First National has invested more than \$75,000 in bulls and another \$50,000 in promoting the program.

The bank places a bull on its books for a five-year depreciation and then leases him for 10% of his value for a six-month breeding period. The bank pays about \$60 a year in insurance costs, which are recaptured after the five-year depreciation when the bull either is sold to a breeder or sent to slaughter.

Fifty breeders in Giles County are now enrolled in the beef cattle program, which involves 2,500 cows. During the past 10 years, the bank has spent more than \$250,000 on the program. At present, First National owns 27 production-tested bulls at an average cost of more than \$2,000 per animal. Joe Warren of the bank's staff works full time on the program. The bank currently is spending about \$25,000 a year in promoting beef cattle in its trade area. This money is in addition to the capital investment in the bulls.

In addition to leasing bulls, in 1971 First National began a program to encourage performance testing in its trade area. The latter program is coordinated through the Tennessee Beef Cattle Improvement Program (TBCIP). All farmers who lease bulls from the bank must enroll their herds in TBCIP. To enforce this requirement, the bank purchased a set of portable scales and a portable squeeze chute to be used in performance testing. If asked, the bank even sends one of its representatives to a farm to help with the weighing.

Has the First of Pulaski bull-leasing program helped beef cattle growers?

One farmer said he believes the program has done more to upgrade cattle in the county than anything else. He added that in the past six calf crops he sold, only one calf graded medium; the rest graded choice and good. Another farmer said he likes the program because after his cows are bred, he doesn't have a bull he no longer needs around for six months.

In Springdale, Ark., First State has started a bull-leasing program patterned after First of Pulaski's.

"This has been the most successful promotion this bank has ever sponsored," said J. E. Hinshaw, First State's agricultural representative and a bank director. "It has been indirectly responsible for a number of new agricultural loans. Additionally, it is proving the value of good bulls to cattlemen in the area."

According to Mr. Hinshaw, three banks in Arkansas definitely plan to start similar programs, and a number of east Texas banks have written the bank about the program and are considering it.

First State unveiled its program last December by exhibiting a Polled Hereford bull in its lobby and 10 other bulls in individual pens on its parking lot. Despite cold weather and snow, more than a thousand persons looked at the bulls and guessed the weight of the bull in the lobby. A \$20 first prize was given a man who guessed the 1,558-pound, performance-tested bull only one pound light. Five other persons divided second- and third-prize money, missing the weight by only two pounds.

All 11 bulls were leased in 15 days and are now at work in herds in the area. Seven of them are being used by purebred breeders, and four are being

(Continued on page 114)

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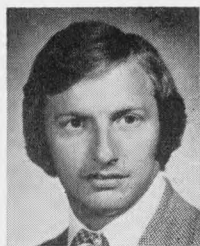


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CORRESPONDENT BANK LEASING—

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D'ANTONI

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knowledge and experience in this technical field are necessary.

Problem areas encountered in organizing a bank leasing service include the location, selection and hiring of competent experienced personnel; administrative policies set as to operational, accounting, legal and marketing considerations involved; and, of course, developing, over time, the proper mix of the above to produce an efficient, profitable operation.

Now, through correspondent bank lease programs, this experience is available to your bank. As a result, you can be immediately equipped to extend to your customers a lease service that is competitive and beneficial to both the customer and the bank. A new source of profits opens for the bank, while customers enjoy a new local financing arrangement.

Under such a program a smaller bank can participate in a growing market without becoming involved in the

By **TOM D'ANTONI**

**Manager
American Equipment Leasing Corp.
Baton Rouge, La.**

problems associated with the ownership of leased equipment.

Many of these correspondent lease programs offer a broad range of options and variations of participation for the smaller bank. The most flexible of these services exist on large-dollar volume transactions through programs dealing in "leveraged" leases. Briefly, a "leveraged" lease is a transaction where the lessor, providing a minimum of equity funds and capitalizing the equipment as owner, leases to the lessee. The remainder of the equipment acquisition cost is funded by a loan from a third party.

Through this type of arrangement, the correspondent service will:

- Prepare a lease for your customer, providing the senior debt, while your bank contributes the equity portion and capitalizes the equipment.

- Prepare a lease for your customer, providing the equity portion, while your bank lends the senior debt funds for the lease.

- Offer your bank an equity position in a lease to a customer of the correspondent.

- Offer your bank the senior debt position in a lease to a customer of the correspondent.

- Provide any of the above on a participative basis.

- Pay your bank a "brokerage" fee for referrals of lease customers.

Smaller dollar volume transactions, still qualifying as true leases, can also be written through correspondent services in the form of participations and finder's fee arrangements.

Taking advantage of this correspondent service allows your bank to adjust its position in these transactions to comply with internal constraints such as loan limits, need for tax shields, taxable income currently generated, forecasts, profit planning, etc.

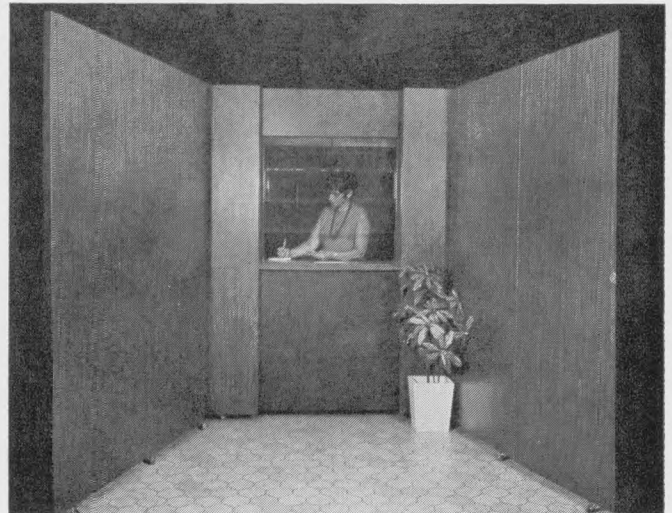
Rather than delving into a technical discussion on the fine points of these arrangements which vary widely from one bank to another, let us review some actual cases that will serve to illustrate the flexibility of the correspondent lease service.

Case 1—A medium-sized bank in a highly industrialized southeastern city was approached by a prime commercial customer interested in lease financing on a new industrial installation to be set up in its local plant. The cost of the installation was about \$1.3 million, with the useful life of the equipment extending 10 years. Having serviced the customer on several previous occasions and being familiar with his prime credit, the bank wished to participate in this financing arrangement on a local level.

Lacking the internal ability to complete such a transaction, but interested in extending credit to the customer, the

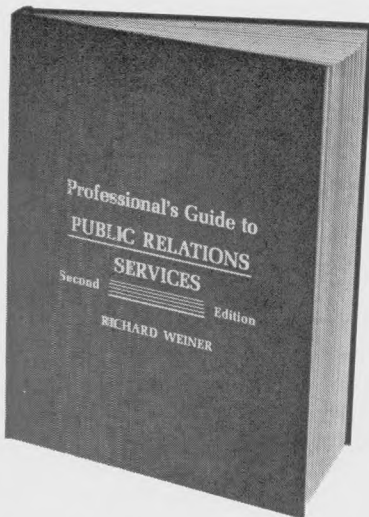
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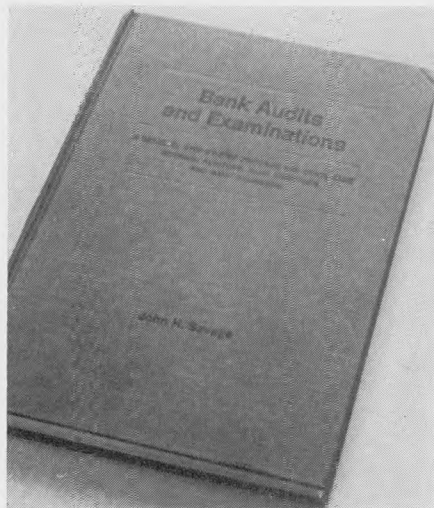
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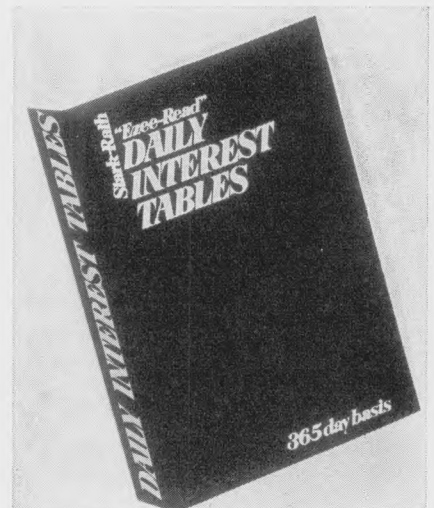


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MID-CONTINENT BANKER for August, 1973



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bank called an upstream correspondent with an established leasing department.

After the initial discussions concerning the transaction, the lease package was forwarded to the correspondent for review and analysis. A favorable decision resulted and a leveraged lease approach was decided upon as providing the optimum results to all parties.

The customer received an eight-year lease bid below the current cost of money, the local bank funded the senior debt to purchase the equipment in the form of a loan of 80% of the equipment cost at an attractive rate to the correspondent and the bank capitalized the equipment by funding the remaining cost. The bank used the tax shields (depreciation, investment tax credit) to protect its current taxable income from the lease and also benefitted from the proceeds of the residual value of the leased asset.

Case 2—A relatively small bank in a resort community was asked to locate

lease financing on a \$200,000 computer installation for a local data processing operation. The loan officer, familiar with the benefits of ownership on such transactions, sought assistance from the leasing division of the bank's correspondent. Since the smaller bank was generating substantial taxable income, a participation in the lease arrangement was preferred by management over the 2% of cost, front-end finder's fee offered.

An arrangement was established whereby a representative of the correspondent's leasing department negotiated, contracted and documented a lease with the customer on behalf of the smaller bank. A fee for this service was earned by the correspondent along with a management retainer for servicing the contract over the term, while the smaller bank gained valuable tax shelters from the lease to shield its current income from taxation, thereby improving the bank's earnings outlook.

The customer received expert service at competitive rates under this financing arrangement and the earnings were kept within the community by the small bank.

Again, the interests of each party were served at a low premium while the customer received sound bank-rate financing from a reputable institution.

Examples such as these illustrate the theme of this article: A *new service* is available to most small banks, and along with this, a *new source of profits*. The needs of customers and the community can be met *locally* to a greater degree by the extension of leasing services.

All of this is available to interested banks without increasing their staffs or becoming involved in the legal, accounting and operational problems normally associated with the ownership of leased equipment.

Look into these possibilities the next time an opportunity presents itself to your bank! • •

Mini-Glossary of Leasing Terms

THE FOLLOWING definitions of terminology peculiar to leasing are typical of those supplied by some banks to their correspondents as an aid to understanding the various terms most often referred to in connection with leasing matters.

Lessee: An entity that leases equipment from a lessor, enjoys the use of the equipment but does not own it.

Lessor: Has title to, owns the equipment and leases same to the lessee.

Types of Lessors: Banks, leasing companies, captive finance companies, manufacturers, vendors, individuals, limited partnerships and trusts.

Lease Rate: A term that defines the simple interest rate charged the lessee. Its equivalent is the loan interest rate charged on a real estate loan. This rate is sometimes referred to as the "imputed rate" or "effective rate." A five-year lease rate of 10% is equivalent to a simple interest rate of 10% or an add-on rate of 5.5%.

Rental Factor: This term is normally used to define the factor, when multiplied by the cost of equipment, that determines the amount of the lease payment. It is usually quoted as "so many dollars per \$1,000 of cost." For example, a 10% lease rate for five years, with rental payments monthly in advance, would be quoted as a rental factor of \$21.07 per \$1,000. If the cost of equipment was \$150,000, the lease

payment amount would be \$3,160.50 per month.

Residual Value: The estimated sale or re-lease value of the equipment at the end of the base lease term. Currently, most leasing companies book this estimated amount and take it into earnings over the life of the lease. Most bank leasing functions do not.

ITC: Abbreviation for "Investment Tax Credit," which is an incentive given the purchaser of new equipment to modernize production and increase the activity of the U. S. economy. The ITC amounts to 7% of the cost of the new equipment as a credit against the purchaser's tax bill. In a lease, the lessor can pass this benefit through to the lessee. This can be done by allowing the lessee to take the ITC on his tax bill, or by the lessor retaining the ITC and lowering the lessee's lease rate.

Purchase Option—"Fair Market": This is an option given to the lessee to purchase the equipment at the end of the lease. "Fair market" normally means that the price will be determined at the end of the lease through appraisals or open bidding. It can be predetermined and stated at the beginning of the lease, if you can properly document the file and justify the amount.

"Nominal Purchase Option": This is a purchase option given at the inception of a lease which does not neces-

sarily relate to the true expected residual value. It may be as little as \$1 or as much as 10%. However, if the "nominal purchase option" is obviously less than the true expected residual, then the lease will not be a true lease for accounting purposes. This type of lease is sometimes referred to as a purchase option lease.

True Lease: This term is an abbreviation for the intended meaning that a certain lease has been structured so as to meet the tests of the Internal Revenue Service and certified public accountants. Therefore, the lease can be accounted for as a "true lease for accounting purposes" and the lessor can claim the allowable tax depreciation and ITC and the lessee can charge the rental payments as expense and footnote the lease obligation.

Direct Lease: The lessor takes direct title to the equipment, at the request of its customer, and leases same directly to the lessee. The lease is usually a full pay out lease at a fixed-lease rate to recover the lessor's investment plus income over a fixed term. This is the most common lease arrangement and is sometimes referred to as a "standard lease," "full pay out lease," "financing lease" or "net lease." "Net lease" refers to the fact that the lessee is responsible for providing insurance and maintenance and paying any sales or use tax

(Continued on page 116)

NATIONAL DETROIT CORPORATION



Parent Company of
NATIONAL BANK OF DETROIT

CONSOLIDATED BALANCE SHEET—JUNE 30, 1973

ASSETS

Cash and Due from Banks (including Time Deposits of \$636,283,564)	\$1,866,824,245
Securities—At Amortized Cost:	
U.S. Treasury	456,603,387
States and Political Subdivisions	738,922,375
Other Securities	31,839,195
	<u>1,227,364,957</u>
Federal Funds Sold	387,350,000
Loans:	
Commercial and Consumer	2,008,168,184
Real Estate Mortgage	774,641,531
	<u>2,782,809,715</u>
Bank Premises and Equipment (at cost less accumulated depreciation of \$28,227,970)	49,765,535
Other Assets	77,404,945
Total Assets	<u>\$6,391,519,397</u>

LIABILITIES, RESERVE AND SHAREHOLDERS' EQUITY

Deposits:		
Demand	\$1,786,182,587	
Certified and Other Official Checks	488,146,719	
Individual Savings and Time	1,766,882,412	
Other Savings and Time	527,508,833	
Foreign Offices	828,440,902	
	<u>5,397,161,453</u>	
Other Liabilities:		
Federal Funds Purchased and Securities Sold Under Agree- ments to Repurchase	\$387,277,500	
Capital Notes (6 $\frac{7}{8}$ % due 1979)	50,000,000	
Convertible Capital Notes (5% due 1993)	50,000,000	
Unearned Income and Sundry Liabilities	102,323,226	589,600,726
Total Liabilities		<u>5,986,762,179</u>
Reserve for Possible Loan Losses		54,899,992
Shareholders' Equity:		
Preferred Stock—No Par Value	—	
No. of Shares		
Authorized 1,000,000		
Outstanding —		
Common Stock—Par Value \$12.50	75,000,000	
No. of Shares		
Authorized 10,000,000		
Outstanding 6,000,000		
Capital Surplus	175,000,000	
Retained Earnings	99,857,226	349,857,226
Total Liabilities, Reserve and Shareholders' Equity		<u>\$6,391,519,397</u>

Note—Assets carried at approximately \$498,000,000 (including U.S. Treasury Securities carried at \$32,000,000) were pledged at June 30, 1973 to secure public deposits (including deposits of \$91,159,268 of the Treasurer, State of Michigan) and for other purposes required by law.

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“The future of leasing and the future of banking are inexorably tied together.”

How Your Bank Can Get Its Share Of the Lucrative Leasing Market

By LEAH PIERCE

**Assistant Vice President
Exchange National Bank
and Second Vice President
Lincolnshire Leasing Corp.
Chicago**

IF YOUR BANK is not offering leasing services to its customers, it is missing out on a highly profitable share of a multi-billion-dollar market!

About two years ago, the *National Banking Review* estimated that the value of equipment leases grew at a 30% rate during all the 1950s, and at a rate of 15% per year during the 1960s. Two years ago, it was estimated that leasing companies (excluding auto leasing firms) held contracts totaling \$15 billion. Today, Sidney Rose, executive secretary of the Association of Equipment Lessors, says that figure has more than doubled.

I expect leasing growth in the 1970s to dwarf all previous years. The market is wide open.

Why? Primarily because businessmen have learned that this method of obtaining equipment can work to their advantage. Leasing offers the use of updated, income-producing equipment, often without the usual restrictions of ownership. Leasing frees capital for product development and for additional promotion and expansion. Finally, as accountants will attest, it can offer distinct tax advantages.

As businessmen have become aware of leasing's benefits, they have increasingly sought out the service. More than 900 leasing companies have risen to meet the demand. While banks have financed the activities of leasing companies, in general, they have avoided direct leasing activity themselves. Paradoxically, banks are in a particularly strong position to compete for such business.

Basically, leasing is just another application of banking's stock in trade—credit extension. Therefore, as a direct

source of funds, banks also should be the most economical source for leasing. They can buy the equipment directly and lease it directly. The businessman saves money; the bank makes money.

Recognizing the potential in this form of credit extension, Exchange National began its leasing program seven years ago through a separate division. We went after the business and quickly ran into problems—competition! Under national banking regulations, our leas-

ing capabilities were limited, whereas customer requirements were not. We came to realize that if we were to compete effectively, we had to broaden our service.

We restructured our operation from a bank division to a wholly owned subsidiary. In this form, we had the flexibility to provide the majority of the leasing services our customers needed, and we could compete effectively.

Forming a leasing subsidiary will certainly give you a competitive inroad into the leasing market. You will be profitable. However, if you are under the umbrella of a holding company, you can realize the ultimate efficiencies and profitability inherent in direct-lease financing.

Under a holding company, a leasing subsidiary can act as a separate company, with all the attendant advantages of that independence. The subsidiary can offer a broader range of services. It can negotiate for funds and credit lines from other banks. Since the operation will be backed by your bank's liquidity, it will be able to generate funds at a lower cost than commercial leasing companies, thus providing prospects with a more competitive rate.

In the seven years it has been involved in direct leasing, Exchange National has developed a multimillion dollar portfolio. Proper organization was not enough to achieve this record of growth. More important was the ability of our leasing personnel to understand how to satisfy the needs of our customers. Knowledge, of course, is a prerequisite to success, and while it is possible to import that knowledge, I don't believe this is necessary. Your

(Continued on page 108)



Miss Pierce conducts a leasing seminar for bankers.

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“Through a correspondent arrangement, banks can make it possible for a locally based client to lease equipment for use anywhere in the country and world.”

Worldwide Equipment Leasing Service Can Broaden Financing Capabilities

MULTINATIONAL “equipment bankers” can help bankers develop more effective, comprehensive client relationships by broadening an institution’s financing capabilities. Through a correspondent arrangement, banks can make it possible for a locally based client to lease equipment for use anywhere in the country and world.

If leasing proves to be the appropriate method of financing an existing customer’s needs, the bank, as a financial service organization, will want to provide this service for its customers, many of whom may be unaware of the advantages of extended term financing.

The lessee obtains 100% financing, may improve the appearance of his financial statements and sometimes derives a tax advantage. The bank, at the same time, is able to acquire business which might otherwise be lost, and may benefit financially by participation.

Leasing not only provides one more financial service for a bank’s existing customers, but is also a door-opener for discussion with potential customers. As with any service industry, the availability of a full product line will often make the difference as to whether the banker will get any or all of a prospective account.

By **EDWARD G. HARSHFIELD**
Senior Vice President
Citicorp Leasing
International, Inc.
New York City



HARSHFIELD

It is vital for the small- or medium-size bank to investigate the advantages and scope of lease financing and correspondent bank opportunities in the present economy.

Many banks that want to aggressively enter the leasing market are discouraged when forced to consider establishment and maintenance of a national and international presence. A bank-affiliated leasing company cannot begin to service vendor accounts, for example, out of one home office.

The company must have field presence where vendor representatives are located in order to make joint calls with them, make closings and approve credits locally to avoid any loss of time. The vendor can lose a sale if he does not get quick service from a lessor.

International leasing requires the same field representation on a more intense level. Leasing in countries abroad can be used to finance a multinational company’s own requirements for equipment or the sale of its products to end users.

The use of innovative financial techniques such as leasing can be one of the major elements in solving the problems of vastly increasing the sale of our country’s products abroad.

Today, one master agreement can be

signed with the headquarters of a multinational company to provide equipment financing capabilities (leasing and time purchases) in every major country of the world. Citicorp Leasing International, Inc. (CLI), for example, has representation in more than 90 countries.

As an illustration of one type of a multinational financing agreement, our company was recently approached by a U. S. manufacturer of computer peripherals. The manufacturer was producing a high-cost, sophisticated electronic product, and because of rapid expansion and restrictive debt covenants, found itself unable to bear the additional burden of customer finance.

After analyzing the company’s product and prospects, CLI agreed to establish a program which would provide customer financing for all the manufacturer’s extended term sales in Europe. The vendor received spot cash upon the signing of each customer’s expense certificate. Valuable working capital was then available to the vendor for increasing production rather than supporting customer receivables. Citicorp Leasing, under the lease agreements, was responsible for all the credit risks.

Citicorp Leasing and other lessors abroad already have faced and solved the problems inherent in each foreign market and can tailor each agreement to the country and customer. There are numerous complexities caused by the

(Continued on page 106)

THE FORT WORTH NATIONAL BANK

Member FDIC Fort Worth, Texas



Statement of Condition

Assets

	June 30	
	1973	1972
Cash and due from banks	\$136,434,996	\$118,263,633
Securities:		
United States Government	60,241,628	55,496,137
State, county and municipal	139,744,392	130,209,580
Other investment securities	5,141,258	3,309,362
Trading account securities	1,444,946	2,221,360
Federal funds sold	2,575,000	2,300,000
Loans and discounts	402,284,991	327,287,604
Land, buildings and equipment—undepreciated balance	24,950,525	15,379,689
Customers' liability under acceptances and letters of credit	10,385,112	9,310,800
Income receivable and other assets	7,843,246	5,105,211
	<u>\$791,046,094</u>	<u>\$668,883,376</u>

Liabilities and Capital Funds

Demand deposits	\$263,577,486	\$266,863,517
Time deposits	326,422,472	260,908,205
TOTAL DEPOSITS	589,999,958	527,771,722
Federal funds purchased and securities sold under repurchase agreement	104,699,343	62,549,505
Acceptances and letters of credit	10,385,112	9,310,800
Unearned income and other liabilities	26,133,279	11,759,724
TOTAL LIABILITIES	731,217,692	611,391,751
Reserve for loan losses	6,328,348	6,416,992
Capital funds:		
5 $\frac{3}{8}$ % Capital Notes due 1992	9,250,000	9,625,000
Stockholder's equity:		
Common Stock, par value \$10 a share, 1,267,112 shares authorized and outstanding	12,671,120	12,671,120
Capital surplus	17,568,880	17,568,880
Retained earnings	14,010,054	11,209,633
TOTAL STOCKHOLDER'S EQUITY	44,250,054	41,449,633
TOTAL CAPITAL FUNDS	53,500,054	51,074,633
	<u>\$791,046,094</u>	<u>\$668,883,376</u>

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Commercial Banks Offer Auto Leasing Services

THE AUTO leasing field is being invaded by commercial banks.

First National, Chicago, recently formed First Lease, Inc., an auto leasing subsidiary, to market autos, trucks and recreational vehicles through dealers in the Chicago area. The bank says it is the first commercial bank in the Chicago area to form a leasing subsidiary.

James Davidow, president of the new subsidiary, said that customers can lease vehicles at the bank, through a First Lease representative or from any dealer who is affiliated with the program. He expects the new subsidiary to handle from \$40-\$50 million worth of leases by 1975.

Mr. Davidow said dealer response has been good, with approximately 150 dealers indicating an interest in participating upon the introduction of 1974 models.

He said the bank's prime leasing market covers consumers who ordinarily trade in their cars every three years or less. He noted that the subsidiary's only competition is the local independent auto dealer.

First National, Mobile, Ala., offers open-end auto leases with terms of 24 or 36 months. The leasing program was announced earlier this year.

According to W. H. McNair, vice president and head of the consumer credit division, auto leasing "is a true companion service to the extension of credit for automobile financing. Those individuals who purchase a new car every two years will, in many cases, find it less expensive to lease their automobiles than to finance them."

Hamilton National, Chattanooga, organized an auto leasing department late last year. According to a bank spokesman, the department was formed to serve those customers who need a new auto without outright purchase of the auto.

Designed for the businessman in need of one or more autos for his firm, the normal two-year lease includes the car of the customer's choice, equipped for his needs in an open-end, no maintenance agreement.

According to Cedric Armor, assistant cashier, who oversees the leasing department, leasing advantages include low monthly payments, no down payment, convenience, latest models with

more extras, tire discounts, tax advantages, expert assistance and personal contact with the dealer.

Boatmen's National, St. Louis, announced July 1 that it was forming an auto leasing program. Donald N. Brandin, chairman and president, stated that the bank is offering this additional service to meet the growing demand of its customers and the public for auto leasing as an alternative to a cash

investment or conventional auto financing.

Banks wishing to offer auto leasing services to customers without setting up elaborate departments can use the services of leasing service firms such as Trans-American Leasing, Inc., Austin, Tex.

According to Samuel P. Stuckey, vice president—administration, the firm's services concentrate primarily on the individual and small company fleet vehicle leasing, although it is capable of handling more ambitious leases.

The firm charges a setup fee for a bank to become a member of the Trans-American Leasing program, which provides office facilities, administration of duties, advertising assistance and training of personnel. The program is said to offer the lender all the flexibility and services available in the leasing industry, while maintaining its identity by having the customer remit lease payments directly to the lender. • •

The Sky's the Limit!

What types of equipment are bank or HC subsidiaries leasing to customers? Just about anything!

Take First Chicago Leasing Corp., a subsidiary of First Chicago Corp., which controls First National, Chicago. The subsidiary recently announced the leasing of two new "roll-on, roll-off" cargo ships to the Matson Navigation Co.

Each vessel is valued at about \$30 million. They will be used on the San Francisco-Los Angeles-Honolulu run, beginning in late August. The ships cruise at 24 knots and displace 25,000 tons.

First National, Dallas, has an active leasing division that has arranged for leasing a \$35 million super tanker, a four-color printing press and a huge cookie-baking oven. Other equipment purchased for lease by the bank includes computers, semi-tractors and trailers.

Security Pacific National, Los Angeles, recently announced a lease involving a fully automated clinical laboratory, valued at \$221,000, for Good Samaritan Hospital. The equipment features special analyzers that will make test results immediately available on all current inpatients and outpatients.

FBT Leasing, Inc., South Bend, Ind., leasing subsidiary of FBT Bancorp., Inc., recently executed an equipment lease to outfit a plastics manufacturer's plant. The lease was signed the same day FBT Bancorp. received approval from the Fed to operate a leasing subsidiary. First Bank & Trust, South Bend, is an affiliate of the HC.

A 15-year lease covering reformer equipment that produces high-octane gasoline was recently executed by First Chicago Leasing Corp. The unit increases production capacity and enables the refiner to meet possible federal standards for low-lead or no-lead gasoline.

Worldwide

(Continued from page 104)

varying legal and tax aspects of equipment finance from country to country:

- Leases may be written in U. S. dollars, local currency or Eurodollar funds.

- Rates can be fixed, floating or a combination of both.

- Differences in terminology may make a "lease" in one country a "conditional sales agreement" in another.

- Tax structures can be extremely complex with local and U. S. income tax; withholding; Interest Equalization Tax (IET); Office of Foreign Direct Investment (OFDI); and import duties or imposts.

- Depreciation allowances and investment credits and grants can vary.

- Funding may come from a variety of sources: equity investors, long-term institutional lenders and government agencies.

Our correspondent bank program, headquartered in New York, makes available to banks throughout the Mid-Continent area the full range of its equipment finance program.

For instance, a metalworking firm needed a new \$70,000 lathe. It was

BNO UP AGAIN

Comparative Statement of Condition

THE BANK OF NEW ORLEANS AND TRUST COMPANY AND SUBSIDIARY

ASSETS	June 30, 1973	June 30, 1972
Cash and Due from Banks	\$ 45,109,306	\$ 39,777,660
U. S. Treasury Securities	20,197,714	26,752,433
Securities of Other U. S. Government Agencies	11,803,218	17,139,763
State and Municipal Bonds	43,848,553	41,336,550
Stock in Federal Reserve Bank	453,750	303,750
Loans Outstanding	208,257,094	141,629,553
Federal Funds Sold and Securities Purchased		
Under Agreements to Resell	5,950,000	6,200,000
Furniture, Fixtures and Equipment	2,877,493	2,578,436
Interest Earned but Not Collected	2,672,841	2,024,998
Customers' Liability on Acceptances	827,443	58,597
Other Assets	652,633	474,901
TOTAL ASSETS	\$342,650,045	\$278,276,641
LIABILITIES		
Demand Deposits	\$106,177,939	\$104,157,305
Savings Deposits	34,278,029	31,640,158
Time Deposits	126,992,287	101,852,360
TOTAL DEPOSITS	\$267,448,255	\$237,649,823
Federal Funds Purchased and Securities Sold		
Under Agreements to Repurchase	\$ 41,840,000	\$ 18,575,000
Accrued Taxes and Interest	2,841,335	1,969,258
Unearned Interest and Income Collected	4,132,240	3,651,353
Quarterly Dividend Payable	140,778	116,302
Liability on Acceptances	827,443	58,597
Other Liabilities	450,962	77,731
TOTAL LIABILITIES	\$317,681,013	\$262,098,064
RESERVES		
Provision for Possible Loan Losses	\$ 2,390,776	\$ 2,084,714
CAPITAL		
Capital Notes	\$ 4,250,000	\$ 1,495,000
Common Stock, \$12.50 Par Value, 400,000 Shares		
Authorized, 250,000 Shares Issued and Outstanding	3,125,000	2,684,500
Surplus	12,000,000	7,440,500
Undivided Profits	3,203,256	2,473,863
TOTAL CAPITAL	\$ 22,578,256	\$ 14,093,863
TOTAL LIABILITIES, RESERVES AND CAPITAL	\$342,650,045	\$278,276,641

Contingent Liability on Letters of Credit Issued but not Drawn Against—June 30, 1973—\$4,261,327
June 30, 1972—\$3,324,320



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decided that the extended terms of a lease agreement would be the most favorable method of finance. The customer's bank contacted our New York office, which expedited the contract.

The manufacturing company, through use of the new equipment, found that it could better and more successfully compete in its field. Several months later, the firm returned to the bank and Citicorp Leasing for a second lathe to help expand its share of the national market.

Companies based in the Mid-Continent area that do business nationally can often satisfy their expansion needs through master-lease financing agreements transacted at their home offices.

Three national retailers, in need of new point-of-sale terminals, were able to arrange financing for their outlets in all 50 states by contacting CL's regional vice president in Chicago. He was able to handle all documentation needed for the national agreement out of his office with a master lease, and considerably reduced the administrative time and costs which the retailers would have had to incur.

Materials-handling equipment leases also often require nationwide capability. A major manufacturing company based in the Mid-Continent area which merchandises nationally may want to purchase fork lifts for all warehouses through one home-office master lease rather than initiating separate transactions in each operating area.

The international and national presence of an equipment finance company, therefore, is an essential operational ingredient for expansion-conscious banks and their industrial clients. ••

Lucrative Market

(Continued from page 102)

bank's officer corps probably has the basic experience required.

Given the nationwide acceptance of leasing, there are few banks totally unfamiliar with it. For example, Exchange National has been lending to leasing companies for a decade. By working with them and from analyzing the business needs of our own bank customers, we learned the why's and wherefore's of equipment leasing.

Your bank may have some similar experiences. However, even if you have literally no leasing exposure, you may have correspondent relationships with banks that do.

Only 500 banks throughout the country offer leasing services. With a leasing department staffed by knowledgeable bankers, therefore, your leasing business should grow quickly. Customers you had to turn away before now can be serviced. Businessmen who cannot find direct leasing services in their own banks will be ready to talk to you.

In addition, the high cost of many types of equipment has led manufacturers and distributors to seek new avenues for closing the sale. You can show them that the advantages of leasing make it an effective tool to overcome prospect resistance.

To dramatize the sales-closing potential of leasing, we have developed a seminar—an intensive program to show management, and especially sales personnel, how this service benefits them.

We have conducted these seminars in a wide variety of equipment fields, including environmental-control, material handling, printing, plastic injection molding, mini-computers and photocopying.

We plan each seminar by familiarizing ourselves with the function and pricing of the equipment being sold. We develop profiles of their prospects, including types of businesses, and capital structures. Finally, we determine what the salesmen already know about leasing.

Frequently, we find our work is cut out for us. Some salesmen fear that if they suggest leasing to overcome sales resistance, the prospect will ask them questions they cannot answer. They think prospects will resist giving them the financial information required to execute a lease contract and that the added paperwork resulting from a lease will be insurmountable.

We overcome their negativism by previewing the typical questions prospects ask and providing them with the proper answers. We offer them our complete assistance in obtaining financial information and we show them how simple it is to prepare leasing contracts. And we carefully school them in identifying the situations in which leasing becomes a sound, sales-closing alternative.

Reassured that our leasing service can help them sell, most of the salesmen have increased their business—and ours.

I hope I've indicated that leasing provides large, highly profitable opportunities for banks. I believe it. And from Exchange National's experience to date, I know that the future of leasing and the future of banking are inexorably tied together. ••

Hollingsworth Named Pres. of Louisiana Nat'l Leasing

BATON ROUGE—George Hollingsworth has been promoted to president of Louisiana National Leasing Corp., a subsidiary of Louisiana National. He succeeds Daniel K. Dwyer, who has left the firm to pursue other business interests.

Mr. Hollingsworth was formerly executive vice president of the leasing corporation and was vice president and general manager of Southern Fleet Leasing for five years prior to its purchase by LNB in 1971.



HOLLINGSWORTH



LEASING DIVISION
INDIANA NATIONAL BANK

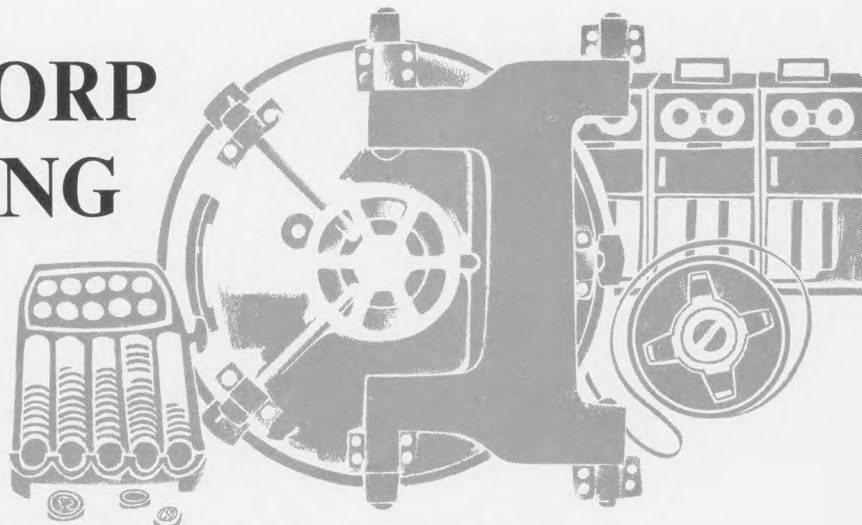
One Indiana Square
Indianapolis, Indiana 46204

Contact: Jack Romine
317-263-5195



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Citicorp Leasing has a better knowledge of banking and equipment financing combined than any other leasing organization. To the growth-minded bank we offer financing of bank equipment tailored to your particular requirements, whatever they might be. An affiliate of First National City Bank, we have the experts, the assets and the experience to provide a banker's viewpoint of your equipment needs.

For instance, a mid-continent national bank needed to equip their new headquarters and, at the same time, meet their growth rate objectives. Their equipment requirements were extensive: teller installations, computers, coin and currency handling machines, security systems, telephone systems, vault doors, accounting machines and microfilm equipment. Citicorp Leasing was able to tailor a master lease in excess of \$1 million dollars with variable terms based on the useful life of the equipment and the individual needs of the bank. This allowed the bank to reduce its capital requirements and channel its resources into revenue producing areas.

Citicorp Leasing can readily structure a variety of sophisticated equipment finance programs whether it be a fixed or

floating rate lease, master lease, multinational lease, conditional sale agreement, sale-leaseback, portfolio acquisition, U.S. tax lease, multi-tax benefit lease or a chattel mortgage.

If you're thinking of equipment acquisition in excess of \$25,000 dollars, Citicorp Leasing can provide flexible finance plans with terms of three to ten years at fixed or floating rates. All of this permits you to decrease your non-earning assets, and otherwise improve your cash flow.

Citicorp Leasing is the world's largest equipment financing organization with both a national and a multinational capability. Throughout the mid-continent and the world, we offer bankers rapid, customized financing needed to meet their client's equipment acquisition plans. With representation in 91 countries, we offer equipment financing with more imagination, more flexibility and more service than anyone in the world. No transaction is too complex for us to handle.

To learn more about how we can help you, call one of our regional offices listed below.

Citicorp Leasing. Regional to know your needs. Worldwide to fill them.

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N.E.
Atlanta, Ga. 30342
Tel.: 404-252-6105

CHARLOTTE

Suite 570
230 South Tryon Street
Charlotte, N.C. 28202
Tel.: 704-377-3669

CINCINNATI

1601 Carew Tower
Cincinnati, Ohio 45202
Tel.: 513-721-3062

DALLAS

Suite 915E
1341 West Mocking-
bird Lane
Dallas, Texas 75247
Tel.: 214-630-1590

JACKSONVILLE

P.O. Box 17289
Pottsburg Station
Jacksonville, Fla. 32216
Tel.: 904-725-0554

SAN FRANCISCO

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One Embarcadero Center
San Francisco, Calif.
94111
Tel.: 415-398-2553

BALTIMORE

Suite 216C
1000 Century Plaza
Columbia, Md. 21044
Tel.: 301-997-9330

CHICAGO

2200 East Devon Ave.
Des Plaines, Ill. 60018
Tel.: 312-297-8510

CRANFORD

25 Commerce Drive
Cranford, N.J. 07016
Tel.: 201-276-5566

HOUSTON

1200 Milam Street
Houston, Texas 77002
Tel.: 713-224-1824

LOS ANGELES

515 S. Flower Street
Los Angeles, Cal. 90071
Tel.: 213-485-1441

TULSA

Suite 304
Fountain Plaza, Bldg. B
4823 So. Sheridan Rd.
Tulsa, Oklahoma 74145
Tel.: 918-663-9217

MAIN OFFICE—399 Park Avenue, New York, N.Y. 10022 Telephone: 212-559-5662

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Day Guard control minimizes possibility of locked-in customers or personnel by accident or holdup men.

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ABOVE: Island of 36 teller stations dominates main banking lobby of First American Nat'l.

LEFT: Exterior of new First American Center from Third Avenue.

First American National, Nashville, Moves Into Tower Complex

FIRST American National, Nashville's oldest and largest banking institution, will officially dedicate its downtown headquarters in the new First American Center August 19.

The bank moved into the 28-story complex last month. The move followed by some 90 years the bank's first opening for business on a corner of the same block in 1883.

The new skyscraper, said to be the largest single building investment in Nashville history, is part of the city's downtown urban renewal program. The total cost of the project exceeds \$20 million, and approximately 30% of the

site has been set aside for fountains, plantings and open spaces.

Occupying the entire block between Third and Fourth avenues and Union and Deaderick streets, the center consists of an office tower rising 354 feet, a four-story interconnecting banking center, two basement levels and underground parking for 200 automobiles.

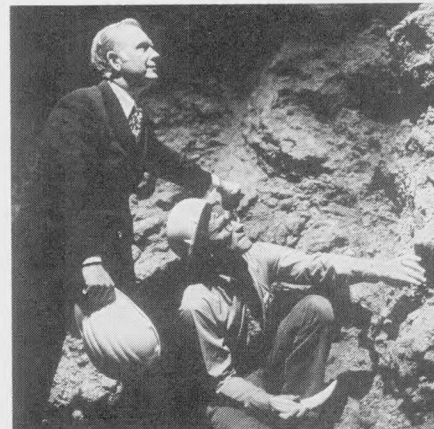
The bank's offices and facilities are located in the low-rise banking center, the first 10 floors of the office tower, both basement levels and the tower's 28th floor. Also located in the center are offices for First Amtenn Corp., parent company of the bank. On other floors are various local, regional and national tenants.

Appropriately facing Union Street, the "Wall Street of the South," the main banking lobby is an unobstructed area two stories high, 90 feet across and 170 feet long. The space was created through the use of six massive concrete girders, which support the two stories above the main banking floor.

In the center of the banking lobby is an island of 36 teller stations, which is accessible from all directions. Here, too, is First American's "money lift," which transports currency between the

tellers' area and the vault below. Three separate vaults are beneath the main banking floor, stacked one above the other. The walls of the vaults are 27 inches thick and were formed by encasing a mesh of vertical and horizontal steel rods in concrete.

The multimillion dollar complex also



W. F. Greenwood (l.) and Dr. Ronald Spores of Vanderbilt University explore cave discovered during excavation for center. Dr. Spores holds tooth of saber-toothed tiger, found in cave. Mr. Greenwood is the v. ch. of bank.



T. Scott Fillebrown Jr. (l.) is pres. and Andrew Benedict is ch. and CEO of First American Nat'l.

sits above a major archaeological discovery, made during the excavation for the building. That discovery bared an ancient cave and bones of the now extinct saber-toothed tiger. Cited as one of the top archaeological finds on the North American continent, the bones are now on display in First American Center. Because of the find, the building plans were altered to provide scientists with permanent access to the cave.

Another distinction of First American's new banking headquarters is that it contains what is thought to be the world's largest collection of Tennessee art. An extension of its past efforts with the Watkins Institute of Nashville to establish and perpetuate a permanent collection of all-Tennessee art, the bank's new collection numbers several hundred pieces, and new pieces will be added as time goes on.

Devoted exclusively to the works of Tennessee artists and to works created from materials native to the state, the art being purchased for the bank is displayed throughout the complex and includes paintings, sculpture, pottery and tapestries. A special "stitchery" tapestry depicting the 90-year history of the bank has also been commissioned and will be added to the collection later this year.

The new banking center is protected



Top floor of Center's low-rise building houses employee's cafeteria (shown), auditorium and private dining facilities.

by an extensive "early warning" system for smoke and fire detection. In the event of smoke, a detector simultaneously signals Nashville's Metropolitan Fire Department while sounding alarms on the floor where the smoke is detected and on those floors immediately above and below.

The system then turns off supply and exhaust fans in that portion of the

building and activates an intercom between security personnel and the floor where the alarm originated. After investigation, a general fire alarm can be sounded from any station in the building.

The exterior of the center is faced with both precast and poured-in-place textured concrete featuring a special "amberlite quartz" finish. The window frames and other metal fixtures and appointments throughout the building are a bronze color, anodized aluminum, and various interior and exterior areas are highlighted by special decorative and accent lighting.

The complex is served by 10 high-speed elevators in the office tower, three elevators in the four-story banking center and escalators between the main banking lobby and the Deaderick Street levels of shops and offices. There are also automatically controlled snow and ice melting cables embedded in all automobile ramps, steps and walkways leading into the building.

In addition to the many departments of First American headquartered in the new structure, there is a special lounge for bank retirees, a 187-seat auditorium, a cafeteria and private dining facilities. In the basement of the building there is also a Post Office branch to serve the bank's many departments and the other tenants of the building. • •

RIGHT: Allen R. Diefendorf III, bank v.p., is pictured with some of bank's all-Tennessee art collection. Tapestry depicting history of bank will be added later.

BELOW, RIGHT: Bethel Crouch, manager of First American Center, scans computer console that monitors Center's temperature at 500 spots throughout structure every 1.28 seconds.

BELOW: Trust department vault is lowest of three stacked vaults at First American Center. Other two are money and safe deposit vaults.

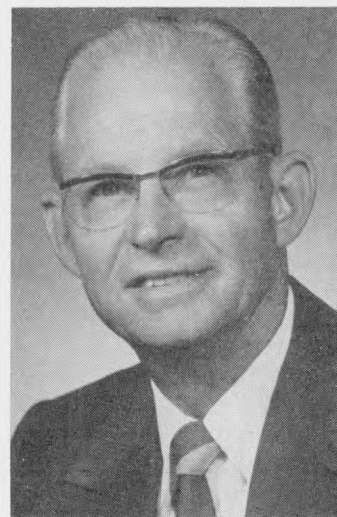


Terry and Barnes Set High Standards For First National's Next 100 Years



W. E. TERRY
Chairman

We celebrate our 100 years "That the future may learn from the past." We will attempt to project standards and set ideals for the second 100 years and, at the same time, dedicate our bank to the kind of service which has brought this institution we represent to the preeminent position it enjoys today.



WALTER BARNES
President

1st The First National Bank Jackson, Tennessee

CONDENSED STATEMENT OF CONDITION
JUNE 29, 1973

Member Federal Deposit Insurance Corporation

Member Federal Reserve System

RESOURCES		LIABILITIES	
Cash and Due from Banks	\$ 6,765,621.07	Capital	\$ 800,000.00
U. S. Bonds and Securities	12,139,234.00	Surplus	1,000,000.00
Other Bonds	9,088,933.30	Undivided Profits	2,524,529.48
Loans & Discounts	37,804,153.63	Reserve for Loan Losses	603,007.59
Federal Funds Sold	2,000,000.00	Interest Collected—Not Earned ...	306,888.65
Stock in Fed. Reserve Bank	54,000.00	Accrued Payables	451,497.99
Bank Premises	917,958.50	Dividend Payable July 2, 1973	32,000.00
Furniture & Fixtures	297,707.69	Deposits	64,318,315.83
Other Real Estate	40,502.50		
Interest Accrued—Not Collected ..	888,638.57		
Other Assets	39,490.28		
	<hr/>		<hr/>
	\$70,036,239.54		\$70,036,239.54

Kansas Bank Helps Farmers With Conservation, Anti-Pollution Projects

BANKS DESCRIBED in the article beginning on page 94 are helping their farmer customers with bull-leasing programs. In Neodosha, Kan., the \$14-million First National has begun another kind of aid program—its own Rural Environmental Assistance Program (REAP). It replaces locally the federal program of that name that was terminated last December.

With REAP, the bank plans to make loans to farmers for approved conservation and anti-pollution projects on their property on an unsecured basis at low interest rates, currently 7%, to be repaid over as many as 10 years. The loans may cover up to 100% of the cost of the projects.

According to President G. E. Worley,

eligible conservation projects and practices generally will follow the outline used in the government REAP program. In addition, the Federal Soil Conservation Office will continue to offer technical assistance.

The bank said all funds spent are tax deductible under current tax rulings, and there's no waiting period for the loans, as with the federal program.

To qualify for a First National REAP loan, a farmer must meet the following conditions:

- He must obtain planning and technical assistance from the Soil Conservation Service Office.
- He must get a cost estimate from a contractor.
- He must be a land owner, with

20% or more equity in the land.

• His debt-to-net-worth ratio must be one to one or less.

Loans will be made for 10 years or less, with annual payments determined by dividing the total amount by the number of years. Interest is payable annually. Rules for qualifying are subject to modification by bank officers.

Mr. Worley said his bank is proud to have taken the initiative to help replace the government program and to provide an incentive for its customers to continue with their conservation work. He added that the new REAP program also is important to local dirt-moving and bulldozing operators as it will provide funds to help conservation contractors continue working. • •

Bull Leasing

(Continued from page 96)

used in commercial herds for cross-breeding purposes.

At First State, a bull or bulls can be leased from November 1 to April 30 or from May 1 to October 31. The bank offers for lease four Polled Herefords, three Herefords, two Charolais and two Angus. Under the lease agreement, the lessee is to save the top 25% of his heifers for herd replacements and to keep them until they have calved for the first time.

If a bull dies during the lease period, the bank reserves the right to replace the bull with one of like quality.

In a pamphlet describing the bull-leasing program, First State lists six advantages of leasing bulls: 1. The cattleman can lease the finest production-tested bulls in the nation, although he might not be able to buy such a bull. 2. He doesn't have to maintain a bull all year—he has him only when he needs him. 3. Calves will be heavier at weaning and will grade better and bring more money. Tennessee cattlemen who have leased this type of bull believe they have netted an additional \$10-\$25 per calf. 4. The cattlemen can raise better replacement females. The time is past when replacements can be purchased at reasonable prices—they must be raised. 5. The cattleman can buy the bull at the bank's remaining cost in

him at the end of the lease. This will enable cattlemen to eventually own bulls they could not otherwise afford. 6. The cattleman has the assistance of qualified cattle specialists from the Agricultural Extension Service, the University of Arkansas and the First State Bank, all of whom are committed to the success of the program.

Breeders who have taken advantage of First State's program are enthusiastic. They have commented favorably on the bulls they received, calling them good breeding animals that hold their weight well. One customer said the program is the best thing that's happened to him since he's been in the cattle business and added that a six-month breeding season is adequate because he wants his cows to calve together.

In setting up its bull-leasing program, the bank didn't apply for an investment credit, said Mr. Hinshaw, although the bank believes that it would have been granted. The bank originally set the bulls up as assets. When the FDIC examiners were at the bank recently, they transferred these entries to undivided profits. Their reasoning was that the bank proposes to lease each bull for 10% of his cost twice annually for five years. This will amortize the entire cost of the bull, each of whom is insured. The salvage value for meat will pay the insurance premium at the end of the five-year period. Therefore, the bank reduced undivided profits by the amount of the cost of the bulls,

and these undivided profits will be increased by the amount of the leases until the amount is fully returned. Because tax has been paid previously on undivided profits, there is no tax advantage, Mr. Hinshaw said. He added that other examiners might let a bank leave the cost in assets. If so, he said, the cost of the bulls could be depreciated over an eight-year period.

In Corpus Christi, Tex., Corpus Christi State National is leasing bulls for both three and six months to cattlemen in the south Texas area. A three-month lease costs 10% of the bull's original cost, and a six-month lease is priced at 15% of the original cost.

Through its bull-leasing service, State National is trying to provide cattlemen with quality bulls that have performance records showing proved ability to gain, said A. E. "Gene" Engelhardt, senior vice president, who—along with Jim Mudd, agricultural representative—is administering the program. Mr. Engelhardt said the bank hopes area cattlemen will utilize this service to upgrade and improve their herds and boost their dollar returns.

The service is designed to meet the needs of cattlemen who have small- to medium-size herds and who, heretofore, did not feel they could justify the expense of a bull that might cost them from \$1,000 to \$1,500.

The bank will depreciate the bulls over a five-year period and list the animals as just another asset. The bank said it's entitled to an investment credit

of 3/4 of 7% on assets with a life of three to five years.

Although the bank has just started the program, a spokesman said it's not anticipated that any out-of-the-ordinary accounting procedures will be necessary. Lease income and operating expenses generated by these assets will be accounted for in the conventional manner.

The bank believes that use of these performance-tested bulls could yield as much as 20 to 30 pounds of additional calf weight at weaning time. This increase, obviously, would mean a substantial profit per calf to the cattleman, the bank pointed out.

In *Morristown, Tenn.*, the Bank of Commerce became concerned, in the fall of 1971, over the fact that local feeder calf producers hadn't increased the weight and quality of their calves significantly in several years. After studying the situation, it seemed that the average cattleman in Hamblen County believed he couldn't afford the price or didn't see the need for a good performance-tested bull to improve his cattle.

About this time, William W. Bales, vice president and cashier of the bank, heard about First National of Pulaski's bull-leasing program, investigated it and met with about 25 Hamblen

County feeder calf producers on the program. As a result, Bank of Commerce decided to start a similar project.

So far, the bank has bought seven top-performing bulls and placed them in the hands of well-qualified beef farmers. The bank leases these bulls to producers for either six or 12 months at a rate of 10% of the cost of the bull for each six-month period. In addition to paying for the insurance on the animals, the bank pays transportation costs when the bulls are purchased. As in most of the bull-leasing programs, Bank of Commerce agrees to sell the bull to the producer who has leased him for the amount the bank has left in the bull. The bank does this because the program's objective is to help improve the cattle in its immediate area to a point where the local feeder sales will rank at the top among Tennessee feeder sales. The bank believes that being located in a small county is an advantage to this program because the bank can service a larger percentage of beef producers and, hopefully, show results much faster than in larger counties.

Bank of Commerce reported that the County Extension Office is quite interested in the program and lent support in organizing it and in selecting farm-

ers to take part. The office also maintains records to make comparisons to determine the program's success.

Bank of Commerce, well pleased with the program's success to date, said that most producers now have calves on the ground and are happy with them. The bank has several more applications from farmers desiring bulls; therefore, the bull-leasing program probably will be increased substantially in the near future. • •

BMA Offers Advanced Course For Marketing Professionals

A new high-level graduate course in bank marketing has been developed by Bank Marketing Association. The course is designed to keep top marketing officers informed of the sophisticated trends shaping their profession.

The course has been described by William N. Flory, BMA president and vice president, Harris Trust, Chicago, as "a logical extension of the BMA's School of Bank Marketing in Boulder, Colo."

The first session of the new course will be held on the campus of the University of Wisconsin in Madison from October 28 through November 2. Admissions information is available from the BMA, 309 W. Washington, Chicago, Ill. 60606.

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Join the growing number of progressive banks that are adding FIRST NATIONAL'S *custom designed* BANK CO-OPERATIVE REFERRAL LEASE PLAN to their services. This modern bank leasing technique will add profits to your bank. A nationwide service with emphasis to banks in the Mid-Continent area. One of our officers will gladly explain our plan to you.



First National Leasing Corp.

161 W. Wisconsin Ave.
Milwaukee, Wis. 53203
414/272-2374

Mini-Glossary

(Continued from page 100)

and personal property tax.

Participation Lease: A term that means two or more equity investors participating together in a lease. They normally participate as the equity portion of a lease and share in the benefits in relation to their individual percentage of equity participation.

Leverage Lease: This term refers to a lease structure that is composed of a certain amount of equity money (usually 20% to 30% of the cost of equipment) and loan funds (the balance of the cost of equipment). Although the equity investor only invests 20% to 30% of the cost of equipment, he is considered the owner, for tax purposes, of 100% of the cost. Therefore, the equity investor reports the full rental payment as income and takes tax depreciation based on 100% of the cost and Investment Tax Credit based on the full cost of equipment and deducts the interest paid on the loan funds. A participation lease becomes synonymous with a leverage lease when the equity investors do not supply 100% of the funds and borrow the balance from long-term lenders.

Trust Lease: This term refers to the fact that a certain lease is being structured through the use of a trust agreement. It could be a direct lease but because of certain reasons (usually state taxes) the lessor does not want to take direct title to the equipment and the

Fed Denies Leasing Sale

Does the Fed ever deny a holding company's bid to acquire a firm considered to be closely related to the banking business?

Yes, it does!

A request by Chemical New York Corp., HC for Chemical Bank, to acquire CNA Nuclear Leasing, Inc., Boston, was denied recently for the following reasons: (1) CNA Nuclear Leasing is considered to be an extremely leveraged company with very heavy requirements for funds, a factor that the Fed considers could seriously impair the ability of Chemical New York Corp. to serve as a source of financial strength for its subsidiary banks and (2) there are a number of firms presently offering nuclear core financing and there are no reasonably expected public benefits in this particular case—such as greater convenience, increased competition, or gains in efficiency—to outweigh the possible adverse effects mentioned in (1).

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Our pooled equity fund for employee benefit accounts has consistently outperformed others including the accepted investment indexes such as the Dow-Jones Industrial Average and Standard & Poor's 500 Average.

This investment performance, together with our administrative excellence, has

helped rank us in the top two-tenths of 1% of all trust departments in the United States and the only Kansas City bank in the top 100. (American Banker's Ranking of Trust Departments by Revenues, 1972.)

We'll come through for you, too. So let our team of specialists help you set up meaningful pension and profit sharing objectives for your customers. That way, you come through for them, too.

Call Mick Aslin today at 816-221-6800, or send in the request below for a look at our performance record.

united for growth



Mick Aslin,
Employee Benefit Planning Officer,
United Missouri Bank of Kansas City,
P.O. Box 226, Kansas City, Mo. 64141

Please send me an outline of your performance record regarding pension and profit sharing plans.

Your name _____

Bank name _____

Address _____

City _____ State _____ Zip _____



united missouri bank of kansas city

10th and Grand
Kansas City, Missouri 64141

lease. In this case, the lessor would hire someone (a person, a company with trust powers or the corporate trust department of a bank) to act in his place as the owner and trustee-lessor. The original lessor now becomes the beneficiary of the trust and all rents and tax deductions flow through the trust to him. Participation leases and leverage leases normally create a trust lease so as to form an entity to act as the lessor and borrower (when leveraged). This creates a legal entity for legal and tax purposes, without the necessity of forming a legal partnership.

Lease Underwriting: Basically similar in concept to investment banking, except that it utilizes the lease vehicle. Normally this means that the lease underwriter structures the rate, term and conditions of the lease, secures the loan funds, if it is to be a leveraged lease, and then places the lease with third-party equity investors. The lease underwriter may or may not act as the trustee (when required) and he may or may not administer the lease during its term. Lease underwriting can be used with any lease structure, but it is normally confined to full pay-out leases. Lease underwriting is sometimes re-

ferred to as lease brokering and vice versa.

Sale and Lease-Back: A transaction in which used equipment is purchased from a company by a lessor, with title passing from the user to the lessor. The lessor then leases the equipment back to the company, who now becomes the lessee.

Lease Line of Credit: A term that refers to a lease commitment for a group of assets with a total cost not to exceed the commitment and which can be drawn on over a fixed period of time. This differs from the more specific commitment for a specific piece or pieces of equipment with a specific delivery schedule.

Yield to Lessor: In financial language, this normally means the internal rate of return generated from the lease transaction alone. The first step is to determine the after-tax cash flow of the lease. This means netting the rentals against the tax depreciation and interest expense (the latter if you have a leverage lease). Once you determine the net after-tax cash flow, you find the internal rate of return that will discount these cash flows to equal the amount of equity investment. This gives the after-tax yield, which you then convert to a before-tax equivalent and this yield is the yield most commonly referred to as the "yield to lessor." • •

THE FEDERAL LAND BANK OF WICHITA

in Wichita, Kansas

Serving Kansas, Oklahoma, Colorado and New Mexico

Statement of Condition

June 30, 1973

ASSETS

Mortgage loans, purchase money mortgages, and contracts (unmatured balance)	\$940,161,818.18	
Unmatured extensions, delinquent installments, etc.	1,178,938.40	
Accrued interest receivable on mortgage loans, purchase money mortgages, and contracts	30,497,825.05	
Total	\$971,838,581.63	
Less reserve for losses	7,692,977.23	\$964,145,604.40
Cash	2,903,447.87	
Loans in process of closing	1,325,387.55	
Accounts receivable	22,462.82	
U. S. Government securities, at amortized cost (par \$10,843,000)	10,801,984.38	
Real estate owned	\$.00	
Loans called for foreclosure, judgments, etc.	290,011.81	
Total	\$ 290,011.81	
Less reserve00	290,011.81
Banking house (cost)	1,913,977.95	
Less accumulated depreciation	28,720.64	1,885,257.31
Furniture, fixtures and equipment	\$ 307,475.60	
Less accumulated depreciation	130,713.44	176,762.16
Other assets	1,467,445.60	
TOTAL ASSETS		\$983,018,363.90

LIABILITIES

Unmatured consolidated farm loan bonds outstanding	\$871,300,000.00	
Less bonds owned	20,000,000.00	\$851,300,000.00
Notes payable:		
Federal Land Bank Associations	\$ 6,499,866.65	
Commercial banks	5,200,000.00	11,699,866.65
Accrued interest payable	16,873,742.41	
Future payment funds from borrowers and others	7,040,674.02	
Trust accounts	4,952,742.21	
Payments received on unmatured indebtedness	1,975,861.57	
Other liabilities and deferred income	228,553.97	
Capital stock owned by Federal Land Bank Associations	53,798,235.00	
Participation certificates owned by Federal Land Bank Associations	37,360.00	
Legal reserve	20,164,650.00	
Surplus reserve	13,590,000.00	
Earned surplus	1,356,678.07	
TOTAL LIABILITIES		\$983,018,363.90

NOTES:

- A. Of the mortgage loans \$926,925,718.82 are assigned as collateral for unmatured consolidated farm loan bonds; also, \$24,199.36 are assigned as collateral for individual farm loan bonds called (face amount) of this Land Bank.
- B. The twelve Land Banks are jointly and severally liable for consolidated farm loan bonds outstanding in the amount of \$9,057,759,000.00.

DIRECTORS

Lyle L. Hague, Chairman,
Cherokee, Oklahoma

James R. Isleib, Vice Chairman,
Shawnee Mission, Kansas

William D. Lakey, Sayre,
Oklahoma

Sherwood Culberson, Lordsburg,
New Mexico

Leo Paulsen, Concordia, Kansas

E. L. Hatcher, Lamar, Colorado

Virgil A. Prewett, Cherokee,
Oklahoma

OFFICERS

G. A. Wiles, President

M. K. Mathews, Jr., Executive Vice President

Wm. S. May
Vice President and Secretary

Orval R. Dill
Assistant Vice President

Robert F. Randle
Assistant Vice President

Donald I. Mitchell
Principal Attorney

J. K. Perry
Treasurer

Harold B. Wolfe
Assistant Vice President

Fred D. Harvey
Asst. Treasurer and
Chief Accountant

Max H. Fossey
Asst. Secretary and
Operations Analyst

Real Property Leasing?

Will bank HCs be permitted to lease real property?

As of press time, no ruling had been made on this topic by the Fed, although comments on a proposal to permit bank HCs to lease real property under certain conditions were requested in February, 1972.

The proposed amendments to Regulation Y would permit HCs to engage in the leasing of real property if the property to be leased is acquired specifically for the leasing transaction, if the lease is on a net lease basis and the lessor's full investment is compensated for, if the lessee has an option to purchase the property when the lease terminates, if the real property is liquidated if the lessee does not purchase and if the aggregate investment by the HC and its subsidiaries in the real property does not exceed 5% of the equity capital of the HC.

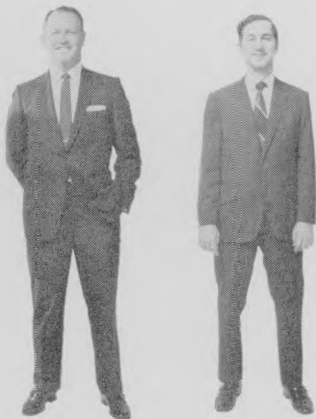
Early this year the ABA gave its support to the amendments with a statement that the proposal would provide "an attractive alternative to conventional mortgage financing with the advantages of leasing rather than purchasing or ownership."



“Chop”- along Zeller

Milton Zeller climbs aboard his whirlybird early in the morning when he starts his day as a traveling banker for NAB. He'll fly his "chopper" until sundown—because he's a Traveling Man with NAB—and he's got a lot of savvy.

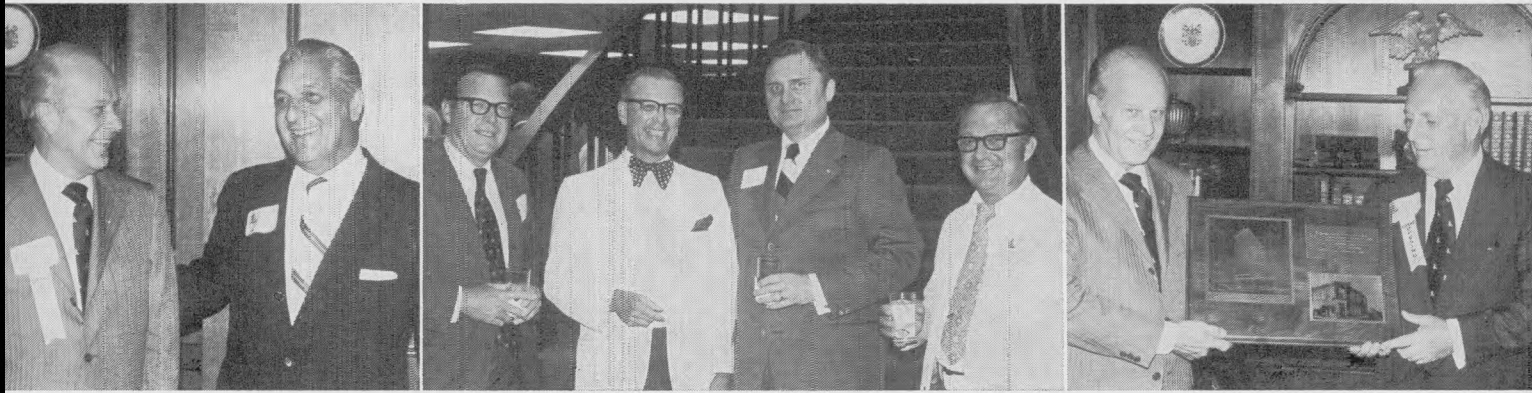
**If you need Milton on short notice,
call 504-525-7761**



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**The Bank
that travels
to help you!**



OPEN HOUSE SCENES—(Left) Edward H. Schmidt (l.), ch., St. Louis County Nat'l, congratulates Harry L. Smith, sr. v.p., First Nat'l, St. Louis, who celebrated his 50th anniversary in banking concurrently with open house; (Middle) Ralph B. Cox (2nd from l.), editor and publisher, *Mid-Continent Banker*, chats with James A. Smith (l.),

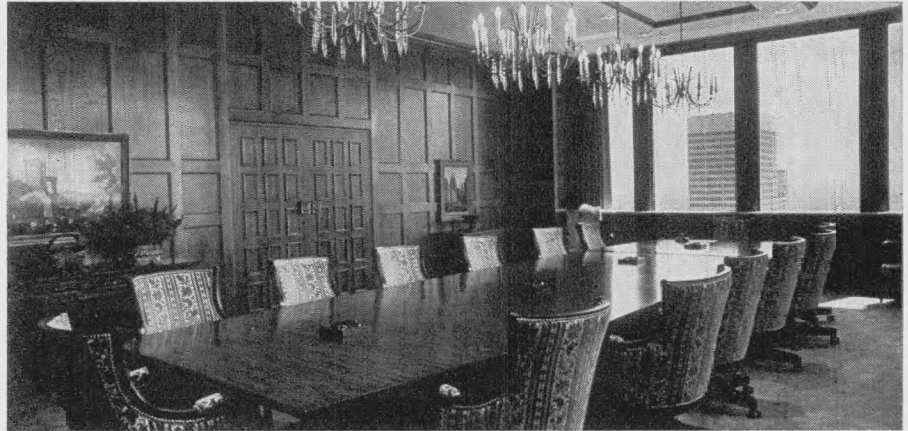
v.p., and Elmer H. Austermann Jr. (2nd from r.), v.p., both with Mercantile Trust, St. Louis, and William L. Dieckhaus, v.p., Big Bend Bank, Webster Groves; (Right) Plaque commemorating 83-year growth of St. Louis County Nat'l is admired by Edward H. Schmidt (l.) and Merle M. Sanguinet, pres.

In Clayton, Mo.—

St. Louis County National Shows New Quarters



Bank displayed original painting from St. Louis Art Museum during opening and offered prints through savings promotion.



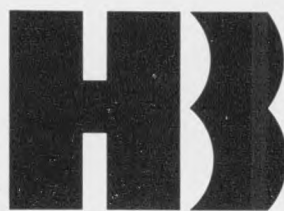
Board of directors room is on 15th floor of St. Louis County Nat'l Office Tower.

Bank complex is located at corner of Forsyth and Meramec in Clayton.

Fountain in center of bank lobby creates impression of falling rain-drops.



Hamilton Helps.



Hamilton Bank
Being your good things bank is our thing.
A Hamilton Bancshares bank. Member F.D.I.C.
Chattanooga, Tennessee 37401

Illinois News

Five Officers Are Promoted At National Boulevard Bank

CHICAGO—National Boulevard Bank has promoted five officers, including Kenneth A. Lindstrom from vice president, comptroller and secretary to vice president—administration and secretary.



LINDSTROM

Also promoted were William E. Mikuliza, from assistant comptroller and assistant secretary to comptroller and assistant secretary; Robert H. Hansen, from assistant cashier to assistant vice president; and Henry S. Mazik and Richard J. Truty to accounting officers.

24-Hour Automatic Teller Unit Installed by Elmhurst Nat'l

ELMHURST—Elmhurst National has inaugurated 24-hour banking with its "Genie 365" service. The automatic teller machine enables customers to obtain up to \$100 cash per 24-hour period, to transfer funds from one account to another, to make loan payments and to deposit funds into accounts.

According to Donald M. Carlson, bank president, Elmhurst National is the only bank offering 24-hour service in the western suburban area of Chicago.

The bank has set up a program to enable holders of special Genie 365 cards to use the cards as guaranteed identification for check cashing purposes in area stores. The bank guarantees a customer's check up to \$100 when the Genie 365 card is used as identification in stores displaying Genie 365 decals.

■ RHEA P. MOODY has been elected assistant vice president at State National, Evanston. She was formerly with LaSalle National, Chicago.

■ FORMAL DEDICATION of Community Bank of Homewood-Flossmoor took place last month.

■ RICHARD A. MOSS has been promoted to assistant vice president of the installment loan group at Upper Avenue National, Chicago. He was formerly a loan officer.

State Senator Cuts Ribbon



State Senator John Davidson is shown cutting the ribbon to open the new Town & Country Bank Plaza in Springfield. Assisting the senator are Henry Kirschner, bank president, and Mrs. Kirschner. The three-level building contains 7,800 square feet of space. Five inside teller stations and six drive-up stations are included.

Heritage Bank of Oak Lawn Opens Doors for Business

OAK LAWN—Heritage Bank of Oak Lawn held a grand opening ceremony recently to officially open the new bank for business. The bank is located at 6001 West 95th Street in Oak Lawn.

Participating at the ribbon cutting ceremony were officials of the bank and Heritage Bancorp., Inc., HC of which the bank is an affiliate.

Al Witry is president of the bank, David M. Shepherd is cashier and William Trumbull is assistant cashier.

■ UPPER AVENUE NATIONAL, Chicago, has promoted Richard L. Gribble to vice president and named Laurence F. McIntyre and Donald Heit business development officers.

■ ROBERT W. SVENDSEN has been named chairman of Melrose Park National. He succeeds Paul Abate, who retired recently.

Bank of Zeigler to Build



Plans for a new home for Bank of Zeigler have been announced and ground breaking ceremonies held. Opening is scheduled for this fall. Consultant and construction manager for the project is Bank Building Corp., St. Louis.

McKnight Resigns Bank Post, Succeeded by Minnesotan

OAK PARK—John F. McKnight, immediate past president of the Illinois Bankers Association, has resigned as president and CEO at First Bank in this Chicago suburb.

Mr. McKnight said his resignation was in no way tied to the recent branching controversy and membership split involving the IBA and the Association for Modern Banking in Illinois.

He said his decision to leave First Bank was based on a desire to operate his own bank in the area, either by purchasing into an existing bank or chartering a new one. He told MID-CONTINENT BANKER that his plans for the future will be announced soon.

Named to succeed Mr. McKnight was Vincent L. deMoya, formerly group vice president at Northwestern National, St. Paul, Minn. Mr. deMoya has been in banking approximately 20 years. Prior to his service with Northwestern National, he was associated with Northwest Bancorp. and served as a national bank examiner.

■ BANK OF WOOD DALE has changed its name to First Security Bank of Wood Dale. Coincident with the name change and the adoption of a new service symbol, the bank held an open house celebrating its second anniversary.

■ BANK OF LISLE has promoted Joe Tannura to vice president and Robert Jessel and Leonard Ponte to assistant vice presidents.

■ SHERMAN E. PETERSON has been appointed senior vice president, Citizens Bank, Park Ridge. He was previously vice chairman of First National, Highland Park.

■ FIRST NATIONAL, Skokie, has appointed John Willut vice president for commercial banking services, advanced Stana Ann Grim to director of employee relations and Ronald J. Walczyk to administrative assistant, advertising and public relations.

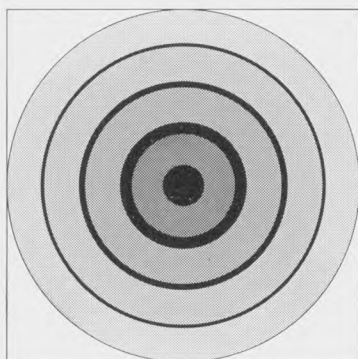
■ JOSEPH M. GROZIK has been named assistant vice president at Bank of Lockport. He was formerly assistant cashier.

■ FIRST STATE, Morrisonville, has elected Frank R. Pratt and his wife, Bertha, directors. Mr. Pratt is a retired teacher.



McKNIGHT

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Ultimately, all decisions are yours, but this kind of expert guidance can take a big load off your shoulders. To set up an IIS presentation, contact your Harris banker, or call Jerry Jurs at 312/461-7612 or Fred Young at 312/461-7525. Or, write for a copy of our new IIS booklet.



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

Enlarged Building Displayed



An open house was held by Kentland Bank recently to show its newly enlarged building which includes additional offices, a new conference room and a kitchen. The addition added 1,350 square feet to the original structure.

■ MRS. JOSEPHINE M. GARRETT, cashier, Patoka National, was honored by her bank recently in observance of her 50th anniversary with the bank.

■ RICHARD W. KEERL has been named a vice president of Tell City National. He was formerly with Old National, Evansville.

■ ST. JOSEPH BANK, South Bend, has promoted Gregg Claey's and Michael J. McKeough to assistant vice presidents and elected Rodney Fredenburg and LaVern R. Buss assistant cashier and operations officer, respectively.

Indiana News

Indiana National, Indianapolis, Announces Officer Promotions

INDIANAPOLIS—Indiana National has named Alex J. Eckensberger vice president of the installment loan division. He joined the bank in 1971 as manager of the dealer finance department.

Also promoted were Richard E. Bonewitz, James A. Burford, John A. Kendall and Thomas R. Skidmore, to assistant vice presidents; J. Richard Kiefer, to international officer; Larry W. Metzger, to assistant auditor; and John R. Whiteman and Jack A. Wodock, to investment officers.

Howard A. Pelham and Michael K. Pritchard were elected assistant trust officers.

■ LaFAYETTE NATIONAL has promoted William F. Cook to vice president, and named Jack W. Dwiggin's, David L. Francis and John E. McDonald assistant vice presidents.

New Building for Muncie



Merchants National, Muncie, has completed a new six-story, 86,000 square foot main office. The bank occupies some 60% of the space, with the remainder allocated for tenant use. Bank Building Corp. was the consultant and construction manager and W. F. Cann Co. was the architect. The entire project was handled by BBC Real Estate Services Corp., a subsidiary of Bank Building.

■ ST. JOSEPH VALLEY BANK, Elkhart, has named Victor N. Pagani assistant trust officer; Ronald C. Eubank, Paul A. Hessling and William D. Shira Jr. sales consultants; Gene R. Shaw production manager; and Miss Patricia Wayne key punch manager.

■ HARRY J. GUINGRICH has been promoted to assistant vice president at Anthony Wayne Bank, Fort Wayne. He was formerly an assistant cashier.

Banking Commissioner Post Goes to Howard Sallee

FRANKFORT—Howard T. Sallee, the new Kentucky banking commissioner, was formerly president, Bank of Williamsburg, which he joined three years ago. In the state post, Mr. Sallee succeeded Lenvil R. Hall, who has been named president, Ormond Beach (Fla.) First National.



SALLEE

Mr. Sallee, before going to Williamsburg, was executive vice president and a director, Corbin Deposit Bank, and executive vice president, Bank of Danville. He also has been with financial industries in Danville, Maysville and Shelbyville.

■ ROBERT D. HARDWICK has been elected assistant cashier and sales promotion manager, New York State Expansion Program, First National City Bank, New York. Mr. Hardwick is the son of John H. Hardwick, chairman, Louisville Trust.

Kentucky News

■ JAMES D. ROLAND has joined Bank of Williamsburg as president, succeeding Howard Sallee. Mr. Sallee has been named Kentucky banking commissioner. Mr. Roland was formerly president, First Farmers Bank, Owenton. At one time, he was in the correspondent bank department of Louisville Trust.

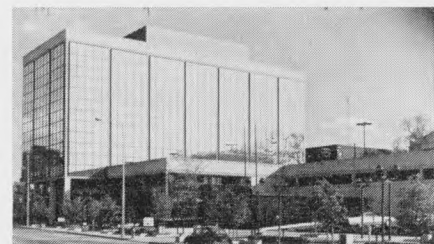
■ S. JAY CONGLETON, executive vice president, has been elected president, director and trust officer of First Farmers Bank, Owenton. He succeeds James D. Roland, who recently assumed the presidency of Bank of Williamsburg.

■ JUDY W. FRICK has been elected an assistant cashier at Union Bank, Morganfield. She is the first woman to be elected to officer status at the bank.

■ ROBERT R. FITCH has been appointed assistant president and trust officer at Bowling Green Bank. Mr. Fitch joined the bank in 1971, coming from First National, Atlanta, Ga.

■ EUGENE L. HAMBY has been elected executive vice president and chief executive officer, Exchange Bank, Mayfield. He had been a principal bank examiner with the Kentucky department of banking in charge of the First District. This district consists of 24 counties (66 banks) in western Kentucky. Before that, Mr. Hamby was cashier, Nortonville Bank, for nearly seven years and assistant cashier, Commercial Bank, Dawson Springs, about 6½ years.

Lexington Bank Completes Building



Citizens Union National, Lexington, has opened its new eight-story, 105,378 square foot bank/office building. The exterior features gold mirrored glass and a central core of granite mosaic panels. The bank occupies the first, second and fourth floors, with the remaining five floors for tenant use. Bank Building Corp. was the consultant and construction manager and Wilburn "C" McCormick, an associate of Bank Building, was the architect. The entire project was handled by BBC Real Estate Services Corp., a subsidiary of Bank Building.

Face it. It takes a lot of people a lot of time to keep up with the savings paperwork.

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The next morning before



you open we'll have everything back to you. Already processed. With complete reports of everything you need to make important management decisions, including a recap of deposit totals and new account openings.

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If your bank offers savings statements, we produce them for you—automatically.

In fact, ACS is designed to handle just about any bank's savings system. Even if you offer a variety of savings plans with varying rates or

compounding formulas, we can take care of you.

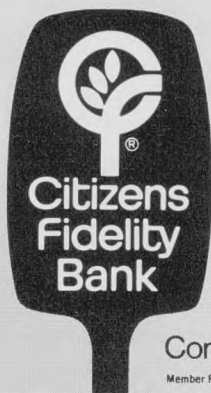
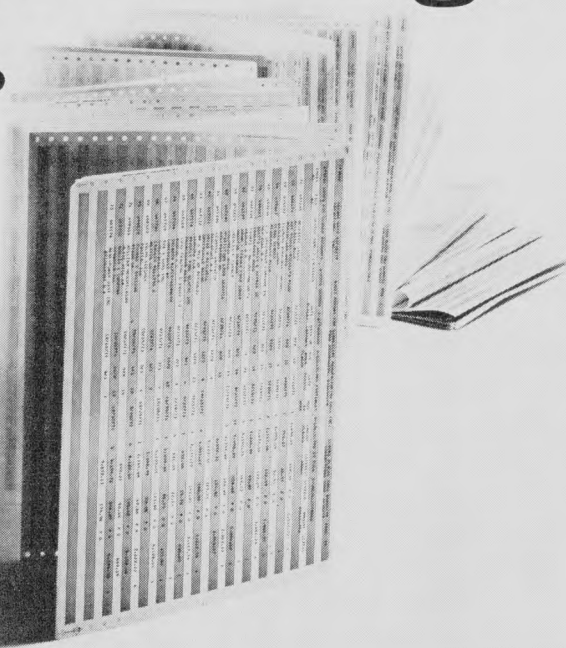
You see, since we're a bank too, we know firsthand the kind of processing and information you need. If interest rates were to change, we'd know about it as soon as you do.

For more information on how Citizens Fidelity's ACS can help you with your savings accounting, call Bob Aldridge or Doug Richardson at (502) 581-2084. And ask about our other ACS services including the most modern commercial loan system ever.



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Senior Management Team to Retire At Harpeth Nat'l, Franklin

FRANKLIN—Stewart Campbell and John W. Greer, senior chairman and chairman, respectively, at Harpeth National, plan to retire at year end. They will continue to serve as directors.

Elected to fill the vacancies will be Dan Hagerty, from president to chairman and CEO; John E. Sloan Jr., from executive vice president to president; and Ronald S. Ligon, a director, who will become chairman of the executive committee.

Mr. Campbell has been with the bank 34 years. He joined as president in 1939, became chairman in 1959 and senior chairman in 1969.

Mr. Greer joined the bank 47 years ago, was named president in 1959 and chairman in 1969.

■ **THIRD NATIONAL**, Nashville, has named six new administrative assistants—Jimmy N. Birdwell, Carmichael Fels, Mrs. Peggy S. Johnson, Richard L. Jones, Mrs. Cornelia W. Matthews and Michael H. Shelly. John A. Hubbard has joined the bank as manager of its residential mortgage loan department.

Romano Heads International Dept. At First National, Birmingham

BIRMINGHAM—Ralph M. Romano has been appointed vice president in charge of the international department at First National. Mr. Romano was formerly with New Jersey Bank, Patterson, where he was in charge of foreign deposits and lending.

Working with Mr. Romano will be two associates, William M. Miller, vice president, and Francis E. O'Neill, international representative.

New Pres. at Commercial Guaranty

MOBILE—Commercial Guaranty Bank has split the duties of Chairman and President Marion E. Ward into two offices. Mr. Ward continues as chairman and E. Frank Schmidt has been named as president.

Mr. Schmidt has been a vice president at Birmingham Trust National, which he joined in 1964.

■ **EXCHANGE SECURITY BANK**, Birmingham, has promoted J. Stanley Mackin to executive vice president, named Harry M. Hutchings vice president for branch supervision and appointed James R. Harris and Samuel D. (Skip) Stewart, both assistant cashiers, to its branch system.

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Tennessee News

'Business in Arts' Award



Bank of Maryville was awarded one of 25 annual "business in the arts" awards given jointly by "Esquire" magazine and the Business Committee for the Arts. W. C. Adams, bank president (c.), receives award from Arnold Gingrich (r.), publisher of "Esquire." At left is Dr. Frank Stanton, chairman, Business Committee for the Arts. The bank was honored for a noteworthy corporate program contributing to the fine and performing arts.

■ **TED R. WILLIAMS** has joined United Bank, Chattanooga, as manager of the new Rossville Branch. He was formerly with Rossville Bank.

Heffner Named Executive VP At Hamilton Bancshares

CHATTANOOGA—Richard L. Heffner has been elected to the newly created post of executive vice president-marketing at Hamilton Bancshares, Inc. He also was elected to the HC's executive committee. Mr. Heffner was formerly with the Dorsey Corp., where he was vice president-marketing, and Chattanooga Glass Co., a division of Dorsey, where he was president and CEO.



HEFFNER

Hamilton National, principal bank in the HC, promoted Finch Yelliott to assistant vice president-business development. In addition, Roderick A. White was elected to the dual position of auditor of the bank and assistant auditor of the HC. He was formerly senior auditor, Northern Trust, Chicago.

■ **RAY CARSON BOBO** has been appointed assistant cashier at Hamilton National, Chattanooga. He joined the bank in 1972.

Alabama News

1st of Montgomery Ups 7

MONTGOMERY—Seven officers at First National have received promotions. John E. Hixon was named marketing officer, Delmar F. Epton was promoted to data processing officer, Miss Laura E. Broughton was elected assistant corporate trust officer, Mrs. Alma B. Gainey and Mrs. Gladys M. Johnson were elected assistant cashiers, Mrs. Bernice H. Nunnelee was elected assistant trust officer and Michael D. Wiley was elected assistant marketing officer.

2 Promoted at First of Mobile

MOBILE—David H. Akridge and Charles L. Waller have received promotions from First National.

Mr. Akridge was raised from assistant vice president to vice president. He joined the bank in 1959. Mr. Waller was promoted from loan officer to assistant vice president. He has been with the bank since 1969.

New Holding Company Request Approved by Federal Reserve

MOBILE—Approval from the Federal Reserve Board has been received for the formation of First Bancgroup—Alabama, Inc., a bank holding company to be formed through the acquisition of First National, Mobile, and Henderson National, Huntsville.

The new HC is expected to be the fifth largest in the state, with combined resources as of last December of \$373 million.

Approval of regulatory agencies and shareholders of each bank will be necessary before the acquisitions can be consummated.

Note Sale Announced

BIRMINGHAM—Central Bancshares of the South, Inc., has announced the sale to an institutional investor of \$7.5 million in principal amount of convertible subordinated notes due 1993. The sale was described as the largest financial transaction of this type in Alabama history.

■ **ALABAMA BANCORP.**, Birmingham, has received Fed approval to acquire J. C. Jacobs Banking Co., Inc., Scottsboro.

MID-CONTINENT BANKER for August, 1973

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Lawrence A. Merrigan beams approval as Richard Spiehler cuts ribbon opening new Broadmoor Branch of Bank of New Orleans. Mr. Merrigan is president of the bank and Mr. Spiehler is manager of the branch, which replaces the former Broadmoor Office. The branch features 11 interior paying and receiving tellers, a separate collection teller station and four outside drive-in banking lanes, plus off-street parking.

■ LARRY OTT has been elected an assistant vice president at New Orleans' International City Bank. He is in the commercial loan department.

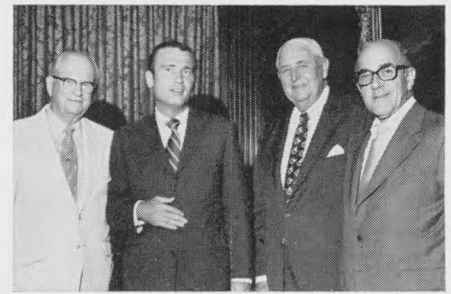
■ WHITNEY NATIONAL, New Orleans, has elected Charles L. Graves to its board. He is president and CEO, J. Ray McDermott & Co., Inc. Mr. Graves also was elected a director of the Whitney Holding Corp.

Louisiana News

New VP at First NBC

NEW ORLEANS—Roger P. Richard has been promoted from assistant vice president to vice president at First National Bank of Commerce. He is in the international and commodities division and has been with the bank since 1969. He was formerly a branch manager at Schenkers International Forwarders, Inc., New Orleans. Mr. Richard is the newly elected president of the World Trade Club of Greater New Orleans.

■ FIRST GUARANTY BANK, Hammond, is erecting new quarters, which are scheduled for completion in the early summer of 1974. The structure, to be located in Hammond's business district, will have three separate levels, with a portion of the first floor—where the main banking activity will take place—to be open all the way to the roof. The upper two office floors will overlook this area and will be connected to the lower level by glass-enclosed elevators and open balconies.



Martin C. Miler (2nd from l.), ch. & CEO, Hibernia Nat'l, New Orleans, and George Ramel (r.), pres., are shown with two retiring bank directors: William H. Saunders Jr. (l.), former pres., Internat'l Lubricant Corp., and Solon B. Turman, former ch., exec. comm., Lykes-Youngstown Corp. and Youngstown Sheet & Tube Co. Not shown is another retiring director, Willis G. Wilmot, former v.p. of the bank and ch. emeritus and ch., exec. comm., D. H. Holmes Co., Ltd.

■ FIDELITY NATIONAL, Baton Rouge, has named Dana H. Toups business development officer. He has been with the bank two years.

■ BANK OF NEW ORLEANS has promoted James F. Terrell III from assistant cashier to assistant vice president and manager of the discount department and Andrew F. Cassara Sr., to assistant cashier and assistant manager of that department.

Contemporary Styling Featured In Batesville Bank Building

BATESVILLE—The new building housing the Batesville Security Bank features striking contemporary styling. The three-story structure provides about 20,000 square feet of operations space.

The bank now has 10 teller stations, an installment loan department, conference room and two private offices on the main banking floor. The second floor houses the operating functions of proofing, bookkeeping and customer service in addition to an employees lounge and community room. Tenant areas have been provided on the third floor.



This unusual contemporary design is featured in Batesville Security Bank's new home.

Mississippi News

The building's exterior features epoxy with embedded aggregate. The massing is capped by a band of glazing at the third floor.

Bank Building Corp., St. Louis, was consultant and construction manager for the project. Charles P. Guariglia, an associate of BBC, was the architect.

Seven Promotions Announced By Deposit Guaranty Nat'l

JACKSON—Deposit Guaranty National has announced the following promotions—to assistant vice presidents, Parham W. Williams and Hiram C. Young; to assistant vice president and assistant trust officer, Miss Betty Henderson; to branch officers, Parks Johnson, Montie L. Ramsey and Lem O. Smith III; and to mortgage loan officer, David C. Morgan Jr.

Mr. Williams is manager, Five Points Office; Mr. Young, manager, South State Street Office, and Mr. Johnson, manager, Delta Drive Office. Mr. Smith is assistant manager, Maywood

Office. Mr. Morgan is mortgage loan officer, real estate department, and Mr. Ramsey is branch officer, branch administration department.

■ THOMAS J. PRINCE JR. has joined Commercial National, Greenville, a branch of Jackson's First National, as vice president. Mr. Prince was formerly vice president and trust officer, Citizens National, Meridian. He belongs to the Mississippi Bar Association.

New in Hattiesburg



This is a new branch of the Citizens Bank of Hattiesburg. The structure is traditionally styled with colonial accents of exterior brick walls, white trim and a gabled roof. The new office provides a six-station tellers area, safe depository, coupon booth, two private offices and drive-up windows at the rear. Charles P. Guariglia, an associate of Bank Building Corp., St. Louis, was the project's architect. Bank Building was the contractor. The quarters were pre-planned for early occupancy.



DEPOSIT GUARANTY'S SYMBOL OF SERVICE COVERS THE DYNAMIC DEEP SOUTH

Deposit Guaranty—the bank that grew up
in the booming Deep South—is always alert
to the correspondent needs
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Our staff and services are yours to command.

Please write
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DEPOSIT GUARANTY NATIONAL BANK

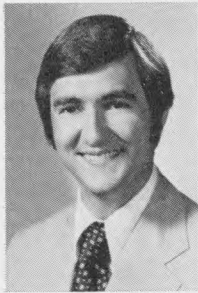
Jackson, Mississippi, Main Office
P.O. Box 1200/39205/AC 601-354-8076

Centreville, Farmers Exchange Bank/Clinton, Bank of Clinton Greenville, Greenville Bank/McComb, Mechanics Bank
Natchez, City Bank & Trust Co./Monticello, Monticello Bank Newhebron, Newhebron Bank

MEMBER F.D.I.C.

Worthen Promotes Officers, Opens New Branch Office

LITTLE ROCK—Worthen Bank has announced numerous promotions and the opening of a new branch office.



COATES

Wayne Coates has been promoted to vice president in the investment division. He is the youngest vice president in the bank's history. He joined Worthen in 1971.

Frank Boulton was promoted to assistant vice president, Randy Oates to branch marketing officer and Ina Johnson and Calvin Jones to assistant cashiers.

Also, Michael Rothman was named consumer officer and William Gregory, William Looney and Randy Wallis were promoted to loan officers.

Five branch loan managers were named, including Darrell Richey, Joe McPherson, George Smith, Larry Hutton and Jerry Futch.

A new branch bank was opened July 2 at 7400 Base Line Road, man-

Arkansas News

aged by Robert Allen, assistant cashier. It is housed in a temporary building, with a permanent structure due for completion by fall.

Get New Posts



BRAUNFISCH HUCHINGSON WALDO

Commercial Nat'l, Little Rock, has formed a full-service international banking department and has named Vice President Peter Braunfisch as its manager and Mrs. Nancy Brack as its administrative assistant. In other action, the bank promoted Harry F. Huchingson Jr. and Andrew W. Waldo III to vice presidents. Mr. Huchingson also was named head of the consumer services branch management department, and Mr. Waldo was made executive vice president, Commercial National Leasing Co., one of the bank's three wholly owned subsidiaries.

70 Attend 1973 Session Of Ark. Banking School; 370 Graduated Since 1967

LITTLE ROCK—Seventy students attended the week-long session of the seventh annual Arkansas Banking School, intermediate course, in June. The school is held on the campus of the University of Arkansas Medical School here.

A total of 370 students have completed the basic and intermediate courses of the school since its beginning in 1967.

New courses in the school's curriculum are being considered for other Arkansas campuses in the future.



Class officers for 1973 at the Arkansas Banking School are, from left: Gene Hancock, Mercantile Bank, Jonesboro—v.p.; Roland Getchell, Simmons First Nat'l, Pine Bluff—pres.; and Peggy Grubbs, Bank of Cherry Valley—secy-treas.

FIRST NATIONAL BANK

EL DORADO, ARK.

OF EL DORADO

OFFICERS

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

Condensed Statement of Condition June 30, 1973

RESOURCES

Cash on Hand and Due from Banks	\$ 9,071,112.47
United States Securities	8,982,081.25
<hr/>	
State, County and Municipal Bonds	\$18,053,193.72
Stock in Federal Reserve Bank	8,053,301.37
Loans and Discounts	165,000.00
Federal Funds Sold	29,847,967.04
Income Earned, Not Collected	2,500,000.00
Bank Premises and Equipment	506,927.16
Other Resources	934,827.05
Customer Liability—Letters of Credit	293,306.26
Customer Liability—Letters of Credit	846,000.00
TOTAL	\$61,200,522.60

LIABILITIES AND CAPITAL

Deposits	
Demand	\$30,969,406.44
Savings and Time	21,124,851.91
Total Deposits	\$52,094,258.35
Reserve for Taxes, Interest, Etc.	444,658.40
Income Collected, Not Earned	931,917.58
Outstanding Letters of Credit	846,000.00
Other Liabilities	2,602.76
LIABILITIES	\$54,319,437.09
RESERVE FOR BAD DEBTS	\$ 511,617.75
Capital Stock	\$ 1,750,000.00
Surplus	3,750,000.00
Undivided Profits	669,467.76
Reserve for Contingencies	200,000.00
CAPITAL ACCOUNTS	\$ 6,369,467.76
TOTAL	\$61,200,522.60

Member of Federal Reserve System
Member of Federal Deposit Insurance Corporation



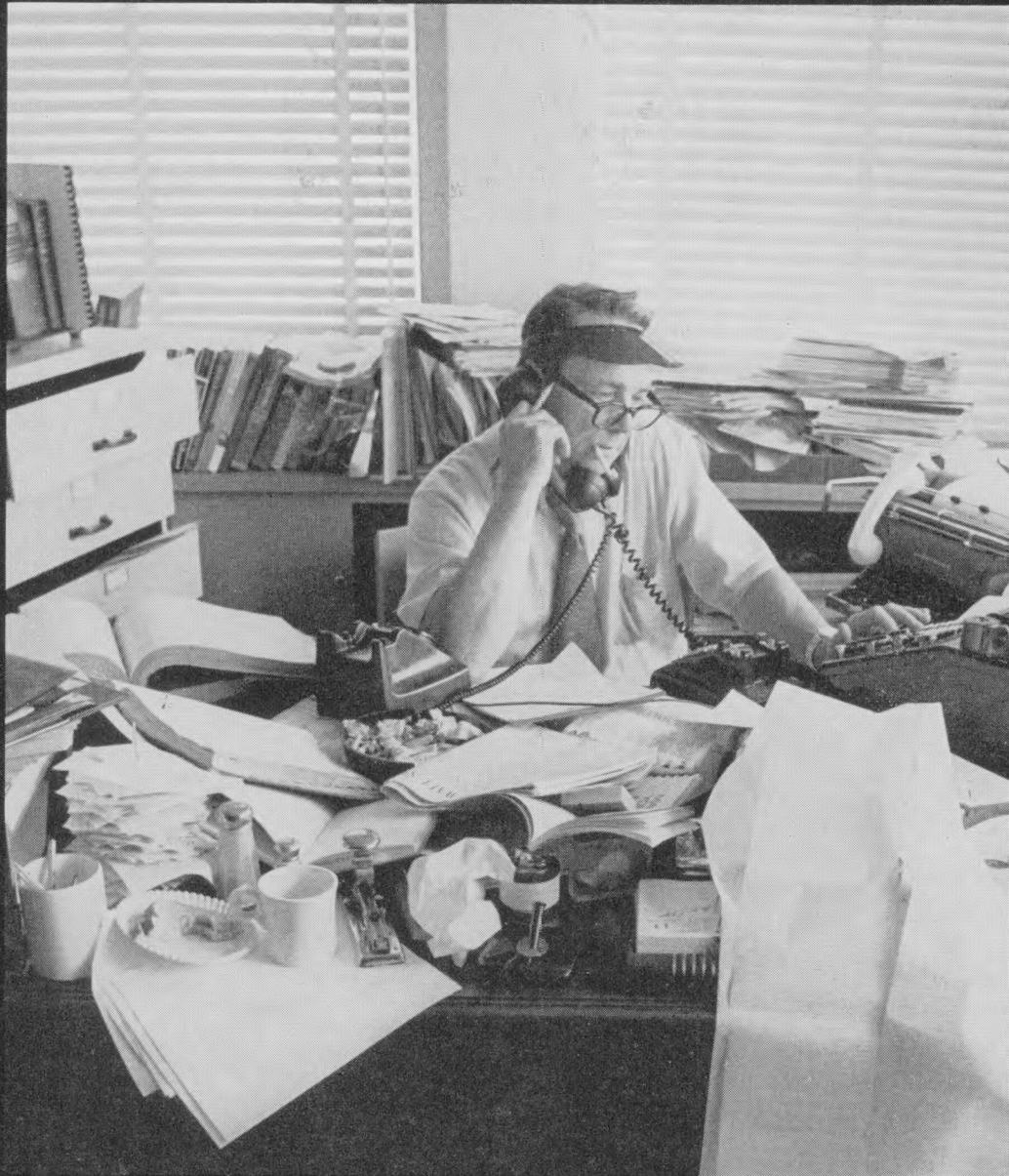
Six bank officers were among the students attending this year's session of the Arkansas Banking School. From l.: Don Underwood, v.p., Farmers & Merchants, Stuttgart; John A. McEntire III, dir., Pulaski Heights Bank, Little Rock; James C. East, ch., same bank; Betty Wilkinson, exec. v.p., Farmers Bank, Greenwood; J. C. Cothren, v.p., First National Bank of Commerce, Paragould; and Mark V. Williamson, dir., Pulaski Heights Bank, Little Rock.

Five Officers Receive Promotions At Arkansas Bank, Hot Springs

HOT SPRINGS—Arkansas Bank has promoted five officers, including Loyd Emerson, who was named a vice president. Mr. Emerson is manager of the dealer finance section of the installment loan department.

Also raised were Mahlon Grigsby, Louise Hulsey and Carl Hardage, assistant vice presidents, and Johnny Boley, assistant cashier.

This is the typical dedicated, over-worked government bond department. Avoid him.



Keeping up with the minute by minute rise and fall of money market rates is a massive undertaking. It's more than one or two frenzied bond officers can cope with effectively. So our Government Bond Department is not one or two guys with a desk over in the corner. It's a carefully organized, stubbornly efficient staff of almost 20 handpicked and trained experts.

It takes nothing less to trade over \$200,000,000 on the average day. In treasury bills, bonds, notes, agency securities, Farmers Home Administration Notes, C.D.s, commercial paper, bankers acceptances, repurchase agreements, foreign C.D.s, and Federal Funds.

And the entire department exists for your requirements. Our investment officers are skilled at

coordinating your particular local needs with investment opportunities in government securities. Call us. We'll have your money working before most over-worked bond departments take you off the "hold" button.

Government Bond Department. Telephone 800-238-7561 or call collect 901-523-4301.



FIRST NATIONAL BANK OF MEMPHIS

North Texas Chapter, BMA Elects New Officers

R. O. (Rocky) Wheat, vice president, Garland Bank, has been elected president of the North Texas Chapter of BMA. He succeeds Larry Tonroy, senior vice president, Southern Bank, Garland.



WHEAT

Also elected were D. J. White, vice president, Republic National, Dallas—first vice president; Bill King, vice president, Preston State, Dallas—second vice president; Dorothy McDaniel, vice president, University State, Denton—secretary; and James D. Robinett, advertising officer, First National, Fort Worth—treasurer.

Six South Texas Banks Will Merge to Form HC

VICTORIA—An agreement in principle has been reached between six south Texas banks and Victoria Bankshares, Inc., a proposed multi-bank holding company, for the HC to acquire the banks.

The banks are Victoria Bank; Farmers State, Cuero; First National, Nordheim; Community State, Runge; Smiley State; and Home State, Westhoff.

The merger contracts are subject to the approval of stockholders of all banks and various governmental regulatory authorities.

Total assets of the HC will be in excess of \$150 million.

Nine Officers Promoted At Capital Nat'l, Austin

AUSTIN—Capital National has promoted nine officers, including four to senior vice president. They are Owen P. Carpenter, Will H. Garner, Milan S. Johnson and Aldon V. (Danny) Dancak. All were formerly vice presidents.

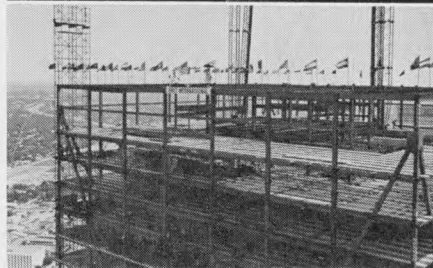
Mrs. Dorothy M. Rowland was promoted to vice president from assistant vice president and Clifton Lind was named assistant vice president from commercial loan officer.

Newly elected were Mrs. Jo Ann Middleton to funds control officer; Bob Harold Pyron to assistant vice president and manager of dealer loans and Bob Shaw to manager of metropolitan business development.

Mr. Carpenter joined the bank in 1960, Mr. Garner in 1969, Mr. Johnson in 1964 and Mr. Dancak in 1945.

Texas News

Dallas Skyscraper Topped Out



TOP: Robert H. Stewart III, chairman, First International Bancshares, Inc., Dallas, signals construction workers to hoist final steel beam to top of 56-story First International Building, said to be tallest in Dallas. HC is parent firm of First of Dallas, owner of building. BOTTOM: Beam is shown in place atop First International Building. Flags of free world nations ring perimeter of building. Each flag represents nation in which First of Dallas has an office.

8 Promotions, 7 Elections Made by Republic National

DALLAS—Republic National has announced the promotions of eight officers and the election of seven new officers.

Roger D. Jones was advanced from manager, tax administration, to vice president and manager, tax administration. J. Rick Norman, William F. Hopken and Alvan E. Porter were promoted to assistant vice presidents. George T. Haase, Jonathan W. Wilson and Harry H. Matus went from trust officers to assistant vice presidents and trust officers. William S. Myres advanced from trust investment officer to trust officer.

The new officers are Jim R. Barton, John V. Bassill and David N. Warren, banking officers; Patricia Ann Cox, trust administrative officer; Charles W. Maguire, bond investment officer; Kent M. Mobley, credit officer; and Caryl R. Madison, personnel officer.

■ DONALD L. HOPKINS has joined Heritage National, Tyler, as executive vice president. He was formerly with First State Bank, Denison, where he served as president and CEO.

Amarillo Nat'l Names Lawler As AVP in Corres. Dept.

AMARILLO—Don Lawler has joined Amarillo National as assistant vice president in the business development and correspondent banking department.

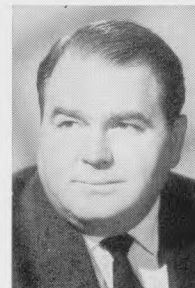
Mr. Lawler was formerly employed in the Amarillo branch of Kidder, Peabody & Co. He holds a bachelors degree from the University of Arkansas, where he majored in banking and finance.



LAWLER

J. Allison Cozby Jr. Dies

FORT WORTH—J. Allison Cozby Jr., who was promoted recently to executive vice president at Fort Worth National, died July 5 at the age of 44.



COZBY

When he was given his new title, Mr. Cozby also was named to the newly created post of director of asset management and credit policy.

He was formerly a senior vice president and head of the lending division.

Mr. Cozby joined the bank in 1949, became senior vice president in 1971 and head of the lending division a year ago.

■ FIRST NATIONAL, Brownsville, has promoted W. Ordell Roberson from president to chairman and elected Otis L. Parchman Jr., as president. Mr. Parchman comes from Bank of the Southwest, Houston.

■ ROBERT W. MAHONEY has resigned as vice president of First National, Arlington, to become managing partner of a newly formed general investment firm in Arlington.

■ LOUIS A. HARTMAN JR. has joined North Side State Bank, Houston, as senior vice president and cashier.

■ R. P. "BOB" FULLER, a Lubbock oilman, was named to the board of Lubbock National recently.

■ FIRST NATIONAL, Brownwood, has promoted Mrs. Jean Hall from assistant cashier to assistant vice president and elected Mrs. Sherry V. Benbow and Mrs. Jimmie Mayes assistant cashiers.

No bank is an island...

Not even a bank as big as First City National.

So when one of our correspondent customers calls on us, we try to give the kind of help we appreciate when we're on the receiving end. We try to be available. And responsive. And competent.

Ours are the full and complete correspondent services you'd expect from Houston's largest bank.

And, far from being an island, you'll be connected through us with five continents as soon as you pick up your phone.



...unless it wants to be.

The correspondent bankers at First City National keep in touch with our customers. But...

We don't push.

We know that you are more than equal to the demands your community normally places on you.

So, as long as we're sure you know what services we can provide, we leave it to you to tell us when you want them.

Write: P.O. Box 2557, Houston, Texas 77001.
Or, better still, phone Bill Boyd at: 713-229-6185.

FIRST CITY NATIONAL 
Bank of Houston

A First City Bancorporation Member

Top-Level Changes Made At Albuquerque Nat'l

ALBUQUERQUE—Albuquerque National and its parent company, First New Mexico Bankshare Corp., have announced top-level changes in their staffs.



TRIPP

of Security National.

Robert L. Tripp, who was chairman

In addition, James A. Clark, president, New Mexico Bankers Association, joined the bank August 1 as executive vice president. He came from Security National, Roswell, where he was president. He will remain a director

New Mexico News

and president of Albuquerque National and the HC, is now chairman and chief executive officer of both. George S. Jenks, formerly senior vice president in charge of the loan division, was made vice chairman of the bank. Paul H. Barnes, who was senior vice president and cashier of the bank, succeeded Mr. Tripp as HC president; and Edward L. Jory, formerly senior vice president in charge of marketing at the bank, became its president. Everett Morrow, vice president in charge of operations, assumed the additional title of cashier and took over duties formerly performed by Mr. Barnes.



CLARK



JENKS



BARNES



JORY

Fidelity Bank, Albuquerque, Names Exec. Vice President

ALBUQUERQUE—Frank A. Potenziani has been named executive vice president at Fidelity National. He was also elected to the bank's board.

Mr. Potenziani is a graduate of the University of Notre Dame and has attended graduate school at Boston University and the University of New Mexico.

He has had experience at First National, Boston; Albuquerque National; and United Bank of Colorado, Denver, where he was a member of the correspondent banking group.

■ CHARLES A. JOPLIN, executive vice president at Security National, Roswell, has been named president, succeeding James A. Clark, who has moved to Albuquerque National.

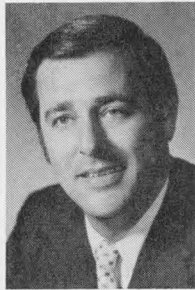
■ FIRST STATE, Taos, recently opened its new Armory Street Branch.

■ STANLEY G. LANE has been elected senior vice president of Rio Grande Valley Bank, Alameda. He is a former vice president of American Bank of Commerce, Albuquerque.

■ DOUGLAS MOORE has joined First National, Roswell, as assistant vice president. He was formerly with First National, Clovis.

Frank Named Corres. Head At National Bank of Tulsa

TULSA—National Bank of Tulsa has appointed Jerry S. Frank senior vice president in the commercial banking division. He will have responsibility for the supervision of the national accounts and correspondent banks departments.



FRANK

Mr. Frank spent 10 years with First National, Atlanta, and more recently served as a financial consultant to the treasurer of the U. S. Postal Service in Washington, D. C.

He is an alumnus of the University of Virginia and has attended the Graduate School of Credit and Financial Management at Dartmouth College.

■ THOMAS REYBURN has been elected president and CEO at First National, Stillwater. He was formerly with Peat, Marwick, Mitchell & Co., serving in the Caribbean area.

Oklahoma News

First of Tulsa Begins Move



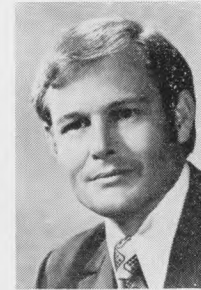
Merle J. Budd (l.) senior vice president, and Artie F. Palk, vice president, lead delegation of real estate division employees of First National, Tulsa, into the divisions' new quarters in the First National Tower's lower plaza area. The division was the first to move into the bank's new quarters.

Watson Joins NBT, Tulsa, As Senior Vice President

TULSA—National Bank of Tulsa has appointed Charles A. Watson senior vice president and head of the operations department. Mr. Watson was formerly with First City National, Houston, where he had supervision of data processing, check processing and checking account services.

In other action, the bank has elected R. W. "Bill" White Jr. a director and Darrell J. Lowrance to its advisory board. Mr. White is an auto dealer and Mr. Lowrance is with an electronics firm.

■ ADMIRAL STATE, Tulsa, has granted service awards. Recipients included Mrs. M. Pearl Wise, vice president—15 years; and J. R. Forrester, chairman and president, George Posner, senior vice president and W. E. Green, assistant vice president—10 years. France Paris, director and one of the bank's organizers, was honored for 20 years' service.



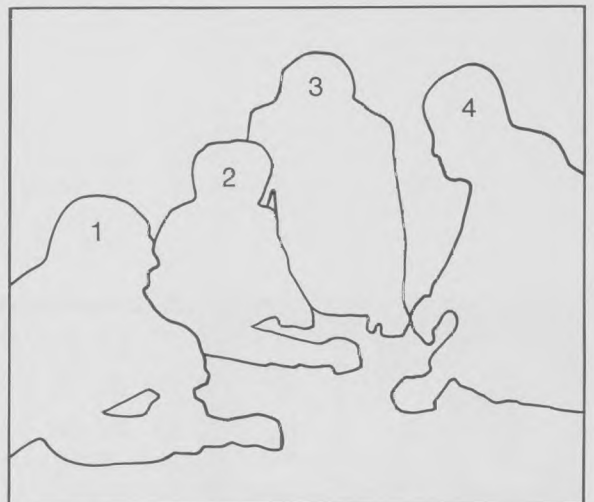
WATSON



NBT's FRONT FOUR

They're our "advance men" . . . NBT's crack corps of correspondent bankers, headed by Charles Rice and backed up with the experience and professional savvy of Jerry Philpott, Charles McNamara and Marvin Bray.

When you talk to any one of these four financial specialists, you have a direct line to the total resources of National Bank of Tulsa. We call it Pacesetter banking service. It's worth a call—918-584-3411.



1. Marvin Bray 2. Charles McNamara
3. Jerry Philpott 4. Charles Rice



NATIONAL BANK OF TULSA
THE PACESETTER® BANK

MEMBER F.D.I.C.

MID-CONTINENT BANKER for August, 1973

**Dale Allen Elected President
Of Wichita State Bank**



ALLEN

WICHITA—Dale D. Allen has joined Wichita State as president.

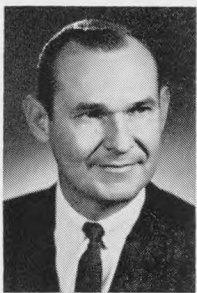
He had been senior vice president, Southgate State, Prairie Village, since 1968. Before that, he had been a Kansas state bank examiner and with

the Small Business Administration.

Mr. Allen is a native of Wichita and received a BS in business administration from the University of Wichita. His father, P. H. Allen, was an officer and director, Kansas State, Wichita.

**Randle Leaves Fourth of Wichita
To Become VP at 1st of Hays**

HAYS—Mott L. Randle, correspondent bank and marketing officer at Fourth National, Wichita, has joined First National here as vice president.



RANDLE

Mr. Randle had been with Fourth of Wichita since 1957. Prior to that time, he was in farming. His new duties will involve marketing and customer service.

■ CHASE STATE has changed its name to Rice County State.

■ PAUL HEDRICK has been named an assistant vice president at Lenexa State. He was formerly manager of the credit department and a commercial loan officer at Columbia Union National, Kansas City, Mo.

■ DUANE BILLINGS has been promoted to vice president at State Bank, Delphos. Mr. Billings is the fourth generation of his family to occupy a management position at the bank.

**Kansas
News**

**Kansas Bank Deposits
Rise to New Highs**

TOPEKA—Total deposits in Kansas banks at the end of 1972 had increased 14.7% over the year previous, gaining \$823 million to reach a record high of \$6.4 billion, according to the Kansas Bankers Association's new bank management report.

Savings and time deposits were up 16.9%, an increase of \$401 million; demand deposits increased \$312 million, or 15.7%. Deposits of banks with Kansas banks grew by \$31 million, up 13.9%; deposits of state and political subdivisions increased \$63 million, up 13.8%.

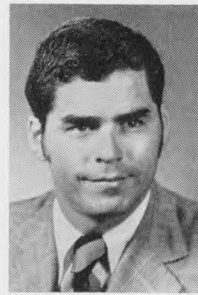
Total assets stood at an all-time high of \$7.4 billion; loans were up to a total \$3.4 billion; capital accounts including reserves were at \$610 million. The ratio of capital accounts to assets decreased to 8.2% and the ratio of loans to deposits went down to 53.3%.

■ FIRST NATIONAL, Sedan, has increased its capital from \$100,000 to \$200,000 and its surplus from \$150,000 to \$250,000. The bank has also installed a computer system.

■ STATE BANK, Canton, has increased its capital from \$52,500 to \$105,000 by sale of additional stock.

■ EAST SIDE NATIONAL, Wichita, has appointed C. W. Barber vice president and cashier, Bruce D. Ellis vice president and Royce H. Mitchell personal loan officer. Mr. Barber was formerly assistant vice president, Fourth National, Wichita. At East Side National, he is responsible for managing the operations and personnel functions. Mr. Ellis, with East Side National since 1966, is in business lending. Mr. Mitchell joined the bank four years ago and has moved from marketing to lending. East Side National plans to move soon to East Side Financial Center at Kellogg and Rock Road.

**Gormly Joins Fourth of Wichita
As VP in Commercial Loans**



GORMLY

WICHITA—William M. Gormly has been elected vice president in the commercial loan department of Fourth National.

Mr. Gormly had been with Wells Fargo Bank, San Francisco, since 1969, and was corporate lending officer.

Previously, he was with Chicago's Harris Trust as a correspondent bank representative for credit card. He started in banking with Provident National, Philadelphia.

**Kansas State to Install
Online Computer System**

WICHITA—Kansas State has announced plans to install an online computer system.

According to Kenneth E. Johnson, president and chairman, the system "will allow us to better capitalize on the central information file concept which has been in use in our bank for the past two years. We will be able to instantaneously obtain information about any of our accounts through online inquiry. This will allow us to continue to grow and serve our customers' needs, as well as those of our bank."

Olathe State Opens

OLATHE—Olathe State has opened for business. Norman E. Herrington is president, William T. Chean is vice president and Robert Stainbrook is cashier.

Capital stands at \$500,000, with surplus at \$300,000 and undivided profits at \$200,000.

Garden City Gets New Bank

GARDEN CITY—Western State has opened for business with capital of \$220,000, surplus of \$270,000 and undivided profits of \$192,000.

Ron R. Poor is president and John C. Koch is vice president and cashier.

CNB

**COMMERCIAL
NATIONAL
BANK**

6th & Minnesota Ave. 913 371-0035
Kansas City, Kansas 66101

BOB MONK

JOE FABAC

PROFESSIONAL INVESTMENT & SAFEKEEPING SERVICE

VIEW FROM THE TOP

\$400,000,000.00-1973
\$300,000,000.00-1970
\$200,000,000.00-1961
\$100,000,000.00-1943

During 1973, we approach another important milestone in total assets... only three years from the time we first topped \$300 million.

Our first \$100 million took 56 years; another 18 for \$200 million; and nine more changed the '2' to '3'. Now, this latest growth was achieved in only three short years.

Because we are so closely allied with the other banks in this great state, we know that our growth only reflects their growth patterns. We're moving ahead... and so is Kansas. Full speed ahead!

STATEMENT OF CONDITION

ASSETS	JUNE 30	
	1973	1972
Cash and Due From Banks	\$ 62,980,396.61	\$ 58,908,181.62
U. S. Government Securities	19,229,542.22	19,247,210.78
Municipal Securities	39,118,750.40	38,856,355.54
Trading Account and Other Securities	7,398,530.21	11,180,991.17
Securities Purchased Under		
Agreements to Resell	28,000,000.00	31,500,000.00
Federal Funds Sold	9,500,000.00	5,000,000.00
Loans, Less Unearned Income of		
\$3,635,266.72 — 1973;		
\$2,697,630.42 — 1972	199,625,229.15	173,553,494.57
Bank Premises and Equipment	13,852,672.65	7,953,930.84
Other Assets	2,789,107.62	2,297,131.55
Total Assets	<u>\$382,494,228.86</u>	<u>\$348,497,296.07</u>
LIABILITIES		
Demand Deposits	\$168,116,100.96	\$172,070,229.45
Time Deposits	120,789,636.32	107,187,800.46
Total Deposits	<u>\$288,905,737.28</u>	<u>\$279,258,029.91</u>
Federal Funds Purchased	10,350,000.00	6,750,000.00
Securities Sold Under Agreements		
to Repurchase	35,352,768.56	28,125,735.00
Accrued Taxes, Interest, and Other Expenses	2,461,290.05	1,757,071.33
Total Liabilities	<u>\$337,069,795.89</u>	<u>\$315,890,836.24</u>
RESERVES		
Reserve for Loan Losses	\$ 3,506,253.25	\$ 2,861,074.85
CAPITAL FUNDS		
Capital Note, due 1981	\$ 10,000,000.00	\$ None
Stockholders' Equity:		
Common Stock — \$5.00 Par Value	11,000,000.00	11,000,000.00
2,500,000 Shares Authorized		
2,200,000 Shares Issued		
Surplus	12,000,000.00	12,000,000.00
Undivided Profits	8,918,179.72	6,745,384.98
Total Capital Funds	<u>\$ 41,918,179.72</u>	<u>\$ 29,745,384.98</u>
Total Liabilities, Reserves, and		
Capital Funds	<u>\$382,494,228.86</u>	<u>\$348,497,296.07</u>

FOURTH NATIONAL BANK & TRUST CO. / WICHITA, KANSAS 67202 / MEMBER FDIC

TheFourth



Missouri News

Advisory Director, 11 Promotions Announced at United Mo. Bank

KANSAS CITY—United Missouri Bank has appointed a new advisory director and promoted 11 employees. In addition, its parent company, United Missouri Bancshares, Inc., has received preliminary approval from the Comptroller of the Currency of its application to establish the United Missouri Bank of Blue Springs.

The advisory director is J. Lyle Wells Jr., president, Grand Avenue Bank, Kansas City.

Advanced from assistant cashiers to assistant vice presidents were Joseph F. Herken and David A. Proffitt. Laverne R. Schweder moved up from operations officer, data processing, to assistant vice president. Robert F. Hendricksen was elected assistant cashier; Carl R. Ford, EDP marketing officer; Donald E. Bird, Miss Jane Miller and Delmar E. Wagoner, assistant EDP marketing officers; Dennis W. Farley Jr., programming officer, and Robert Buford and Gary Fisher, assistant systems officers.

The new United Missouri Bank of Blue Springs, with a \$1-million capital structure, will be located at Woods Chapel Road and I-70 in Blue Springs.

Annual Market Day to Be Held By First Stock Yards Bank

ST. JOSEPH—First Stock Yards Bank will hold its 17th annual Market Day September 5.

Registration will begin in the bank's lobby at 9 a.m. and will be followed by a tour of the Missouri Valley Walnut Co. A luncheon and a report on the current day's market will follow the tour.

The afternoon session will begin at 2 p.m. at the St. Joseph Country Club. Featured speaker will be Joel Bennett, president and general manager, St. Paul Union Stockyards, South St. Paul, Minn. His topic will be "Livestock Marketing Today."

A panel discussion of present and future trends in livestock and marketing is scheduled for later in the afternoon.

The Market Day will be climaxed with a social hour and steak dinner.

■ JAMES P. HELM has joined Lewis & Clark State, St. Louis, as assistant vice president in operations.

So. Commercial's New Home



This is how the new main banking quarters of Southern Commercial, St. Louis, will appear when construction is completed by late fall. The structure will be located at 5515 South Grand Boulevard. The bank's present quarters, at 7201 South Broadway, will be retained as a facility.

Noonan Named Vice President Of St. Louis County Nat'l



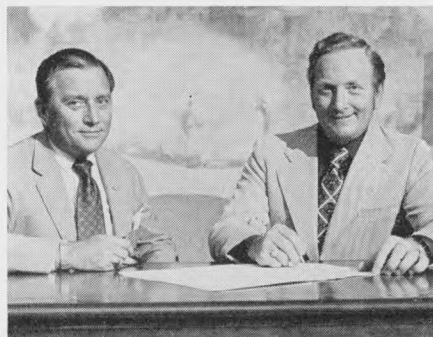
NOONAN

CLAYTON—Thomas M. Noonan has joined St. Louis County National as vice president in charge of the mortgage loan department.

Mr. Noonan came from Sachs Properties, Inc., where he was on the staff for four years and was vice president and a director. Prior to that, he was a vice president with St. Louis's Mercantile Trust, responsible for the real estate brokerage and mortgage loan divisions.

Mr. Noonan is a graduate of the ABA's National Mortgage School at Ohio State University.

Baden Bank to Expand



William F. Cann (l.), ch., Bank Building Corp., St. Louis, and Virgil J. G. Warnecke, pres., Baden Bank, St. Louis, sign the contract for construction of the bank's new Halls Ferry Circle facility. The two-story building will be contemporary in design and will provide some 15,488 square feet of operating space. Bank Building is consultant and construction manager. Andre J. Pervin, an associate of BBC, is the architect.

Orlick Retires as VP & Cashier Of Mercantile Trust, St. Louis

ST. LOUIS—Herman A. Orlick retired at the end of July from Mercantile Trust, where he was vice president and cashier and had the responsibility for customer relations.

As a sideline, he made 150 talks on behalf of Mercantile before a variety of audiences, but mostly at correspondent banks throughout Missouri, Illinois, Indiana, Arkansas and Iowa. In addition, for 15 years, he headed the "Big Show," Mercantile's employee-incentive program for obtaining new business.

Mr. Orlick joined the bank in 1924, when he was only 15, as a messenger. He advanced through several posts to vice president and cashier in 1965.

The veteran banker won't be putting his traveling shoes away upon his retirement. In 1974, he is scheduled to be elevated to the highest Masonic office in Missouri—that of grand master. In that post, he will be visiting with and speaking at most Masonic lodges throughout the state.



ORLICK

Balbach Joins St. Louis Fed; Keran Goes to San Francisco

ST. LOUIS—Anatol B. Balbach has joined the Federal Reserve here as an assistant vice president in the research department. A specialist in international economics, he was formerly a professor at California State University, Northridge (formerly San Fernando Valley State College.)

Professor Balbach served with the Fed here—on leave from the university—from July 1, 1971, to September 1, 1972, when he returned to California.

Michael W. Keran, assistant vice president and also a specialist in international economics, resigned June 30 to become director of research at the San Francisco Fed.

Silver Ingots Offered

ST. JOHN—St. Johns Community Bank has been chosen as the only bank in Missouri to be honored in the 1973 collection of sterling silver bankmarked ingots to be struck by the Franklin Mint.

The bank is making a limited public offering of the ingots embossed with the bank symbol on a one-per-customer basis.

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Bain Retires as President Of North Kansas City Bank

NORTH KANSAS CITY—Van O. Williams has been named president of National Bank, succeeding E. Virgil Bain, who retired June 30.



Mr. Bain holds shotgun presented as retirement gift by National Bank of North Kansas City as his wife and Van O. Williams, new bank president, look on.

Mr. Williams joined the bank last September as executive vice president and was elected a director last February. He was formerly with National Commercial Bank, Liberty.

Mr. Bain joined National Bank in 1946 and had served as president since 1965. He had been with Commerce Bank, Kansas City, for 20 years before joining National Bank. The bank and

its employees honored Mr. Bain with a shotgun and case, presented at the bank's annual picnic. Mr. Bain was also honored by the mayor of North Kansas City with a resolution of respect.

In other action, the bank has promoted Mrs. Virginia E. Hackett from assistant controller to controller.

Multi-Bank HC Acquires Bank, Plans to Start Another One

KANSAS CITY—First National Charter Corp. has announced plans to establish the Charter Bank of Clay County about 10 miles north of the downtown area here. In addition, the multi-bank holding company has received Fed approval of its acquisition of the Commercial Bank of Lexington.

The new bank will be located within the city limits of Kansas City at the intersection of Barry Road and North Oak Trafficway. Proposed capital structure is \$1 million.

The Lexington bank is the 11th Missouri bank to become affiliated with First National Charter.

■ MICHAEL R. MORRIS has been named vice president of Citizens Bank, Grant City. Before joining the bank four years ago, Mr. Morris spent 3½ years as a state bank examiner in Missouri.

First Union Expands

ST. LOUIS—First Union, Inc., has received Fed approval of its affiliation of the Bank of Kennett and also has announced purchases of three other banks—First National, Independence, Citizens Bank, Pacific, and Chesterfield Bank.

Jones Joins Calif. College Staff

Dr. Homer Jones, retired senior vice president of the Federal Reserve Bank of St. Louis, has joined the faculty of Claremont Men's College, Claremont, Calif. He will occupy the chair of the George C. S. Benson professor of monetary theory and banking practices.

Dr. Jones joined the St. Louis Fed in 1958. He served as director of economic research and editor of the monthly review.

■ MISS MARTHA E. HELMKAMP, vice president and a director, First National, Wellston-St. Louis, was honored July 31 with a reception in honor of her 50th anniversary with the bank. She started July 30, 1923, as a secretary.

■ AMERICAN NATIONAL, St. Joseph, has elected Garold L. Grable an assistant cashier. Mr. Grable, who is in the installment loan department, joined the bank in March, 1972, after eight years as manager of the St. Joseph office of Beneficial Finance Corp. Ameribanc, Inc., of which American National is the anchor bank, has agreed to purchase controlling shares of Marceline State. Mrs. Dorothy H. Furino will remain president and chairman.

■ CITIZENS BANK of Festus has changed its name to Commerce Bank of Festus as a result of joining Commerce Bancshares, Inc., Kansas City. The Festus bank is 84 years old.

40th Anniversary Observed



W. M. Harlan Jr. (r.), president, Manchester Financial Corp., HC of Manchester Bank, St. Louis, observed his 40th anniversary last month. He joined the bank in 1933, following graduation from Westminster College. Wishing Mr. Harlan many more years in banking is James P. Hickok (l.), retired president and chairman, First National, St. Louis. Mr. Hickok served as president, Manchester Bank, from 1935-1943.

BANK OF KENNETT

KENNETT, MISSOURI

Statement of Condition as of June 30, 1973

RESOURCES

Cash and Due from Banks		\$ 1,770,224.96
Federal Funds Sold		2,400,000.00
U. S. Government Obligations	\$3,155,100.35	
Obligations of U. S. Government Agencies	3,482,877.03	
Municipal Bonds and Other Municipal Obligations	4,536,779.56	
Other Bonds and Securities	495,639.18	11,670,396.12
Real Estate Loans—Conventional and Insured or Guaranteed	7,621,872.29	
Other Loans to Corporations, Firms and Individuals	7,336,293.44	14,958,165.73
Overdrafts		8,078.95
Bank Building, Leases, Drive-In Facilities and Parking Lots		126,564.28
Furniture, Fixtures and Equipment		50,974.48
Other Real Estate		1.00
Accrued Interest Receivable		407,025.79
Prepaid Expenses		20,344.45
Other Assets		4,403.28
TOTAL RESOURCES		\$31,416,179.04

LIABILITIES

Capital	1,000,000.00	
Surplus	500,000.00	
Undivided Profits	1,295,803.67	2,795,803.67
Valuation Reserves		183,070.45
Reserve for Interest Received in Advance		196,963.68
Accrued Interest Payable, & Reserve for Accrued Taxes, Expenses & Dividends		407,919.96
Other Liabilities		25,535.12
Deposits		27,806,886.16
TOTAL LIABILITIES		\$31,416,179.04

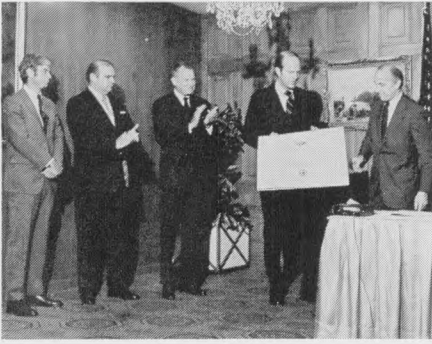
OFFICERS

W. F. SHELTON III	Chm. & Sr. Tr. Off.	ELMAN M. MERRITT	Vice President
JOSEPH C. WELMAN	Chm. of Exec. Comm.	LARRY D. SWINDLE	Vice President
LONNIE L. KINCHEN	President	ROBERTA JACKSON	Asst. Cashier
JIM ROBISON	Executive Vice Pres.	WILLIAM W. MARSHALL	Asst. Cashier
THOMAS H. KINSEY, Sr.	Vice Pres. & Cashier	R. L. MITCHELL	Asst. Cashier
JOSEPH S. KERR	V. Pres. & Ag. Rep.	WILODENE MOORE	Asst. Cashier
CLYDE H. MATTHEWS	Vice President	JANE TODD	Asst. Cashier

GRACE WESTERFIELD, Asst. Cashier

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First of St. Louis Honored



Undersecretary of Commerce John K. Tabor (r.), presents Clarence C. Barksdale, president, First National, St. Louis, with the President's "E" award in recognition of the bank's efforts to increase American exports. Others participating were, from l., Richard F. Ford, bank executive vice president; William S. Salter, vice president-international banking; and Tilton H. Dobbin, assistant secretary of commerce.

FOR SALE

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For First of Jackson, Tenn.—

A Banking Centennial

THE YEAR 1873 saw a financial panic develop into a five-year depression, which was described as "the worst to date." In addition, believe it or not, another historical congressional investigation (similar to that now going on over the Watergate break-in) was taking place. The hearings a century ago centered around the so-called Credit Mobilier scandal—alleged corruption in the building of the Union Pacific Railroad.

However, a far happier development was taking place in 1873—the founding of First National of Jackson, Tenn. The bank was established as the Jackson Savings Bank (it became First National a year later), with William A. Caldwell Sr. as the leader in the organizing group. He also was the bank's first cashier and a director and served until his death in 1888. James W. Anderson was the bank's first president, the first of 11 men to hold that title in the past century. Among them was Mr. Cald-

An open house on July 1, the actual date of First National of Jackson's centennial, included tours of the bank's newly decorated facilities. Guests were served refreshments and received favors.

In addition, a week-long registration was held for a color TV, one \$100 and two \$50 savings bonds.

well's son, W. A. Caldwell Jr.—"Mr. Willie"—who gave 70 years of service to First National.

The younger Mr. Caldwell was succeeded in 1945 by Hugh Webb Hicks, who held the second longest service record with the bank. He had been there 62 years at the time of his death last spring. Mr. Hicks, a past president of the Tennessee Bankers Association, was president, 1945-58, and chairman and chief executive officer from 1958 until he died. W. E. Terry, now chair-

man, was president, 1958-63, and J. Walter Barnes has been president since 1964.

The bank's first attorney, Howell E. Jackson, later was a justice of the Supreme Court.

First National, now the oldest and largest bank in Jackson, acquired the Jackson Finance & Trust Co. in 1936. In 1948, the bank became the first in Jackson to appoint a full-time agricultural representative.

The bank has been at its present location since 1928 after having had two permanent homes and one temporary location before that. Also, First National opened its first branch in 1960 and, since then, has opened three more.

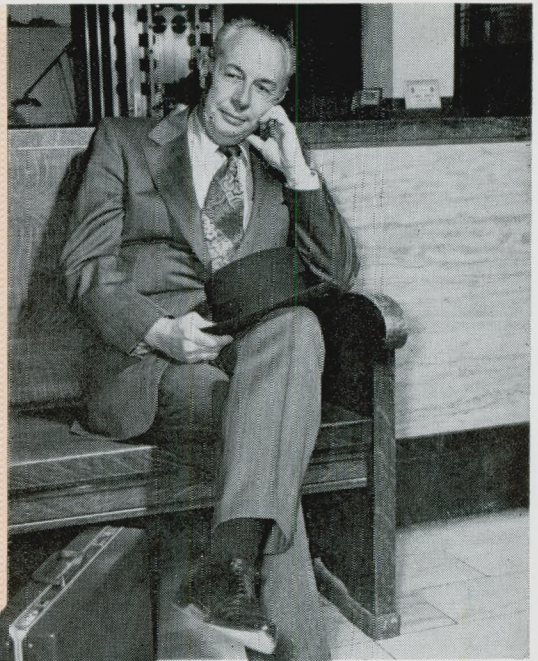
Its current main office was completely remodeled in 1967. Last summer, another floor in the structure was remodeled and consolidated with existing facilities, bringing the total number of banking floors in its building to six complete levels. • •



These are two views of one of the dinners First of Jackson held to celebrate its 100th anniversary. In photo at left Walter Barnes, pres., and W. E. Terry, ch., are shown (4th and 5th from left, respectively) at head table.

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