

MID-CONTINENT BANKER

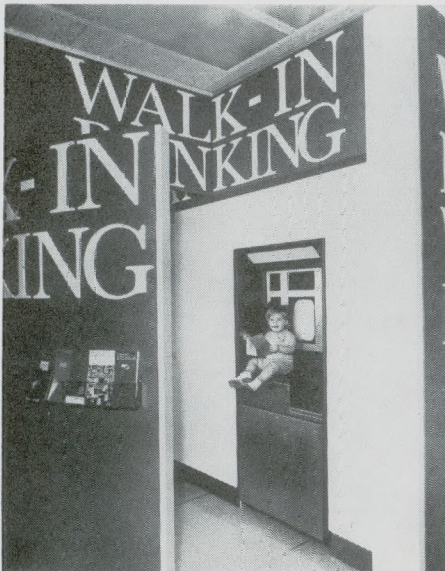
The Financial Magazine of the Mississippi Valley & Southwest

DECEMBER, 1973



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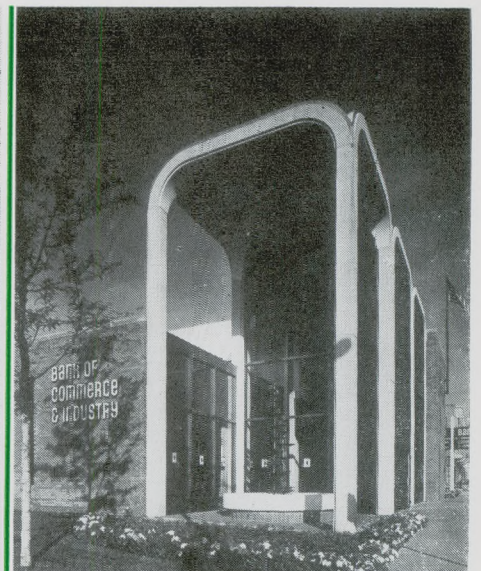
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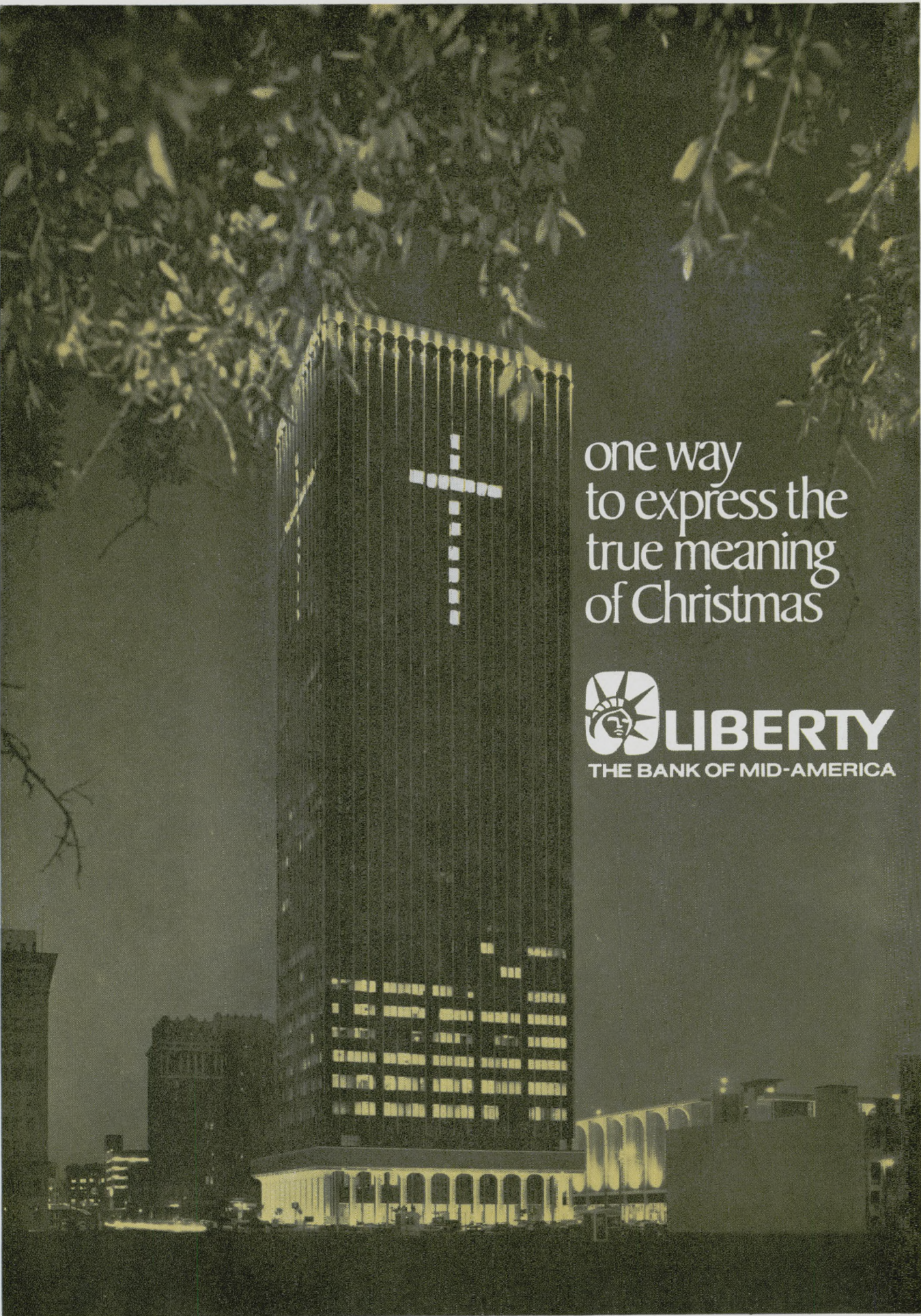
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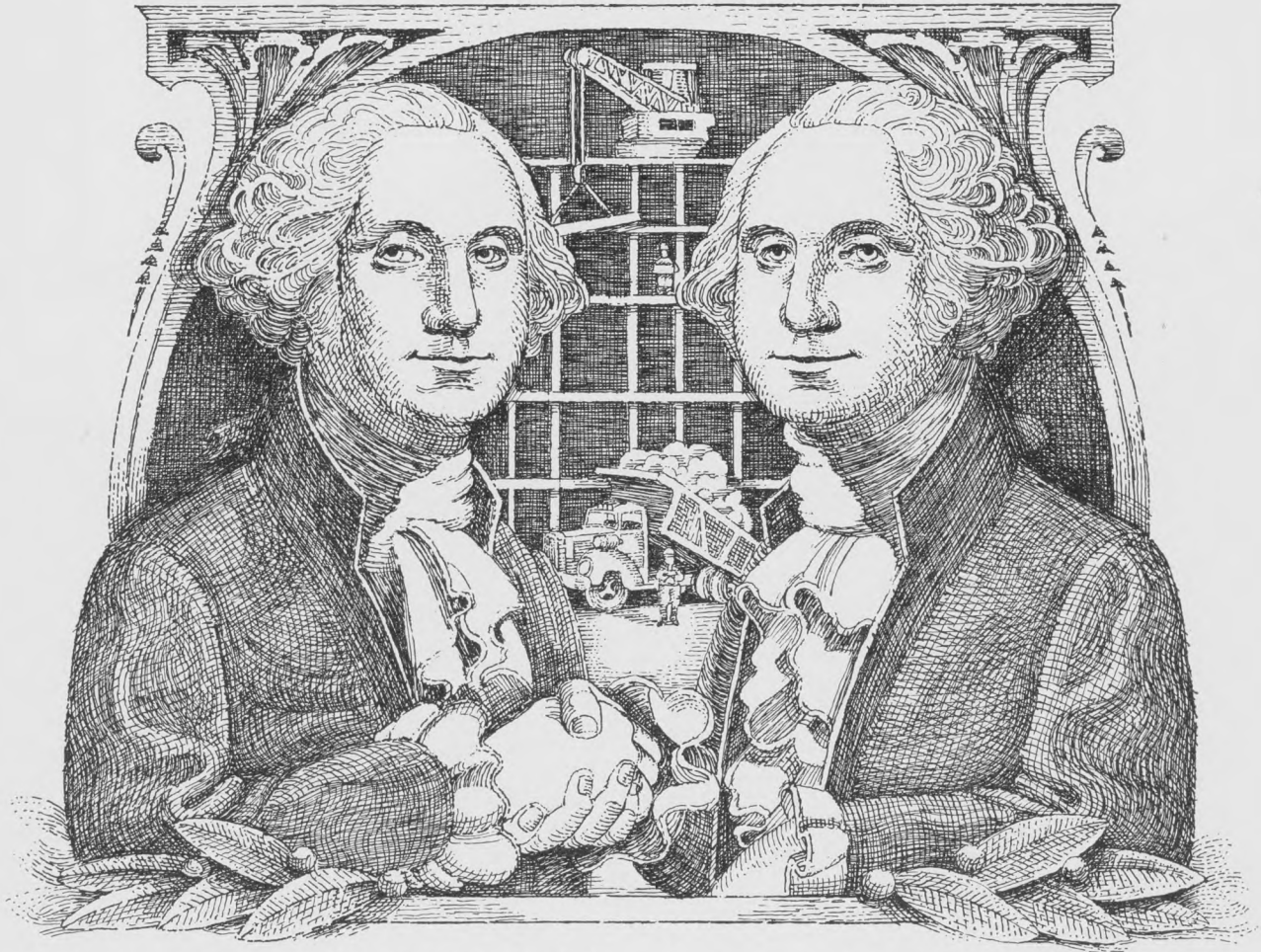


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true meaning
of Christmas



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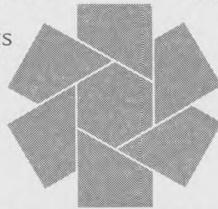
But today it's dead wrong. And we can prove it. We do, every day.

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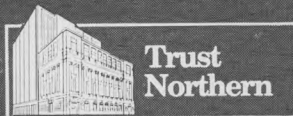
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Indiana Branch Law Hit; Alabama Bans De Novos On Bank Structure Scene

INDIANA'S second-largest bank is challenging the state's branching statute and a new rule in Alabama has been used to deny two bids to establish de novo banks.

Indiana National, Indianapolis, has filed an application with the Comptroller of the Currency to establish a branch in Carmel, located in Hamilton County, which is contiguous to Marion County, in which the bank is domiciled. It is the first time in the state's history that such a move has been made. State law prohibits banks from branching outside their home counties.

According to J. Fred Risk, bank chairman, the bank's position is "that national banks located in Indiana have the legal right to branch at any location where a competing financial institution can branch." In 1972, the Indiana General Assembly amended the savings and loan branch statute to enable thrift institutions to establish branches within 100 miles of their principal offices.

Mr. Risk said that, since S&Ls and national banks offer many similar services, they are competitors; thus, national banks should be able to establish branches within 100 miles of their principal offices. Two S&Ls domiciled in Marion County recently established new offices in Carmel under the amended statute.

Indiana's independent bankers challenged Indiana National's application within hours of news of its filing, with Philip H. Willkie, a leader of the independents and president, Rushville National, vowing to do everything he could to stimulate opposition to the application. He charged that, should the test of the statute be successful for Indiana National, Indiana would soon become a two-bank state, similar to Oregon, where, he said, two banks control 75% of the state's resources.

James E. Faris, director of the Indiana Department of Financial Institutions, expressed doubt that the Comptroller would approve the application. The Comptroller has gone on record as being liberal on branching without trying to strain or stretch the interpretation of state law.

Indiana National is one of the founders of the League for Economic Development, which has been unsuccessful in recent attempts to repeal a state statute prohibiting multi-bank holding companies.

In Alabama, the superintendent of banks has turned down applications
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Commercial Lending

At Annual Fall Conference:

RMA Reorganization Plan Unveiled; Implementation Set for Next Fall

A REORGANIZATION plan for Robert Morris Associates was outlined to the membership at RMA's annual fall conference in October in Phoenix. The plan was unveiled by Dow Ostlund, chairman of a long-range planning force formed in 1972 and a former RMA president. He is executive vice president, Valley National, Phoenix.

Mr. Ostlund's interim report was submitted to the RMA board and approved October 20. No date for adoption of the final plan has been set, but RMA officers expect the task force to present its final recommendations to the board next spring for implementation in the fall. A study submitted last year by Carter H. Golembe Associates, a Washington, D. C., consulting firm, was used as a starting point for the task force's work.

The reorganization would create a new administrative structure to improve RMA's service to three specific categories of members: senior loan management officers, line lending officers and credit department and other staff support officers.

The RMA reorganization effort came about because senior members of RMA believed that, in the light of rapidly changing conditions in banking, the group should examine such fundamental questions as: just what RMA should be, whom it should be serving, what its



New RMA officers are (l. to r.): pres., Norman J. Collins, sr. v.p., South Carolina Nat'l, Columbia; 1st v.p., Frank R. Dyer Jr., exec. v.p., Philadelphia Nat'l; and 2nd v.p., Robert A. Young, ch., Everett (Wash.) Trust.

objectives should be and how it should be accomplishing them, both financially and organizationally.

Whatever form the final reorganization takes, senior RMA officials are determined that the association's network of 28 active, relatively independent chapters will continue and be strengthened.

On the question of membership, the interim report envisions that commercial banks of all sizes will be served, with the provision—which is current RMA policy—that an applicant bank

should be able to serve the commercial lending needs of its area.

Three areas of membership interest have been isolated. Each will have a formal divisional structure consisting of appointed bank officers supported by a paid member of the national RMA staff.

- The Policy Division will embrace the interests of senior bank management, including chief executive officers of smaller and medium-sized banks and senior lending officers at larger institutions.

- The Lending Division will focus on functions and responsibilities of general line and lending specialists, both domestic and international. The task force recommends that the latter be given more thrust by RMA in cooperation with the Bankers Association for Foreign Trade.

- The Credit Division will spotlight credit department functions, including training and loan review.

There also will be a Chapters Division, whose purpose will be to strengthen further the association's chapter structure.

Each division will be headed by a governing council, which will be expected to meet regularly. Each council will be headed by a chairman appointed by the RMA president from among the directors. The president also will select the other members.

New Officers. Elected RMA president for the coming year was Norman J. Collins, senior vice president, South Carolina National, Columbia. He succeeded John J. Fawley, executive vice president, Industrial Valley Bank, Philadelphia. The other new RMA officers are: first vice president, Frank R. Dyer Jr., executive vice president, Philadelphia National; and second vice president, Robert A. Young, chairman, Everett (Wash.) Trust. ••



Pictured during RMA's 1973 fall conference are officers of three Mid-Continent-area chapters and their wives. LEFT: Texas Chapter—(l. to r.) pres., Edwin Rasco, Citizens First Nat'l, Tyler; 1st v.p., Cliff Davis, City Nat'l, Wichita Falls; Mrs. Davis; 2nd v.p., T. J. Vance, Fort Worth Nat'l; Mrs. Robert E. Orr and sec.-treas., Mr. Orr, Texas Commerce Bank, Houston. CENTER: Chicago Chapter—(l. to r.) pres., Norman I. Pickles, Northern Trust; Mrs. Pickles; and sec., Philip L. Bond, LaSalle

Nat'l. Not pictured: 1st v.p., Duke P. Gibbon, American Nat'l; 2nd v.p., Lawrence W. Northrup, Hartford Plaza Bank; and treas., Chester F. Wilczak, First Nat'l. RIGHT: Missouri Valley Chapter—(l. to r.) 1973-74 pres., William F. Drenner, First Nat'l, Topeka; Mrs. Drenner; pres.-elect Glea Rittgers, Wichita State; Mrs. Rittgers; sec.-treas., Robert P. Priest, Merchants Nat'l, Topeka; Mrs. Priest; v.p., James F. Nissen, Nat'l Bank of Commerce, Lincoln, Neb., and Mrs. Nissen.

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Aggressive Bank Garners New Deposits With 'Fly Now Pay Never' Travel Plan

It pays to have wealthy friends! At least, it does if you can convince your wealthy friends to deposit chunks of their wealth into savings plans at banks subscribing to the "Fly Now Pay Never" plan.

The unique promotion was originated by Lincoln Bank, Philadelphia, in cooperation with Pan American Airways. According to Anne V. Thomson, executive vice president at the bank, anyone bringing a two-year savings certificate deposit from a friend or relative will be promptly rewarded with a "Fly Now Pay Never" travel check in an amount determined by the amount of the friend's deposit. The travel checks are good as script on any Pan Am flight or tour.

For instance: Your friend deposits \$5,000 into a savings certificate account for six years (or \$10,000 for three years) and you get a travel check for \$225, which will pay for a week's stay in Puerto Rico or Nassau. If the friend ups his deposit to \$15,000 for five years (or \$25,000 for three years), your travel check is \$562, which can

be used to pay for a two-week stay in London, Paris, Spain or Portugal.

The announcement of the plan was enough to make travel-hungry citizens run to their wealthy friends to put the squeeze on them to make large deposits. And apparently people living in Philadelphia have lots of wealthy friends who are willing to help their less-affluent acquaintances.

Ms. Thomson reports that results of the plan during the initial month of May, 1973, were outstanding. May was the greatest certificate sales month in the bank's history; deposits were 12 times higher than during May, 1972, and three times greater than for any previous month in 1973. The May totals were equal to the totals for the previous four months.

More than half of the certificates sold via the program have been for five years or longer, providing a secure, long-term deposit base for the bank. Also, more than half of all sales were

to new customers, providing the bank with a new source of high-potential customers for cross-sell purposes.

The average deposit was close to \$10,000.

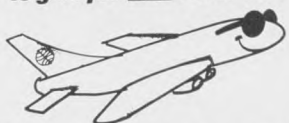
After the figures for June, 1973, were in, more records were broken. June figures were eight times those for June, 1972, amounting to the greatest certificate sales month in the bank's history, topping May figures. The percentage of new customers in June rose to 75%. Customers participated from as far away as New York, Ohio, Maryland and Florida.

The travel checks, which are actually finder's fees, are non-negotiable, in that they cannot be transferred or sold to another person or refunded for cash. At least 75% of their value must be applied to travel via Pan Am.

The finder must designate the name of a travel agent because the bank will not recommend travel agents. Pan Am says the fact that travel checks are negotiable only with Pan Am agents will develop a greater awareness of the role of these agents in the community.

Lincoln Bank, which is in its eighth year, has earned a reputation for being an aggressive institution. In Philadelphia it is known as the "maverick" bank. It started out as the nation's 8,013th largest bank and has since become the nation's 1,513th largest bank. The bank expects to market "Fly Now Pay Never" nationally. • •

Pan Am and Lincoln Bank join to give you free vacations.



It's the Fly Now, Pay Never Plan.

1. You get a friend or relative to buy one of our two-year savings certificates that yields 6% annually by daily compounding at our 2 1/2% annual rate. It's the same interest as the other commercial banks.
2. Based on the amount of your friend's (or relative's) deposit, we'll give you a free Travel Gift Certificate. Naturally, the larger the deposit, the larger your Travel Gift Certificate will be. Example: If he buys a \$10,000 Certificate for 3 years, you can use it to get a free vacation on the Certificate.
3. You're both in the Club! Even this year! Then you can apply your Travel Gift Certificate to any of Pan Am's flights or Pan Am's World Tours.
4. While you're on vacation, your friend will be getting the highest possible rate of interest.
5. How can Lincoln do all this? When you're the maverick bank, you can do anything!

IF YOUR FRIEND BETS:	YOU GET:
A \$5,000 Savings Certificate for 3 years	A \$225 Travel Gift Certificate
A \$10,000 Savings Certificate for 3 years	A \$450 Travel Gift Certificate
A \$15,000 Savings Certificate for 3 years	A \$675 Travel Gift Certificate
A \$20,000 Savings Certificate for 3 years	A \$900 Travel Gift Certificate
A \$25,000 Savings Certificate for 3 years	A \$1,125 Travel Gift Certificate
A \$30,000 Savings Certificate for 3 years	A \$1,350 Travel Gift Certificate
A \$35,000 Savings Certificate for 3 years	A \$1,575 Travel Gift Certificate
A \$40,000 Savings Certificate for 3 years	A \$1,800 Travel Gift Certificate
A \$45,000 Savings Certificate for 3 years	A \$2,025 Travel Gift Certificate
A \$50,000 Savings Certificate for 3 years	A \$2,250 Travel Gift Certificate
A \$55,000 Savings Certificate for 3 years	A \$2,475 Travel Gift Certificate
A \$60,000 Savings Certificate for 3 years	A \$2,700 Travel Gift Certificate
A \$65,000 Savings Certificate for 3 years	A \$2,925 Travel Gift Certificate
A \$70,000 Savings Certificate for 3 years	A \$3,150 Travel Gift Certificate
A \$75,000 Savings Certificate for 3 years	A \$3,375 Travel Gift Certificate
A \$80,000 Savings Certificate for 3 years	A \$3,600 Travel Gift Certificate
A \$85,000 Savings Certificate for 3 years	A \$3,825 Travel Gift Certificate
A \$90,000 Savings Certificate for 3 years	A \$4,050 Travel Gift Certificate
A \$95,000 Savings Certificate for 3 years	A \$4,275 Travel Gift Certificate
A \$100,000 Savings Certificate for 3 years	A \$4,500 Travel Gift Certificate

Lincoln Bank

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Newspaper ad announcing Lincoln Bank's "Fly Now Pay Never" travel plan included examples of trips that could be taken, along with coupon for making deposit by mail.

Kansas Banks Score High With Customers In Statewide Public Attitudes Study

WHILE THE image of banking on the national scene might not be as good as many would like it to be, the bankers of Kansas have been assured that the public in that state is not only fully aware of the important role played by commercial banks but it recognizes banks as the dominant providers of the basic financial services and rates banks high on convenience and friendliness.

That fact that Kansas banks score high with citizens was ascertained this year by means of a professional survey conducted on a statewide scale by Dr. Donald D. Christenson and Consumer Research Associates of Wichita. The survey was entitled "Kansas' Attitudes Toward Full Service Kansas Banks."

The survey was contracted for by the Kansas Bankers Association State-wide Advertising and Public Information committee. More than 1,600 people took the time to respond to the four-page questionnaire.

Commenting on the survey results, Committee Chairman Emery Fager, president, Commerce State, Topeka, said, "The findings show banks are rated highest by consumers and business people in usage of financial services, compared with other types of institutions."

The tabulation revealed that almost all Kansas households and businesses use the basic financial services offered by banks. Some 96% of households and commercial customers have checking accounts, 82% of households and 72% of businesses have savings accounts and 32% of both groups have CDs. A greater percentage of businesses than households have various kinds of loans.

Respondents said that banks were the dominant providers of the financial services they were using. S&Ls rated second in all categories except real estate loans. Credit unions and finance companies were not significant, except

Show and Sell

Handsome new display can produce measurable results

A recent customer awareness study showed that over 6% of checking account customers ordering Distinctive or Personal Touch checks did so because they became acquainted with their availability through seeing a lobby display.

Depending upon your bank's check order volume, this could result in a substantial extra number of pleased and satisfied customers.

This new lobby display has a handsome wood grain finish with gold trim and lettering. It comes with six interchangeable display panels, sample checkbook, and advertising "take one" box.

It's show and sell time now. Our sales representatives are now distributing these new displays. Just ask for yours.

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in consumer loans, where credit unions placed second after commercial banks.

For savings accounts, S&Ls were relatively stronger with household consumers who were older, who had higher incomes and education and who lived in towns over 25,000 in size. Among commercial customers, S&Ls were relatively stronger with the professions and in medium-size towns.

In terms of 12 other services offered by banks, five of the six that were used most by both groups of customers were the same: drive-in banking, safe deposit boxes, bank-by-mail, bank credit card program and travelers checks.

Households were asked to rate 10 items for the bank they used most and commercial customers were asked to rate 11 items. Over 50% of the households rated four items above average, compared to six items so rated by business. These high-rated items were common to both groups: personal attention, physical facilities and checking account services.

When comparing the 10 items among banks, S&Ls, credit unions and finance companies, respondents said banks were best on all 10 items. The top four of these items were most experienced, safest, most convenient and strongest.

Eighty-seven percent of the households and 94% of businesses said they were aware of the Full Service Kansas Bank emblem and 85% and 95% of the

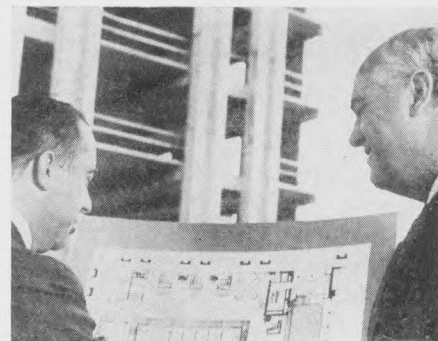
two categories said they had seen or heard advertising for Full Service Kansas Banks during the past six months. TV ads rated highest (more than 80%), followed by newspapers (more than 50%) and radio (more than 40%).

Project Director Christenson said, "The general picture that emerges after analyzing the many tables of data is that Full Service Kansas Banks are in a highly favorable position with the market. They are rated as doing a very good job and Kansas' attitudes and images toward banks versus other financial institutions are highly favorable." • •

Unique Publicity Program Undertaken by Bank To Spotlight New Building

How does a new bank building that's under construction get shown off to present and potential customers, VIPs and employees, avoid traffic noises and still not interfere with construction workers?

And how can a new 16-story tower be an exciting event in the heart of a city where already more than 70 acres of buildings, bridges and railroads have been demolished in preparation for Expo '74 World's Fair; five major buildings and many smaller projects are under construction and hundreds of exca-



Superstructure of new Washington Trust Bank Building, Spokane, Wash., looms in background through hotel window as Phil Stanton (l.), bank pres., shows building plans to King Cole, pres., Expo '74 World's Fair, to be held in Spokane. Hotel suite was used to give various groups of people bird's eye view of construction project.

vations are being made for the planting of an exciting array of new trees to line the downtown streets and avenues?

Philip H. Stanton, president of Washington Trust Bank, Spokane, Wash., discussed the new building promotion with his marketing staff. It was agreed that innovative measures were mandatory since, with the exception of the present bank building, the entire block had been demolished and construction was proceeding on all sides of the existing building.

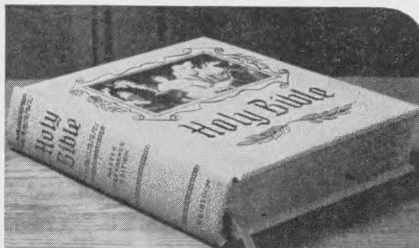
Management evolved an intriguing and practical solution. A hotel suite across the street from the construction site was rented and meetings were organized to create opportunity out of confusion.

During one month nearly all of the more than 300 bank employees, many customers and potential customers, the mayor and city council and visiting VIPs attended briefings on construction progress in the hotel suite. Coffee and other refreshments were served and a special lunch was served photographers and writers during a news conference session. The basic building plans, including 28"x44" enlargements of the blueprints as well as decorator renderings showing color schemes, wall finishes, fabrics and floor covering samples, were used during the 45-minute presentations. Seeing these plans from the vantage point overlooking the construction site added considerable interest. The suite accommodated up to 20 people comfortably.

Feedback during and after the series of meetings indicated excellent reception. Bank employees from outlying branches were given a feeling of being a part of the downtown project. City and Expo '74 officials, other VIPs and customers were equally enthusiastic.

Getting attention in a city already electric with attention wasn't easy, but Washington Trust proved that it could be done.

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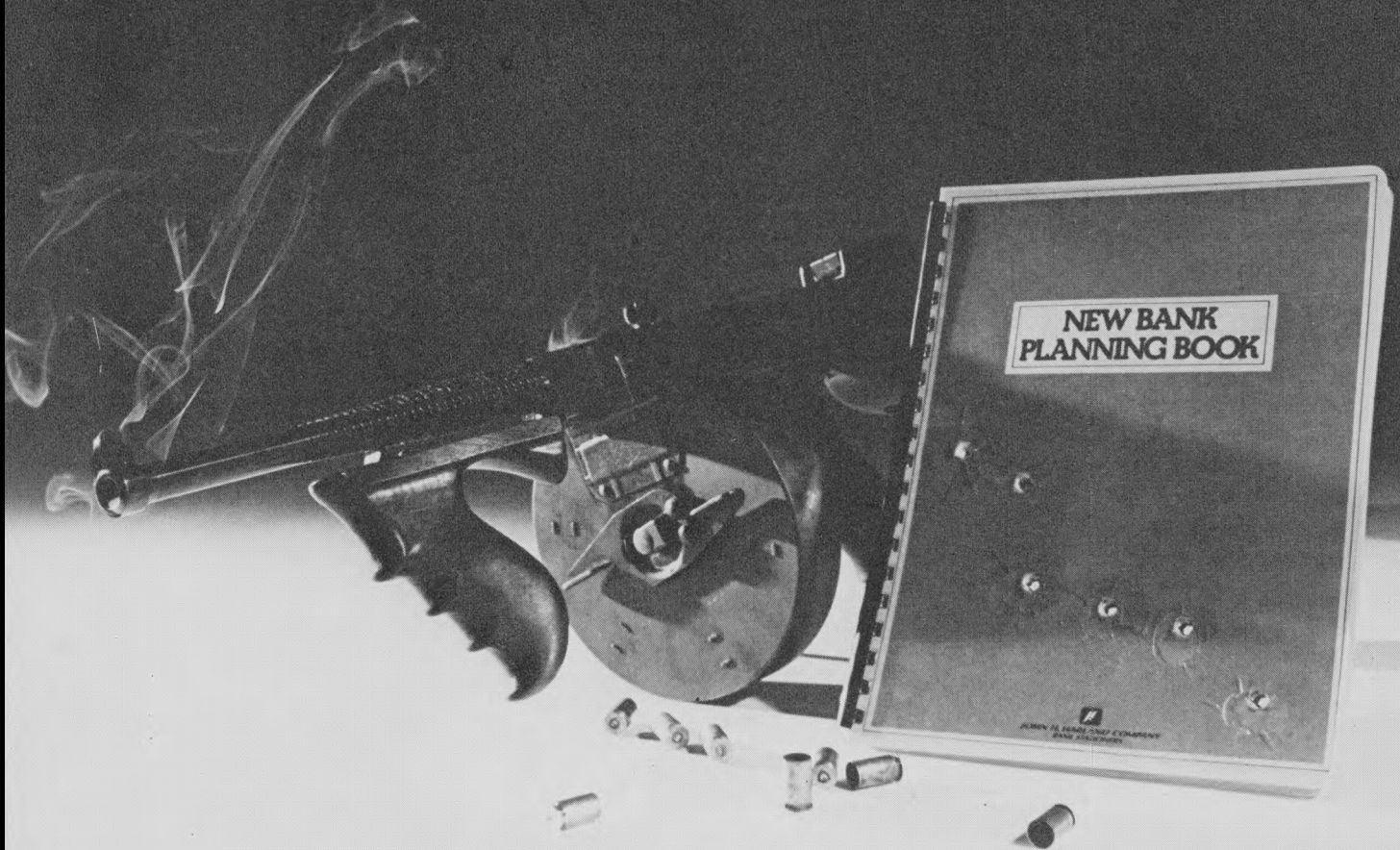
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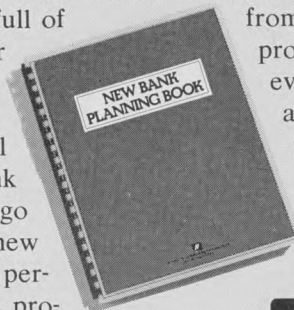
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■ Plus, Harland's New Bank Planning Book is loaded with the kind of creative ideas that usually come only from brain-storming sessions. Things like how to promote the opening, contest and prize ideas, and even a special touch for the Bank Directors. ■ It's all in the New Bank Planning Book and it's *free*. (At that price you may want one even if you aren't planning an opening right now). For your copy, ask your Harland man or write us soon because like they say, "Good Planning Books never die, they just run out."

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Because you need more, we give you more.

45% of last year's new homes were mobile homes. How many of your home loans are mobile home loans?

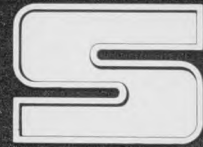
The prime rate is up. Mortgages are down. Lumber is scarce. Housing costs are prohibitive. As conventionally built homes are being priced out of the market, more and more young families are turning to mobile homes.

If your bank isn't prepared to finance its share of the growing mobile home business, you lose more than a mobile home loan. You could lose all the business a young family represents over the next ten or twenty years. All the checking, savings and loan activity as well as their first home mortgage.

The average mobile home buyer is young (about 25) with a slightly lower median income than most instalment loan applicants. But numbers don't mean a

thing when it comes to judging each application on its own merits. It takes knowledge, experience, expertise and a kind of "feel" for making mobile home loans. It's not something you pick up overnight.

And that's where we can help — by giving you the benefit of our experience in building a solid mobile home portfolio. We are the largest mobile home service company in the United States. Whether you are a small country bank or a major metropolitan bank, we can help you from one of our more than 35 offices throughout the country. Write us or call us collect at (312) 693-3797 and our Executive Vice President William Bishoff will tell you how.



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Educational, But Not Three Rs:

TV Series Aimed at Deaf Children Is Sponsored by Tennessee Bank

A TV PROGRAM aimed at deaf children, but one that also should entertain children in general, is being sponsored now in Chattanooga, Tenn., by American National. Called "Vision-On," the Time-Life series started Saturday, September 15, and will run 26 weeks.

"Vision-On," which has won several awards, is described as an educational program, but not in the sense of the "three Rs." Its primary objective is to expand experience and imagination; thus, the emphasis is on visually attractive, self-contained ideas that require no explanation. A minimum of speech is translated unobtrusively into sign language, this being the only aspect specifically for the deaf. It has the added value of reminding the hearing audience of the difficulties of those with hearing impediments.

Each program is based on a theme such as bicycles, eggs, strings, etc., to which everything is linked. The results are funny, serious, ingenious or intriguing, simply by combining imagination with film techniques. Familiar patterns recur from week to week—situations have a different twist, and the same nonsense characters keep reapp-



Sam I. Yarnell, ch., American Nat'l, Chattanooga, visits with Mrs. Marilyn Rochester (l.) of Chattanooga city schools and Mrs. Margaret Hasty of Hamilton County school system during private screening of children's TV series, "Vision-On." American Nat'l is sponsoring series each Saturday for 26 weeks.

pearing. The visual image remains on the screen only long enough to make its point.

Artist Tony Hart makes pictures from everyday materials. In this way, "Vision-On" has, to some extent, become an art series for the less obviously "arty" children—looking at things, introducing ideas to make pictures and patterns, playing with words or generally encouraging small viewers to focus attention through their eyes. In addition, pantomime is used.

The hope, according to the series' producer, is that the children will switch off the television set after the program is over and try things out for themselves.

American National's president, John P. Wright, said the bank is confident that the series will benefit all children educationally, especially those with hearing problems who are far too often forgotten. • •

• **Granite City (Ill.) Trust** entertained 163 persons at its 11th annual new teachers reception, held in the bank lobby at the beginning of the 1973-74 school year. School officials and school board members also attended the buffet dinner, at which bank officers acted as hosts.

A talk on "Identifying the Child in Trouble" was given by Dr. John J. McBride, a counseling psychologist and a former bank director now with St. Joseph's Hospital, Phoenix. President E. A. Karandjeff, acting as toastmaster, introduced the superintendent of schools, who, in turn, introduced school board members and other officials and principals. The school board president expressed his thanks to the bank and welcomed the new teachers. Chairman Henry D. Karandjeff extended Granite City Trust's best wishes and thanked the new teachers for choosing that school district.

• **Continental Illinois National, Chicago**, has sponsored development of filmstrips designed to teach the city's

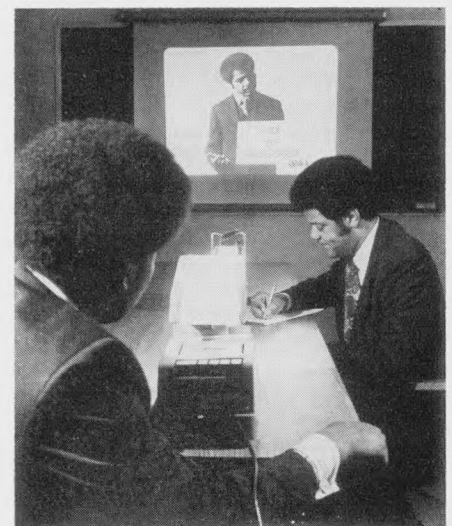
minority businessmen how to succeed. They have proved so effective that they will be used nationally in the near future.

The bank, which invested \$25,000 in the public-service venture, said the training materials will be used by economic development groups, other banks and government agencies throughout the country.

Continental announced last May that it had developed the filmstrips to help inexperienced minority businessmen attack one of their most pressing problems—management of their operations and finance—and would make them available to Chicago-area groups.

There are three 12-minute filmstrips. The first one—"Going Into Business"—begins with a man's dream of his own small business and shows him what he should do and what his banker needs to know to help him turn his dream into reality. "Now That You're in Business," the second film, uses the profit-and-loss statement and balance sheet to show the new businessman how he can find out what's happening to his business at the end of the third month. The final film, "Is Your Business a Success?," helps the same businessman look objectively at his business at the end of the first year and points out ways he can improve his profits.

To give the filmstrips credibility and authenticity, they were developed by a black production firm using black actors and are based on actual experiences of bank officials who have counseled minority businessmen.



Minority businessmen view filmstrip series prepared by Continental Bank designed to help them manage their operations and finance. This frame humorously points out difference between "sole" and "soul" proprietorship.

Installment Lending

Growing Importance of Retail Customer Calls for New Levels of Capability

WITH RISING income levels and aspirations for a life style that has been only a dream in the past, today's retail consumer customer market is one of commercial banking's most active growth areas.

The shift to asset ownership continues even in our "disposable" society. Just as the purchase of automobiles substituted for the payment of public transportation and acquiring a home washing machine and dryer substitutes for a trip to the laundromat, the television set has become a substantial substitute for going to movies. This trend to acquiring the goods of the world has been aided by women joining the work force. This shift, as well as the trend to more leisure time and vacation homes, motor homes and mobile homes, has greatly increased the use of consumer credit.

We hear and talk a lot about the good and the bad aspects of these changing patterns in our business. I prefer to call them challenges.

Significant challenges certainly, but nonetheless significant opportunities exist for expanding present services and creating new ones. There is an opportunity now before us as installment loan officers to develop new services which better satisfy the needs of the market and thereby increase our product profitability and share of market.

Consumer lending has assumed a prominent position in the portfolios of commercial banks. Although banks were coy about entering the field before World War II, it is rare today to find a commercial bank that is not significantly involved in consumer or "retail" credit. Today, commercial banks hold about 50% of the \$100-plus billion total installment credit outstanding. Credit card growth is the newest,



SMITH

By **JAMES L. SMITH**
Chairman
Installment Lending Division
American Bankers Association
and Senior Vice President
Security Pacific National Bank
Los Angeles

most exciting aspect of consumer banking.

Just about the same time consumer credit in banks was starting to grow, in 1945, the prime rate jumped from 1½% to 2%. The Dow Jones Industrial Average was at 235 and commercial paper was selling at 1½%. The short-term certificate of deposit was little used and the Eurodollar had not been created. At that time, our loan-to-deposit ratio was 35% and our total outstanding installment loans was less than the net increase in installment loan totals for the year 1970.

In those days, installment bankers were considered renegades but a 6% add-on or discount rate was really 12% simple and that made them heroes. Bankers were heard to say, "How can we lose, at interest rates that yield us almost 12%—more than double our return on commercial loans?"

Those were the "golden years" of installment credit. Unfortunately, that was before my time and that of many of you. In more recent times, with prime rates at historic highs, the analogy of an add-on rate being really twice as high as the commercial rate was lost to the fact that, even doubled, it was just barely over the prime. The installment man was still a renegade but no longer the hero type. In fact, he was a villain. The question then became, "Look at the expenses for this activity. We should be in government bonds."

Whereas previous periods of tight money have caused the management of many banks to divert funds from consumer loans to other areas of the bank, the 1973 money "stringent" period has not. Why not? Recognition, awareness and responsibility!

Many studies of the future of banking have been made but all of them reflect the growth and importance of the retail bank customer. Many of you are familiar with the Booze, Allen & Ham-

ilton study. If not, you should be. The consensus of all of these studies is the growth in both absolute terms and relative to the total bank service market. Sometime in the next 10 years consumer loans will represent greater use of funds than commercial loans.

At the same time, the managements of our banks will be under continued pressure for ever-improved earnings. This combination of continued earnings pressure and consumer credit growth will change the role that installment lending officers have to play.

The same recognition and awareness that we enjoy will bring with it increased responsibility. We are in a high labor-oriented end of the banking business. The rising cost of labor and fringe benefits is becoming increasingly at odds with our traditional way of doing business.

As we add services that respond more precisely to our customer demands, we must rely more and more on our professionalism to demonstrate competence to our customers and our management.

Banks have been winking at consumer problems for the past several years on the theory that they would go away or, at least, need not be solved. Now, however, we are moving more and more toward solutions based on talk of profit centers: "responsibility" accounting and accounting for awareness of opportunities and results.

The decade of the '50s produced an increase of \$29 billion in outstandings (about a 300% increase). However, in the soaring '60s, the increase was \$57 billion—14 times the 1945 total!

Over the longer term, this growth is bound to continue and even accelerate. The largest population bulge over the next decade will be in the family-forming age group—people aged 18-29 years. With probably continued rising incomes, these young people will be using credit heavily to obtain the things their families need and want—homes, automobiles, appliances, boats, educational and medical attention, vacation expenses and all the other elements that make up the level of good living we have become accustomed to. Older folks will continue to replace their homes with mobile homes, cars and appliances with newer, more highly refined models. In this environment, consumer credit will continue to serve not only as a catalyst in maintaining a dynamic economy, but also a positive generator of economic growth and stability.

The present nationwide consumerism movement, while it is unique in many ways, is not entirely new. There have been previous periods of strong consumer movement in our history and

(Continued on page 100)

Mr. Smith was keynote speaker at the recent 18th annual Consumer Finance Conference of the Missouri Bankers Association. This article is adapted from Mr. Smith's remarks.

A mobile home service company with a banker's viewpoint



It takes a banker's viewpoint to fully understand the needs and requirements lending institutions have concerning mobile home financing. And with **Bill Barrows** as President, Insured Payments has that viewpoint. He brings 30 years of banking experience as former Vice President and Regional Installment Supervisor for the Crocker National Bank of California.

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MID-CONTINENT BANKER for December, 1973

The Banking Scene

By Dr. Lewis E. Davids

Hill Professor of Bank Management,
University of Missouri, Columbia

Tomorrow's Clearinghouses

WHO WILL control the clearinghouses of tomorrow?

Commercial bankers in California are adamant in reserving the control of clearinghouses exclusively to member banks. But at the same time great pressure is being exerted not only in California, but in Washington, D. C., for the clearinghouses to be opened to participation by non-commercial banks.

The agencies that would like to use the clearinghouses include, for the most part, the savings and loan associations, which are a major financial force in the U. S. To a somewhat more modest extent, mutual savings banks with their negotiable orders of withdrawal (NOW) accounts and the credit unions, which

now have billions of dollars of assets, also are concerned that they can clear through a system such as is now the exclusive province of commercial banks and the Federal Reserve Bank.

Some idea of what the future may hold in this area can be gained by considering remarks made by Representative Frank Anunzio, a Democrat from Illinois who is a member of the House Banking and Currency Committee. In his remarks before the important and legislatively influential U. S. Savings & Loan League, he said:

"I think you can trust the Congress in making sure that you have access to fund transfer systems so that your institutions and customers profit from

the new systems. . . . Commercial banks should not be allowed exclusive use of the transfer system if it results in a damaging and competitive effort on other financial institutions. To this end I have written to the Federal Reserve System objecting to the exclusive use of existing systems by commercial banks and I have also written to the Department of Justice, seeking to determine the anti-competitive—if not antitrust—aspects of electronic fund transmission systems.

"Part of the Federal Reserve expenses are being used in connection with clearinghouse operations of the electronic fund transmission system, and
(Continued on page 83)

Background of Clearinghouse System Traced

THE FUNCTION, role and operation of clearinghouses in the U. S. is an area of banking little known by the general public and known only to a modest degree by the average banker.

U. S. clearinghouses date from 1853. They range in size from the large ones in New York City and Chicago to the modest-sized ones, such as the one in Minot, N. D. But whether they are of giant size with their own staffs and buildings or whether they are a rotating location at member banks, they serve one of the most important functions in our system of the clearing and collection, not only of checks, but, at times, other types of financial instruments.

Some are formal and have a system of fines for late attendance by a clearing member or an inadvertent misaction by one of the clearing clerks. On the other hand, institutions may be quite informal as to the time of clearings with considerable leeway permitted members.

The great majority of clearinghouses are physically housed in commercial banks. Some are situated in facilities of the Fed. The very nature of a clearinghouse being situated in a commu-

nity tends to be a self-fulfilling prophecy in encouraging the growth of that area as a financial center.

Before the 1960s, clearinghouses also did a considerable amount of what might be called background studies and through their executive committees and membership exerted considerable influence on how the financial affairs of their localities were administered. In fact, a number of the things that were done by clearinghouses before 1950 probably today would be considered as verging on violation of the Clayton Antitrust Act or of restraints-of-trade legislation. In more than one instance, clearinghouse-collected data on participating banks foretold the collapse and failure of a member bank. This was often well before federal or state bank regulatory bodies were aware of the bank's deteriorated position.

Clearinghouses have an unusual function in the area of charity. Since banks have been prime targets for fund solicitors of charitable organizations, a rather effective screening device in a number of communities has been for the clearinghouse, in effect, to serve as a co-

ordinating force for member banks in major charitable activities.

Clearinghouses have existed not only in the United States, but in Europe and other areas for literally hundreds of years. They gradually have evolved in the techniques they use. They are increasingly becoming mechanized and automated. However, at this point there appears to be a great likelihood that there will be a major revolution in tomorrow's clearinghouse. It takes two directions or thrusts. One is in the area of electronic fund remission or fund transfer. Thus, we will find that in addition, at least in a transition period, while the use of checks is leveled off or decreased, there will be increased use of giro type of fund remission. The Federal Reserve has been active in research in this area. Also, commercial banks—notably in California, Florida, Atlanta and Columbus, O.—are known to have been leaders in attempting to develop an electronic system that will serve as a clearing mechanism. Whether it will be constituted as a "house" or as a system of computers is something time will tell. • •

In Mississippi, unlike many areas of the United States, its natural resources have not been exploited and depleted. For this reason the really golden years of growth and development lie ahead. Mississippi's abundance of timber, minerals, clean water and other resources put it at the frontier of economic opportunity in America.

First National has its finger on the pulse of Mississippi and plays an important role in helping build and expand the state's economy.

If you need information on Mississippi's natural resources-their availability or their reserves-your most knowledgeable source is First National of Jackson.

Branches: Commercial National Bank, Greenville/Leland · The Bank of Greenwood, Greenwood · First National Bank, McComb Amite County Bank, Gloster/Liberty · Tylertown Bank, Tylertown

First National Bank

Jackson, Mississippi Member FDIC



We can see
the forests for
the trees.

Continuous Surveillance:

Computerized Security System Used In New Louisville Bank Building

WHEN First National of Louisville moved into its new building, it chose to protect the structure with a

Diebold DGM-320 security system. Previously, the Mellon Bank of Pittsburgh and Chemical Bank of New York City had installed this system, but First of Louisville is the first bank of its size to have chosen the Diebold data-gathering-monitoring protection system. The action, according to Diebold, points up the applicability of the system to other than the nation's very largest banks.

At First of Louisville, the Diebold DGM-320 allows continuing surveillance of 150 checkpoints in the bank through the system's computer-driven scanning technique by which the status of any given point is checked continuously and reported on in milliseconds. A teleprinter produces a hard-copy, real-language report of the scanning process, which enables Security Officer Max Hart and his staff to determine and review the status of any given security point in the bank at any moment. In addition to the 150 security-sensitive points continuously monitored by the system, the control console embodies video monitors tied in with six TV cameras used to monitor the bank's main lobby and has video recording and playback capability.

Whenever the status of any of the 150 security checkpoints is other than it should be, a visual and audible alarm is activated at the DGM-320 control console and remains activated until the

situation is acknowledged and/or corrected. First National's system also has an automatic procedure capability that automatically displays printed instructions and an area diagram concerning emergencies anticipated by the bank and programed into the system.

The Louisville bank's DGM-320 system is manned around the clock, seven days a week, by bank security personnel. The console is linked to key points within the bank by standard communications systems and through a two-way security communications system combined with an annunciation feature.

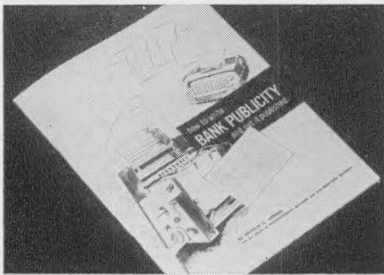
According to John Barr, vice chairman of the bank and its executive in charge of properties and buildings, First National is studying the feasibility of tying its 35 branches into the system. With this interconnection, remote alarm modules at each branch would be able to accommodate different alarm functions and would transmit the status of the eight conditions involved to the DGM-320 console at headquarters, just as security checkpoints within the main building are registered on status boards at the DGM-320 console. In such an arrangement, transmission economies from branches to the headquarters console would be realized through signal multiplexing, which permits more than one branch to use a given telephone line circuit. Moreover, the DGM-320 system is so designed that it can readily accept additional branch alarm communication as needed through supplementary modules at the branch involved and within the DGM-320 console.

"Our original requirements of a security system," said Mr. Hart, "included integration of all emergency communications, surveillance and alarm equipment to enable us to react immediately in case of disaster, riot, equipment failure, holdup or burglary.

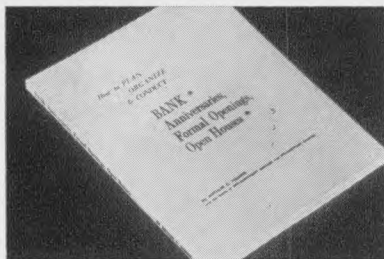
"With the DGM-320 system, we'll know *what's* happening, *where* it's happening and *when* it's happening, and we'll be prepared to react immediately and effectively." • •

Diebold DGM-320 security system at First Nat'l, Louisville, enables bank to maintain continuing surveillance of 150 checkpoints in bank via computer-driven scanning technique. Teleprinter produces hard-copy, real-language report of scanning process.

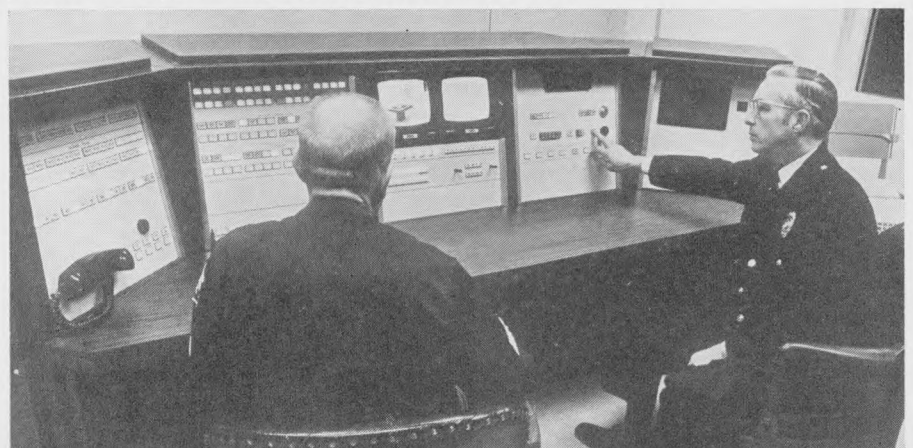
BOOKS



HOW TO WRITE BANK PUBLICITY AND GET IT PUBLISHED is designed to aid the bank officer who is not a "professional" publicity man. Book contains 14 fact-packed chapters. In the first chapter the reader is given background on "news lingo" and an analysis of what a news story should try to accomplish. The book distinguishes between publicity, public relations and community relations. Explains how to construct a news story and describes mechanics of the news release. **\$4.50.** Send check to MID-CONTINENT BANKER, 408 Olive, St. Louis, Mo. (Missouri banks add 3% sales tax.)



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For prices and details concerning this service, contact your Chase representative. Or Ralph Berrey of the Capital Planning Department. Telephone (212) 552-5509

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'Hurry-up' Check Cashing Introduced at Citibank

NEW YORK—Customers of First National City Bank can now cash their personal checks almost instantly up to the full amount of their balance at any of the bank's 226 branches under a new service called "Hurry-up" Check Cashing Service.

To utilize the new service, customers simply present their personal check and their Citicard (a computer access card) to a teller. The teller inserts the Citicard into a special computer terminal and in less than 10 seconds receives an authorization to cash the check.

Customers will no longer have to wait for a platform officer to authorize their personal checks nor will they have any problem receiving authorization at a branch at which they are not known.

Bank Offers Management Service For Small Pension Programs

CHICAGO—The trust department at Continental Illinois National is now managing pension and profit-sharing programs with as little as \$10,000 in assets, down from the traditional \$100,000 minimum set by trust institutions. The service is called "Benepak."

The typical company that might use "Benepak" probably has fewer than 50 employees or may even be a one- or two-person professional corporation, a bank spokesman said. The plan is avail-

New Customer Services

able at a minimum annual fee of \$250 to firms with existing employee benefit plans or those considering establishment of new programs.

Special Deposit-Checking Plan Offered Military Officers

NEW YORK—Military officers who have established credit lines with Franklin National now can take advantage of a joint deposit plan and full-service checking account. Called JUMPS, Joint Uniform Military Pay System, the program provides such officers with a money management service.

Officers opening the full-service checking account may have their payroll checks deposited automatically in that account by telling their finance officers to enroll them in JUMPS. Once enrolled, officers receive documented notices from the bank showing salary deposits, along with monthly statements.

The full-service account provides officers with instant reserve credit, allow-

ing them to write checks even if their balances are not enough to cover the checks. Another feature is the automatic cash transfer. Military officers may specify any amount and have it deducted directly from full-service accounts to Franklin savings accounts bearing full interest. Cash transfers also can cover minimum monthly payments due on officers' cash reserve balances.

As a bonus for officers enrolling in the plan, Franklin National is providing one order of free personalized designer checks, which usually last 12 months.

General Ledger Business Service Introduced by Bank of America

SAN FRANCISCO—A computerized accounting service has been introduced to California businesses and industries by Bank of America. The service, called General Ledger, is designed to fill the needs of all business customers requiring current financial reports.

The service is aimed at eliminating time-consuming detail work for accounting departments and offering management reports that can measure performance and sharpen financial analysis and profit planning.

The service is designed to complement the bank's other computerized services, such as payroll, payables and receivables.

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and a



We at First National Bank
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twelve days of Christmas
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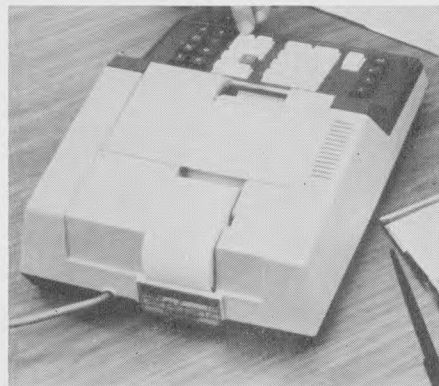


New Products and Services

er centers, banks, office buildings, industrial complexes, hospitals and other organizations requiring advanced security measures.

For more information, write Diebold, Inc., Canton, O. 44711.

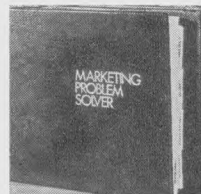
- **Burroughs Corp.** A new pre-programmed electronic printing calculator, the C 6203, is offered by this firm. The unit is designed for commercial banks and other financial institutions for use in handling installment loans, commercial loans, mortgages and savings ac-



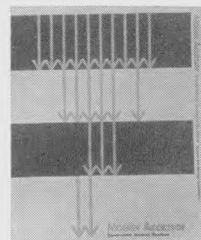
counts. Monthly payments on installment loans, including credit life insurance and accident/health insurance, can be computed.

For more information, write Burroughs Corp., Business Machines Group, Burroughs Place, Detroit, Mich. 48232.

- **Cochrane Chase & Co.** A 970-page, two-volume book entitled "Marketing Problem Solver" is being offered by Cochrane Chase & Co., Inc., 1400 North Harbor Boulevard, Fullerton, Calif. 92635. The book helps sales and marketing management, corporate officers and other executives solve real world marketing problems by translating esoteric terminology into layman language and by turning theory into action.



- **Mosler Safe Co.** A new specification data brochure for the Mosler Accessor card controlled access system has been issued by Mosler Safe Co., Hamilton, O. 45012. Material covered includes applications, encoding, explanation of operation, interfacing with alarm system, exclusive features and functions and detailed architectural and engineering specifications for standard and optional units.



- **MGIC Indemnity Corp.** (Indemnity Corp.) has introduced a new type of insurance for individuals and financial institutions owning municipal bond portfolios. The coverage, also offered to municipal bond funds, guarantees full payment of principal and interest should a bond issuer ever be unable to meet its payment obligations.

According to Frank C. Carr, vice president, Indemnity Corp., the municipal bond portfolio protection permits individuals and institutions to increase the safety of their holdings while opening opportunities for increased yields from insured portfolios.

Revenue and general obligation bonds, including many nonrated issues, can be insured as a portfolio if the holdings total \$50,000 par value or more. Owners can shift their insured portfolio holdings at will as long as the portfolio continues to meet the insurer's size and mix criteria. Premiums range from .05 to .35 of 1% of the face amount of a portfolio. Policies are issued for one year and are automatically renewable. They are non-cancellable by MGIC Indemnity Corp. as long as a portfolio continues to meet its diversification and minimum-size requirements and annual premiums are paid.

Write MGIC Indemnity Corp., MGIC Plaza, Milwaukee, WI 53201.

- **Diebold, Inc.** A card and push-button operated access control system that will help guard up to 50 entrances has been announced by Diebold, Inc. Called the Access Control System, the R-40 model utilizes a cryptocoded access card and centrally located control console. The system provides automatic, recorded access control for comput-



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NEWS ROUNDUP

News From Around the Nation

Banks Fight Auto Lease Suit

A federal court in Seattle has been asked to dismiss suits filed against the Comptroller and two Seattle banks by a group of motor vehicle leasing firms challenging the authority of national banks to engage in auto leasing.

The suits are supported by the Washington State Automobile Dealers Association and the National Automobile Dealers Association. They charge that auto leasing is not "an activity incidental and necessary to the business of banking" and therefore is not permissible under the National Bank Act.

The defendants—Seattle-First National and Peoples National Bank of Washington—assert that the plaintiffs lack standing to maintain the action and failed to state a claim on which relief can be granted and that the court lacks jurisdiction. They also charge the plaintiffs with trying to "exclude competition," stating that, if the suits are successful, "efficient functioning of the free economic system" in the U.S. would be inhibited.

Deposit Rate Guidelines Seen

As a result of the furor caused by wild-card savings instruments in recent months, regulatory agencies are likely to follow five general guidelines in setting these rates in the future, according to FDIC Chairman Frank Wille.

The guidelines include maintenance of some differentials between the deposit-rate ceilings of commercial banks and those of thrift institutions in both the time-deposit categories and regular passbook accounts until the asset powers of the S&Ls and savings banks are significantly broadened; emphasis, when competing interest rates are rising, on rates payable on time deposits rather than on regular passbook rates; unlikelihood that agencies will maintain a status quo on deposit-rate ceilings when thrifts' earnings, after all expenses are met and after crediting dividends and interest, reach pre-July 5 levels; announcing rate changes on consumer deposits in advance of effective dates, on the principle that the same results can be achieved as by making changes effective immediately.

Mr. Wille said that eventual removal of Regulation Q is in the public's best interest, as long as commercial banks and thrifts have enough time to adjust their asset and liability structures.

Investment Plan Regulation Asked

Legislation has been introduced in the Senate to place bank-operated automatic investment services programs un-

der SEC regulation. The bill was introduced by Senator Edward R. Brooke (R., Mass.) with a warning that while such plans are an "innovative and worthwhile consumer service" they may also damage the securities market.

The plans are now offered by at least 15 banks. They permit customers to buy selected stocks regularly through the bank by having purchases deducted from checking accounts.

The Investment Company Institute contends the plans violate the 1933 Glass-Steagall Act by purchasing and selling stock for customers. The banks involved deny the charge.

Senator Brooke said that, because the plans are new, they should be regulated with an eye to their impact on the small investor, to the type of AIS securities banks pick for their customers and to the protection customers have against losses from fraud or bank failure.

Fed Regulation of Foreign Banks Asked

Federal regulation of foreign banks has been requested by a bill introduced in the House by Congressman Wright Patman (D., Tex.). The bill seeks to reduce the competitive advantage foreign lenders are believed to have over domestic banks.

Among these competitive advantages, according to Mr. Patman, is the fact that foreign banks can have full service operations in more than one state, that some states permit foreign banks to have full-service branches together with investment banking subsidiaries, which are denied to U.S. banks.

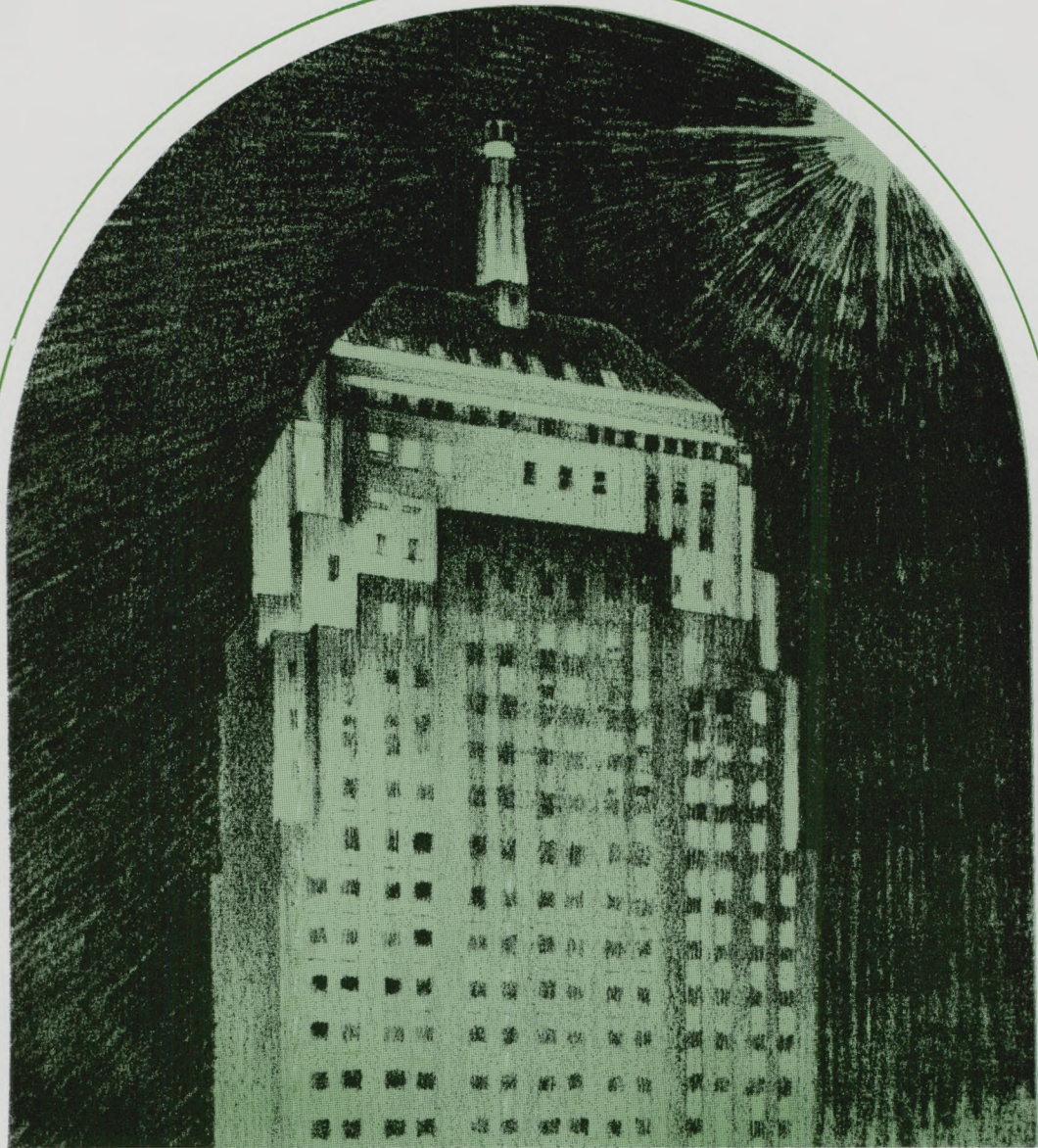
The legislation would require foreign banks to apply to the Secretary of the Treasury for permission to establish or continue operations in the U.S. After Treasury approval, final charter authority would be with the appropriate banking agency, with the Fed handling applications for foreign banks engaged in international banking and the FDIC handling those engaged in domestic banking.

S&Ls Can Now Deal in Fed Funds

The Federal Home Loan Bank Board now permits S&Ls to hold fed funds as liquidity portfolio investments, a change that allows S&Ls to take advantage more fully of interest rates in the currently high-paying fed funds market.

S&Ls are barred from dealing directly in fed funds but can make loans indirectly through a commercial bank. S&Ls are prevented from lending through the market more than 0.25% of a borrowing bank's deposits, or \$20,000, whichever is greater. They also are restricted to making fed funds loans of six months' maturity or less.

Merry Christmas and Happy 1974 from The First family

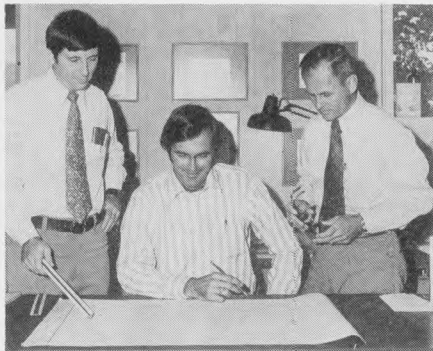


*The First National Bank and Trust Company
of Oklahoma City*

Former Missouri Banker Named as Consultant To Bank Construction Firm

The Ste. Genevieve (Mo.) Design & Building Corp. has appointed Lou Schilly as a vice president and bank consultant for the firm. Mr. Schilly, who served as an officer of the Bank of Bloomsdale (Mo.) for 10 years, also had been associated with the old Bloomsdale Bank Building & Equipment Co.

Mr. Schilly brings to the firm his personal knowledge of bank operations as



Richard L. Bacon (I.), pres. of the Ste. Genevieve firm, goes over a set of building plans with his associates, John Scholer (seated) and Lou Schilly.

Corporate News Roundup

well as his experience in the bank construction field. He will be associated with the two principals of the firm, Richard L. Bacon, president; and John Scholer, vice president.

Mr. Bacon, a registered architect, has more than 15 years' experience in design and construction work, and has in recent years specialized in banks and other financial institutions located in the Midwest. Mr. Scholer, construction manager for the firm, has had extensive experience in construction work.

The firm, located 50 miles south of St. Louis, has announced it will specialize in the design and construction of medium- and small-sized banks.

- **NAC Financial Corp.**, formerly National Acceptance Co., Chicago-based commercial financing organization, has opened a regional office in St. Louis. It's headed by Henry Bugg, formerly executive vice president, St. Louis Terminal Field Warehouse Co.

NAC Financial Corp., now in its 51st year, makes revolving-fund, seasonal

and long-term loans to manufacturers, processors, wholesalers and business services on accounts receivable, inventories and fixed assets, frequently in cooperation with banks. The company serves borrowers from coast to coast through seven offices and has a current volume of financing exceeding \$2 billion annually.



MAYLONE



BUGG

- **Talcott National Corp.** Paul C. Maylone has been elected executive vice president-finance of Talcott National Corp. and its James Talcott, Inc. subsidiary, New York City. Mr. Maylone has spent his entire business career with the Talcott organization. He will continue his duties as secretary of both corporations. He has served as senior vice president since 1962.

- **Scarborough & Co.** David W. Hopson has been promoted to area sales vice president for Missouri and southern Illinois by Scarborough & Co., Chicago. Mr. Hopson will continue calling on Missouri and southern Illinois banks to assist them with their insurance needs and to provide counsel on loss prevention.

- **John H. Harland Co.** Bids to double the size of the check manufacturing plant of John H. Harland Co. in Nashville are being sought. The firm also expects to make significant changes at its facilities in South Carolina and Atlanta. During the past four years, the firm has opened nine new facilities and is now turning out 72 million checks per week.

- **LeFebure Corp.** Mark A. Stiefel has been appointed sales engineer for the Cedar Rapids branch office and warehouse of LeFebure Corp., Cedar Rapids, Ia. Mr. Stiefel will sell banking equipment and security systems in western Illinois. He was formerly with ADACOM, where he sold and installed telephone answering systems.

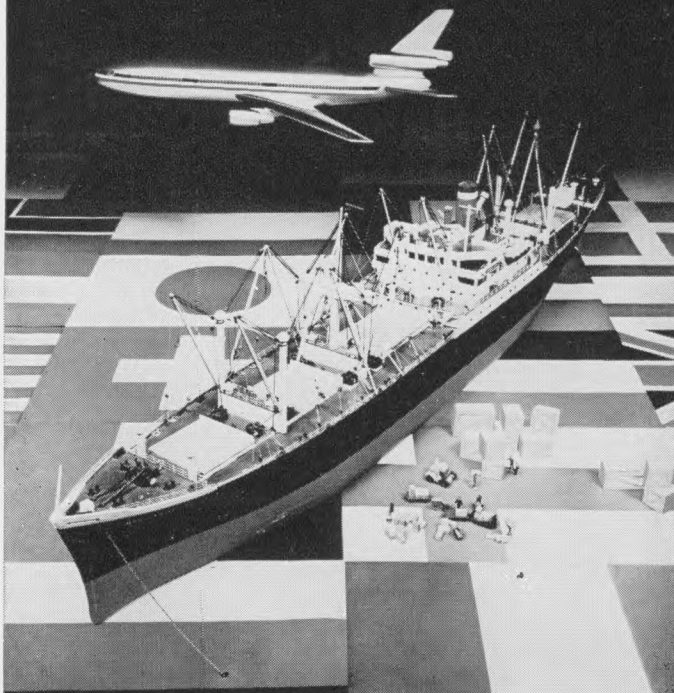


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More than 1800 banks are now participating in programs underwritten by Central States.

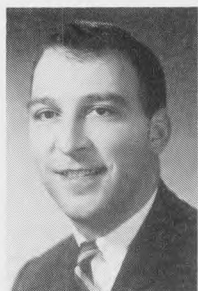
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Howard at 18th Street Omaha, Nebraska 68102

NEWS OF THE BANKING WORLD



SHERWOOD



CORONELLA



DAHMS



KINGSBURY



SMALL



DAVIS

• **Chase Manhattan**, New York City, has completed a geographic and personnel reorganization of its correspondent bank services.

The new alignment consolidates divisions west of the Mississippi River and in the central-Southeast states, establishing seven teams to service correspondent banks on a regional basis. Vice President Charles Coronella heads the western district and Vice President Keith Kingsbury the central-Southeast.

Designated as team leaders in the western district are Vice Presidents

Ronald Sherwood, William Dahms and Richard Pinney.

Mr. Sherwood's team covers 11 states, including Kansas and Missouri. Mr. Dahms' team covers six states, including Texas, Oklahoma, Arkansas, Louisiana and New Mexico. Mr. Pinney's group is responsible for states outside the Mid-Continent area.

One of the central-Southeast district teams operates under Vice President Alden Small, whose territory includes Illinois and Indiana.

Vice President Bruce Crocco, previously district executive in the central district, has assumed responsibility for the bank's insurance company division, providing institutional services on a worldwide basis.

• **Donald E. Paul** has been advanced to vice president in charge of national division administration at Manufacturers Hanover Trust, New York City. For the past three years, he had been vice president in charge of the division's southwestern district. In this latter post, he has been succeeded by Vice President Douglas E. Ebert.

Mr. Paul's new duties include supervision of the national division's operations, marketing and planning functions. He reports directly to Executive Vice President Llewellyn Jenkins, who heads MHT's national division. Mr. Paul joined the old Hanover Bank in 1955, was assigned to the national division in 1957 and named district head in 1970.

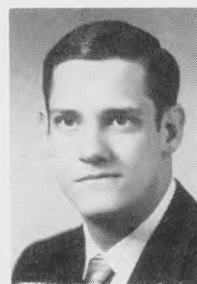
Mr. Ebert, with the national division since 1969, was assigned to the southwestern district this year.

• **Archie K. Davis**, former ABA president, has announced plans to retire April 30 as chairman, Wachovia Bank, principal subsidiary of Wachovia Corp. He has been with the bank since 1932.

Mr. Davis will continue as a director



PAUL



EBERT

and executive committee member of both the bank and its parent firm.

• **George P. Broghamer**, retired senior vice president, First National, Cincinnati, died November 4. He formerly headed the bank's department of banks, which is composed of 360 correspondent banks in Ohio, Indiana, Kentucky and West Virginia.

Mr. Broghamer had been with First National 28 years before retiring last August.

• **Robert E. Straus**, 70, chairman, executive committee, American National, Chicago, died November 1.

Mr. Straus helped found the bank in 1933, became president in 1955 and chairman and chief executive officer in 1963. He was named to the executive committee post when he retired in 1970.



BROGHAMER



STRAUS

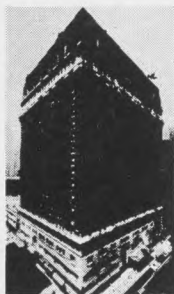
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NEWS OF HOLDING COMPANIES

Fed Amends Rules

The Fed has amended its rules regarding approval of applications by bank HCs to acquire additional banks. The amendment eliminates the requirement that an equal offer be made to all shareholders of the bank to be acquired. The U. S. Court of Appeals has ruled that the Fed does not have statutory authority to deny an application solely on the basis that an equal offer has not been made to all shareholders.

- **First Arkansas Bankstock Corp.**, Little Rock, has received Fed approval to acquire National Credit Corp., Pine Bluff, subject to the condition that the latter terminate its sale of level-term credit life insurance upon consummation of the proposal.
- **Commerce Bancshares**, Kansas City, has been granted approval by the

Fed to establish a credit life reinsurance company as a wholly owned subsidiary. The subsidiary will act through a direct underwriter as a reinsured for credit life and credit accident and health insurance written in connection with credit transactions engaged in by the lending subsidiaries of the HC.

- **Waverly (Mo.) Investment Co.** has received Fed approval to become a bank HC through acquisition of Bank of Waverly and to acquire Mullen Insurance Agency, Waverly.
- **Tennessee Valley Bancorp.**, Nashville, has acquired Noel-Palmer Mortgage Co., the latter concluding an agreement to become an operating subsidiary of Commerce Union Bank. The firm will continue to operate under its own name and present management.
- **Hamilton Bancshares**, Chattanooga, plans to acquire D. L. Stokes Co., a real estate mortgage firm in Atlanta.

HC Conferences Planned

Two conferences on bank holding companies will be held in 1974 by the Foundation of the Southwestern Graduate School of Banking—both at the Sheraton Hotel in Dallas. The first, an introductory program on bank HCs similar to one held in 1973, will be held April 7-9. The second, an advanced conference on bank HC management problems, is scheduled for June 2-5.

Topics to be covered at the first conference include "The Changing Philosophy of Financial Regulation," "The Acts, Regulations and Recent Actions—a Summary," "Acquisition and Absorption Procedures and Management Problems" and "Holding Company Performance—the Operating and Earnings Experience and Market Valuations."

The second program will include "Federal Reserve HC Policies—Review of Decisions since May, 1973, and Structural Changes since May, 1973," "Other Policy Developments—Justice Department Review and SEC Regulation," "Earnings and Market Performance" and "Conflicts of Interest and Similar Problems."

Information concerning the conferences may be obtained by writing: Dr. Richard B. Johnson, Foundation of Southwestern Graduate School of Banking, Southern Methodist University, P.O. Box 1319, Dallas, TX 75275.

The HC will operate the Stokes firm through a subsidiary. The HC also has announced the formation of Hamilton Factors, Inc., as the HC's fourth non-banking subsidiary. The new subsidiary will be based in Atlanta.

- **American National Corp.**, Chattanooga, and **United Tennessee Bancshares Corp.**, Memphis, have withdrawn their application to merge following denial by the Fed, which cited competitive factors.

- **Continental Illinois Corp.**, Chicago, plans to acquire Capital Financial Services, Inc., a finance subsidiary of the Continental Corp., New York. Capital Financial Services is a consumer finance company based in Columbus, O., with 333 offices in 18 states. It is the nation's 22nd largest independent finance company.

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the extension of a

\$32,000,000

line of credit including
long-term and revolving loans to

Hasbro Industries, Inc.,

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NAC

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In holding company strategy.

Credit needs.

Leasing opportunities.

Corporate finance tactics.

Forecasting and profit planning.

That's our edge: Finding one for you.



The First National Bank of Chicago 

Banks, Bank Holding Companies and Related Activities.

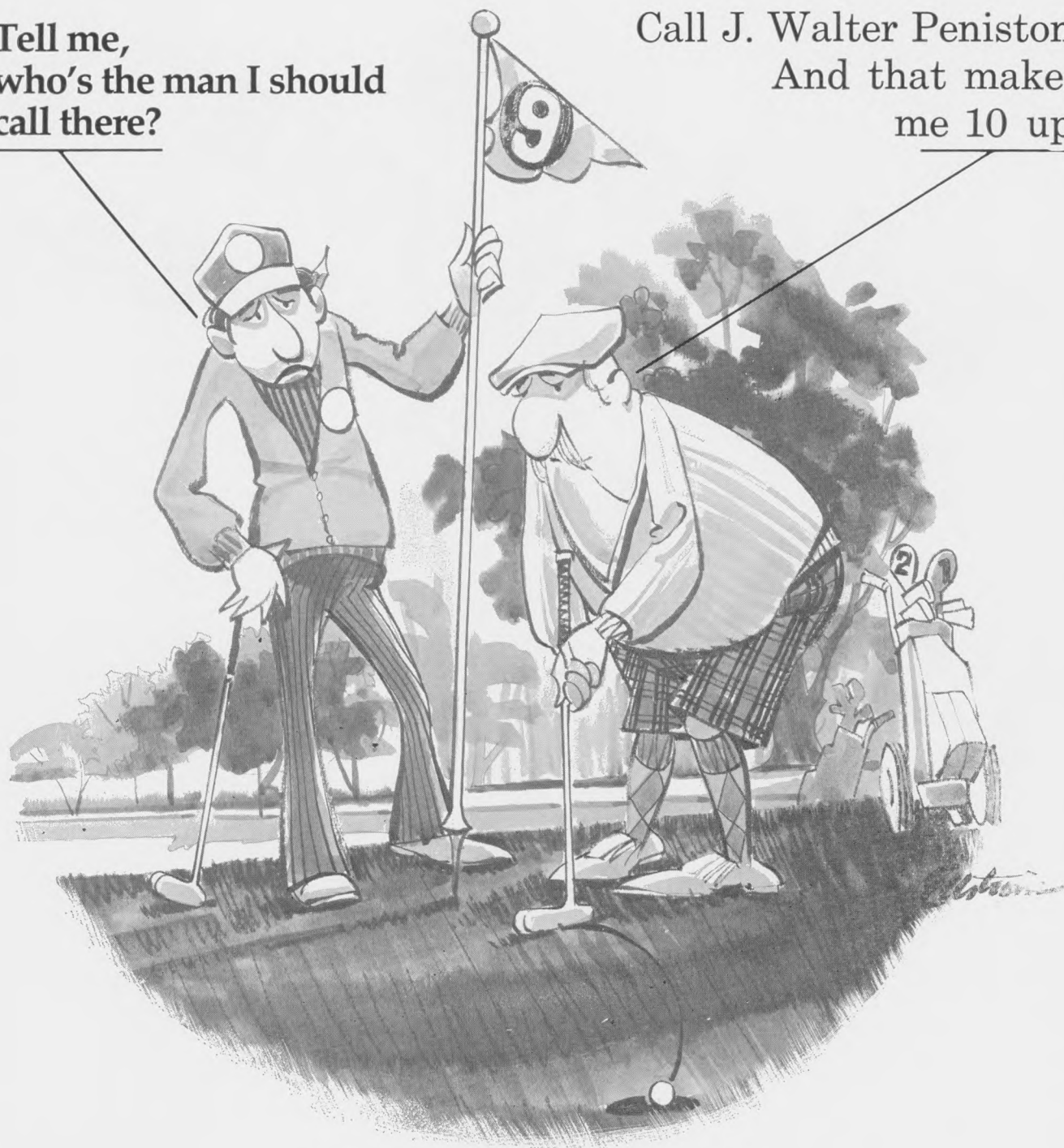
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call there?

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And that makes
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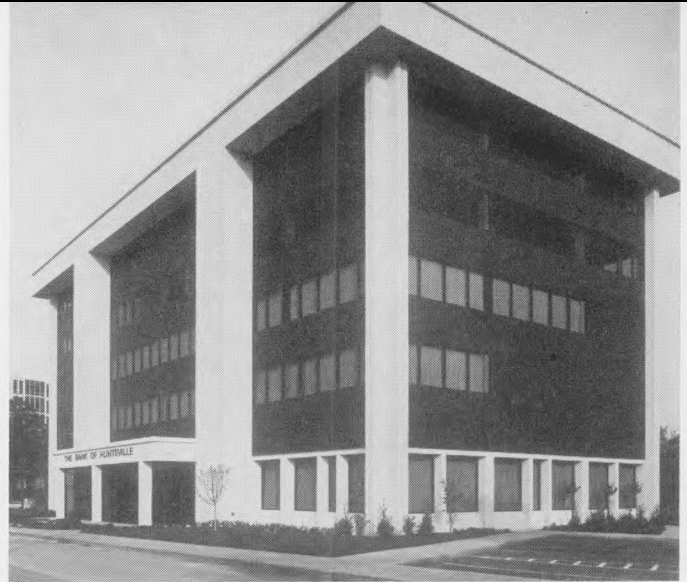


FIRST NATIONAL BANK
of Kansas City, Missouri

Call J. Walter Peniston. (816) 221-2800

Correspondent Division, P. O. Box 38, Kansas City, Missouri 64141

Multi-story office of Bank of Huntsville, Ala. was opened last month. Top two floors provide office space for medical tenants. Building is conveniently located in hospital area of Huntsville.



Multi-Story Buildings Are Feasible For Most Medium-Sized Banks

BBC Subsidiary's Studies Determine Practicality of Projects

WHAT BUSINESS does an under-\$25 million bank have building a five-story building costing in the neighborhood of \$2 million? How can such a step be justified by bank management? How will the bank keep the building from becoming a liability, since reliable reports indicate the trade area is expected to grow at a rate of only 1% annually in the coming decade (compared with a 6% rate during the past decade)?

The odds certainly were against Bank of Huntsville, Ala., until its management considered the conclusions made in a project feasibility report prepared by BBC Real Estate Services Corp. (BBC-RESCO), a subsidiary of Bank Building Corp. (BBC), headquartered in St. Louis.

By **JIM FABIAN, Associate Editor**

BBC-RESCO's services are designed to show a bank how it can marry its functional needs with the investment opportunities of real estate. The firm is organized to carry its projects through to completion. BBC-RESCO is currently involved in building programs throughout the United States.

Bank of Huntsville was bulging at the seams from growth that had taken place since its founding in 1963. It needed a prestigious building to testify to its progressive management. It felt that a multi-story building should be built to house its facilities. However, it was obvious that the bank could not fill

such a large building by itself. It would need tenants, the income from which would provide an effective way to carry the building expense. As the bank continued to grow, it could utilize portions of its tenant space for bank operations.

It soon became obvious to BBC-RESCO personnel, as they prepared the project feasibility report, that tenant space in any building constructed in the downtown area of Huntsville would go begging. The downtown area had a glut of tenant space. The most desirable building in the area had a 40% vacancy rate and the bleak prospects for growth in the coming decade promised little demand for new tenant space.

One of the primary reasons for Huntsville's slackened growth rate was the curtailment of government military expenditures that had long been the backbone of the area's economy. An unrelated, but disturbing, development was the fact that the area was lacking in doctors. The number of doctors per 100,000 of population was below the national average, a result of previous fast-paced growth in northern Alabama.

There was little that could be done about the curtailment of government expenditures, but BBC-RESCO's staff saw that the doctor situation could be

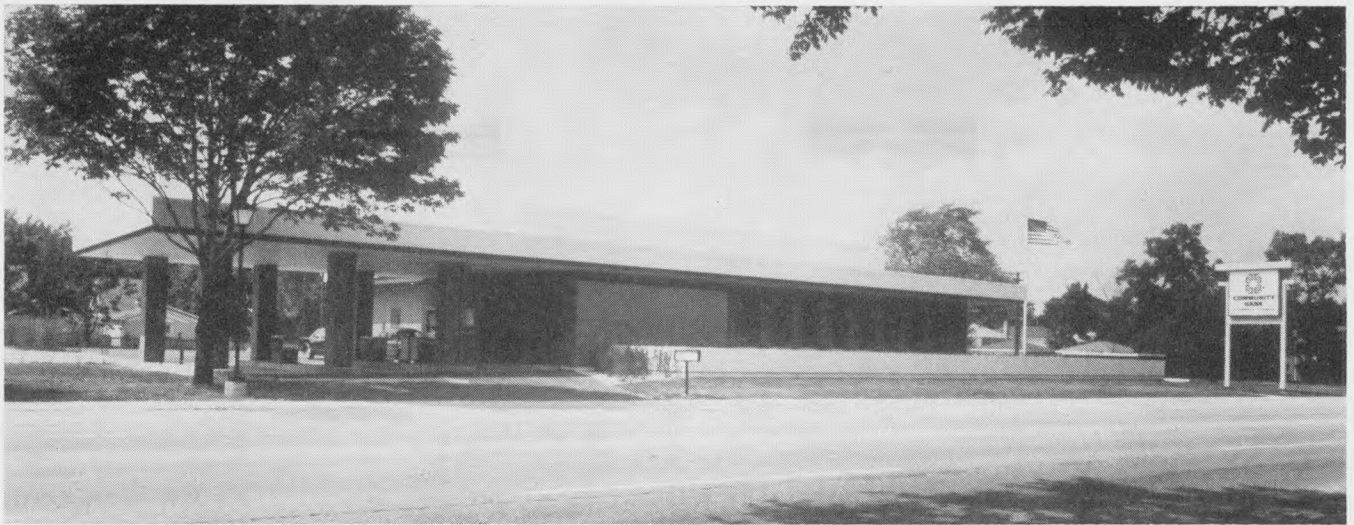
(Continued on page 42)

New Building—New Money!

Studies of growth trends show that financial institutions that move into new facilities experience dramatic increases in growth, according to BBC Real Estate Services Corp. (BBC-RESCO).

As an example, banks that completed new facilities from 1960 to 1970 grew at a rate approximately twice as great as those banks remaining in their old facilities.

The reasons for business growth in new facilities are varied, say BBC-RESCO officials. New depositors are attracted by the attention a new building creates and the new bank services the new building makes possible. Often, management embarks on a new marketing effort, sparked by the new quarters. Efforts of this sort can result in extraordinary growth.



Handsome new building of Community Bank is located in bedroom suburb of Chicago. Building was constructed by Bank Consultants of America, Palatine, Ill.

Attractive New Building, 'Armchair' Service Help Establish New Bank in Chicago Suburb

By JOHN J. VAX, President, Community Bank of Homewood-Flossmoor, Homewood, Ill.

FROM DATE of permit to organize to granting of charter: 184 days.

From grant of charter to opening in temporary quarters: 38 days.

From date of start of construction of permanent building to grand opening: 210 days.

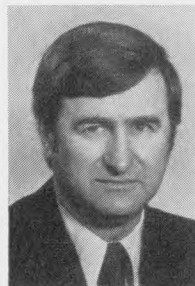
Total assets at the end of the first six months: \$3,319,190.

First "break even" month from operations: fourth month after opening.

These statistics don't tell the complete story—but they do show what a locally organized (and owned), independent bank can do when there is an active, aggressive board backed by stockholders (280 of them) who want "our bank" to succeed.

In the first 28 days after we moved from our "mini-bank," as we called our temporary quarters, to our beautiful new building, we increased our assets by \$750,754, or 22%.

Many new banks may have achieved better growth, but ours is interesting in that we opened in a long established "bedroom" community. No new shopping center—in fact, we're not even located in the community's three-block long, downtown section. No new real estate development—there are few vacant lots in Homewood. No industrial park—well established banks and sav-



ings and loans in every direction.

For what success we have enjoyed, much of the credit must go to our board members for their decisive action in the organizational period. (I didn't join the bank officially until opening day.)

Perhaps paramount in this action was their decision in regard to the building. The first action was to hire Bank Consultants of America, Palatine, Ill., whose consultants strongly recommended that we convert a small, 26' x 26' bungalow on the site into a temporary "mini-bank" while permanent quarters were being constructed.

In approximately 30 days from the receipt of our new charter, all stock was subscribed, the building was remodeled (total cost less than \$15,000), and we were accepting deposits.

When we moved into our permanent building (which was completed in

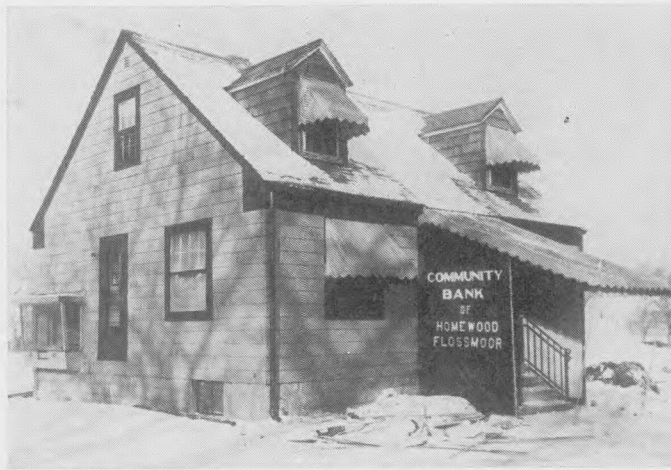
about six months despite one of the worst winters for building in recent years), we were nearly a \$3.5 million bank. Equally, or perhaps more important, we had a trained staff, which meant that all personnel could devote their entire effort to new business. Since we did not have a new staff in training, we could avoid all the mistakes normally made by trainees.

In our permanent building, we felt it was important to emphasize that we were not "just another bank." Hence, we pioneered (so far as we know) "armchair" banking in the Chicago area.

Those customers in a hurry use the drive-ups (and we can double our present capacity when needed). Those who want the VIP treatment come into the bank. They sit in comfortable chairs while they do their banking. No bank in Chicago, the customers tell us, makes them feel so welcome and so important.

When Bank Consultants of America first suggested this idea, we were reluctant; but after further study, we decided this might be one of the differences that would draw people to our bank.

The results have been great. The general comment is, "What a relief to do our banking in such a relaxed atmos-



Community Bank's temporary "mini-bank" was housed in 26' x 26' building located on site purchased for new bank building. Bank staff grew attached to tiny structure.

phere!" In these days, when the consumer is king, our bank is designed with the consumer in mind. This, of course, spawned our name, The Community Bank.

Because Homewood-Flossmoor is a higher-than-average-income community, we felt our building had to be one of our major image builders.

We think the exterior design—and the interior when customers get into it—has drawn as many new accounts to the bank as any promotion possibly could.

We are pleased that the neighbors (our site was rezoned from single-family residential) are proud of the building, rather than being resentful of a commercial encroachment into the neighborhood.

Banking today is competitive. People "shop" for a bank almost as much as they do for a supermarket. Since all of us deal in the same commodity—dollars—we felt we had to do something to get the public's attention. In our "mini-bank," we had the smallest bank building in Cook County. Now we think we have the most attractive and most talked about bank building in Cook County.

And when a prospective customer comes into the bank, we try to make sure we have the most pleasant place to bank in Cook County.

The results have exceeded our expectations, and we firmly believe the "built-in" expansion our architects and builders designed into our building will be needed in a few years.

We believe that we can sum up how our new customers feel by a response a Homewood resident sent us, when we thanked her for her new account.

Question: "We try to be pleasant, efficient and informative. How did we do?"

Answer: "Excellent—your employees seem well-trained, and your new building is an asset to the community!"

And the growth continues! Just a few days ago the assets of Community Bank topped \$5 million and our growth rate during a period when many banks were experiencing a deposit loss has far exceeded expectations. Substantially, we are convinced that this record springs from the high public acceptance of the banking facilities. • •



No one stands up for service at Community Bank, hence the term "armchair service." Partitioned teller stations promote privacy in banking transactions.



Contura ceiling at First National, Birmingham, Ala., provides shadowless illumination and achieves progressive image for bank.

Banking Is Looking Up!

Illuminated Ceilings Enhance Bank Lobby Decor

A FEW years back, one of the manufacturers of ceiling tiles launched a national television campaign promoting the "Ceiling Watchers Society." The theme was simple: Ceilings, which had hitherto been a much neglected part of the residential interior design scheme, could be made attractive and, if used correctly, could add character and charm to the overall home or apartment. The campaign seemingly had little effect on the residential market but, indirectly, might have produced a lasting impact on interior design for financial institutions around the country.

Banks in the Mid-Continent area have been in the forefront of recent trends to utilize interior design. Lighted ceilings have been used to create unique identities in the communities in which the banks serve. This trend is perhaps more advanced among smaller banks than larger ones for a number of good reasons. Small banks do not have the advertising budgets to compete with their "big cousins" when it comes to establishing identification. They also tend to offer more limited banking services than the "giants," have fewer offices and suffer from a lack of name identification, unlike Bank

**By J. H. BLITZER JR.
President
Integrated Ceilings, Inc.
Los Angeles**

of America or Chase Manhattan. The small bank thus must produce its own image and create its own unique character in order to attract and hold customers.

It's a truism that first impressions are often the most lasting and, thus, many smaller banks have begun to give prime attention to the image created by the buildings from which they operate. This attention has led to the development of much creative interior design work for banks and other financial institutions. At Integrated Ceilings, we have been particularly affected by this trend because we were the innovators in the design of lighted ceilings for the banking industry. When we first began our work, bank interiors were generally dimly lit, uninviting fortresses or glaringly lit, cavernous marble halls. In either case, there was no human dimension, no distinctive personality. Today, that is different.

There are obviously many ways in which lighted ceilings and interior de-

sign can establish a bank's personality. Take the case of a recent assignment we completed for Banco di Roma in Chicago. The bank was opening its first U. S. office in a highly competitive market and immediately wanted to establish its uniqueness as an Italian bank in the American market. The design which was developed to meet this need is a blend of the European "wet look" with the traditionalism of such elements as Italian marble.

Our ceiling, which was specially designed for the Banco di Roma, fulfills a twofold purpose. First, it acts as a signature, an interior "billboard" if you will, which is highly visible from the streets surrounding the bank and which attracts people to it. The ceiling combines with the simplicity of the bank's exterior sign to create an understated, yet compelling, identification. The ceiling creates a uniformity for the total interior design and adds beauty and distinction to the black marble floor which reflects it. These design elements have allowed Banco di Roma to create an immediate impact and provide it with a base from which to compete for attention in the Chicago marketplace.

First National in Birmingham, Ala., and First National in Little Rock are

Italian "wet look" dominates interior of new Banco di Roma office in Chicago. Effect is magnified with floor's reflection of ceiling of luminous materials.



excellent examples of how lighted ceilings can create a personality in direct contrast to the image of southern traditionalism. In both cases, the banks chose to design offices that would reflect a progressive financial attitude to their customers. They wanted to demonstrate through their interior design the forward looking aspects of southern business. To achieve these ends they utilized extensive expanses of glass and clean-lined elements such as polished chrome columns and installed an overall luminous ceiling.

First of Birmingham chose our Contura ceiling, which has a die-cast aluminum frame with glass diffusers. The frame has rounded corners matching the rounded interior columns. First National in Little Rock, on the other hand, chose a light frame system with squared corners for a different look. Both ceilings provide a distinctive modern character while creating an inviting atmosphere for customers and employees. This effect is also highly visible from the street and, as in the Chicago case, acts as a signature.

First National of Lawrence, Kan., is another completely different example of the use of an overall lighted ceiling to create individuality. In this case the architects wanted the bank to blend into the surrounding university community when viewed from the outside but to have its own individual quality which would be immediately apparent upon entering. They chose our Infinitex ceiling, a metal louvered ceiling which was recessed and is transected

in a number of places by massive, wood-covered beams. From outside, the ceiling appears darker than the rest of the interior, thus making the eye focus on the simplicity of the overall interior design. Inside the bank, the ceiling asserts itself and combines with the beams to create an illusion of an expansive, yet inviting, banking hall

Illusion of expansiveness is created by lighted ceiling crisscrossed by massive wood-covered beams at First National, Lawrence, Kan.



providing the customer with a feeling of substantiality.

Practicality and cost were the major factors in the selection of our Light-frame ceiling by Bank of Commerce in Fort Worth. The bank felt the need for a ceiling design to match the stark simplicity of the marble columns and floor but one that would also add some design character to the interior. Here is an example where the lighted ceiling was used in sections as luminous blocks which, because they extend below the ceiling line, add a three dimensional quality, creating visual interest. This design solution provides the bank with an interior that is distinctive yet inexpensive, since the luminous blocks cover only a portion of the entire ceiling.

The above are but a few examples of how banks are using unique ceilings to establish highly individual personalities to attract new customers, and even in some cases, qualified employees. Obviously, there is a great deal more to bank interior design than the ceiling, no matter how attractive it may be. Many banks are using brighter colors, warm woods, rich carpeting and the like to add a human dimension to their interiors. Others are commissioning special works of art or sculpture.

In all of this there is the realization that every bank, especially the smaller ones, must create their own particular niche in their communities if they are to compete successfully in the financial market place. • •



Chippewa Banking Center of First of St. Louis includes two drive-in lanes (right), Docutel BANK24 unit mounted on exterior wall (center) and spacious lobby area (left). Building is preplanned module, plans for which can be adapted for use by affiliates of First Union, Inc.

How One Bank Established a Facility: From Concept to Grand Opening

By JIM FABIAN, Associate Editor

WITH THE liberalization of branching and facility regulations in many states, more and more banks are expanding their services through branches or facilities.

One of the latest is the new Chippewa Banking Center of First National, St. Louis. The Center is the bank's second satellite facility in St.

Louis, made possible by legislation permitting Missouri banks to have two facilities within the corporate limits of their main offices.

"In a city the size of St. Louis, considerable research is necessary before deciding on a location for a new facility," says Ron Markel, manager of the Chippewa Banking Center. For this,

First National called on the real estate department of First Union, Inc., HC of which First National is the lead bank, for assistance in conducting feasibility studies. The HC provides this service for its 16 affiliates which are located throughout the state. First Union also coordinates all affiliate building plans, utilizing a basic, flexible design adaptable to almost any member's physical needs.

After considerable study, First Union real estate representatives recommended an area in southwest St. Louis as offering the greatest potential. This decision was based on the following: (1) The area was served by only one principal bank, (2) the neighborhood provided an excellent mix of potential business and residential customers, (3) it was one of the city's most stable areas, (4) the bank already had some 4,000 existing accounts in the area, which were being served by its Main Office and (5) businessmen expressed a desire for the type of banking services a bank with First National's assets could offer.

According to Mr. Markel, an area served by just one bank often lacks innovative banking services. On the other hand, a progressive bank's entrance into such an area can attract a good amount of business because of the services it can offer—services that the existing bank does not have available.

How Should a Bank Publicize a Grand Opening?

How should a bank go about publicizing the opening of its new facility? According to Sharron Forrest, who played a major role in planning the grand opening of the Chippewa Banking Center for First National, St. Louis, the following publicity proved effective:

- Announcements of the opening were televised on the bank's prime-time TV programs featuring National Geographic specials. Three of these programs were televised at the time the facility was opened.
- The bank's time-and-temperature telephone service carried a short announcement encouraging callers to visit the new facility.
- Advertisements were run in local newspapers and on radio.
- "First Bank Bucks" redeemable merchandise certificates were distributed to new and existing customers.
- Packets of informational materials were hung on every doorknob in the facility's trade area. The packets, totaling more than 14,000 and delivered by a private carrier, included a service brochure, instruction booklet on the operation of BANK24, a card announcing the bank's recently increased interest rates, a brochure using photos to introduce the facility's staff, a map of how to reach the facility, a list of grand opening events and a copy of the local newspaper ad announcing the month-long opening activities.

Miss Forrest says that a bank of any size can manage most of these types of publicity at minimal expense. "Publicity announcing an opening doesn't have to be expensive, but it must be effective," she says.

"It's the old story of what competition can do," Mr. Markel says.

Other studies by First National indicated that the average age of the residents in the proposed facility's neighborhood was in the upper 40s, with an average household income close to \$15,000. It was also determined that traffic flow at the proposed site was such that the facility's drive-up operation would not result in traffic jams during busy periods.

From the beginning, First National cultivated contacts with local businessmen, Mr. Markel says. Calling officers met with area businessmen to sound out their acceptance of a new facility, giving them an opportunity to explain First National's business-oriented services. And this is also how the bank learned that most of these services would be well received by many of the businessmen.

Later the bank hosted a series of cocktail parties for businessmen located in the new facility's trade area (approximately a one-mile radius from the site of the facility). Top bank management attended the receptions to further sound out businessmen in an effort to determine how many could be expected to become customers of the facility. However, there was no "hard sell." Businessmen were not encouraged to leave the banks they were presently using, Mr. Markel said; rather they were exposed to the services First National offers.

As a follow-up, the businessmen were contacted in connection with the bank's grand opening promotion, at which "First Bank Bucks" (simulated \$1 bills) were to be distributed. Bank personnel explained that the bucks, which would be given free to customers at the opening, were redeemable for merchandise at participating stores. Merchants were quick to see how such a promotion could boost their sales without being highly competitive, as some premiums are.

"The pre-opening contact the bank had with the area businessmen made them feel that First National was interested in their welfare and that we could offer services that were previously available only by banking downtown, prior to the opening of our Chippewa



TOP: At Chippewa Banking Center grand opening, Branch Manager Ron Markel (l.) chats with St. Louis Alderwoman Nellene C. Joyce, St. Louis Mayor John H. Poelker and bank Pres. Clarence C. Barksdale. NEXT: Mr. Markel points to huge facsimile of "First Bank Buck," which covered the entrance to the facility's drive-in lanes. NEXT: German folk band plays as drive-in lanes are opened and balloons released. BOTTOM: Caricaturist Arnie Vail sketches Mayor Poelker inside facility. Anyone depositing \$200 in certain accounts was eligible for free sketch.

Center," Mr. Markel says.

But First National didn't overlook area residents in its planning. They were surveyed, along with the businessmen, to determine their banking wants and needs. The bank also made sure that the appearance of the facility did not detract from the overall appearance of the neighborhood. Care was taken to have the builder, Bunce Building Corp., St. Louis, leave as many trees intact on the property as possible. The building site was then landscaped attractively so residents would not consider the facility as an eyesore.

And, of course, the grand opening was designed with the residents in mind. Not only were "First Bank Bucks" distributed, but those opening new accounts or adding to existing accounts were entitled to free charcoal sketches of themselves by a nationally known caricaturist who was on the premises throughout grand opening week.

An unusual event during the grand opening was the staffing of the facility to offer 24-hour teller service from Tuesday morning until noon on Saturday. This was done to emphasize the fact that customers could always count on being able to bank at all First National facilities at any hour, since they are all equipped with the BANK24 automatic teller service. Mr. Markel says several new accounts were opened during the wee hours. The unusual hours also provided many opportunities for bank personnel to demonstrate how to use BANK24—one of the services that had not been available previously in the area.

Another unusual event was the distribution of tickets entitling youngsters from nine to 14 years to participate in a free soccer clinic held later in the month at a local high school. Professional players from the St. Louis Soccer Stars team conducted the clinic and each participating child received a free T-shirt bearing the team's insignia and the bank's logo.

First National sought above all to have well-trained, enthusiastic personnel staffing its new facility. According to Mr. Markel, it was important for all staff members to be dedicated to selling services and seeing that all customers were pleased with the services the bank offered.

"We made it known at our other offices," Mr. Markel says, "that existing staffers would have first choice for the positions available at the Center. Many of our personnel working at the Main Office or the Stadium Drive-In and who lived in the area of the new facility greeted the offer enthusiastically."

The planning group was quick to take the facility's personnel into its confidence regarding plans and policies for the facility. "Since these people lived

in the facility's trade area," Mr. Markel says, "we felt they would be able to give us good advice as to the desires of the local residents in many areas of our service. We must have done things right, because we now have a waiting list of people wanting to work at the Chippewa Center."

The enthusiasm of the staff resulted in the facility taking in well over \$1 million in new deposits during its first two months of operation, Mr. Markel says. When this million dollar milestone was reached, the bank hosted a dinner party in appreciation for the staff's dedication. As with the cocktail parties for businessmen, the bank's top management took part in the dinner party, personally thanking each staff member for his or her work in promoting the facility.

"A facility must be opened in the

right way," says Mr. Markel. "When a bank puts a quarter of a million dollars into a facility, it just can't sit back and wait for customers to drop in. The bank should make its presence known in a practical way, one that will attract customers and let them know the new facility is in operation and that it can provide them with valuable bank services that had been unobtainable in that area before.

"There is no need to spend a huge sum of money on an opening," he said. "We spent less on the opening of the Chippewa Banking Center than we did on the Stadium Drive-In when it opened a few years ago. The important thing is to present the bank in a manner that makes it welcome in the community. This takes careful planning to achieve, but obviously it can be done. We've proved it! • •"

Final Bank Security Regulations Set; Include Vault Thickness Reduction

BANKS now have a greater incentive to locate in older buildings because of a key change in final regulations on bank security that went into effect November 1. The regulations were issued by federal regulatory authorities and implement the Bank Security Act of 1968.

The key change was a reduction in thickness of walls, roofs and floors of bank vaults from 18 to 12 inches. According to government security experts, the change will have little effect on reducing the security of a vault, but might permit banks to open offices in areas where the heavier vault would be structurally unsafe—like the upper floor of an old office building or other above-street locations.

Another inducement the authorities are extending to banks to branch in older structures is the permitting of construction of vaults below minimum standards where a bank can show the minimum standard would "require substantial structural modification of an existing building." A bank will have to sign a statement to this effect before receiving a waiver.

The regulations also provide separate definitions for vaults and safes. A vault is defined as a room or compartment designed for storage and safekeeping of valuables and of a size and shape that permit entrance and movement within by one or more persons. According to the regulations, other asset storage units that don't meet this definition will be considered safes. Under the rules, safes contracted for after Feb-

ruary 15, 1969, should weigh at least 750 pounds empty or be securely anchored to the premises where located. The body should consist of steel at least one inch thick, and the door must be made of steel at least 1½ inches thick.

For the first time, the new regulations also set standards for cash-dispensing machines, saying they must—if contracted for after November 1, 1973—weigh at least 750 pounds empty or be securely anchored to the premises where stored. Among other features, such a machine must contain a storage chest having cast or welded steel walls top and bottom at least one inch thick with a tensile strength of at least 50,000 pounds per square inch. Any doors should be constructed of steel at least equivalent in strength to the storage chest and be equipped with a combination lock and with a relocking device that will lock the door effectively if the combination lock is punched. The cash-dispensing-machine regulations include safeguards against "jimmying," unauthorized opening of the storage chest door and against actuation by unauthorized persons.

The new regulations also set minimum standards for surveillance systems, including those for walk-up or drive-up stations or windows. Such systems, said the authorities, must be provided these stations unless the tellers at them are completely protected by bullet-resistant glass from persons outside the window or station. • •



Now what do you do?

Last half. 18 seconds to go. Score's tied. Your center just fouled out and you're being pressed in the backcourt. What do you do? Charge through? Go for the fast break? Pass off?

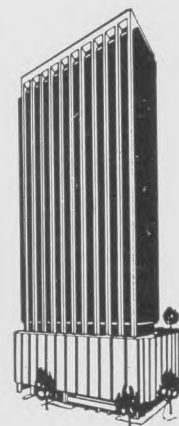
Same is true with your correspondent. Sometimes it is the better part of valor to call "Time" and talk it over with someone who's on your side. Like Fourth National . . . The *Action Bank* of Tulsa.

The Fourth can really prove its worth to you when you're starting your big drive by putting our many specialists to work on your team.

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Remember: When you want *Action* from your correspondent, contact the *Action Bank* of Tulsa . . . Fourth National. That's where it all starts.

The
Action
Bank
of
Tulsa



Multi-Story

(Continued from page 33)

used as a peg upon which to build a new building for Bank of Huntsville.

Serious discussions had been underway for some time to bolster Huntsville's doctor population. Such a plan would result in new physicians needing office space.

BBC-RESCO's researchers had also learned that many existing physicians were not happy with their present quarters, located mostly in small buildings scattered on property in the hospital neighborhood.

It didn't take long for BBC-RESCO staffers and bank management to see that the only way to secure tenants for its proposed multi-story building would be to build in the vicinity of the city's two hospitals. A first-class office building would attract existing physicians and provide a medical center offering a convenient location for doctors and patients alike. Such a project would also bring about a distinct upgrading of the area.

The proposed Bank of Huntsville could also supply tenant space to new doctors and service their banking needs while they were in school.

By locating near the hospitals, the bank could initiate a new service—providing banking services to patients in the hospitals, as well as those visiting their doctors in the bank's building.

BBC-RESCO's people surveyed the hospital area, coming up with five possible building sites, plus one that had been suggested by the bank. Some disadvantages were found with all six sites, but one was determined to be more favorable than the others, even though



During Bank of Huntsville's grand opening, bank Pres. M. R. Bottesini (2nd from r.) presented painting of Huntsville's skyline to Mayor Joe Davis (l.). Artist Albert Lane (2nd from l.) and bank employee Miss Linda McMurtrey took part in presentation.

it would be necessary to assemble various parcels of land to form a block-square site.

The criteria for site selection were based on the following stipulations, according to BBC-RESCO President Berny Engel:

- Sufficient land must be available at the selected location to comprise a useful site for the purposes intended.
- The site should be that most suitable for the bank in terms of exposure and prominence, accessibility and future needs.
- The site must also be most suitable for doctors' offices in terms of proximity to existing major medical facilities.

The site finally agreed upon was near the downtown area but distant enough (one-half mile) to remove it from competition from other office rental markets.

The new building, opened in late October, provides approximately 49,000 square feet of bank office and operations space, including approximately 19,000 square feet on the fourth and fifth floors for medical tenants. As of this writing, more than 50% of the tenant space is

occupied, with sufficient interest expressed to fill the building.

M. R. Bottesini, president of Bank of Huntsville, told MID-CONTINENT BANKER that bank management has been extremely pleased with BBC-RESCO's services, particularly those involving the design and development phase. "Without the help of their extremely capable bank consultants and architects," he said, "we feel many serious mistakes would have been made."

Particulars differ widely with each of BBC-RESCO's clients, but the common denominator is always related to growth, or how to create a building that will meet future expansion needs at an affordable cost.

According to Roger Grimshaw, BBC-RESCO's manager of sales, banks do not have to be large to be able to swing a multi-story office building project. Bank of Huntsville is a \$25 million institution. Mr. Grimshaw sees the subsidiary's purpose, in part, as being the organization that can make such a building project happen through establishing its feasibility.

BBC-RESCO's staff, operating out of BBC's headquarters in St. Louis, utilizes the talents of real estate analysts, financing and development consultants together with a team of operations analysts, architects, engineers and construction specialists to thoroughly investigate contemplated building projects and determine their feasibility.

The BBC subsidiary is prepared to tackle almost any type of analysis for a bank. For instance, projects to establish overall marketing strategy and to determine the best locations for branches for a financial institution are now in progress.

BBC-RESCO's statistical reports also contain suggestions covering the areas of financing proposed buildings, security the buildings will require, the types of tenants that could be attracted and numerous other details.

According to Mr. Grimshaw, the objectives of such a statistical analysis include the provision for adequate facilities for future bank operations through increased growth, improved competitive positions and expansion of the bank's image in the community—coupled with an investment commitment attractive to the bank.

In addition to site analysis and demographic studies, BBC-RESCO handles office and rental space investigation, financing and investment alternatives,



Teller line features modernistic bank logo on wall. Logo was adopted when new building was opened.

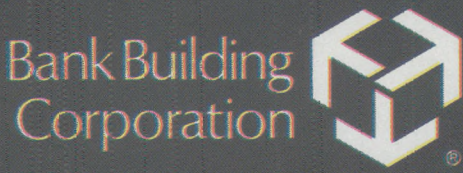


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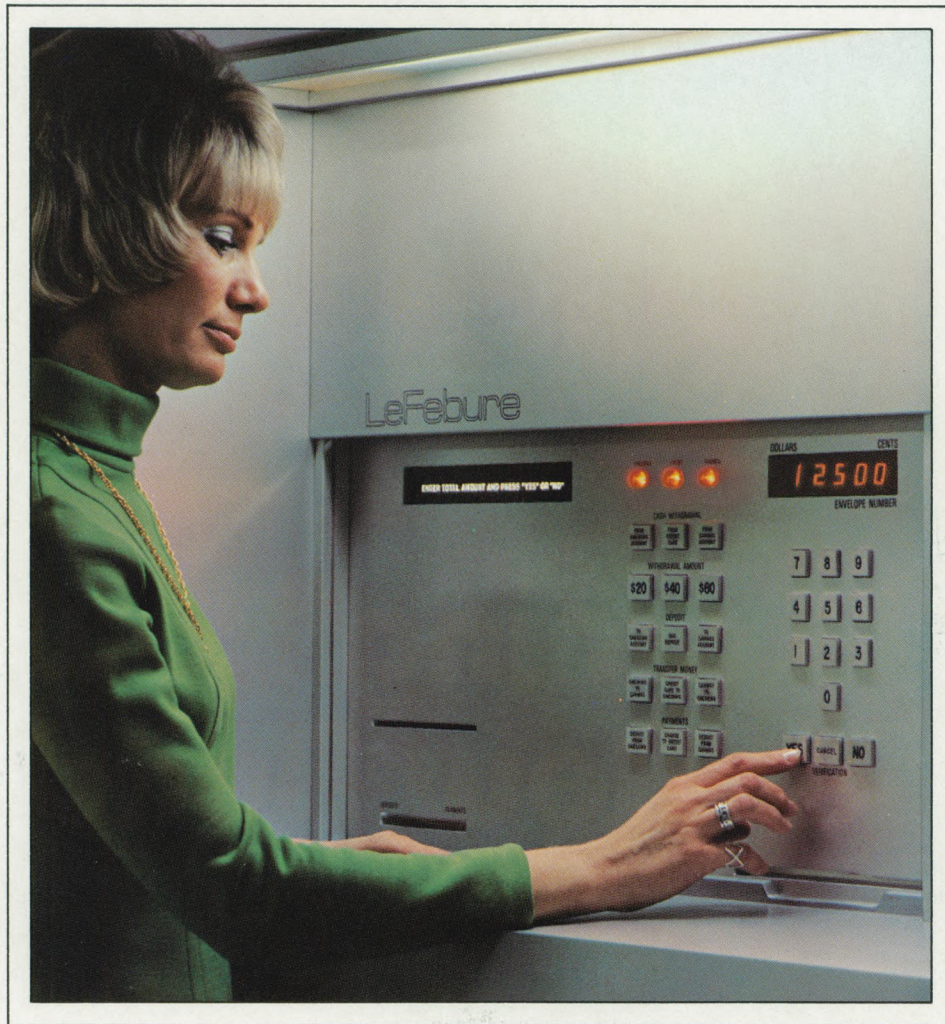
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Once the feasibility of a project has been established, BBC-RESCO can provide project development services, such as property negotiations, preleasing and financing, building design and construction, specialized operations planning and interior design, including furnishing and equipping.

Although many of these services are common to Bank Building's traditional specialized service, Mr. Grimshaw says, there are important differences.

"For example, one of the stated advantages of a high-rise multi-tenant building is its ability to insure space for future growth," he says. "Still, functional planning of this predicted expansion must be provided at the start. Not only does BBC-RESCO assist the client in planning horizontal expansion, but vertical as well."

When BBC-RESCO plans vertical expansion, it must be concerned about the relationship of the floors. Because the subsidiary is knowledgeable in bank operations, Mr. Grimshaw says, it can insure that operational relationships are maintained between floors. This gives the client the flexibility and opportunity to plan future moves.

BBC-RESCO will help clients secure financing from various sources or, as a developer, provide equity funds where a bank would prefer a long-term lease instead of ownership of the property.

President Engel praised his construction group for its work in meeting the cost, quality and timing requirements set forth in the Bank of Huntsville program.

Completion of construction does not necessarily end BBC-RESCO's services. The subsidiary will assist clients in moving into and getting established in their new quarters and will also assist in the marketing and leasing of tenant quarters and arranging for management of the property.

BBC-RESCO's scope and services have grown since the subsidiary's establishment in 1971. Initially, its personnel assisted BBC clients with feasibility information. Now, the subsidiary provides services from feasibility analysis to complete real estate development and maintains an aggressive sales staff.

Mr. Grimshaw points out that one of BBC-RESCO's major advantages is the more than 50 years of bank building experience of the parent organization. This experience and know-how, he says, enables the subsidiary to provide a spectrum of services that is not available from any other single source.

These services have played an important role in the directions taken by

BBC-RESCO clients regarding their future growth. In the case of the Bank of Huntsville, the direction provided by BBC-RESCO has resulted in a striking new multi-story building that provides

adequate space for future growth as well as convenient, high quality medical office space in Huntsville—an attractive addition toward the continuing growth of northern Alabama. • •

Steer Helps Bank Break Ground



"Big George," a 2,500-pound steer, pulled an old farm slip in observance of groundbreaking for new Western State Bank, Garden City, Kan., recently. In keeping with western theme, ranch-style hats were given guests attending ceremony. Holding reins at left is Ron Poor, bank president. Officers and directors are observers.

If You Run Out of Gas to Sell, Try Money!

The current gasoline shortage is resulting in a lot of closed gas stations. When the management of Equitable S&L, Silver Spring, Md., was looking for a site for a new branch, it decided to convert an abandoned service station. Result: a savings of four months construction time and \$12 per square foot. The photos show the remarkable transformation that took place. Two of the four service bays were made into drive-up lanes, the other two became a lobby. The original station office became a lounge, rest room and storage area. Since the property had a sewer connection, the S&L got around a moratorium on new construction due to overloaded sewers. An adjoining lot was purchased for parking and possible expansion. There should be many service stations available for conversion into banks—don't overlook them as potential sites!



Ecology Plays Big Part in Design Of Bank Building in Chicago

WHEN the Bank of Commerce & Industry on Chicago's northwest side began to make plans for its new quarters, ecology played a big part in them, according to Fred L. Bernheim, A.R.A., of Bernheim & Kahn, the Chicago architectural firm that designed the structure. In addition, said Mr. Bernheim, the building is serving as a catalyst for what he describes as the rebirth of a century-old business area (Norwood Park).

The bank's two-story, \$1.2-million home (completed in May, 1972) contains up-to-date anti-pollution equipment. A boiler was eliminated and replaced by roof-top forced air and electric baseboard heating. Conversely, said Mr. Bernheim, the summer air-conditioning cooling cycle uses no water; the roof-top units have air-cooled condensers.

Instead of an incinerator and its consequent smoke pollution, continued Mr. Bernheim, the disposal of paper waste is handled by a shredding machine and baler that permit wastepaper to be recycled. Interior noise is reduced through use of thickly cushioned carpeting, and 12-inch-thick exterior walls prevent outside noise from permeating the building, said Mr. Bernheim.

Because the bank is located adjacent to the Chicago & North Western Railroad, the building is mounted on anti-vibration pads that not only prevent structural fatigue to the frame, but also reduce sound transmission from passing trains.



Bank of Commerce & Industry on Chicago's northwest side has building that features triple-arch entrance and tinted solar bronze glass that allows much light, but no glare. Flower beds and trees create park-like effect on building's exterior. Note reflecting pool (c.) that uses recycled water.

Tinted solar bronze glass is used throughout the bank to reduce summer heat loads due to solar energy. A standby generator is wired to the electrical system to provide emergency power.

Mr. Bernheim also pointed out that the Bank of Commerce & Industry wanted its exterior surroundings to fit in with the community, which takes pride in its well-manicured residential lots, parkways and gardens, many of which are maintained by volunteer community organizations. Thus, it

seemed appropriate to get the advice of Norwood Park Garden Club members during landscape-planning sessions. Through the cooperation of the garden club and the Chicago Park District, which was deeded a small section of bank property, Bernheim & Kahn was able to transform an unattractive bed of concrete alongside the bank building into a meandering walkway flanked by shrubbery, flowers, trees and grass. This belt of green continues behind the structure to a rock garden, which separates the bank's parking lot from its drive-up facilities. As an additional attraction, there is—to the left of the bank entrance—a reflecting pool, where recycled water trickles over a series of sculptured inverted discs.

Bikes Head List of Prizes At Grand Opening Fete

A grand prize of a new bicycle for every member of the winning family, and other gifts and events, attracted crowds and deposits to the brand new Fidelity Bank of Indiana, operating out of a mobile unit in a northern suburb of Indianapolis.

After its first two weeks in business, the bank had deposits of more than \$1.5 million, according to R. Van Bogan, executive vice president and cashier.

In addition to the bikes, the bank offered color family portraits, \$5 savings accounts for each member of 50 local families, passes to a local theater, a band concert and an antique auto show.

Approximately 100 checking accounts and 100 savings accounts were opened during the bank's four-day celebration, which took place during Labor Day week.

Grand-prize winner was a family of six. Each member of the family received a bike of his choosing. Both parents in the winning family are deaf mutes. In a thank-you note to the bank, they said they had never won anything in their lives, a fact that made the bikes even more appreciated.

Money Bags Given Away

Farmers National, Shelbyville, Ind., opened this mini-branch satellite office behind its main office recently. To observe the occasion, the bank gave away a bag of money once an hour to customers using the unit. In addition, free gifts and samples of money in a jar were given away. Unit was ordered, delivered and opened for business in less than 90 days and was supplied by Diebold Contract Services, Inc., Clearwater, Fla.



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Once, Twice, Three Times!

S&L Doubles Market Share Of New Savings Deposits With Simulated Diamonds

When a premium works not only once but twice in attracting new deposits, why not try it a third time? So thought First Federal Savings of Phoenix when it again offered simulated diamonds. The result: The S&L doubled its market share of new deposits.

First Federal, which has 24 offices, enjoys a 30% share of S&L deposits in Arizona—about \$20 million larger than its nearest competitor, according to a First Federal spokesman. During April, 1973, while the premium campaign was in progress, 62.9% of new savings deposits in Arizona went to First Federal. This was a net gain of more than \$13 million. In effect, First Federal doubled its market share of new deposits and showed nearly a 30% boost over the same period the year before.

Douglas Shaw, First Federal's marketing vice president, said that when money is tight, aggressive action is needed. When interest rates began rising, Mr. Shaw noticed that his competitors were cutting back. Therefore First Federal moved to increase its market share of savings deposits. Twice before, the S&L had successfully offered simulated diamonds from C-R Sales Corp., Omaha. The S&L called the firm about its intention to offer the premiums again, notified the S&L's ad agency and—within 30 days—had the promotion well underway.

First Federal offered savers their choices of men's and women's simulated diamond and simulated sapphire rings for new deposits of \$5,000 or more. For new deposits of \$1,000-\$4,999, the S&L offered similar stones in earrings and pendants, as well as simulated pearl necklaces. To support the premiums, the S&L ran a heavy schedule of radio and TV commercials, backed up by newspaper advertising and 100 outdoor billboards.



TOP: First Federal S&L, Phoenix, offered depositors wide selection of simulated stones in rings, pendants, earrings and necklaces. **BOTTOM:** Counter displays at each First Federal branch proved effective in reminding customers of simulated diamond promotion at "point of sale."

"It's difficult to pinpoint the exact reason for the premium's success," said Mr. Shaw. "We attribute it to many factors, including excellent service and backup from C-R Sales, effective advertising and the quality of the simulated stones. We even have had calls from insurance agents asking the value of the jewelry so that a proper rider could be attached to their client's insurance policies.

"Whatever the reason, we know it worked. Our experience indicates that in a tight market, advertising and promotion expenditures are worthwhile, and the simulated diamond promotion is a winner."

■ ALABAMA FINANCIAL GROUP, Inc., Birmingham, has elected Thomas E. Bradford, Herbert Stockham and Percy W. Brower Jr., to its board.

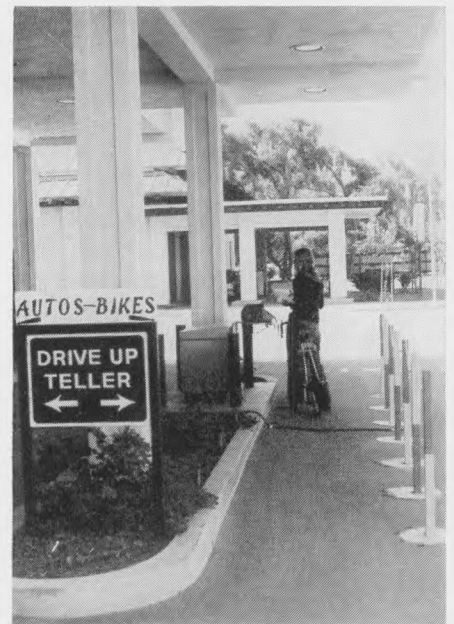
Bikes Are Everywhere; S&L Opens 'Bike-Lane' For Pedaling Customers

Davis, Calif., is known as the bike capital of the world. More than 22,000 two-wheel bikes are registered among the 35,000 population, not including the bikes owned by students at the nearby University of California Davis Campus.

The town even has a bike police force, whose members issue tickets from bikes rather than from police cruisers.

Catering to the bike craze is the local savings and loan, which has converted one of its two drive-in-lanes to a bike station. Customers who "wheel in" don't have to wait in line behind the exhaust of some motorist, they merely pedal up to the remote teller station, make their deposit or withdrawal, and spin off into the busy city traffic—made up primarily of bicyclists.

The S&L sponsors an annual 200-mile "Heart of California Bike Ride," a contest open to pedalists from the area, to show its cycle customers that it really cares!



Special drive-up lane for cyclists is convenience offered bike-loving citizens of Davis, Calif., by local S&L. A special platform was built adjacent to the transaction kiosk so pedalists could deposit their packages while banking. Facility is thought to be nation's first bike-lane for banking.

■ SOUTHERN NATIONAL, Houston, has promoted Tom Cary, Terry L. Shelton and Earl A. Tyson to vice presidents; David Bubier and Rockleigh S. Dawson Jr. to assistant vice presidents; Dolores Hooks to assistant cashier; Jeanne Graham to new accounts officer; and Larry Zikes to personal banking officer.



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Bank Consultants of America

Marketing Electronic Tellers

One Bank Holds Contest; Another Introduces '\$25 Bill' To Create Interest in and Boost Usage of Equipment

By **ROSEMARY McKELVEY**
Managing Editor

ELECTRONIC TELLER equipment—machines that can provide one or several services after banking hours seven days a week—are being adopted by increasing numbers of banks across the country. These machines are placed in areas accessible at any time and enable banks to offer services ranging from taking deposits to transferring funds at any time of the day or night without having to add personnel or actually staying open all day and all night. In addition, banks that install such equipment hope it will attract new customers.

However, just installing unmanned tellers is not enough. They must be introduced in such a way that customers will want to use them and *will* use them regularly and—just as importantly—non-customers will want to become customers so that they will have access to the machines. Also, once the machines have been introduced, banks must continue to advertise them on a regular basis so that usage will go up.

There are the usual statement stuff-

fers, lobby cards, newspaper ads and radio and TV commercials, with the emphasis being placed on the equipment's availability 24 hours a day seven days a week. Of course, each bank plays up the particular name it has given its equipment. However, some banks have found additional ways to publicize and boost usage of their installations. For instance, one bank held a contest to attract attention to its equipment. Another added a card that's good for up to \$25 in merchandise at participating merchants. Still another bank has a "talking" electronic teller.

The contest—with five outstanding prizes—was held by American National, Mobile, Ala., when it introduced its "24 Hour Banker," a machine manufactured by Docutel Corp., Irving, Tex., that offers up to 11 services. During the six-week demonstration period at various branches, the public was invited to view the new machine and fill out a registration form for the contest. Prizes were: 1. A Caribbean cruise for two. 2. A trip for four to Disney World in Orlando, Fla. 3. A color TV set. 4. A boy's 10-speed bicycle. 5. A girl's 10-speed bicycle. In addition, at various intervals during the demonstrations, the 24 Hour Banker produced cash, which was given to the person using the machine at the time.

The equipment was advertised during the demonstration period by means of mass media and direct mail. Because of security and other reasons, the demonstration time was limited to regular banking hours, although the bank would have preferred to expand the demonstrations in shopping centers and other high-traffic areas.

American National continues to advertise the 24 Hour Banker, for which the bank has applied for a registered trademark. In addition to statement

Now...*"anytime"* banking with
our New

24
Hour
Banking Service

There are so many times when you may need money in a hurry... for any type of emergency. We've installed this 24 Hour Teller for your convenience to better serve you during an emergency or anytime. It's the practical and fast way to handle a variety of banking transactions... 7 days a week 24 hours a day.

You'll like this easy to understand, simple to operate 24 Hour Teller. It's almost human! Get your personal Bank Card now.

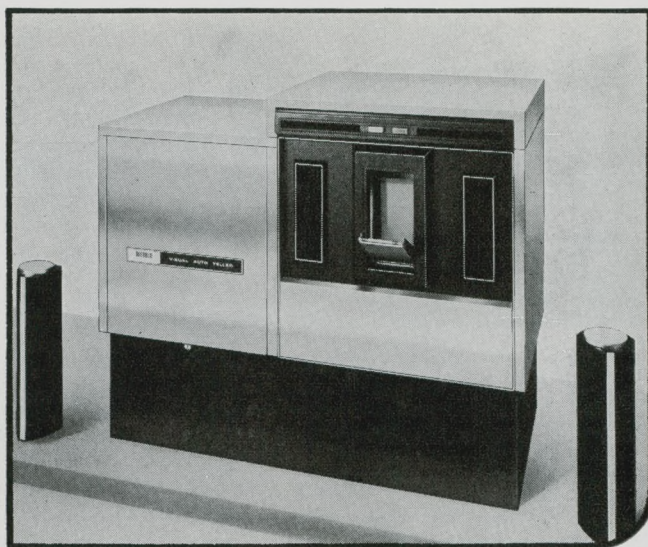
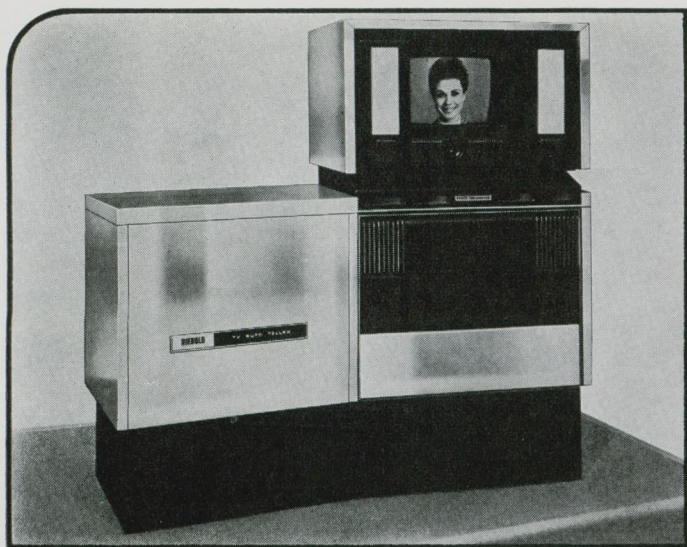
(BANK NAME)



TOP: This is one of the suggested newspaper ads from a kit of promotional material LeFebure Corp., Cedar Rapids, Ia., will provide banks using the firm's 724 Automated Customer Terminal. Kit also includes counter cards, statement stuffers, decals, buttons, TV and radio commercials and outdoor posters.

BOTTOM: This van is used by First Union, Inc., St. Louis-based multi-bank HC, to demonstrate the usage of its Docutel BANK24 electronic teller to the public. The van is sent to the HC's affiliate banks throughout Missouri when they unveil their equipment.





We know how to help you.....

with the industry's broadest range of remote banking systems

The right remote banking system for a hundred other banks may not be the right system for you. And because we understand the reasons why, we do something about it . . . by offering you a variety of Visual and TV Auto Teller systems, for example.

You'll find a comparably considerate breadth of choice throughout all Diebold equipment lines . . . all serving as further evidence that we know how to help you.

DIEBOLD®

INCORPORATED
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CANTON, OHIO 44711

"We know how to help you"



Diebold Inc., Canton, O., has added a personal touch to its TABS 500 Automated Banking System, which will be available early in 1974. The firm also has designed the TABS™ 500 Plus System, which is demonstrated in this photo and the two photos below. When a bank customer (above) approaches the Diebold® TABS™ 500 system, the video display panel greets her and requests that her bank card be inserted and her personal identification number be keyed in.

JONES, MARY

AMOUNT AUTHORIZED \$200.00
AMOUNT REMAINING \$200.00

TO MAKE SELECTION, PRESS NUMBER KEY FOR DESIRED TRANSACTION

1. DEPOSIT
2. CREDIT CARD PAYMENT
3. MORTGAGE LOAN PAYMENT
4. INSTALLMENT LOAN PAYMENT
5. UTILITY OR OTHER PAYMENT
6. FUNDS TRANSFER
7. CASH WITHDRAWAL

OR

IF YOU WOULD LIKE PERSONAL ASSISTANCE PLEASE PRESS THE "YES" BUTTON

When the card is inserted, the customer's name and account status are automatically read from the magnetic stripe on the back of the customer card and displayed on the teller's video screen only. Then, a list of transaction options appears on the customer's video screen, as well as the suggestion: "If you would like personal assistance, please push the 'yes' button."



stuffers, the bank has used security code mailers and some mass media. John P. Fitzhugh, assistant cashier, said that customer usage, while not up to the level desired, has met projections. This is especially true, he added, when viewed on usage basis per location. Also, the bank has attracted some new business because of the service, but just as important, Mr. Fitzhugh emphasized, the bank believes the equipment will enable it to be more competitive in attracting new accounts from people moving into the community.

Covington (Ky.) Trust has added the "Money Machine \$25 Bill" to its Money Machine program. All equipment used is manufactured by Money Machine, Inc., Tustin, Calif.

The bank's customers simply use the Money Machine card at participating stores as a \$25 bill. If their purchases don't total \$25, they are given correct change, and the merchants, in turn, insert the cards in the bank's Money Machine and receive \$25 or turn it into the bank's tellers for cash. To qualify for one of these cards at Covington Trust, a person must be a Master Charge card holder. The bank issues as many as four cards to a customer. It has been in this program for six months and only 6% of its Master Charge card holders have such cards.

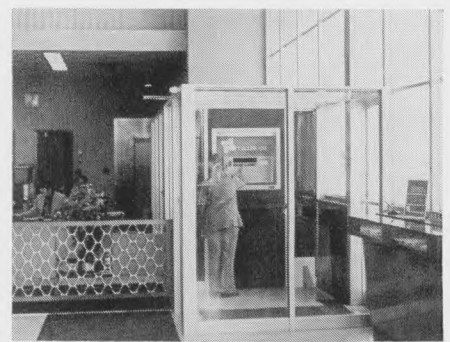
According to Mrs. Julie Fisk, Master Charge manager, the program will be more successful when a larger percentage of the bank's Master Charge card holders accept the Money Machine cards. Most of the cards' usage has been in the Money Machine itself.

Merchants Enthusiastic

Mrs. Fisk said most of the 225 merchants who have accepted the cash-card program did so enthusiastically. She said it's hard to determine what type of merchants are getting the most usage because merchants can put the cards in the machine for cash or give them to tellers for cash. The card has been used mostly at stores that don't accept Master Charge, said Mrs. Fisk.

According to C. Robert Etnyre, director of customer marketing at Money Machine, Inc., one of the advantages to a bank using the \$25 Bill is that it is able to attract a merchant's account with the same method used in Master Charge solicitations seven or eight years ago. The advantage to the merchant, he said, is there is no discount taken

Pushing the "yes" button signals the teller, who then turns on her video and audio system so the customer can see her on the TABS™ 500 video screen and the customer and teller can talk to each other. They then can discuss the transaction in question, and because the teller station is equipped with a duplicate TABS™ 500 keyboard, the teller can "show" and "tell" the customer how easy it is to use the unit.



These two photos show electronic teller installations at First Nat'l, Louisville. Both are products of Mosler, Hamilton, O., and are located in vestibules of branch offices so that they can be used—after the branches are closed—at any time of the day or night seven days a week. As can be seen from these pictures, the branches can be locked, yet bank customers can, when using the automatic tellers, be inside, protected from inclement weather.

by the bank as there is with other charge cards. The advantage to the customer, continued Mr. Etnyre, is that there is no charge when the \$25 Bill is used.

Last year, Birmingham's Exchange Security Bank was just one of many banks across the nation to add the Docutel Total Teller machine as a convenience to its customers. Dubbed the Exchange Security "MiniBank," the machine was installed at four locations to cover every major portion of the Birmingham area. It worked just like every other money-dispensing machine Docutel had installed.

Since Exchange Security was second in the market with automatic teller machines, something different was needed. George H. Smith, marketing vice president, came up with the idea of talking MiniBanks.

Not only could the "Talking Mini" instruct customers in the mechanics of working the machine, but it could sell other bank services at the same time. The "Talking Mini" became a fixture at four of what has now expanded to five MiniBank locations.

A pressure-sensitive mat placed directly below the machine activates a cassette recorder inside the bank. "Hello, this is your MiniBank speak-

Automated teller terminals:



Since September, 1971, more than 1,400 ordered from Docutel.

The first *Total Teller*® Automated Teller Terminal System was installed by Docutel in September, 1971. Today, 1,400 plus Docutel systems have been ordered by more than 400 banks in the U.S. and Canada and overseas.

That is more than six times the number of automated teller terminals supplied by all other manufacturers in the U.S. and Canada combined, which is the true indicator of Docutel's product performance and service leadership.

Bankers have been fast to recognize this 24-hour Electronic Funds Transfer System as an unprecedented way of increasing deposits and adding new accounts. They also recognize Docutel as the discovery company and the one that offers them the best performance and the best service.

Total Teller financial terminal performance features:

- Total compatibility with your plastic bank card system.
- "Hot card" detection that captures invalid cards.
- Easy step-by-step instructions for the customer.
- Instant printed receipts of every transaction for the customer and the bank.
- Full compatibility with the ABA magnetic stripe.
- Operates off-line or on-line with your EDP system.
- A unique and proven proprietary security system.
- Interchange capability between your bank and others.
- An all-day, all-night operating record that averages better than 98 per cent "up time."

Docutel service features:

- A customized analysis that evaluates the potential of the system in your market.

- Assistance in selecting the best locations for your automated terminals.
- A free Customer Training Program.
- Over 200 Docutel field service engineers dedicated and proficient on one product in 43 states and overseas.
- Promotional assistance based on tested programs.
- Post-installation analyses of customer acceptance and operational procedures.
- Seminars and newsletters that keep you up to date on profitable implementation of the system around the world.

These are some of the reasons why 48 of the 100 largest banks in America have ordered or installed Docutel. Write or call for full information: Docutel 2615 E. Grauwylor Rd. Irving, Texas 75061. (214) 254-4261.



DOCUTEL Corporation

First in automated banking and fuel dispensing systems.

Marketing Electronic Tellers

ing," it says. "Now, you know, I'm an easy guy to get along with. But there are a couple of things that you should know about me. . . ."

Some customers were startled at the sound of an unfamiliar male voice while they were busy at the very private business of banking. But a quick glance at the overhead speaker, and they were set at ease.

Ken Sanders, project manager of MiniBank, says the 70-second message will be changed two to three times a year, a female voice occasionally replacing the deeper tones. Customers have proved to be enthusiastic about the human touch in machine banking. They bring friends along when it's time to MiniBank, step on the mat and watch with gales of laughter as the unsuspecting friends frantically search for a bodiless voice. One customer was so delighted with the talking machine that he made away with the activating mat.

Less Confusion

The voice has proved that what customers won't read in the reams of written material forced on them, they will listen to. And the number of confused MiniBankers who have had their cards mysteriously "eaten" by the machine has been significantly reduced.

A personal touch to automatic teller programs has been introduced by Diebold, Inc., Canton, O., manufacturer of the Diebold® TABS 500 Automatic Banking System, which will be available early in 1974. The firm's TABS™ 500 Plus System, designed specifically for use with its automatic banking system, enables a bank to provide an individual, personal demonstration to each customer, on request, whenever he or she walks up to do banking business with the Diebold® TABS 500 system. The demonstration includes step-by-step personal guidance through any transaction, yet no additional bank personnel are required. Equally important, said Diebold, the customer being assisted is greeted by name, another TABS™ 500 feature that Diebold said brings the human touch to automatic banking.

In practice, a bank customer approaches the TABS™ 500 unit and inserts his bank card and personal identification number. At a teller station within the bank, the customer's name and account status automatically appear on the teller's video screen, this information having been read from the magnetic stripe on the customer's bank

card. The list of transaction options then appears on the customer video screen, along with the message, "If you would like personal assistance, please push the 'yes' button." This signals the teller to turn on a video and audio system so the customer can see her on the TABS™ 500 video screen, and they can talk together. The customer and teller then can discuss the transaction in question, and because the teller is equipped with a duplicate TABS™ 500 keyboard, the teller can "show and tell" the customer exactly how easy it is to use the unit. At the end of the transaction, this same communication system can be used by the teller to talk about the institution's other services, if desired.

Diebold visualizes the TABS 500 Plus as an opportunity for tie-in promotion by a bank in conjunction with its introduction of the TABS 500 system itself. For example, said Diebold, the bank might establish given hours during the banking day when the TABS 500 Plus system would be in operation and could encourage its customers to come in for a teller-assisted demonstration. Diebold cited another advantage of TABS 500 Plus—it could be used by the teller to suggest other bank services to the customer such as safe deposit boxes, Christmas Club, etc.

LeFebure Corp., Cedar Rapids, Ia., provides a kit of promotional material to banks using its new 724 Automated Customer Terminal. Included are counter cards, statement stuffers, decals, buttons and suggested newspaper ads, TV and radio commercials and outdoor posters, as well as a brochure on how to introduce the equipment and a suggested memo designed to educate bank employees about the equipment.

A Van Demonstrator

First Union, Inc., a St. Louis-based, state-wide multi-bank holding company, sends a van equipped with its "BANK24" machine to its affiliates that install the machines. The van usually remains at a bank for about two weeks, and passersby are encouraged to step up and try operating the equipment, a product of Docutel. An attendant stands ready to guide them and answer questions. Newspaper ads announce the van's arrival at shopping centers in rural areas.

The terms "BANK24" and "First Union Group" are stressed in all advertising so that usage among affiliate banks can be promoted. A customer of one of the banks in the group can use his BANK24 card at a machine at any

other affiliate bank to make a cash withdrawal from his own bank. For example, a Bank of Springfield customer can get cash from BANK24 at First National in St. Louis or Peoples Bank in Branson.

One First Union bank, First National of Liberty, conducted a lobby demonstration of its BANK24 machine for three months, which Assistant Cashier Dale Rapp believes had the greatest impact on customers. Those who used the machine during the demonstration stage, he continued, were the first to use the service when it became operational. He added that their enthusiasm for the service and their promotion among friends and neighbors were an important element in advertising the machine.

Exceptional Usage

As far as usage is concerned, said Mr. Rapp, the bank has been surprised and pleased and believes for the number of accounts it has and the size of the bank, machine usage has been exceptional in relation to other banks. Although new business derived directly from BANK24 is difficult to define, he said, several accounts were opened solely to enable their holders to have access to the equipment.

Bank of Springfield also attributed some new business to its BANK24.

Farmers & Mechanics Savings Bank, Minneapolis, has tied its Teller-Matic unit, a product of Mosler, Hamilton, O., in with a unique bank-by-phone program, which enables customers previously cleared by the bank to call in to make withdrawals and transfers. These customers have secret code numbers they use to identify themselves. When it opened its Teller-Matic unit, F&M mailed plastic "maxi-cards" to bank-by-phone customers, assigning them the same secret numbers for the Teller-Matic that they use with bank-by-phone. The latter service averages 4,000 calls a month. The bank doesn't expect the Teller-Matic to generate that much usage, at least at first.

International City Bank, New Orleans, combined the introduction in 1971 of its Mosler Teller-Matic System 4,000 machines with the opening of a "total TV" office. The latter was the refurbished West Bank Office, which features a line of Mosler Tellervue machines that operate like remote drive-in units. The four units are serviced by two tellers in a remote section of the building. In addition, two other tellers, in the same area as the walk-in tellers, service the four Tellervue drive-in units.

Theme of the branch's re-opening was "space-age banking," and because there were no tellers in the lobby, young women in space suits were on hand during the grand opening to familiarize

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customers with the Tellervue TV units. The automatic teller was installed outside the building, near the entrance, so that customers can use it 24 hours a day seven days a week.

The ABC banks in the St. Louis area introduced their Money Machine installations early in 1970 in conjunction with a checking-account credit service called Chek-Mate. Customers who were approved for a reserve line of credit were given Money Machine cards if they wanted them. To stimulate requests for the cards, the banks (American National and City Bank, St. Louis, and Brentwood Bank) ran extensive ad campaigns in local newspapers.

By combining the Money Machine service with Check-Mate, customers didn't have to be concerned whether they had enough money in their accounts to cover withdrawals made through the Money Machines. If their accounts were short, Chek-Mate enabled the banks to deposit \$100 in the form of loans in the accounts. Thus, use of the Money Machines stimulated loan volume.

Now called Teller 7-24/Money Machine (a product of Money Machine, Tustin, Calif.), the service was unveiled in 1970 with teaser billboards and buttons, as well as with newspaper ads, statement stuffers and radio and TV spots. Now, nearly four years later, advertising continues on a smaller scale. Although usage was not great at first, it is growing. Also, like many other banks, the ABC banks can't actually trace new business to the installations, but believe there have been such instances.

Little Rock's Worthen Bank has five Docutel Total Teller units. Originally, the bank bought five cash-dispensing machines and, after a year, upgraded these to the Total Teller level. The bank recently added the cash-advance function to its equipment.

The bank called its cash-dispensing machines Mini-tellers, but when it switched to Total Tellers, the name was changed to Mini-bank. The reason for the change was that the bank was upgrading its service and also wanted to emphasize that the new equipment was a "bank" servicing unit and not simply a one- or two-function machine.

The machines are in the Main Office downtown and in four suburban branches. The specific branches were chosen on the basis of demographic characteristics of the areas served and also traffic patterns.

"We did not do a good job of follow-up advertising on the machines," said F. M. Williamson, vice president, marketing division. "That is, after introducing them, we did not come back for reinforcement campaigns because of our need to advertise for funds and the es-

tablishment of overall theme campaigns. This was possibly a mistake because we have just introduced a package-banking service and are finding that one of the principal advantages (as seen by the customer) is the availability of the Mini-bank. Actually, the customers had this available to them all the time, but only a small percentage were really aware of and apparently using it."

Mr. Williamson personally is somewhat disappointed with the usage of the machines because he thinks it should be higher. However, he added, in comparing the usage at Worthen Bank with figures issued by other banks, usage at Worthen appears to be comparable and even better than many banks are experiencing. He said that the 100,000th Mini-bank transaction was to be marked in a few weeks after this article was written.

Although Worthen hasn't done any documentary study to trace new business to the Mini-bank, said Mr. Williamson, many accounts have been gained because of this service, and it seems to be an addictive-type thing. That is, he continued, once a customer begins to use it, he finds it so convenient that he tends to use it for every possible banking transaction and even avoids regular tellers during normal banking hours, preferring to use the Mini-bank.

Mr. Williamson reiterated that the 24-hour banking service seems to be a major feature of the bank's package-banking program. Also, after two years of offering the service, he said, Worthen has a lead in that market in Little Rock because no other bank there has a similar program.

Oklahoma City's Fidelity Bank introduced its Docutel machine—called "Anytime Bank"—by having an attendant on duty 12 hours a day for two weeks to demonstrate the equipment. After initially advertising it in newspapers, on radio and TV and in statement stuffers, the bank continues to spotlight it on radio. The bank said a goodly number of Master Charge accounts have been opened as a result of the machine's installation.

At Elmhurst (Ill.) National, the Docutel Model 300 Total Teller has been dubbed "Genie 365" and it's located on the outside of the bank building for sidewalk use. The visual advertising features a drawing of a pretty "harem" girl ("genie"), who "introduces her special brand of magic to the western suburbs" 365 days a year. The automatic teller was introduced through advertising in local papers, with stuffers included and direct mail to customers. The ad stuffers include application forms for return use. Presently, the advertising has carried onto outdoor billboards, and—on a continual basis—ads

are placed in local papers, approximately once each month.

The installation was made the latter part of last June, and since then—said Assistant Vice President William J. Thiel—usage has continued to increase, with greater usage anticipated.

Another Docutel installation is located at Fort Worth National, which introduced its "24 Hour Cash Manager" via "hands-on" demonstrations to customers in the bank lobby. According to Irvin Farman, vice president and public relations director, the machine is getting as much use as had been anticipated despite the fact that there are no convenient parking facilities around its location in the elevator lobby near the front entrance. Mr. Farman said this situation will be alleviated when the bank moves into its new building early next year. He added that new business can be traced to the equipment.

A TV commercial sponsored by American National, Chattanooga, Tenn., to introduce its Docutel Teller 24 installation was given honorable mention in the national "Best of TV" bank commercials film competition sponsored by the Bank Marketing Association.

The 30-second spot was made up of photos and animation and combined day and night sequences to symbolize "the first 24-hour bank for those people who need a bank after the doors are closed . . . where you can get cash, make loans, deposit money, make an installment payment or even transfer money." • •

■ LARRY ANDERSON has joined Peoples Bank, Montgomery, as trust officer. He was formerly a trust officer at First National, Memphis.

Bank Acts as Clearinghouse For Agricultural Workers

Tri-County Bank, Roachdale, Ind., organized a plan of assistance to bring part-time help to farmers who could not find sufficient manpower to plant their fields following last spring's extremely wet weather. The bank served as a clearinghouse for farmers needing part-time help and workers who were willing to assist by working during their spare time. The bank assumed no responsibility to either party and did not negotiate rates of pay. When a farmer asked the bank for someone to work, he was given the names of those who had indicated their willingness to help out. Both farmers and workers were asked to contact the bank in newspaper ads published by the bank.

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Bank Avoids High Cost of Building Branch By Locating Facility in Busy Supermarket

If a bank in a branching state doesn't want to go to the expense of erecting its own building for a branch, why not rent some space in a supermarket?

That's what Farmers Exchange, Union City, Tenn., has done. Tucked away in the northwest corner of a supermarket, near the check-out lanes



Supermarket branch of Farmers Exchange Bank, Union City, Tenn., is visible at right background, adjacent to check-out lanes of market. Three tellers provide most bank services, including check cashing for market customers.

and the frozen foods section, the bank branch certainly qualifies as a unique banking innovation.

The branch handles every bank service except loans. The 300 square foot facility has three walk-up windows, a night depository and a drive-up window. The branch is said to be the only one in the state located inside the premises of another commercial business. The practice of operating banks in other business firm premises was common during the 19th century.

In addition to saving the cost of constructing a branch, the bank provides a valuable service to the supermarket and its customers, many of whom eventually become account holders. The market manager says the presence of the bank speeds up the check-out lines and relieves the market of cashing checks.

Banking hours were adjusted to conform to the needs of the shopping area. The bank says 18% of its weekly business takes place after 6 p.m. on Fridays.

Dynamic Groundbreaking Features Dynamite Blasts

Nothing like breaking ground for a new bank building with a bang!

The people at Central National, Rockford, Ill., set off six bursts of dynamite triggered by a specially designed detonator box to start the dirt flying for its proposed new home, to be called Central National Plaza.

The project is the first to be undertaken as part of the city's program for downtown development. The second level of the building is designed to become the continuum of a second-level pedestrian walkway system that will connect all central city developments once they are completed.



Model of new Central National Plaza, Rockford, Ill.

The three-story bank will be situated on the Rock River and will feature a plaza level retail banking area that is recessed under the two upper floors. The building will occupy only 17% of the available land space, leaving the remainder for public events.

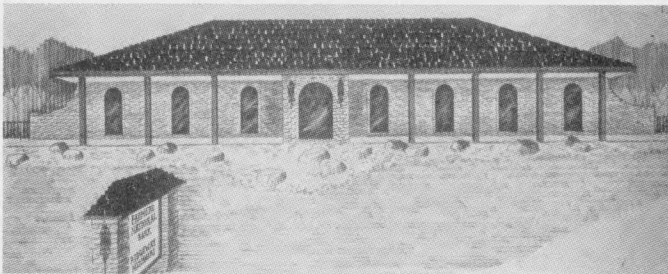
Occupancy is expected by summer, 1975.

Pint-Sized Facility Opens



Billed as the "smallest bank in the world," this walk-in facility was opened recently on the concourse level in the Bank of the Southwest building, Houston. The facility is only 9½ feet across and is cylindrical in shape. Business is handled by a remote teller using a video system and pneumatic tube. The facility is designed to save time for people who don't want to go up two flights to the banking floor.

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And "Red Coat Service" includes access to the Red Coat Desk — North Central's unique, toll-free, direct HOT-LINE system

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For more information on how the Red Coats can work for you, contact Roland Allen, Senior Vice-president, Marketing, at the address or phone shown below.

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PHONE: (612) 227-8001



First of Denver Project Illustrates How to Redevelop Downtown Area

"THE HEARTBEAT of a city is its downtown. The financial, business and commercial activities that make the city economically viable, the cultural centers that make it meaningful and the sports and other entertainment facilities that make it enjoyable—all are located downtown. Yet in many cities, the downtown area contains valuable but under-utilized land. Urban believes that with vision and imagination, this land can be turned into an asset instead of an eyesore."

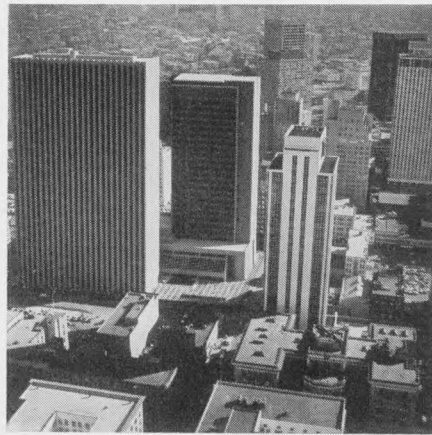
So said Myron M. (Mickey) Miller, regional vice president for Denver for Urban Investment & Development Co., a nationwide development firm with headquarters in Chicago and offices in Denver and San Francisco. He was explaining the philosophy behind his company's work with firms and banks in rebuilding cores of downtown areas.

One of Urban's projects now underway is the First of Denver Plaza project, a full-block, \$38-million, banking-business complex that Urban is developing in downtown Denver in conjunction with that city's First National. The firm is erecting a 32-story office tower that it will own and in which the bank will be the major tenant. First National, its parent, First National Bancorp., Inc., and the bank's legal counsel will occupy 12 floors in the structure. The remaining space will be occupied by businesses and professionals. The First of Denver Plaza Building was topped out October 25. The bank will begin occupying its space in mid-April, 1974; other tenants will be in occupancy by next July 1. Completion of the entire project is scheduled for September, 1975.

In addition to the First of Denver Plaza Building, the development will include the existing 28-story First National Bank Building, a connecting, six-story gallery that will house the bank's teller facilities and a 16,500-square-foot plaza, with sculpture, pools and landscaping, that will become a major open space in the downtown area.

Mr. Miller, who heads Urban's bank-related projects, said his firm is flexible in its approach to working with banks. Urban will tailor a deal to suit the bank's needs either by 1. Buying the land, erecting the building and leasing it back. 2. Leasing the land, erecting the building and leasing it back. 3. Making it a joint venture.

Using First of Denver Plaza as an example, Mr. Miller explained how Urban works with banks: "We are willing to identify the project strongly



This montage photo shows what First of Denver Plaza in downtown Denver will look like when completed in September, 1975. Structure at left, to be 32 stories tall, is being developed and will be owned by Urban Investment & Development Co., headquartered in Chicago. Besides tower, plaza will include existing 28-story First National Bank Building and six-story, sloping-glass clerestory that will connect two buildings. Bank will be major tenant in new building.

with the bank, such as we have done with the First of Denver Plaza Building. For another thing, we are willing to take the calculated risk of building a building larger than the bank immediately needs, to give the bank future room to grow and to provide first-class office space for the bank's customers and related professionals. For still another, we work closely with the bank so that the end product is something of which both Urban and the bank can be justifiably proud. And we want the bank to be involved every step of the way."

Finally, he added, Urban is interested only in executing landmark-type projects—those that bring something of value, something unique, not only to a building's users, but also to the city itself.

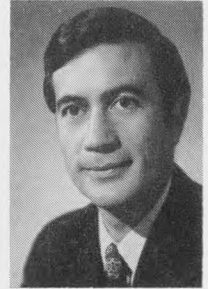
Mr. Miller said that two other downtown developments by Urban—one recently completed, the other currently under way—illustrate this point. They are the now completed MGIC Plaza in Milwaukee, a 2.4-acre development on an urban-renewal site adjacent to Milwaukee's City Hall and Performing Arts Center. This project is a joint venture of Urban and MGIC Investment Corp. In Chicago, Urban is currently—in partnership with Marshall Field & Co.—building Water Tower Place, a 74-story, full-block complex on the Magnificent Mile of North Michigan Avenue. It will include shops, offices,

the Ritz-Carlton Hotel and luxury condominium residences.

Urban is a subsidiary of Aetna Life & Casualty Co. Besides downtown complexes, the company is involved in developing new communities, regional shopping centers and residential projects. • •

Norby Joins First Chicago HC As Corporate Development Head

CHICAGO—R. Douglas Norby has been elected vice president of First Chicago Corp., parent of First National. Mr. Norby is responsible for the corporate development and financial staffs of the HC.



NORBY

He was formerly with ITEL Corp., San Francisco, where he served as vice president-finance. Prior to that he was a management consultant with McKinsey & Co.

■ BEVERLY BANCORP., Chicago, has named Claude J. Klimas auditor and James M. Loftus administrative services officer.

'Fly Me to the Moon!'



Martin Ozinga Jr. (l.), president, First National, Evergreen Park, Ill., observed the completion of his bank's building project by inviting the public to witness his ascent in a hot air balloon. Star attraction was seven-story balloon Eagle II, winner of the 1973 World Hot Air Balloon championship. Co-owner of the craft is Jerry Kinkade, who served as job captain of the building project for Bank Building Corp., St. Louis, consultant and construction manager for the project. The bank financed the purchase of the balloon.

The more you hear about slow completion dates,
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Usry commercial buildings provide a quick, low-cost alternative to the troublesome building and construction problems of today.

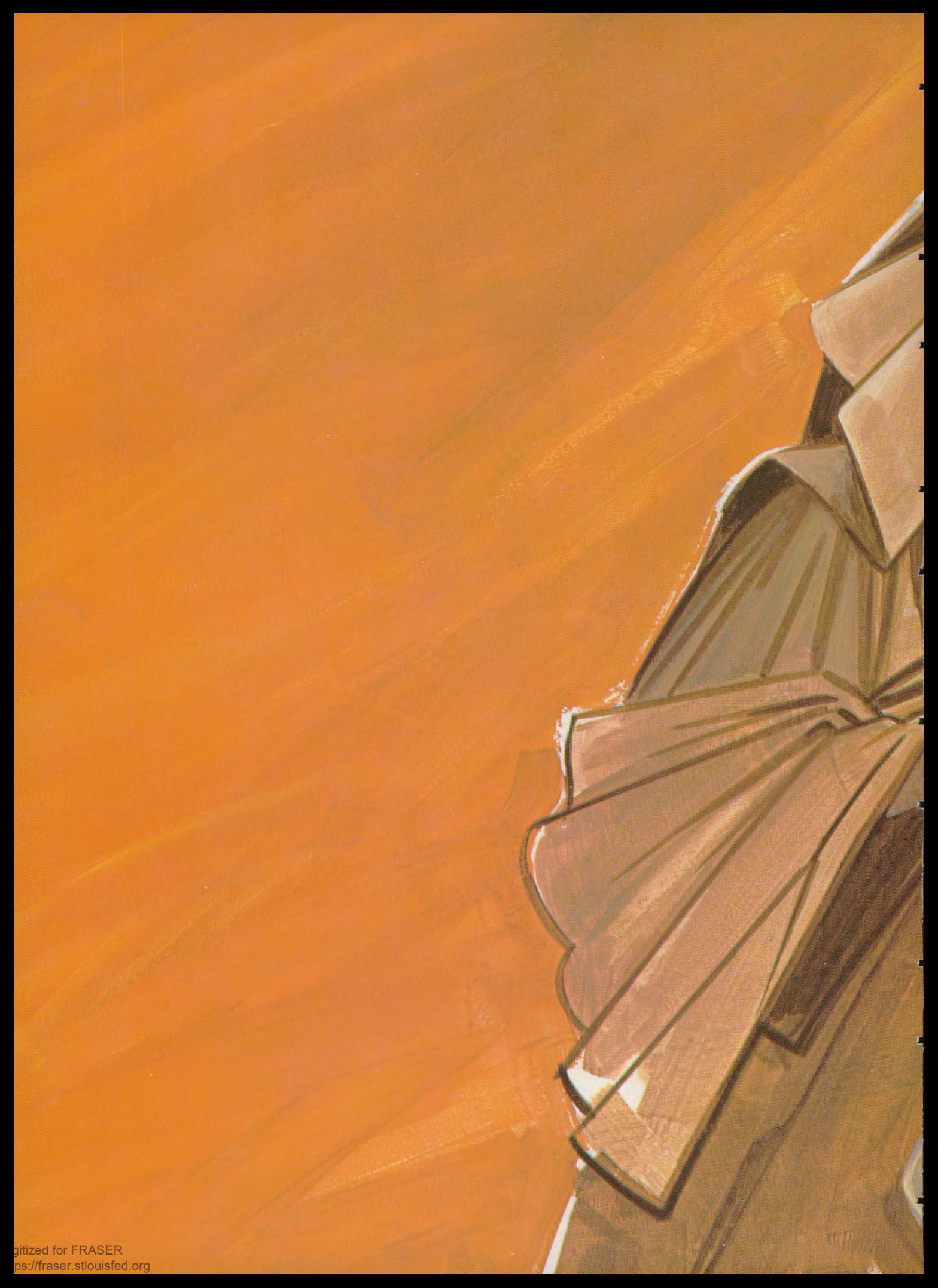
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Too long have we heard the drums of war,
The drums of distress and despair.

May this be the day that we hark
To still another drum, beat so long ago,
That of the little drummer boy who softly played
For the newborn babe in the manger.

We pray that the princes and kings
Of the kingdoms of mankind
Will somehow hear on Christmas day
That soft, fragile drumbeat—

The admonition for love and peace on earth,
And listen.

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**THE BOATMEN'S
NATIONAL BANK
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Virginia Capital Bank, Richmond, opened recently in this USRY-supplied modular unit that was towed to the site in two sections and bolted together on a permanent foundation. Four teller stations, a drive-up window and night depository are included.

Modular Bank Units Gain Popularity, Provide Quick, Economical Facilities

MODULAR BANK buildings have come into their own in the past few years, primarily because of the need for small, economical buildings that can be used as branches or facilities. The liberalization of branching and facility restrictions in many states is prompting bankers to see the value in a modular structure that can be in operation in 90 days or less, be completely operational and require little upkeep.

One bank that decided on a modular structure for its initial headquarters is Virginia Capital, Richmond. The bank was the first in town to open in a modular building, a double-wide structure built by USRY, Inc., Richmond.

The bank is housed in a unit measuring 24x40 feet that was towed to the site in two sections. Modular technicians from USRY joined the units together on a permanent foundation and completed utility installations. After the bank stocked the building with supplies, it was ready for business, since furnishings, equipment and decor are furnished with the units.

The exterior of the unit is stained wood with a mansard roof. Interior finish includes walnut paneling with orange color accents and wall-to-wall

carpeting. Four teller stations, a private office for the CEO and a large general office area for accounting and other financial and banking operations make up the interior plan.

Also included are a drive-up window and night deposit vault.

Modular units can be put to good use as temporary quarters, serving until a more traditional building can be completed. Upon completion, the modular unit can be towed to another location or stored until needed at another site. The units are also good insurance in cases of disaster, when a bank facility is destroyed by fire or storm.

Due to the low cost of modular units, the expense of making the units appear permanent can easily be absorbed by banks. Sidewalks, plantings, a driveway and parking lot add a sense of permanency and stability.

USRY has been providing mobile units to the banking industry for more than 10 years. The firm also manufactures mobile homes and furnishes special commercial, industrial, medical and dental units.

Exteriors of the modular units vary in decorator combinations according to a bank's color scheme or choice of colors.

When USRY started in the bank building business, financial institutions were reluctant to accept the idea of conducting a sophisticated business in what was then a modified mobile home.

Bankers questioned the security of the units. Since that time it has become evident that, because of their usual location in or near commercial or populated areas, the bank buildings are open to constant observation from every direction, making it difficult to cover up any unusual activities. In addition, the banks have the usual vault, albeit on a smaller scale, burglar alarm equipment, full security drive-up windows and night deposit boxes.

Modular units do not conform to the common concept of a stately bank with stone columns, massive facades and gleaming brass doors, USRY's president, Durwood Usry, says. But the image of banks has changed. It has become the low-slung, concrete-and-wood structure that almost disguises the fact that the unit is a bank.

With present high building costs and long construction delays, Mr. Usry says, bankers rely on compact banking units to extend their marketing potential in areas that would have been considered financially risky a few years back. • •



LEFT: This was the way customer lines looked at National City Bank of Cleveland before it instituted its "Quickline" system. Customers had to choose lines and then hope that they moved quickly. RIGHT: With the "Quickline" system, all customers enter one line, marked with stanchions and rope, and proceed forward to the front of the line or "next-up" position. When a teller is free, the customer at the front of the "Quickline" proceeds immediately to that station.

Move Bank Lines Faster!

*Customer Frustration, Teller Errors Reduced
With Installation of 'One-Line' System*

ALL BANKS have these experiences from time to time—especially at peak periods. While a long line of customers waits to transact business, old Mrs. X—who usually has all day to do her banking—blithely conducts a long conversation with a frustrated teller. Or Susie from a nearby office has brought in not only her pay check but the checks of several co-workers to cash. Or a merchant is getting change in several denominations of bills and coins. As a result, the waiting customers grow increasingly restive, start changing lines or perhaps have to leave before they

By **ROSEMARY McKELVEY**
Managing Editor

even reach one of the tellers. Those who do finally make it sometimes are short-tempered. Such situations don't produce good public relations for a bank.

Is there a solution? Several banks believe they have one with a so-called "one-line" system. And it doesn't entail changing the physical layout of a lobby. Here's how it works:

All customers enter a single line—laid out by means of ropes attached to stanchions—and proceed forward to the front of the line or "next-up" position. From this vantage point, a waiting customer can see all operational tellers on the line at a single glance. The instant a teller is free, the "next-up" customer walks quickly over to that station to transact business. In turn, the following customer becomes the "next-up" customer and so on as the line is

At Bank of New Orleans' Carondelet Branch, the "one-line" system is shown in action. Assistant Manager Gail Farrae (pointing at right) helps customers use the new system. It's going over so well at that branch, says the bank, that other branches will be using it before long.

processed continually throughout the banking day. When finished with his business, the customer exits the system to either front side of the teller counter area.

If a customer prefers to wait for a certain teller, he or she has the option to do so.

Names given the system vary from bank to bank. At Bank of New Orleans, where it was installed at the new Carondelet Branch, it's referred to simply as "one-line." President Lawrence A. Merrigan described the branch as "one bank where a customer can't get in the wrong line." The system is working out so well at that branch, according to Vice President Paul Steen, and customer reaction has been so favorable that other BNO branches will be using the system before long. The bank purchased the hardware (stanchions and silk rope) from Lawrence Metal Products, Inc., Lynbrook, N. Y.

At National City Bank, Cleveland, the system is called "Quickline" and has been installed at 10 selected branch locations. It was developed on the West Coast by Directoire Guide Line Systems division of Display Mart, Inc., San Francisco.

A spokesman for NCB said that as



No bank is an island...

Not even a bank as big as First City National.

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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.

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many as 95% of "Quickline" customers seem to feel waiting doesn't take as long as the line wait under traditional systems.

The bank spokesman pointed out another plus for customers using the "Quickline"—it creates more privacy for a customer than the usual line. In fact, the system is called the "private line" at a number of California banks. This is because only one customer at a time stands at one teller station at a time. Other customers remain about six feet away from the teller counter area in the "common" line waiting their turns. This privacy-of-transaction is considered one of the chief advantages of the "Quickline" type system by both bankers and customers alike, said National City Bank.

Because there's no one standing directly behind a customer at a teller station, there's less pressure to transact and run. This reduced pressure, continued NCB, has been a further key to reducing overall congestion and virtually eliminates "pressure" errors common to peak-period banking.

Another popular aspect of the system to a bank's teller staff is the equality fostered under it. At most peak periods, tellers closest to the doors are hit the

hardest. With "Quickline," customers are spread equally among the tellers.

According to Aaron I. Friedman, president of Display Mart and West Coast originator of the system, "To date, no bank converted to this single-line approach has ever reverted back to the traditional-line system."

Mr. Friedman described the system as being constructed of strategically placed stanchions and guide ropes. "More than that," he added, "each system begins with a thorough review of a bank's lobby floor plans at no obligation to the bank. From this review, a traffic-flow engineer will create a system for that bank or S&L using the least amount of equipment required to make the system efficient."

In all traffic flow, Mr. Friedman continued, his firm tries to engineer its single-line system down the length of the lobby to conserve space. At banks where customers choose individual teller lines, the ends of these lines often spill over into the bank officer desk area, he said, and this adds to the confusion and congestion.

The Directoire system was introduced in California in 1969 and spread rapidly to the bulk of the Wells Fargo Bank branches and to more than 100 United

California Bank branches and 850 Bank of America branches. To date, said the firm, it has been installed in over 3,000 banks, S&Ls and credit unions across the nation.

Many participating banks have touted the system heavily in radio/TV and newspaper ad campaigns as an "additional" bank service. Bank of America recently described its "Red Carpet" service as: "Our own special system to serve you promptly, save your time. And nobody peers over your shoulder when you transact your business."

Mr. Friedman's firm took two bank customer surveys—in cooperation with some of their leading California branch bank customers—to determine the system's effectiveness and users' likes and dislikes. The first survey was completed in 1969 and another in 1973.

Before the system received any publicity in 1969, customers having any contact with it gave it "an incredible and overwhelming 87% vote of approval," according to Mr. Friedman. Four years later, the percentage of favorable responses, as found in the survey, rose to 98%. Only 2% of all customers surveyed in 1973 had the remotest unfavorable comment or negative reaction, but the bulk of the 2% resisted the thought of removing the system.

In the first survey, the majority of customers who favored the new system did so because they thought it faster than the individual-line system. The second-highest response was in favor of the system's privacy.

Four years later, after a vast number of banks in California had adopted the system, said the firm, the increased-service speed was virtually the same at all banks. Then, customers surveyed in 1973 turned to privacy as the most favorable reason.

Other favorable comments from both surveys include: more organized, more equitable for both customers and tellers, more relaxed and personal and less congested.

Generally, the elements that brought unfavorable comments were engineered out of later system designs, said Mr. Friedman. Other unfavorable comments are being dealt with by promotional campaigns at each bank. For some, a long single line was psychologically discouraging. Yet this single line moves quickly when teller stations are well staffed. Others felt they were being herded on an assembly-line basis. To counter this objection, Directoire Guideline Systems reduced to a bare minimum equipment used in each installation.

An unfavorable point for a few customers turned out to be a favorable one for tellers surveyed. Tellers ap-

We've been eliminating drive-in traffic problems for over 10 years!
Now available . . .

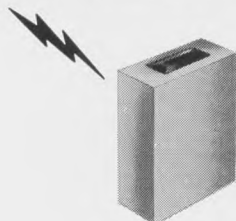
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proved of the new system to a greater degree than did customers: 95% in the first survey; 99% in the second. Customers thought there was a certain amount of time wasted walking from the "next-up" position to a waiting teller, but actually it takes only about five or six seconds. Tellers welcome this time as a chance to "clear the station" of old business and prepare for the next customer.

Tellers generally agreed the reduced pressure of the new system was clearly a way to reduce the "pressure errors" common to peak-period transactions. Also, a teller can go off line without upsetting waiting customers, especially near the end of the banking day. • •

Push-Button Lobby Control

The majority of "one-line" systems in use at banks rely on the ability of the waiting customer to see when a teller is available to service him. However, the lobby control system marketed by Elec-Tro-teC, Inc., Elk Grove Village, Ill., features a push-button call operation that activates a sign facing the line of waiting customers, alerting the first one in line that a teller is available.

The sign works in conjunction with a door-bell type chime and a directional sign or illuminated numerals that tell the waiting customer either which direction or what teller station to go to to receive service.

Tellers are instructed to push their call buttons a few seconds before their current customer is about to leave to eliminate any lag between customers.

The system is said to eliminate any need for a traffic director. Tellers like it because it permits them to take a few extra seconds to clear their work areas before calling the next customer, if necessary.

Seven Promotions Announced By Citizens Fidelity Bank

LOUISVILLE—Citizens Fidelity has announced seven promotions.

Claude Harris was made vice president and manager, mortgage loan department. Tom Ryan has been elected vice president of the bank and vice president, construction lending, Laclede Mortgage Co. The bank bought the Kentucky assets of the St. Louis-based firm in October, 1972. Mr. Ryan will assume his new responsibilities January 2. John G. Osburn and Howard Stewart Jr. have been promoted

from operations officers to assistant vice presidents. Mr. Osburn is manager, programming department; Mr. Stewart was made manager, purchasing department.

Nancy Brooks, student loan administrator, correspondent banking division, is a new assistant cashier. Steven A. Mills was named assistant trust officer, trust tax department, and Larry C. Hall was made assistant cashier and manager, time deposits department, check processing.

Working in a Bank Can Produce as Much Exercise as Golf Game

Need exercise? Get a job in a bank. The walking you'll do in the course of a day will just about equal walking around a nine-hole golf course. And you can't rent a golf cart. Few banks would permit such a vehicle on the premises.

These findings result from a recent study inspired by Sidney J. Taylor, president, Main Bank, on Chicago's northwest side.

"We weren't interested in how much sitting our employees do," Mr. Taylor explained. "We just wanted to demonstrate that bank employees aren't as sedentary as everyone seems to think."

To test this theory, two vice presidents, a secretary, a cashier, three tellers, the vault manager and a security guard wore pedometers to log their mileages.

Miss Margaret Duckett, the vault manager, did the most walking, it was found. She averaged 2¼ miles daily. That works out at just under 14 miles a week or nearly 700 miles in a 50-week work year.

Second in the pedometer parade were Miss Gladys Bustemente, note teller, and Miss Betty Freres, a secretary. Both averaged 2½ miles a day for 12½ miles a week and 625 miles a year.

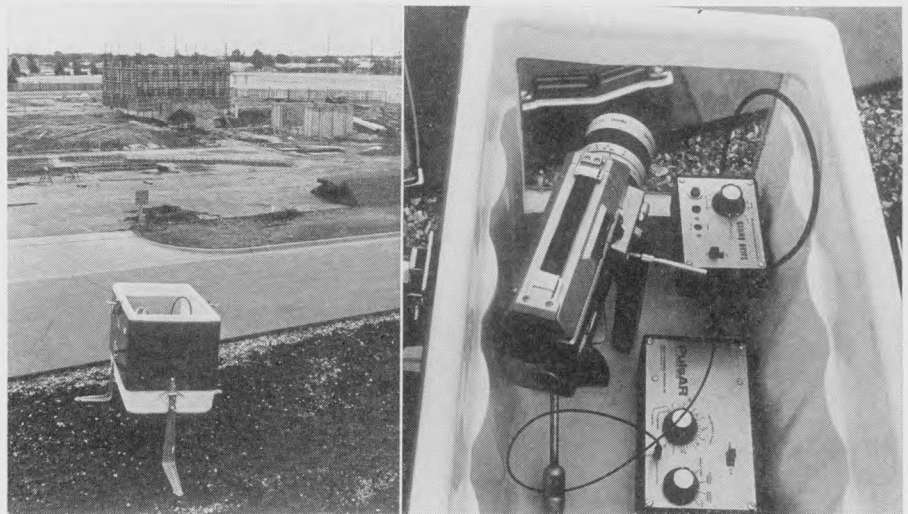
Security guard Richard Hamme walked an average of 2¼ miles a day and even James Tosto, supposedly deskbound as executive vice president, logged two miles a day.

Senior vice president Jordan Tark and savings teller Miss Lucy Bonilla clocked a flat mile, while Edward Sambum, commercial teller, finished dead last with only a mile a day.

"Working at Main Bank—and presumably any bank—is as good as playing golf," Mr. Taylor commented. "To play nine holes of golf—if you walk—you have to walk about two miles. Of course, it costs money to play golf and then you have the aggravation of sand traps, trees, water hazards and lost balls. At Main Bank you have none of these headaches—and besides we pay you to walk."

■ CHARLES H. WILLCOX has been promoted to assistant vice president at First National, Mobile. He joined the bank in 1963.

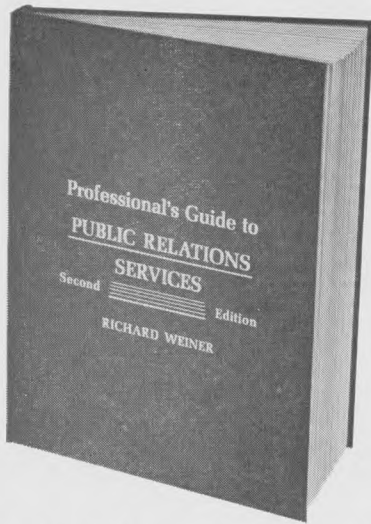
Camera Records Construction of Bank Building



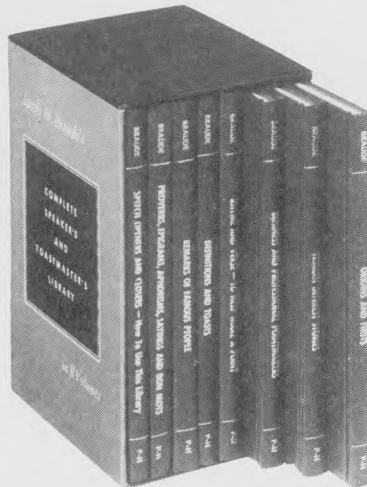
A clandestine operation? No, a filming apparatus to record the day-by-day construction of the East Side Financial Center in Wichita, now the home of East Side National. Camera equipment was mounted in a converted picnic cooler (l.) and placed on the roof of a building across the street from the construction project. The camera was rigged (r.) to take photos every so often during the hours the bank building was being constructed. The resulting developed film was edited down to nine minutes running time. During the nine minutes, the entire bank building comes to full bloom, like a flower opening its petals. The idea was developed by Dale Krebs of Advertising Concepts, Inc., Wichita, in cooperation with Rod Brown, the bank's marketing officer.

The Financial Buyer's Guide

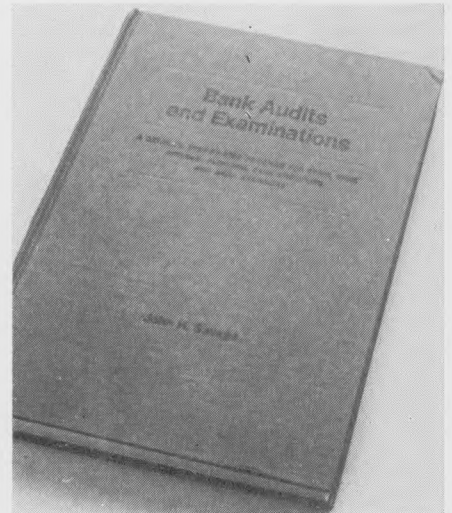
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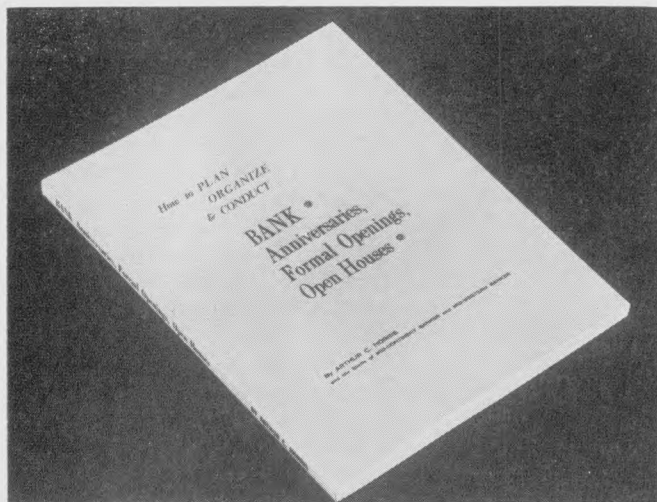
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New officers of the ABA Correspondent Bankers Division Executive Committee for 1973-74 were welcomed to the ABA National Convention in Chicago in October by outgoing Division Ch. Victor H. Winfrey (l.), v.-ch., United California Bank, Los Angeles. New officers are (from l., after Mr. Winfrey) Ch. Roger A. Lyon, exec. v.p., Chase Manhattan, New York; Education Subcom. Ch. Eugene C. Swearingen, ch., Nat'l Bank of Tulsa; Communications and Research Subcom. Ch. C. Paul Lindholm, v.p., North-western Nat'l, Minneapolis; and Government Relations Subcom. Ch. George A. Nicoud Jr., exec. v.p., First Nat'l, Dallas.



Quality, Availability of Services Stressed at Correspondent Meeting

450 Bankers Attend San Francisco Conference

MORE THAN 450 bankers were in attendance at the second annual ABA national correspondent banking conference in San Francisco last month. Emphasis was on quality and availability of correspondent services.

Quality of services offered by correspondent banks is jeopardizing many banks' attempts to build their customer bases, said Pollster Louis Harris. The Harris organization polled some 725 CEOs on the current condition and future course of correspondent banking.

Mr. Harris emphasized that the one factor that can switch correspondent balances from bank to bank is not price but genuine quality, even at a higher price.

"There will be a few winners in the increased competition," he said, but "for those who know that correspondents are not too likely to haggle over price and balance requirements in their desire for quality of service, and with the recognition that correspondent balances are one of the last remaining sources of new demand deposit balances for any bank, the intense rivalry will offer rewards rich enough to make the competition well worth while."

The key to correspondent banking, Mr. Harris said, will lie in precisely which banks can survive the test of

sharply improved quality of service.

The Harris study corrected a number of prevailing assumptions, Mr. Harris reported. The charge that the Fed has overstepped its bounds by setting up regional check processing centers to compete with correspondent banking was rejected by the bankers surveyed by an 80%-13% margin. By a 50%-35% margin, they expressed belief that "despite the establishment of a nationwide Fed clearing network, individual correspondent bankers will be able to prosper by beating the Fed in speed and efficiency of service."

Some concern was evident about the expanded activities of correspondent banks. Sixty-five percent felt that "if our correspondents were to establish their own branches or HC affiliates in our territory, we would lose interest in them, even though they still provided superior services."

Surveyed bankers did not feel that money-center banks had deserted the field, Mr. Harris said. Sixty-one percent stated that "the big banks seem to be showing a renewed interest in correspondent banking and the balances it can generate." Seventy-two percent denied and 23% agreed with the charge that "most correspondent bankers I deal with seem to be unprepared to

cope with the far-reaching changes occurring in the industry."

By 60% to 35% the bankers rejected the suggestion that "for users of correspondent services it now pays to shop around and move money among many banks to get the best service at the lowest price."

The bankers did not feel that traditional methods of entertainment and personal social contact will pay off much longer, Mr. Harris reported. By 64% to 33% they disputed the view that any correspondents still rely on entertainment as their key weapon to generate business.

Eighty-two percent agreed that "the real future of correspondent banking is not in clearing and transit items, but rather in loan participations, overlines and other services."

Mr. Harris said bankers looked for the following from their correspondents: taking loan overlines in tight money periods, completeness of range of services, astuteness of bond portfolio advice, rapid check collection, high quality financial counseling, referrals of new accounts, effective international capabilities and fairness in account analysis.

K. A. Randall, president, United Virginia Bancshares, Richmond, urged bankers to provide correspondent ser-



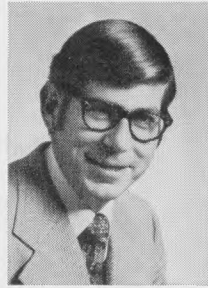
Don Thomason
Senior Vice President



Jack Beets
Kansas



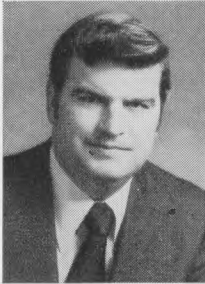
E.L. Burch
Missouri



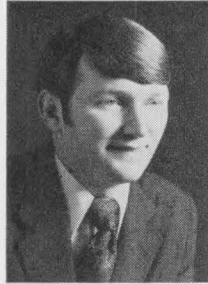
Bill Hayse
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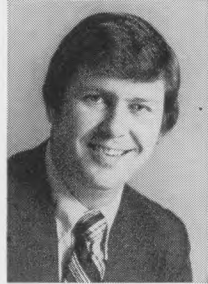
John Kreighbaum
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Verne Schweder
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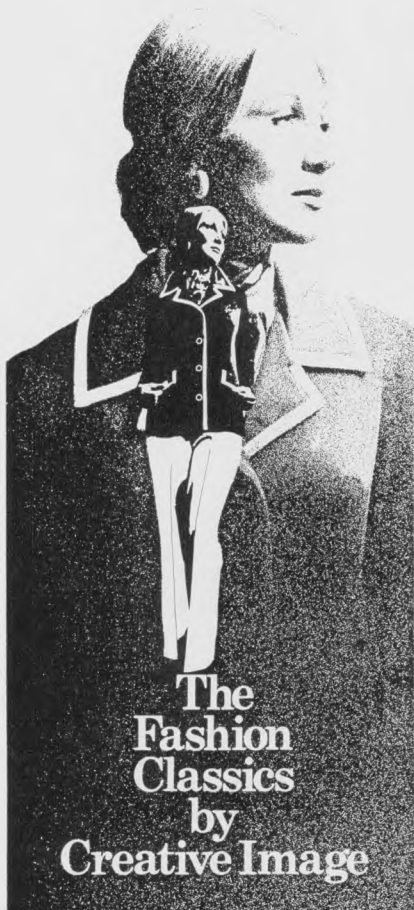
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vinces to thrift institutions. He called this aspect of service the greatest prospect for growth now available to correspondent banks.

If the thrifts are not treated as first-class citizens, he contended, they will seek legislative redress. Moreover, "thrifts represent a very substantial potential for expanding the market for your services."

At the end of 1972, Mr. Randall said, there were 4,950 savings associations with total assets of less than \$100 million, which comprise the most likely candidates for new correspondent service.

"When you consider that at the end of 1972 there were more than 13,000 commercial banks with total deposits under \$100 million, then you are looking at a 37% increase in the overall market for banking services," he said.

John E. Sheehan, Fed governor, sharply questioned the increasing use of debt capital by commercial banks as a vehicle for growth. He said that the avoidance of risk for the national banking system as a whole, which might stem from enthusiastic use of this device, required at least as much attention from regulatory authorities as the opportunities it offers for rapid expansion for individual banks.

Danger of Instability

Mr. Sheehan warned that the enlarged capital structure of commercial banks has not yet been tested, although it has become widely adopted during a time of expansion, and that if any of a number of broad and currently favorable general conditions should change, the stability of the banking system would be endangered.

Comptroller of the Currency James E. Smith expressed a more sympathetic view of banking institutions' need to enlarge their capital base in order to compete more effectively. He suggested that where the Comptroller has primary regulatory authority, the approval by that office of the use of debt capital be formally designated as a rebuttable presumption in subsequent discussions with the Fed.

The rapid increase in multi-bank HCs has resulted in a new type of correspondent banker, Ronald Terry, chairman, First Tennessee National Corp., Memphis, told the conference.

He said the large size of these HCs imposes new demands on correspondent bankers. "He must still be a salesman, but often now he needs to orchestrate the direct relationship between his customer and the product specialist in his bank," he said. "He still requires a basic understanding of bank operations,

but needs greater imagination because of less reliance upon 'bread and butter' services.

"We should realize," he continued, "that as our bank and non-bank expansion continues, many of our friends today will become our direct competitors tomorrow." • •

Indiana Branch Law

(Continued from page 5)

from Central Bancshares of the South, Inc., for two de novo banks. The action was the first made under a regulation adopted last month by the state banking board that directs the superintendent to deny all de novo bank charter applications.

Superintendent Robert I. Gullede said that the board's position in formulating the regulation was to prohibit him from approving new bank charters for multi-bank HCs, even though the regulation does not specifically refer to multibank HCs. He said the board's intention was to keep multi-bank HCs from circumventing state branching laws, which permit county-option branching.

Superintendent Gullede said he had no choice but to accede to the board's wishes.

Central Bancshares' request involved establishing banks in Tuscaloosa and Jasper.

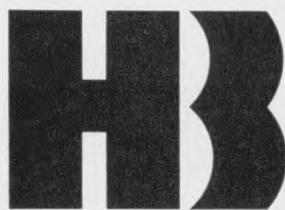
A statement from the HC expressed surprise at the ruling and stated the superintendent had allowed his office to be used to change the rules in the middle of the game in order to throw stumbling blocks in the HC's path. • •

Bank Pres Awards Golf Trophy

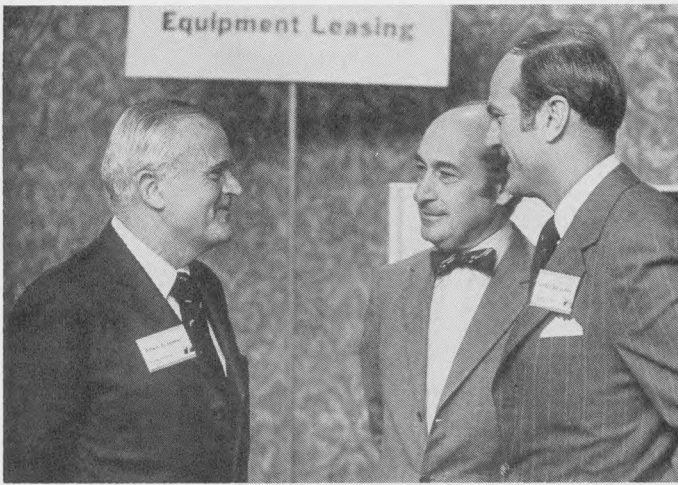


J. Wesley St. Clair (l.), president, Southgate State, Prairie Village, Kan., is shown presenting championship trophy to Kathy Whitworth of Richardson, Tex., winner of the bank's fifth annual Southgate Open women's professional golf tournament. Miss Whitworth also took home \$3,750 in prize money.

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LEFT—Chatting prior to luncheon session are (from l.) Edwin S. Jones, ch. & CEO, First Nat'l; Irving R. Levine, NBC news analyst and luncheon speaker; and Clarence C. Barksdale, pres. & chief operating officer, First Nat'l. RIGHT—"What's New in Banking" panel was moderated by Richard F. Ford (l.), host bank exec. v.p. Participants included Paul M. Ross, sr. v.p., corres. dept., host bank; and Anthony Ciarleglio, pres., Roy Wenzlick Research Corp. (r.), St. Louis.

First of St. Louis Hosts Annual Correspondent Conference

A POLL of bankers attending the 27th annual Conference of Bank Correspondents, sponsored last month by First National, St. Louis, revealed that the bankers feel a moderate upswing in the economy will take place next year.

Nearly two-thirds felt that unemployment in 1974 would remain at the 4.5% figure reached in October and nearly 90% predicted the cost of living would rise from four to six percent during 1974.

The annual poll provides one of the earliest indicators of the thinking of bankers for the coming year, although the group's predictions are not always accurate, a point that is always made

at the following conference.

Undaunted by their ability to predict with total accuracy, the bankers said there would be no further devaluation of the dollar in 1974, that Congress would not lift wage and price controls, that the prime rate would drop to between 7% and 8% and that the prime would still be floating next year.

In the area of bank earnings, nearly half predicted a moderate increase in 1974, with 25% predicting stability and 18% calling for a drop.

Nearly half the bankers see the Dow-Jones Industrial Average rising to the 1,000 to 1,100 range, while more than half predicted the federal budget would

decline in 1974.

At the interest rate panel the consensus was that interest rates would decline in 1974, that the fed funds rate would be between 7% and 8%, that the prime would be close to 8%, one-year Treasury bills between five and 5.5%, five-year agencies at 6.25% and seven-year governments at between 6% and 6.5%.

Murray Weidenbaum, Mallinckrodt Distinguished Professor of Economics at Washington University, St. Louis, predicted that the economy will skirt the edge of a recession in 1974, but that, barring unforeseen circumstances, it will avoid falling in.

Professor Weidenbaum said both inflation and unemployment would be higher next year.

He said the economy has moved into a "crossover" point and that it is showing many of the classic signs of the closing stage of an expansion—peak operating rates in industry, tight labor market and strong upward pressures on raw material prices.

Yet he predicted that the country would avoid a recession because busi-



Among four workshops held during conference, was one on interest rates (top photo), featuring (from l.) Charles L. Daily, ch., Edgemont Bank, East St. Louis; Eugene A. Leonard, sr. v.p., St. Louis Fed; Murray L. Weidenbaum, Washington University, St. Louis; and Frank K. Spinner, sr. v.p. and moderator, host bank. Participants in personnel challenges workshop (bottom photo) were (from l.) Paul M. Ross, sr. v.p., host bank, and moderator; Clifford W. Stone, pres., Walnut Valley State, El Dorado, Kan.; and Walter R. Klostermeier, sr. v.p., host bank.



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ness spending continues strong and inventories remain low, indicating some restocking will take place in 1974.

He predicted that the real GNP would rise at a rate of "no more than 1% or 2%" and that inflation is "unlikely to get down much lower than 5%."

One of the newer unknowns that could shape the economic picture next year is how accurately the Nixon Administration gauges the impact of the energy crisis, he said. If fuel curtailment forces major industries to shut down, the hoped-for slowdown could quickly turn into a full-blown recession.

Frank Spinner, host bank senior vice president and moderator of the interest rate workshop, encouraged bankers to spend more time with their investment portfolios in 1974. He advised developing a written investment policy because such a policy keeps bankers on the right track, helps them make earnings forecasts and keeps them from taking extreme positions. • •

PR Guide Distributed

A "how to" guide of banking public relations has been distributed to ABA members. The 30-page booklet outlines public relations opportunities on behalf of the financial community and takes the reader on a step-by-step examination of the tools of communications.

The three primary objectives of the guide are to enhance the quality of communications on behalf of banks, to increase the quantity of communications between a bank and its community and to add new dimensions by which a bank can serve its community.

Copies of the guide are available at \$1 each through the ABA's Order Processing Department, 1120 Connecticut Avenue, N.W., Washington, D. C., 20036.

Little Change in Store for '74 Economy, Nadler Says at Commerce Bank Meetings

INFLATION will continue at a near 6% rate in 1974, the stock market will continue to be a poor performer and only a slight decline in the prime rate can be expected next year, according to Dr. Paul S. Nadler, professor of business administration at Rutgers University.

Dr. Nadler was guest speaker at a series of economic conferences for businessmen held throughout Missouri last month by the affiliates of Commerce Bancshares, Kansas City-headquartered multi-bank HC.

In assessing the economy, Dr. Nadler cited its strong points, such as inventories that are not excessive and increasing government spending. Yet these are more than offset by the soft housing market and the continuing high rate of consumer spending. Housing starts are expected to hit a high of only 1.6 million units in 1974, compared to 2.2 million units for 1973. Seventeen percent of consumer earnings are being used to pay off installment loans, which means the consumer is over his head in debt and won't be able to bolster the housing market with his savings because he can't sock anything away if he continues to spend so lavishly.

These factors, Dr. Nadler said, will result in a growth rate in the 1974 economy of from 1½-2%.

The reasons we are facing a 6% inflation rate in 1974 can be attributed to continuing budget deficits on the federal level, Dr. Nadler said. He called for efforts to balance the budget, but feels President Nixon's pledge of no tax increase will stymie any attempt to do so.

He cited disasters, including Missouri's flooding, as a factor pushing the



Chatting at Commerce Bank-sponsored economic conference in St. Louis are (from l.) James M. Kemper, ch., Commerce Bancshares HC; Dr. Paul S. Nadler, economist; and C. M. Ruprecht, ch., Commerce Bank, St. Louis.

inflation rate up. One of the major disasters of 1972-73, he said, was the Russian grain deal, which resulted in the price of grain rising to unprecedented highs.

A third inflationary factor was the recent overwithholding of income taxes by the federal government—some \$14 billion worth. When this money was returned to taxpayers, they spent it, trying to buy things before inflation forced prices higher.

Certainly a major cause of inflation has been the devaluation of the dollar, Dr. Nadler said. Devaluation resulted in a bargain for foreigners—"they can buy America for 40% off on the dollar." Yet everything we must purchase from abroad costs more.

Dr. Nadler cited economic controls as nothing more than a cosmetic to try to check inflation. What's needed, he said, is a decrease in demand, something only a tax increase can accomplish.

Inflation has had a negative effect on the stock market, Dr. Nadler said, because of the highest interest rates since the Civil War, the energy shortage and the problems of our cities. He said that business will have to pay to rectify the problems of the cities, which will mean poorer corporate earnings, which, in turn, will be reflected in a depressed stock market. He predicted that stocks might be a good long-term investment, but for the short-term, savings accounts are the best bet.

Our gold policy has resulted in other nations accumulating enough gold and dollars to buy America—and that's what they are doing, he said. He cautioned against being in such a hurry to sell

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accounts receivable financing. This division is the reason our correspondent banks do so well. Our specialists handle the complicated part of the business, and our correspondent banks participate in the profits.

To get an indication of the profits you can reasonably expect from our accounts receivable financing program, call Ed Delaney or Lew Hanson of our Correspondent Banking Division. When it comes to making money on accounts receivable financing... we're on your side.



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products to Russia because the Russians need us much more than we need them, due to our economic clout.

Dr. Nadler predicted a lowering of the prime rate to about 7½% by early 1974, but the general interest rate picture will be one of continued moderately high rates.

He said there is no such thing as a good hedge against inflation. Buying silver and other precious metals, hold-

ing unproductive land and buying stocks are all unadvisable at this time. The most profitable place to put money today he said, is in savings accounts, treasury bonds or tax-exempts.

Dr. Nadler concluded by stating that our economy faces real problems, but that the United States is a nation that thrives on adversity. Despite our problems, he said, business goes on as usual. This is the result of a greater

sense of cohesiveness that is brought about by national crises.

During the question period, Dr. Nadler predicted a 1% real growth rate for the GNP, a depressed retail sales picture if gas rationing is adopted and no decrease in consumer prices, due to the fact that labor will be demanding wage increases in 1974 to bring worker's earnings into line with the current level of prices. • •

FDIC Issues Interpretative Statement On Advertising Regulations for Members

THE FDIC has released an interpretative statement of its advertising regulations, coupled with a notice that banks not adhering to FDIC guidelines will face formal enforcement action.

The statement was sent to all FDIC-member banks in order to encourage more general compliance with the evident spirit and purpose of the regulation and to inform member banks of the FDIC legal division's intent, in appropriate cases, to recommend formal enforcement action.

FDIC policy regarding advertising of interest or dividends on deposits is outlined in Section 329.8 of the FDIC rules and regulations. The section sets forth specific requirements against inaccurate or misleading advertisements or those that misrepresent the deposit contracts being offered.

The general proscription against inaccurate or misleading advertisements should be taken as prohibiting any statement or claim that incorrectly represents any terms and conditions of the deposit contracts offered or which has a tendency or capacity to deceive or to leave an erroneous impression, the statement says. Banks must avoid exag-

gerated, overly generalized or unsubstantiated claims or assertions or ambiguous statements reasonably susceptible to a construction that is or may be false or erroneous, it continues.

Every effort should be made to explain correctly, in simple and direct language, the terms and conditions of the deposit accounts being solicited, including the duration of a depositor's commitment of his funds and the existence of penalties for or restrictions on withdrawals prior to maturity, so that the depositor can judge the merits of the various accounts offered and make an intelligent choice.

Any and all time requirements to which an advertised rate is subject must be clearly stated, according to the statement. The depositor must be told that he must commit his funds for a minimum period in order to obtain the guaranteed interest rate. Not only the maximum time the money must be on deposit, but the minimum time, must be spelled out.

It must be made clear that a depositor cannot unilaterally remove his funds, without penalty, at any time during a specified time period. The false notion that the rate offered is dependent on the length of time a depositor chooses to permit his funds to remain on deposit rather than on the fixed term for which he commits his funds should be avoided, the statement says.

Time or amount requirements cannot be "buried" in the text of advertisements. They must be prominently featured and placed in close proximity to the advertised rates to which they refer.

It must be made clear that increasingly higher interest rates are not available on the same funds, but on different funds deposited.

It should be made clear that funds that earn interest from the first of the

month (if deposited by the 10th) do not earn extra days' interest every month, but only for the month of deposit, according to the statement.

Banks must not compare interest rates available on dissimilar types of savings accounts unfairly without disclosing that different types of accounts are involved, the statement advises. An example of this is the 5% rate that is available on regular savings accounts at commercial banks being compared to the 6% rate available on 30-month CDs at savings banks while both are referred to as "savings" accounts.

When advertising interest on deposits, the statement says banks must be governed by the following rules:

- Interest or dividend rates shall be stated in terms of annual rates of simple interest or dividends.
- When advertising percentage yield achieved by compounding interest during one year, the annual rate of simple interest shall be stated with equal prominence, together with a reference to the basis of compounding.
- Total percentage yields, compounded or simple, shall not be based on a period in excess of a year, or an average annual percentage yield achieved by compounding during a period in excess of a year.
- Where the time requirement for an advertising rate is in excess of a year, the required number of years for the rate shall be stated with equal prominence, together with an indication of any lower rate or rates that will apply if the deposit is withdrawn at an earlier maturity.
- Interest or dividends paid on deposits shall not be termed "profits."
- Inaccurate or misleading information on interest or dividends paid on deposits cannot be made in advertisements.
- Customers must be forewarned of a "substantial penalty" if they withdraw all or part of a deposit before maturity.
- Individuals soliciting funds for a bank are also covered by the above regulations in advertising, announcements or solicitations. • •

New Expando-Banc Design



Bank Building Corp., St. Louis, recently introduced this colonial design to its Expando-Banc line. Units are pre-engineered to allow expansion from a drive-up/walk-in facility to a full-service branch without interruption of business.



Your customer's hot peanut combines are ready to eat up a few peanut fields.

He's shipping today. And things will cool off. His orders have slowed down. So has his plant.

You both decide it's time to restock and do some expanding. Buy parts and materials. New lathes. Maybe an automatic burning machine.

But that takes cash. And his customers are munching on most of his. He still needs more money than your bank can lend him.

You tell him it's still time to call Talcott in Chicago or Dallas.

You participated, the first time around, with our local Business Finance office. And we're ready to be partners again. Result: He gets the cash. You get the credit. And keep a customer.

Talcott's been doing business like this for 120 years. We've got plenty of experience working with bankers.

Any banker knows it takes money to make money. Talcott can supply the money, if your customer wants to make it.

For more information contact James Talcott, Inc., Business Finance Division, 230 West Monroe Street, Chicago, Ill. 60606. (312) 782-9044. Or 222 Republic National Bank Tower, Dallas, Texas 75201. (214) 742-2546.

Tell him to call Talcott.

A single order for 35 peanut combines is a little more than he can chew right now.

It's the third big order he's promised to ship before harvest time. And his inventory is disappearing like peanuts at the Zoo. So he's come to the bank for help.

You both agree he needs bearings and chain. And money to pay for them. And a lot of cast iron — angles, flat bars and sheet metal. And more money.

But guess what? His receivables are good and salty. But his bank balance is in a crunch. And there's no way your bank can loan him the money he needs.

You tell him it's time to call Talcott in Chicago or Dallas.

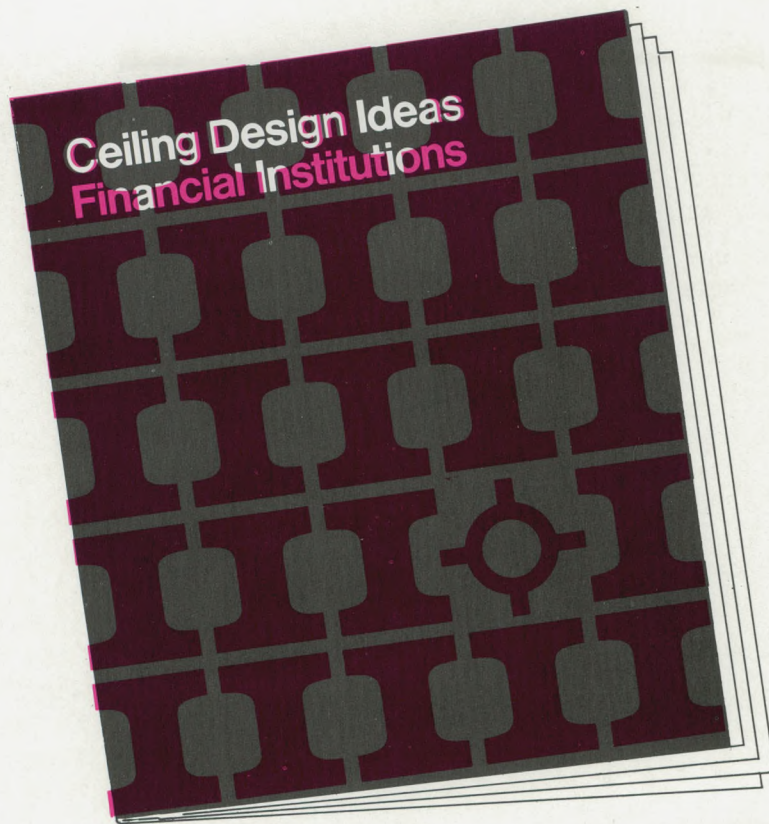
Talcott's local Business Finance office can probably arrange a loan in which your bank can participate. We can act as your secured lending department. And manage the loan. All while you retain an account.

Talcott can help you keep a customer happy. So when a hot order for combines rolls in, he can make some money on it.

Instead of getting roasted.



Still tell him to call Talcott.



If you are planning a new Financial Interior...

send for our new 12 page brochure
shown above. It features 23 full color
photos of our more recent installations.
And besides, it's free.

Write to: Integrated Ceilings Inc.
Box MCB-1 2231 Colby Ave., Los Angeles
Calif. 90064.

Protected Workstations Shield Tellers From Physical Assault by Robbers

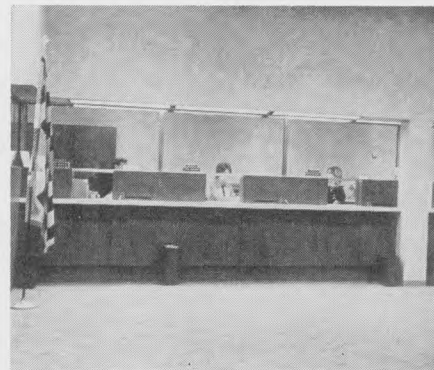
THE YEARS after World War II saw banks, when they remodeled or erected new buildings, eliminate entirely all barriers between their tellers and their customers. The "open, friendly" look swept the country. Then, in recent years, bank robberies increased and—even more frighteningly—such robberies often are accompanied by shooting, stabbing or pistol whipping. The perpetrators are unpredictable, often under the influence of drugs, panic easily and even sometimes vault tellers desks to collect the cash.

As a result, many banks are designing their lobbies so that their tellers are protected from assaults. However, they are not installing the old-fashioned, cumbersome "cages." The new barriers are almost invisible and allow freedom of conversation and movement between customers and tellers.

One of these products is manufactured by the Mosler Safe Co. under the name Protected Workstation. As described by Mosler, this barrier is "a marriage of access-engineered Mosler modular counter systems with bullet-resistant materials" that "puts a wall of protection between teller and would-be robber." According to the manufacturer, the glass is easily maintained, produces no distortion or undesired tint, and voice communication is natural



Here's teller's view of Mosler's Protected Workstation. Voice and sight communication are unimpaired, but shield prevents robbers from jumping over desk or physically assaulting teller.



This customer's view of Mosler's Protected Workstation shows how contact with teller is not decreased because of installation of shield.

and clear (no need for electronic verification or transmission).

The Protected Workstation, continued Mosler, provides all the warmth and friendliness of an open lobby, yet provides protection in three ways:

- *Physical Harm.* The protective barrier shields tellers from gunfire, keeps the robber on the outside where he cannot pistol whip or otherwise do physical harm. When installed with recommended soffit (from the floor to

the ceiling barrier), the possibility of harm from bomb throwing also is eliminated.

- *Controlled Loss.* Since the robber cannot vault the counter or otherwise gain access to the teller's area to rifle the cash drawers, he must depend on the teller to pass valuables through the deal tray or package tray. He'll never know whether he was given all that's in the drawer.

- *Deterrent.* The most important feature of the system is that a bank probably will never have to test it—the holdup man will look for a more vulnerable location. • •

Clearinghouses

(Continued from page 16)

that, of course, is a direct expenditure of taxpayer funds, and when taxpayer funds are expended to further the gains of one group of financial institutions over another, then that is quite clearly a misapplication of taxpayer funds. A General Accounting Office audit of the Federal Reserve System would certainly indicate that the system could not expend funds in this manner. . . . Few of us in Congress have a clear impression of the many changes taking place in the area of electronic funds transfer. . . ."

From the preceding remarks, one may judge that bank clearinghouses will be closely scrutinized by the House Banking Committee—and possibly by the Justice Department.

In California, bankers have attempted to retain the exclusiveness of clearinghouse control by commercial

banks although they are willing to accept items from non-commercial banks for clearing.

On the other hand, the savings and loans in that area are moving forcefully to obtain access and membership in a clearing system.

There is no doubt that bankers as a class would prefer—and are also willing to fight for—the exclusive use of this vital link with money. By the same token, it is equally predictable that non-commercial banks will fight for a voice in how the clearinghouse fund remission transfer systems develop. Naturally, the anti-trust federal agencies will also seek control. Thus we have a three-way power struggle in which the forces of consumerism probably will be slanted toward permitting the entrance of other than commercial banks into the clearinghouse system.

This definitely is an area in which more study and statesmanship are called for, not only on the part of banks, but of the other institutions involved.

As one views the recommendations of the Hunt Commission, it would appear that equality of opportunity and equality of regulation will be encouraged and enforced. It would appear that, to some increasing extent, non-commercial banks will be having some voice in the operation of fund-remission systems. Adoption of such systems will be one of the most important technological steps in the decade ahead and it is imperative that sufficient intellectual manpower be devoted to this subject by commercial banks with a view to the public interest and also of the viability of our banking structure.

While tomorrow's clearinghouses will technologically be much different from today's, their functions will remain similar. But there will be major efforts by financial intermediaries to wrest exclusive control of the clearinghouses away from commercial banks. This will be a major battleground in the days ahead.

Has your bank considered how such an occurrence could affect it? • •

Good Strategy Planning

—As Important in Marketing As Execution and Control

MARKETING STRATEGY is the correlation of planning efforts to profitable results. It encompasses the most logical step a bank should undertake to optimize its objectives—short and/or long run. In fact, good strategy planning is as important to the overall planning function as execution and control. Before the planning efforts have evolved to strategy determination, a complete picture of the planning parameters must be inbound.

Strategy determination may be viewed from a before-and-after approach. The before approach is the initial step in developing strategy. The after approach is an evaluative process of original strategy.

The before approach of strategy formulation is inclusive of: the competitive situation analysis, problems and opportunities and objectives and goals. Conclusions will be drawn from the analysis of these three parameters, which will be the input of strategies. Strategies developed must be responsive to the market segment to which the bank services are directed. (See Exhibit I on page 86.)

The after approach to structuring the strategy formulation of a bank in its competitive environment is expressed by analyzing three basic components: (1) market objectives, (2)

By DR. ALFRED L. MORRIS
Assistant Vice President
And Director
Marketing Planning
Fidelity Bank
Philadelphia



MORRIS

competitive approach and (3) action programs or tactics. (See Exhibit II on page 86.)

1. *Market objectives* are concerned with the primary and secondary markets the bank has targeted for, and what its performance should be.

2. *Competitive approach* is concerned with establishing a market position and determination of proper strategies that will accomplish market objectives and with deriving pertinent goals in various segments of the target markets.

3. *Program of action or tactics* involves a search for an efficient means of implementing the competitive approach.

In summary, the process works as follows: Current strategy is reappraised from time to time in light of internal operating results, market objectives, competitors' actions and money market developments. When opportunities or threats have been disclosed, management proceeds to ask questions designed to indicate when and in what respect strategy should be changed. If a new market objective is called for, the planners proceed to formulate a revised approach. In turn, this calls for revision of the competitive approach and the program of action. If the market objective is considered sound, the

competitive approach is questioned. If the competitive approach seems appropriate, the process continues until the appropriate area for revision is identified and a new strategy is formulated.

Of course, it might be concluded that the overall current strategy is sound. Then no revision would take place and another reappraisal would be made at a later date.

An implicit factor in strategy development is the general posture and attitude of the bank in the market relative to competitors and to the business and social environment; i.e., its image. This implicit factor must be taken into account if a unified marketing strategy is to be developed.

The determinants of marketing strategy are couched in the explicit and implicit factors and, therefore, are quite significant in the development of advertising, research and new service development strategy and tactics necessary for realizing objectives.

Advertising Strategy. The cornerstone of any marketing plan is the forecast, devised and broken into appropriate parts to be used by advertising, sales promotions and all other members of the marketing team. The advertising strategy is based on advertising subplans in terms of total objectives and goals and the market segment to be reached. The strategy developed may be *offensive* or *defensive*.

By *offensive* strategy, a competitor's market is attacked; by *defensive* strategy, the bank guards against attack from competitors.

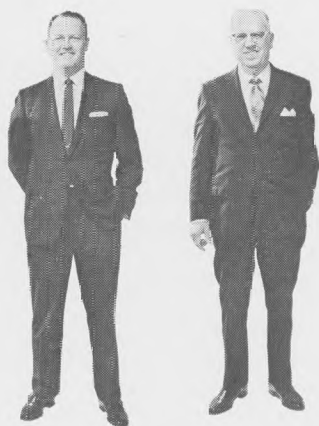
Nevertheless, the basis of any mar-



Charley Foret's A-Comin, Yall

Ordinarily Charley Foret doesn't use a tractor to make his rounds as a traveling banker with National American Bank. But if there's no other transportation available, you better know it—he'll use any means available to get to you—and he'll have the horsepower to help!

**If you need Charley on
short notice, call 504-525-7761**



Carroll Griffith Milton Zeller



**The Bank
that travels
to help you!**

MEMBER FDIC

EXHIBIT I

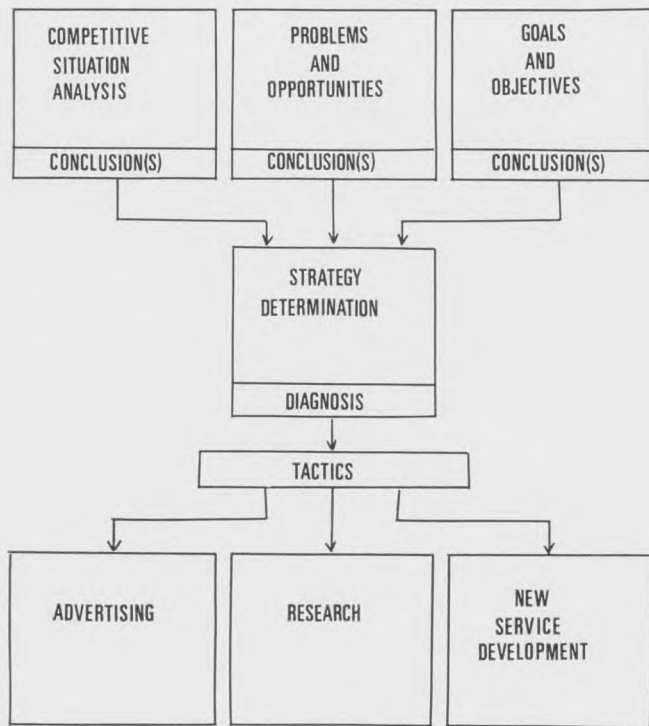
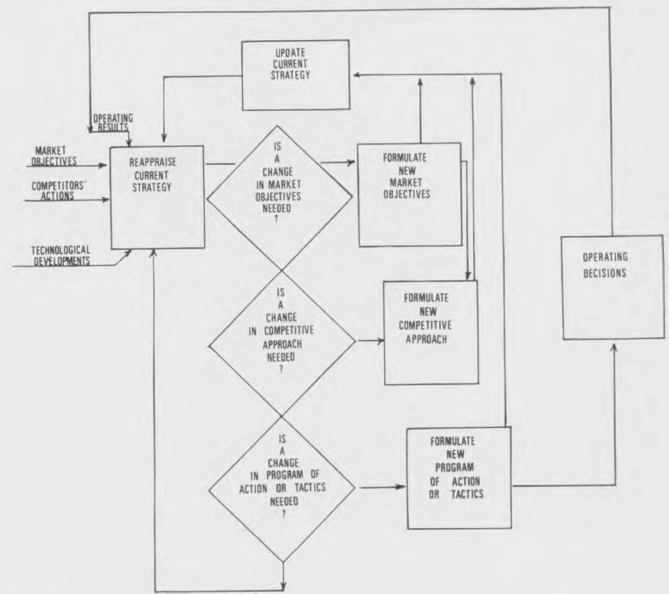


EXHIBIT II



keting strategy is an uninterrupted flow of communication and marketing intelligence. Without these eyes and ears, no strategy can be effective. Whether an offensive or defensive strategy is used, an overall strategy that's part of the marketing plan must be implemented by supportive or alternative strategies, offensive and/or defensive. No one strategy can always provide the answer to a major problem in the market. Furthermore, it is only common sense to construct alternatives with which to respond to widely differing marketing confrontations with competition.

In devising offensive strategy, it's necessary to research the market to detect any weaknesses of the competition which may be exploited to achieve maximum penetration and profit with the least cost. Such an investigation may uncover relatively poor competitive penetration of one or more market segments. This may indicate the need for a flanking strategy, i.e., bring the marketing plan and its strategies to bear on the weakest market segment of the competition. Strategy is the primary use of strength.

Since surprise is a priceless marketing strategy, the value of preparing for the unexpected is obvious. Economy of force, speed of action and secrecy are the essential weapons of surprise in offensive strategy.

Good defensive strategy may give the bank sufficient time to prevent competitive penetration of the market. The defensive position must be main-

tained successfully until a counter-offensive is designed.

Because of limited resources, many small banks may find defensive strategy the best of all possible worlds. Because of size, they often find defensive strategy as the least costly method of meeting competition. For the smaller banks, following the leader is more than a game. If the large banks bring out a successful new service or innovate an existing service, they can copy or simulate the same service to obtain a share of the market.

However, small banks may effectively reverse this process. Through promotional activities, they may indicate the coming of a new service. For example, "Free Checking" has been an effort pursued initially by small banks.

The strength of offensive and defensive strategies lies partly in the responsiveness of research and development to the challenges of the marketplace. Informed by the marketing research operation of urgent needs, R&D must be willing to bend its talents immediately to finding a response. It may be impossible to overcome the strength of a competitor if a vigil is not maintained on market demand and needs. Thus, it is important to develop research and new service development strategy.

Research Strategy. Basically, research activity is an expensive undertaking; however, it is a necessary part of the marketing planning effort. It not only will provide the relevant informa-

tion needed to determine market strategy, it also will provide the best analysis of the effectiveness of a bank's advertising and promotional strategy and new product development strategy.

Therefore, because the efficient and effective design of a bank's marketing strategy is possible only when customers and markets have been thoroughly and clearly identified, development of a research strategy is of immeasurable value.

New Product Development Strategy. No matter how firmly developed a marketing plan may be, it is absolutely necessary for management and the marketing department to review constantly the plan's elements as the present moves toward the future. Thus, the potential for change is an essential element of the marketing plan. Therefore, the marketing plan must provide for the possible elimination of some present services and the addition and/or renovation of others.

Developing a new product strategy will focus the planning effort on continuous creativity and ingenuity. Initiating a new service or a service renovation requires most exquisite timing for maximum effectiveness. Both capital and human resources should be maintained at maximum productivity. Furthermore, new service strategy will force the bank to seek out the optimal markets for all services.

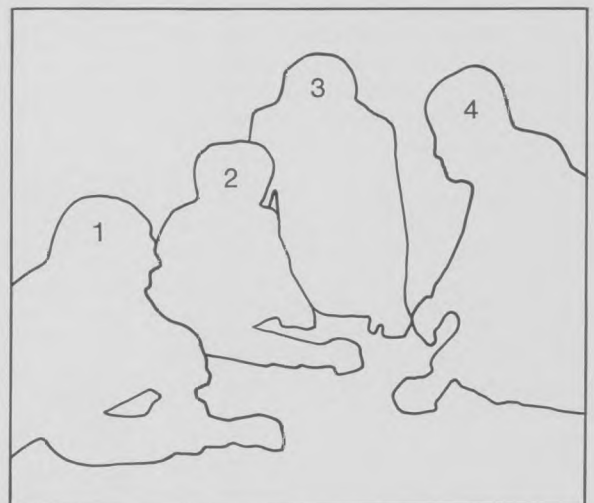
For the bank to stay ahead in its changing market, management must be prepared not only to plan and execute



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 PACESSETTER® BANK

MEMBER F.D.I.C.

MID-CONTINENT BANKER for December, 1973

appropriate strategies, but also to attempt to foresee the kinds of marketing problems that may be forthcoming—new service strategy.

Tactics. Whereas strategy, simply defined, is the basic plan of action chosen to reach an objective, tactics are the means by which this plan is to be implemented. In an outline of the marketing plan, often planners will title the tactics as action programs. Whether they're labeled action programs or tactics, either should spell out the how, when, where and who of the planning operation. Each tactic must be thoroughly bathed in each of these variables if it is to be successful. Furthermore, to be effective, a strategy must be accompanied by use of proper tactics, or it will fail. Hence, it's important that the proper tactic be developed in keeping with the strategy.

Determination of Tactics. Determination of the proper tactic(s) is dependent on the sub-plan of the major strategy areas. In this article, these strategy areas have been identified as advertising, market research and new services development.

Inherent in each sub-plan are the characteristic operations and functions of the aforementioned area that constructed it. For example, in the sub-plan set up by the advertising unit, the sub-plans will reflect an acute analysis of the available resources. Generally, this is composed of the selection of media, copy, illustrations, expenditures for cooperative advertising and timing of insertions in both the broadcast and print media fields. Many of these decisions in advertising will be based on the marketing research of the impact of advertising of the previous operation. Decisions also will be made as to what kind of periodicals will be employed and where saturation campaigns will be necessary. All this will be needed in the advertising sub-plan.

The role of the individual responsible for the sales promotions sub-plan will involve special tactics of sales promotions as directed toward specific market segments or to the market in general.

The new service development responsibility must also include a sub-plan. Major components of this sub-plan will be to spell out: (1) what innovations and new services will be forthcoming; (2) timing of innovations and new services in light of the marketing intelligence; and (3) weaknesses in any of the proposed new services or changes which can be held off until they not only have been tested and appropriate changes have been made, but are operationally ready, i.e., have been cleared through systems, operations and sales training.

Although public relations was not discussed under strategy, *per se*, one of the most important aspects of any planning operation is the sub-plan set up by public relations. This is an important arm of the marketing staff because it's responsible for maintaining the image for service and corporate activities throughout the market area. Therefore, the PR people will be required in their sub-plans to time insertions in the trade press, in periodicals, in newspapers and in any other kind of news media which we know from experience may have a higher impact on customers than the actual formal advertising.

The final sub-plan is market research. Part of this sub-plan is devoted in reality to supplying current information to all the other marketing units so they're in positions to make intelligent decisions in their sub-plans. In addition, marketing research must have, as part of its plan, a program by which it will evaluate the effectiveness of sales strategies, advertising strategies, public relation strategies and acceptance of innovations, product changes and new products. Moreover, part of this sub-plan will be devoted to setting up controls for the entire marketing plan once it goes to work. These controls will be designed so as to indicate the effectiveness or the weaknesses of any part of the plan where modifications will be necessary as the year passes.

Although tactical plans must be specific, they also must be flexible. Banks operate in a constantly changing environment; therefore, laws, economic conditions, changes in consumer demands and competitive forces will alter their strategies. Thus, if a bank is to achieve its objectives, it must constantly monitor these factors and adjust strategy and tactics accordingly.

The Flow Chart. One of the most

difficult aspects of tactics is implementation. A bank may have carefully planned the how, when, where and who, but removing the inertia may necessitate a new set of strategies and tactics. There are, nevertheless, these methods of implementation: the product manager and the flow chart.

Product managers are ideal, but, unfortunately, banks, because of size, management's lack of contemporary conceptualization of the marketing function, etc., have not used them on a large scale. The flow chart, therefore, has been the most expedient, though not the most efficient.

The flow chart is merely plotting the tactical directives on a calendar-like chart, giving the who, when, where and how information.

It's a useful tool, but since the marketing planner or someone else on the staff must follow up on it, it invariably is not given the constant attention needed. Too often, timing is not properly exemplified.

Which of these two tools to be used is dependent on the size of a bank and the structure of its marketing department. But regardless of the situation, one of these tools must be used if the bank's tactical efforts are to be successful.

Alternative Tactics. Like strategy, the basis of any marketing tactic is an uninterrupted flow of communication and marketing intelligence. No one tactic can provide the answer to a major problem in the market or provide for changes and shifts in consumers and/or competitive markets. Therefore, it's common sense to construct alternatives with which a bank may respond to these changes and shifts in the respective markets.

Conclusion. Good strategy requires economy of time and money; when weak market segments are uncovered, overly enthusiastic executives should not be permitted to implement the strategy at a loss in profit contribution. In other words, the minimum amount of resources, personnel and time should be employed to achieve the objective. Surprise is a priceless marketing strategy. Whenever a competitor seems to be complacent and indifferent, alert marketers will capitalize on the opportunity. When weaker penetration in opposing market segments is uncovered, the market should be completely enveloped by bringing out an innovation that will have excellent market acceptance. Tactics evolve from development of marketing strategy and are vital elements in the control of the marketing plan. They define specific marketing actions, scheduling requirements and individual responsibilities which must be followed to achieve the objective.

4th of Tulsa a Winner

Ben D. Floyd (r.), ch., Fourth Nat'l, Tulsa, receives from Fred A. Setser, sr. v.p.-marketing, the 1973 Southern Creativity Show Award of Excellence for the bank's 1972 annual report. Susan C. Izard designed the cover, and Stephenson Advertising Agency produced the report, which was the only winning entry from Tulsa in competition with entries from the South, Southeast and Southwest.



Your banking problems don't keep banking hours.



It would be great if your banking problems ended when your last customer walked out the door. But they don't. Banking problems last through the night. They can occur any time. Over the weekend. During holidays. That's why you need someone you can rely on for help — for as long as you need it. At First American, the men in our Correspondent Bank Division will work to solve your problems 7 days a week for as long as you need them. Whether you need assistance in servicing a large loan, portfolio analysis, data processing, industrial development, international banking, leasing, or help in designing your new bank building.

We don't keep banking hours — so you can.

First American. We have what you need when you need it.

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Grand-Opening Ideas

Banks Grab the Spotlight With Innovative Publicity Programs

Free Loaves of Bread Given at Bank Opening

"Come break bread with us!" was the intriguing statement in the advertisements of Lincoln National, Chicago, when it held its recent grand opening at its modernized quarters. During the two-day observance, some 5,900 free loaves of bread were parcelled out to the visiting public. All that was necessary to obtain a free loaf was to come into the remodeled bank and say hello.

Lincoln National's innovative public relations program worked diligently to keep the spotlight on the bank's remodeling program as it was in progress.

For instance, temporary construction boards around the building were put to colorful use when the bank held an art contest for high school students. Local students were invited to decorate the boards and winners were chosen by popular vote. City-wide attention was given to the contest—and that's a



Lewis Richtiger (r.), exec. v.p., Lincoln Bank, Chicago, hands out free loaves of bread at bank's open house celebrating completion of remodeling program. Loaf wrappers boasted that bank was place where "your money never loafs!"

lot of attention, when your city is as large as Chicago!

During the remodeling program, the bank sponsored a home improvement festival that encouraged area residents to spruce up their own premises. To encourage participation, the bank held

a drawing for free home appliances.

The new look at Lincoln National includes the customer-service areas, executive offices, data processing and personnel offices, auditing and comptroller offices, boardroom, executive and staff dining rooms and public lounge areas. The bank has been in the same building since its opening in 1944.

Free Helicopter Rides Highlight Grand Opening

Free helicopter rides for new customers marked the recent opening of Plaza del Oro Commerce Bank, Houston, a member of Texas Commerce Bancshares, Inc.

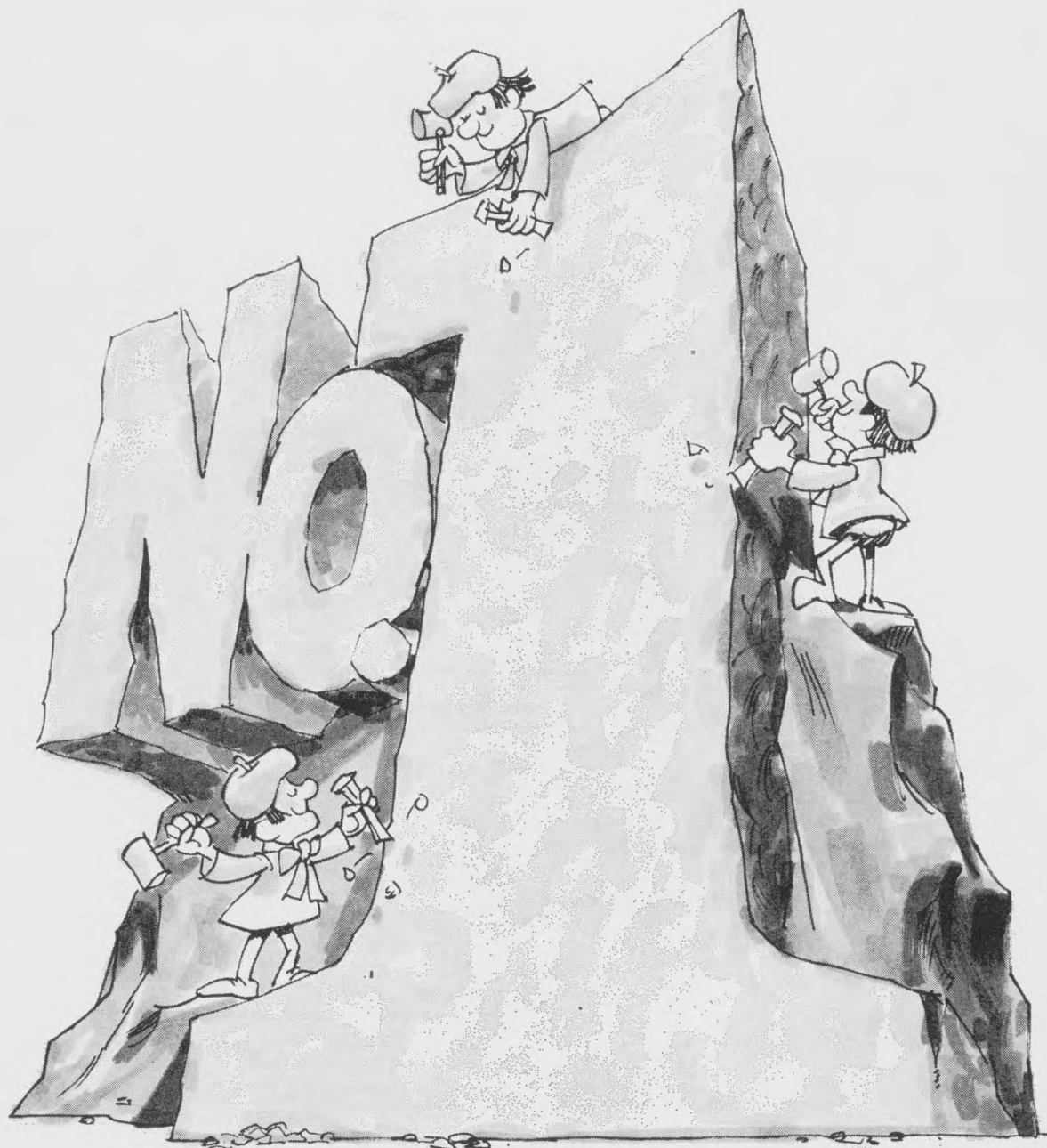
During the first two weeks the new bank was open, new checking or savings customers who deposited at least \$250 were given their choice of a free helicopter ride or 200 free personalized checks. Visitors also registered for a \$500 drawing and received free coffee

American National, Chicago, Opens Facility With Fife and Drum Corps



Spirit of '76 fife and drum corps and colonial-attired hostesses take part in ribbon cutting ceremony at opening of convenience corner facility of American National, Chicago. Cutting ribbon is William G. Ericsson, bank president. Looking on is James R. Kennedy, second vice president and manager of facility, located at northwest edge

of Chicago's Loop. The Williamsburg decor of the facility has been described as "the finest expression of Williamsburg architecture outside that city itself." The bank's invitations to the opening promised "A Big Warm Welcome Awaits THEE!"



Please note that the sculptors are still carving away at that big No. 1. We're hoping it will be completed this year.

Meanwhile, FIS is definitely No. 1 in the completeness of the insurance coverage it offers to bankers, and it leads in both the amount and variety of such coverages as single-interest, kidnap/ransom, and key man plans.

In just four years, FIS has become a truly national organization, mainly through the imaginative

application of basic insurance ideas . . . and we credit this growth to the kinds of bankers who have, themselves, had the imagination to recognize the value of new approaches to some of the new problems in bank insurance.

Perhaps we could help you solve your No. 1 insurance problem. That would really make us first . . . where it counts!



FINANCIAL INSURANCE SERVICE, INC.

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



Merrill V. Gregory (r.) president, Plaza del Oro Commerce Bank, Houston, wishes a good trip to the Reverend John Lancaster, who delivered invocation during bank's grand opening ceremonies. New customers were eligible for free helicopter rides during opening event. Bank is located in building in background.

and cookies.

A national bank capitalized at \$1 million, Plaza del Oro Commerce occupies the first floor of the Del Oro Building in the Plaza del Oro complex near Houston's Astrodome.

Small-Town Illinois Bank Celebrates Remodeling Job With Two-Week Opening

Fast growing New Lenox (Ill.) State recently observed its fourth remodeling and expansion since its founding in 1927 with a two-week grand opening celebration.

The bank has doubled its growth in the past three years. Its assets presently top \$21 million, approximately \$11 million more than in June, 1970.

The remodeling job was geared to allow for further expansion. It added more than 9,000 square feet of floor space, making room for additional drive-up windows, more teller stations, a larger loan department, a new lower level with an expanded safety deposit vault, more private offices and an enlarged parking lot. A time and temperature sign was included in the \$650,000 project.

To celebrate the event, the bank sent keys for a treasure chest to all its 4,000 checking account customers. The chest was stocked with gifts purchased from the bank's business customers. Account holders whose keys worked in the treasure chest lock were eligible for one of the gifts. In addition, three grand prizes were awarded at the conclusion of the celebration—two weekend trips to nearby resorts and a portable TV.

(Continued on page 94)

'Money Sale' Opens New Branch



To celebrate the opening of a new shopping center branch in Wilmington, Bank of North Carolina sponsored a "money sale," at which customers could purchase savings account credits of \$100 for \$96.99, safety deposit box rentals worth \$5 for \$2.99, scenic checks for 39¢ and numerous other new-business oriented services. The 12-hour sale was termed "the most conspicuously successful opening of all our 65 branches during the past 20 years," by Vice President R. C. Buell.

Frozen Food Is Prize at ICB Grand Opening

"Beat the cost of living" was the theme as International City Bank, New Orleans, opened its ninth branch recently. "Beat the Cost of Living" cards were mailed to thousands of residents of the St. Claude area of New Orleans, where the new branch is located. By depositing the cards at the new branch the recipients obtained a chance in a drawing for \$2,000 worth of frozen foods.

In addition, area merchants exhibited posters and offered entry blanks for a drawing on a five-day all-expense-paid vacation for two to Jamaica. The merchant whose customer won the trip received a similar prize.

Instead of the traditional ribbon cutting ceremony, the bank arranged for a youngster to cut a string that released a cluster of balloons that carried the ribbon away from the branch entrance.

At opening of International City Bank's St. Claude Office in New Orleans, youngster cut a string that released a cluster of balloons that carried the traditional ribbon away from the entrance to the branch. Eads Poitevent, pres. and ch. of ICB, presents gift to youngster while Larry Taffaro (r.) a.v.p. and branch manager, looks on.



Two months after Lindy took off for Paris in 1927, we committed ourselves to correspondent banking.

Neither of us ever considered turning back.

If anything, our commitment to correspondent banking is firmer and stronger today than it was in 1927, the year we first opened our doors for business. Then, our Correspondent Banking Division consisted of one man. Now our division has a staff of 11, with an aggregate 196 years experience, serving more than

370 correspondent banking customers spread over a five-state area!

When your bank comes up against something it can't handle solo, pick up your phone and give us a call. Our Tennessee WATS line is 1-800-342-8360. In neighboring states, dial 1-800-251-8516.

We're here to serve you. And we'll be here when you need us.



THIRD
NATIONAL BANK
IN NASHVILLE



On May 20, 1927, Charles A. Lindbergh took off from Roosevelt Field, Long Island, reaching Le Bourget Air Field, Paris, 33 hours, 29 minutes, and 30 seconds later.

Grand Opening Ideas (Continued)

The bank offered electronic calculators during the celebration at a reduced price. In order to qualify for a calculator, an individual had to purchase a \$1,000 CD. More than 150 CDs were purchased, with more than 50% of the money involved being new money.

The children were not neglected. More than 1,000 coloring books and 2,000 helium-filled balloons were given away during the two-week event.

Coffee, rolls and cookies were offered during banking hours, and tours of the new addition were available. More than 350 persons attended a bank-sponsored party at which businessmen, employees, directors and stockholders were invited. Each person attending was given a paperweight featuring a photo of the bank's building.

A total of \$6,500 was spent on the grand opening celebration.



Attracting customers to newly remodeled New Lenox State is attractive time and temperature sign, installed by Grate Signs, Joliet, Ill.

Nostalgia Holds Sway At Grand Opening Events; Building Was Old Hotel

Nostalgia played a major role at the grand opening of Citizens Bank in Kilgore, Tex., last summer. The bank took over the old Kilgore Hotel building and completely renovated it for bank and tenant use.

During the two-week grand opening celebration, the bank distributed photos of the old hotel building before its conversion, along with a history of the structure. Both were printed on parchment paper, suitable for framing.

The history tells of the two bands that played during the opening week of the hotel in 1936. One played in the Blue Room, which served the city as



TOP—Larry Tate (l.), pres., and Alvin Wylie (3rd from l.), ch., Citizens Bank, Kilgore, watch Miss Kilgore snip ribbon at grand opening of bank. BOTTOM—Citizens Bank building features contemporary exterior, belying fact that building was built as hotel in 1936.



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.

Profit is a two-way street...

Between our correspondent banks and BNO.

Our relationship is one that must give benefits and profits to both of us. That's the basis on which we seek business from other banks. And it works.

Millard Wagon directs the mutually-advantageous operation. He would be happy to have you call him.



Bankers with ideas

THE BANK OF NEW ORLEANS

AND TRUST COMPANY

Member F.D.I.C.

P. O. Box 52499, New Orleans, La. 70152

CALL: 1-800-362-6718 (Within Louisiana)

1-800-535-6760 (From Miss., Ala., Texas, Ark., Okla.)

its major meeting place for decades. Appropriately, the bank's community room is called the Blue Room, and is located approximately where the hotel's Blue Room was situated.

The bank occupies the first three floors of the six-story structure, and it owns only those floors. The top three floors are owned separately, under a condominium arrangement. They are available for tenants.

Anyone looking at the bank building would never guess it was not a brand new structure.

Contest Highlights Celebration

How much money in coin does a 10-foot plastic tube hold? That was the question confronting attendees at the third anniversary celebration at Bank of North Aurora, Ill.

Contestants in the "Giant Coin Wrapper" contest tried to guess the correct amount of pennies, nickels, dimes and quarters in the tube. The winner hit the figure right on the head—\$83. She received a \$100 savings account as her prize. Four other prizes, in lesser amounts, were awarded to runnersup. Entries ranged from \$3 to \$4,000.

'Key' Card Used to Open Treasure Chest



To promote the opening of its new Grand Bay Office, First National, Mobile, sent "key" cards to all residents. The cards were usable to open the lock on a treasure chest full of prizes located at the bank. Individuals whose cards opened the chest could take their choice of an electric alarm clock, an eight-cup percolator, a pocket knife, a picnic jug or a variety of handmade folk toys. Grand prize was a portable barbecue grill.

'Sidewalk Superintendents' Get Official Recognition

There have been "sidewalk superintendents" as long as there have been buildings under construction. There's always a fascination to watching a structure rise—day by day—out of a hole in the ground to become a giant skyscraper, a small office building, a mansion or a subdivision house.

St. Louis' Southern Commercial Bank, which is erecting new quarters, hit on a way to spotlight its grand opening early next year by giving official status to its "sidewalk superintendents." The bank offered free buttons with red lettering that said, "Official Sidewalk Superintendent, Southern Commercial Bank." The response was so great that the bank ran out of its supply of 1,000 buttons in two weeks. In fact, it wrote more than 100 letters of apology to those who had requested buttons after there were no more.

Along with each button, the bank issued a numbered card perforated at one end. The bank filled out the perforated ends with each recipient's name and address and will hold them for the grand opening. At that time, one of the names will be drawn, and the winner will receive a color TV set. In addition, anyone with a sidewalk superintendent's button will be eligible—during the grand opening—to have \$1 added to his new or existing checking or savings account.

To advertise its sidewalk superintendent promotion, Southern Commercial used radio commercials and ads in two community newspapers. The ads contained a coupon, which readers were asked to fill out and mail to the bank. However, buttons also were distributed to anyone who went to the bank for one or who requested one over the phone. A special desk was set up in the lobby of the bank's present quarters to take care of walk-in requests.

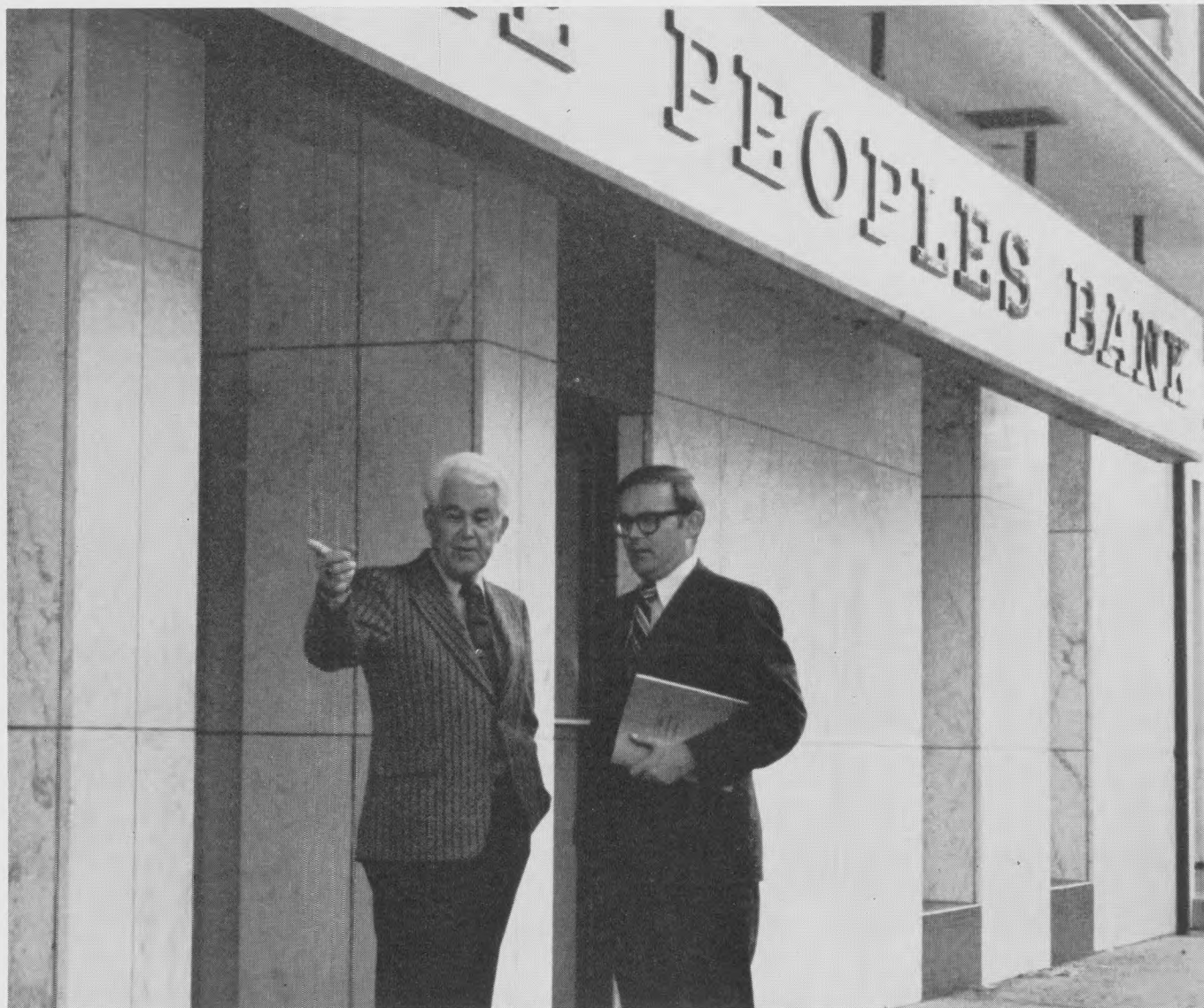
Ask KCIC about safe, high yield Mobile Home Paper.



Excellent returns with little risk is what you get through KCIC. You'll receive high yield because we'll help keep acquisition costs low and collection or repossession expenses minimal. There's little danger since repurchase and nonrecourse retail contracts are covered until they are fully paid. And the bank is completely indemnified against repossession loss. Ask KCIC about a high return, low risk program for you.

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Proposal for New SBIC Made at Kansas Regionals

REGISTRATION for the six regional meetings of the Kansas Bankers Association held in October reached 2,855. That was slightly below last year's attendance of 2,979.

KBA President Henry Blanchard devoted much of his speech to the proposed formation of a small business investment company to be known as Kansas Venture Capital, Inc. It would be a majority owned subsidiary of the



DUWE

Kansas Development Credit Corp. The purpose of the new corporation would be to provide risk and venture capital for new and expanding business and industry throughout the state. Mr. Blanchard, who also is chairman of Commercial National, Kansas City, stated that the fields he anticipated the new corporation would enter included manufacturing, wholesaling, retailing and agri-business. The corporation would start with \$1 million paid in capital.

The meetings also included a talk on the Administration's recommendations in connection with the Hunt Commission report, a panel on the future



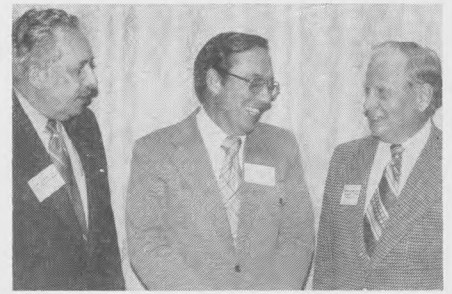
A panel on automation at the Region 4 meeting in Arkansas City included (l. to r.) William Smith, v.p. & cash., Augusta State; Charles Gerety, sr. v.p., Arkansas Valley State, Valley Center; and Ron Duphorne, v.p., First Nat'l, Wichita.

of automation, and reports on the new Kansas Uniform Commercial Code, the public's attitudes toward Kansas banking and a review of the legislative scene including a discussion of the rates paid on public funds.

In a departure from the traditional election process, new regional officers will be elected by mail ballot. A resolution passed at the annual state convention last spring called for bankers who were elected as group chairmen and secretaries at the 1972 group meetings to continue in their capacities beyond the 1973 regional meetings. Written ballots were to be returned by November 20.

J. Rex Duwe, former KBA president and president, Farmers State, Lucas, addressed the regional meetings on the Administration's recommendations regarding the Hunt Commission report. He said, in part:

"While retaining the essential thrust of the Hunt Commission report, the Presidential recommendations in some ways bear only a faint resemblance to it. For example, they do not call for mandatory Fed membership or statewide branching. NOW accounts had not yet been invented during the Hunt Commission deliberations, and the Presidential recommendations include allowing them—and, of course, this would be the 'foot in the door' toward payment of interest on demand deposits, whatever limitations would initially be built around NOW account usage. Large blocks of other Hunt Commission recommendations were also completely ignored or modified beyond recognition in the Presidential recommendations. However, it is important to recognize that the central thrust is essentially the same—to permit banks and thrift institutions to compete over wider areas of scope with each other, but also



Visiting following the business session at the Region 4 meeting in Arkansas City were (l. to r.) Robert H. Jennison, KBA pres.-elect and pres., First State, Healy; Harry A. Funke Jr., v.p., Fourth Nat'l, Wichita; and Henry G. Blanchard, KBA pres., and ch., Commercial Nat'l, Kansas City. Mr. Funke spoke on the new Kansas UCCC.

allowing to both classes of institutions a more competitive position as against other lenders and, especially, as against other borrowers of funds.

"One of the impressions I have is that unless the commercial banking industry attains a broad consensus of support for a positive position regarding the Presidential recommendations, however different the position would be from the details of the recommendations themselves, they are going nowhere in the Congress. The savings and loan industry is dead set against the package, mainly because their most sacred cow is the rate differential they are now allowed to pay for savings and the differential would be eliminated. I also suspect that their second-most sacred cow is the basis upon which they compute their reserves for loan loss, and under the Presidential recommendations they would have to compute them as we do. The Independent Bankers Association of America has gone on record

First timers to the Kansas regional meetings photographed at the KBA president's breakfast for bank scouts included (left panel, l. to r.): Don Crites, Topeka State; Ray Makalous, First Nat'l, Topeka; Ed Lewis, Commerce Bank of Kansas City, Mo.; Larry J. High, KDCC, Topeka; Phil Summerson, Security Nat'l, Kansas City; Dave Abendroth, Kansas Bankers Surety Co., Topeka; and Nelson Rogers, Commerce Bank of Kansas City, Mo.; (right panel, l. to r.) E. Allen Roth, Bank Systems Co., Kansas City; William F. Baker, Bank News, Kansas City, Mo.; Paul Lucas, KBA staff; John French, Commercial Nat'l, Kansas City; and M. J. Swords, M. J. Swords Associates, Inc., consultants, Kansas City, Mo.



**We are now
a \$1 billion house.**



**But the greatest satisfaction
comes from the quality,
not the quantity, of our loans.**

This month, The Federal Land Bank of Wichita reached \$1 billion in loans outstanding for the first time in its history. Obviously, we are tremendously pleased that we now are the largest mortgage banker in the four states we serve. The greatest pride, however, does not come from our new billion dollar size. Rather, it comes from the careful manner in which this agricultural loan business has been developed.

Each of the nearly 39,000 loans on our books has been meticulously planned; each has been structured to help the borrower withstand setbacks which are traditional with a farm or ranch operation. The uncertainties of weather, possible

disappearance of markets, and the crushing effects of overproduction must all be considered. We never forget that protection of the borrower is one of our primary responsibilities.

As The Federal Land Bank of Wichita begins working toward its second billion in agricultural financing, it will strive to maintain a proper balance between restraint and optimism. It is our goal — and our obligation — to supply all the long-term capital for which there is a demonstrated need. As long as we function as intended, agriculture will continue to maintain its position as the major economic force in Kansas, Oklahoma, Colorado and New Mexico.



The Federal Land Bank of Wichita
900 Farm Credit Banks Building
Wichita, Kansas 67202

in opposition to the package. We are in the midst of a housing crunch, and traditionally Congress has been very reluctant to tamper with housing-oriented financial institutions during such crunches. Mutual savings banks and credit unions support the package, mainly because mutual savings banks would get something they have long sought—access to federal charters—and credit unions would get a Central Discount Fund mechanism and would remain relatively untaxed and unregulated.

“In the face of all these and other negative aspects, and of the dubious desirability of the positive aspects at least on the surface, it would be beautifully easy and most tempting to throw up our hands and say, ‘Let’s just keep things as they are and fight to maintain the status quo.’ There is just one fatal thing wrong with this conclusion, and that is that the status quo cannot be maintained and indeed has not been maintained for quite a few years. I want to make it clear that nobody loves the nice, warm status quo more than I do, and I would do anything not illegal or immoral to maintain it. But all we have to do is to look around us to see all the incursions by the thrift institutions into areas we have long considered our exclusive turf, such as checking accounts, and to observe slippage in other areas, such as the payment of interest on demand deposits.” • •

Installment Lending

(Continued from page 14)

understandably they were associated with periods of great social change and economic dislocation—the early 1900s and 1930s are the most notable. Each of these periods occurred during a time of economic upheaval and involved journalistic exposes revealing danger to health and safety.

These previous consumer movements raised basic issues of safety, square dealing and sanitation that affected both rich and poor. The new movement is more sophisticated. Only an affluent and highly educated society would raise the issues of reliability, quality, fullness of information and uses of credit. These are the key targets of the present movement. We are faced with new questions from new questioners. The entire movement is based on the assumption that business is unresponsive to consumer needs, that the consumer is a pawn in a game between profit-hungry entrepreneurs. The growth in the '60s of population, affluence, rising educational

levels, unparalleled economic growth, technological advances, mass marketing, new products and services, changing values and institutional changes in government, the market and society in general are cited as reasons why the customer is qualified to decide for himself in the marketplace and votes with his dollar by not buying if he isn't satisfied. I doubt this is the full reason.

In fact, the real reason customers became dissatisfied is because they daily face impersonal service, an indifferent attitude and inconvenience in almost all situations in which they are involved. We must look at the consumer as an individual who is to be dealt with in an honest and straightforward manner. The cashless society need not be the faceless society. Today the consumer is suspicious of government at any level, distrustful of business and looks at his banker as a friendly adversary at best.

Hear Customers

We must give our customers the feeling that they will be heard when they fight back against the computerized illogic of the business world.

To this end, we bankers must work diligently to preserve our personal contacts with our consumer customers. Our credit programs must be positioned as a responsibility of line officers at the customer level even in the highly sophisticated systems effort needed in special applications, such as charge cards. In my estimation it is important that banks support consumer education efforts at every opportunity; that we review our forms as to terms and conditions for better clarity; that we join in also educating or providing information to legislators at the state and federal level as to the need for laws and the likely effort of proposed laws; and, most of all, that we become involved in our own communities in the opportunity to “put our money where our mouth is.”

The consumer credit phenomenon is the result of many things. Not the least of many is the continuing change in bank organizational structure through the establishment of bank holding companies. Bank applications to the Federal Reserve Board to approve activities “closely related to banking” has become a stampede to get into writing insurance, acquiring finance companies and developing other bank services on a fee basis. The great question now pending is the proposed acquisition of a savings & loan association by the Fletcher Group in Indianapolis.

All of these factors lend strength to the need to fully analyze the Hunt Commission Report, the National Commission on Consumer Finance Report and other industry studies that point out the road ahead.

What can we do? What must we do?

- Develop a marketing plan for the predetermined mix of our portfolio which will satisfy management's earnings demand.

- Decide on the strategy to obtain the assets that will satisfy the predetermined goal.

- Determine our costs so we can be certain we are operating in the most economical manner—at least know the cost in operations and administration.

- Demonstrate the professionalism that has not always been the hallmark of the consumer loan operator in the eyes of management.

This, then is the challenge:

Identify the mistakes of the past.

Recognize the changes that have occurred.

Provide real customer service—not just slogans; real understanding—not just lip service; real help—not just advice.

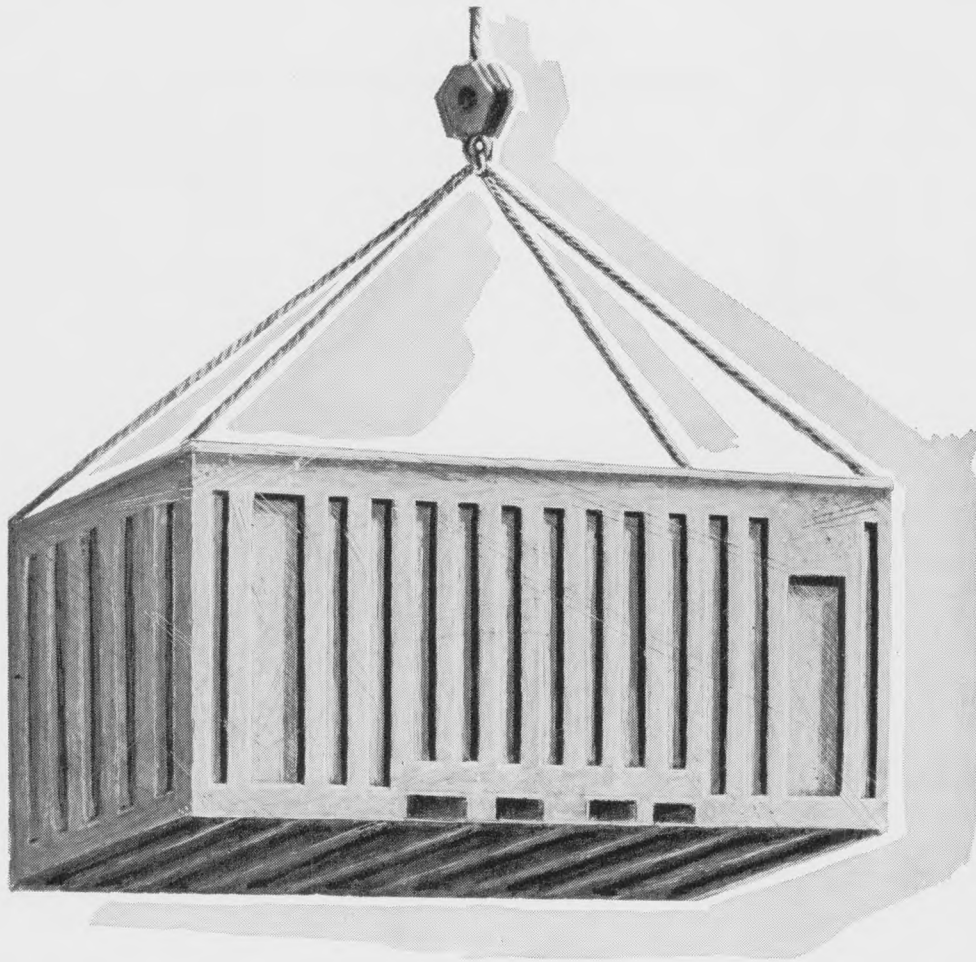
We are facing an opportunity to perform to the levels of our capability. We can really move into the spotlight and show what we can do. We can now see the day of the truly professional consumer banker who performs well and is paid well.

The transition will be difficult for some, but for most it will bring the opportunity to do the job he knows he can do. • •

Reflect Area Heritage



Two Texas banks incorporated the Spanish heritage of their areas into their new buildings. ABOVE: First National, Mexia, has a building of white brick and textured concrete with plate glass windows and dark stained wood with a Spanish tile roof. Entrances are dark wood paneled doors set into the building. The bank has two drive-up windows. BELOW: State Bank, Kingsville, has moved into a one-story structure of face brick with rough-sawn wood and cement plaster. Spanish clay tile covers the extended portico roof. This protected porch area with arched openings surrounds the public lobby. Ornamental grillwork on the windows blends the Spanish and contemporary styles. Even a free-standing time-and-temperature sign (not shown) reflects the Spanish influence and matches the bank building because it has a Spanish tile roof and is arched. State Bank also has drive-up windows. Both the Mexia and Kingsville projects were handled by Bank Building Corp., St. Louis.



IT SAYS WHAT WE MEAN.

The Port of New Orleans accounts for a large part of America's export-import trade — it is the nation's second port. Together with the other Gulf ports — Mobile, Gulfport, Baton Rouge and Lake Charles — it comprises a "Golden Circle" which reaches out with thousands of commodities to every country in the world. In international trade — as in every form of banking — the Whitney, with almost ninety years of experience, is "at home" and uncommonly qualified to help. Our capabilities are exceeded only by our desire to be of service.



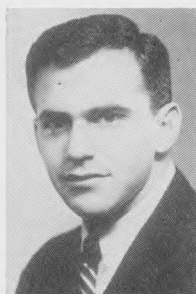
Ready when needed since 1883

Whitney
NATIONAL BANK OF NEW ORLEANS

Exchange Nat'l Makes Promotions



PASET



BRONSON

Exchange National, Chicago, has elected Nathan H. Paset senior vice president, Stephen R. Bronson first vice president and Frederick Bernson loan review officer. Messrs. Paset and Bronson are in the accounts receivable division.

■ LINCOLN NATIONAL, Chicago, has named Lewis Richtiger executive vice president, Harold B. Heuck senior vice president and comptroller, Andrew J. Russo senior vice president and cashier and Joseph P. Valenti senior vice president. Daniel C. Aiken has been named vice president, Aura Sarp has been promoted to assistant vice president, Edmund Bulger is data processing manager and Nona Doty is assistant to the president.

■ OLD ORCHARD BANK, Skokie, has appointed Doris MacIntyre and Mary Finedore personal banking service officers, Linda Engen assistant cashier and Thelma Vitucci staff officer.

Illinois News

GATX Sets Up Divestiture Plan For La Salle Nat'l, Chicago

CHICAGO—La Salle National has elected Harrison I. Steans and James G. Costakis chairman and vice chairman, respectively. Milton F. Darr Jr., former chairman, is now chairman of the executive committee.

Messrs. Steans and Costakis are affiliated with General American Transportation Corp. (GATX), of which the bank is a subsidiary. GATX has agreed to sell to the two men, or to companies designated by them, about 14% of the outstanding stock of the bank and granted them options to purchase almost all the remaining bank shares prior to the latter part of 1980.

GATX is required to dispose of its controlling interest in the bank by 1981 under the Federal Bank Holding Company Act.

■ LEONARD BIERER has been appointed assistant vice president at Glenview State. He joined the bank in 1969 after leaving First National, Chicago.

■ BRUCE HILL has been promoted to loan officer at Bank of Lisle. He joined the bank last year.

Remodeling Completed



First State, Harvey, looks like this now following completion of a remodeling program and addition of a new remote banking system. Open house was held at the bank November 12. First State, which will be 11 years old this month, expanded its banking facilities by about 50% and doubled its motor bank capacity. The motor bank has a capability of handling about 200 cars per hour. Since it was opened, according to President John Jansen, drive-up traffic is running approximately 35% above previous usage. The entire project was handled by Bank Consultants of America, with offices in Palatine and Denver.

■ FIRST NATIONAL, Evanston, has completed a reorganization that made the bank a wholly owned subsidiary of First Illinois Corp.

■ FIRST NATIONAL, Pekin, has promoted George A. Hibberd III to executive vice president, Gordon M. Snow to vice president, and Mrs. Winnie McIntyre and Mrs. Letha Moore to assistant cashiers.

■ UPTOWN NATIONAL, Chicago, has named Doris Edick, Evy Johansen and Charles J. Gutierrez assistant cashiers. The trio are the first three to graduate from the bank's management training program.

Three Named Vice Presidents



JENKINS

McKINZIE

GOGERTY

Three trust officers have been elected vice presidents at Indiana National, Indianapolis. They are J. David Gogerty, who is director of marketing; Terrence N. Jenkins, portfolio manager in the personal trusts and agencies department; and Mack P. McKinzie, portfolio manager in the institutional accounts department.

■ ST. JOSEPH VALLEY, Elkhart, has promoted Maurice E. Hawks to assistant vice president and James A. Mellott to marketing officer. They joined the bank in 1966 and 1972, respectively.

Indiana News

■ AMERICAN FLETCHER National, Indianapolis, has reorganized the administration of its banking center system into four regional areas, headed by John C. Pierle (central and south), Keith L. Gran (north), Larry M. Campbell (east) and Paul V. Clarke (west). All are vice presidents.

■ MERCHANTS NATIONAL, Indianapolis, has elected Ross A. Williams investment analyst in the investment division. He is experienced in portfolio management and investment research in bank trust departments.

Indiana Death

PIERRE F. GOODRICH, 79, president, Peoples Loan & Trust, Winchester. Mr. Goodrich was elected a director of the bank in 1922 and became president in 1940.

Japanese Executives Hosted



Leading Japanese executives were guests of honor at a luncheon sponsored recently by Merchants National, Indianapolis. The executives were touring the U. S. to attend risk management presentations sponsored by various corporations. From l.: Professor Shigeru Mizuno, Tokyo; Mitchel E. Daniels, Dow Chemical; Edward J. Bennett Jr., bank exec. v.p.; and C. Dickson Faires Jr., attorney. All but Professor Mizuno are from Indianapolis.

■ NICK L. NAUMOFF has joined the First Bank of Whiting as assistant cashier. He formerly held the same post at First National, East Chicago. At Whiting, he is working primarily in the loan department.

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James W. Catton
Vice President
North Group
263-5124

Derward E. Apple
Vice President
South Group
263-5125

Philip B. Roby
Assistant Vice President
Northcentral Area
263-5118

Harry C. "Butch" Joyner
Ind. Div. Officer
Southeast Area
263-5119

Joe E. McCreery
Ass't. Vice Pres.
Northeast Area
263-5118

Stephen R. Alexander
Ind. Div. Officer
Southwest Area
263-5114

Richard E. Benowitz
Ind. Div. Officer
Northwest Area
263-5117

Area Code 317

Gerald R. Johnson
Rep. 263-5108

Douglas A. Habig
Div. Ass't 263-5564

Margaret Konieczny
Admin. Sec'y 263-5131

Sandra Farquer
Secretary 263-5126

Wire Transfer 263-6837
Leasing Div. 263-5195
Fed. Funds 263-6826
Sales & Ser. E.D.P. 263-6512
Gov't. Bonds 263-6825
Collection 263-6313
Munic. Bonds 263-6583
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Proof & Transit 263-6407
Currency 263-6174
Safekeeping 263-6725
Bk. Statements 263-6647

First Women Branch Managers

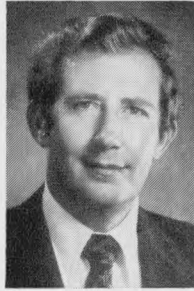


First National, Louisville, has named the bank's first women branch managers. From left: Wanda L. Nunn, Mall Office; Leda J. Dunagan, Watterson Towers; and Dorothy S. Tanner, Chenoweth Square Drive-up Branch. All three had previously been assistant banking officers. Also promoted were William R. Shepard to senior division manager, Daniel L. Abbott to senior branch properties officer, Edward L. Gatterdam to assistant banking officer, Samuel F. Dorr to manager and banking officer (Eastern Parkway Branch), and Charles F. Mercer, Paul E. Newton and Robert E. Webster to managers and assistant banking officers at the Fern Creek, Pleasure Ridge and Portland branches, respectively. Arlene Hornaman, H. David Simon and Charles W. Williams were promoted to assistant banking officers and J. Thomas Smith was named manager of the Shawnee Branch.

Kentucky News

Schnell, Doyle Promoted By Louisville Trust

LOUISVILLE—Louisville Trust has promoted Albert B. Schnell from vice president in charge of operations to senior vice president in charge of operations.



SCHNELL



DOYLE

Also promoted were James C. Krebs, from assistant vice president to vice president, commercial banking group; Roger K. Atchley, from assistant treasurer to assistant vice president and

director of marketing; Vann I. Doyle, from assistant treasurer to assistant vice president, correspondent banking group; and David L. Thomas, from assistant treasurer to assistant vice president, retail banking group.

Two Join Citizens Fidelity, Fed OKs Formation of HC

LOUISVILLE—Donald R. Jackson has joined Citizens Fidelity as executive vice president-finance and chief financial officer. Mr. Jackson will be involved in the design and implementation of the financial plans and strategy of the bank's new holding company. He was formerly with Marriott Corp.

The Fed recently approved the application of Citizens Fidelity Corp. to become a bank holding company through acquisition of Citizens Fidelity Bank.

Also new to the staff is Dave Leidgen, who is manager of the leasing section of the time credit department.

Charles A. Walter Jr. was elected senior vice president-trust administrative officer. He joined the bank in 1963 and was formerly vice president and trust officer. Other trust department promotions include Michael N. Harrel and Robert H. Malone Jr., former trust officers who have been given the additional titles of vice presidents.

Chappas Named Officer Of Hamilton Bancshares

CHATTANOOGA—Hamilton Bancshares, Inc., has appointed Charles H. Chappas to the newly created post of executive vice president-administrative services. Mr. Chappas, an authority on electronic banking and automation, was formerly vice president of staff and long-range operations planning at Citizens & Southern National Bank of Atlanta.



CHAPPAS

In other action, the HC announced appointment of David G. Herold as vice president-personnel. He had been vice president, First Jersey National, Jersey City, N. J. At Hamilton Bancshares, Mr. Herold will coordinate the staffing, development and benefit programs for the HC's 15 subsidiary banks and its non-banking subsidiaries.

The HC's principal bank, Hamilton National, has promoted two of its branch personnel. Mrs. Sue Dedmon, who was assistant cashier, Rossville Branch, has become assistant vice president and manager, Highland Park.

Tennessee News

Martin E. Williams III, who was manager, Highland Park, was named assistant vice president and loan review officer-branch administration at the Head Office.

The bank also opened its new Airport Branch.

■ WILLIAM E. STEPHENSON has joined City & County Bank of Campbell County, Jellico, as assistant vice president.

■ FIRST AMERICAN, Memphis, has opened its second branch, located in Whitehaven. The branch is temporarily housed in a trailer and is managed by H. Martin Brown III, assistant vice president.

■ HAMILTON NATIONAL, Johnson City, has elected Bob G. Blevins assistant cashier, installment loan department. He joined the bank in November, 1972.

■ UNITED BANK of Chattanooga has elected Gary W. Reed and Mrs. Sarah

T. Williams assistant cashiers. Mr. Reed went to the bank in 1970 and Mrs. Williams in 1972.

■ FIRST NATIONAL, Memphis, has four new assistant vice presidents—William E. Eanes, retail credit; John M. Laughlin, trust; Harry M. Moffett III, metropolitan; and William R. Taylor, information systems sales.

Well, They're Saving Gas!



No, the energy crisis hasn't made things this bad. The noontime wheelbarrow ride T. Scott Fillebrown, pres., First American Nat'l, Nashville, is getting from Edward G. Nelson, pres., Commerce Union, Nashville, is the result of a bet between the two men over a girls' touch football game. The First American team beat the Commerce Union team 27-13. Hence, Mr. Fillebrown's unusual ride down Union Street.

First the paperwork. With CD's there's a mountain of it. Posting. Interest calculations. Updating on balances. Citizens Fidelity Bank's Automated Customer Service (ACS) does all of it for you. We even do the computation on CD's paid prior to maturity. At year-end we prepare Federal Interest form 1099's for all your CD customers.

This means that you — and your personnel — are free to carry out other important banking business. Like giving your customers individual attention. And that makes you a better banker.

There's another important way in which ACS can make your work easier. After taking

care of all your paperwork, we provide you with complete records and reports. We break down your CD portfolio into groupings that help you to analyze these deposits. We provide you with the kind of information you need to make important investment decisions.



We can even make monthly projections on the interest payments so that you can plan for it.

It doesn't matter what compounding system your bank uses. Our ACS CD accounting system is flexible enough to take care of just about any

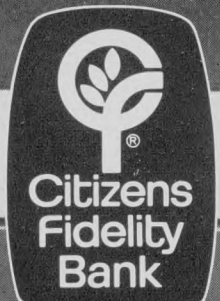
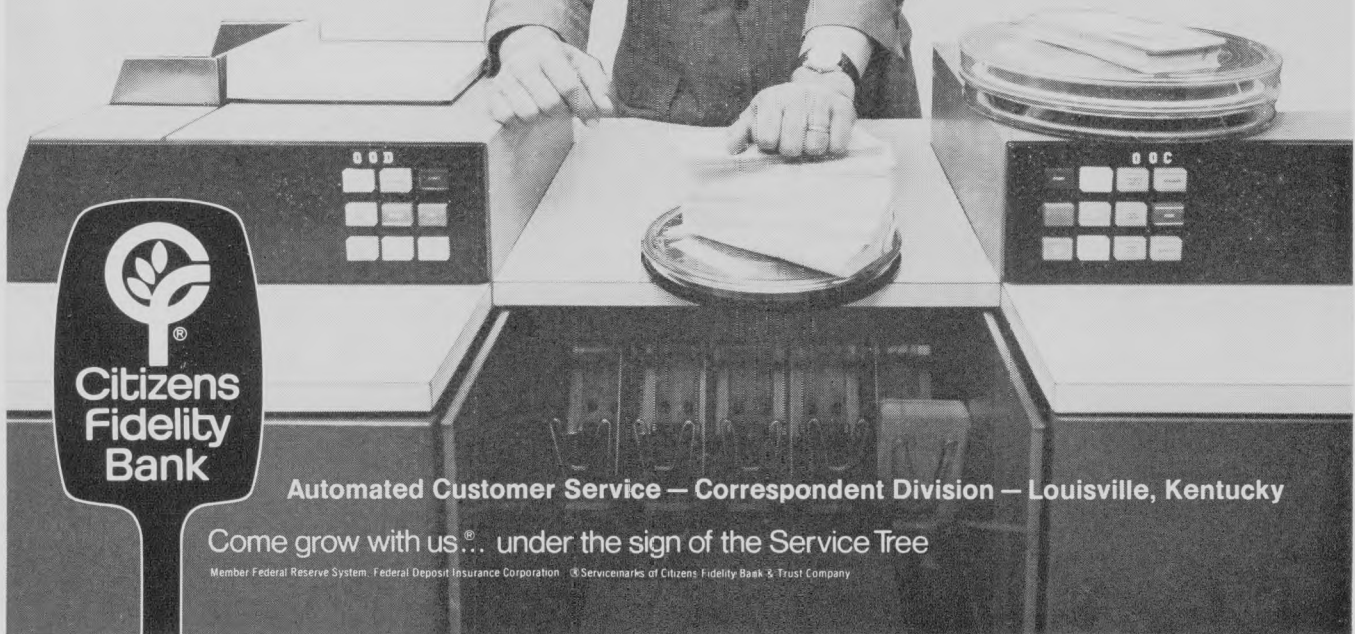
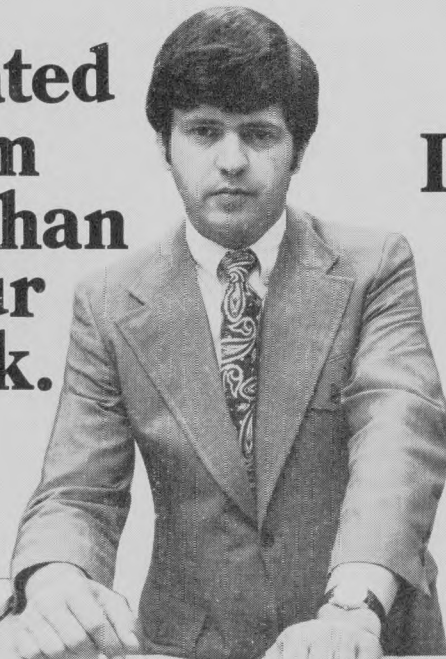
method — from daily to annually. Payments are made on postdated checks prepared early enough to reach your customer on the date due. Your customers can also elect to have his interest credited to his savings or checking account in your bank.

If you'd like more on how Citizens Fidelity's ACS can lessen your work load, call Bob Aldridge or Doug Richardson, in the Automated Customer Service Department of our Correspondent Banking Division — (502) 581-2084.

Ask about our other ACS services including the most modern commercial loan system ever.

**Our automated
CD system
does more than
lessen your
paperwork.**

**It frees you
to be a
banker.**



Automated Customer Service — Correspondent Division — Louisville, Kentucky

Come grow with us... under the sign of the Service Tree

Member Federal Reserve System. Federal Deposit Insurance Corporation. Service marks of Citizens Fidelity Bank & Trust Company

Wilhelm Is Named President Of Bank of Southeast

BIRMINGHAM—Maurice F. Wilhelm Jr. has joined Bank of the Southeast as president and CEO. He came from Molton, Allen & Williams, where he was executive vice president. Prior to last February, Mr. Wilhelm was senior vice president, Exchange Security Bank, Birmingham. He is a CPA.

In his new post, Mr. Wilhelm succeeded C. Pratt Rather, who has re-joined Birmingham's First National as a vice president.

■ CITY NATIONAL, Dothan, has announced the following promotions: William B. Bauer to comptroller; Mrs. Jimmy F. Prevatt and R. S. Renfro to assistant vice presidents and Nicholas R. Ash to accounting officer. Mr. Bauer joined the bank last May, Mrs. Prevatt in 1958, Mr. Renfro in 1970 and Mr. Ash in 1972.

First BanClub Started

MUSCLE SHOALS—First Colbert National has announced the formation of First BanClub, which entitles members to free checking, free personalized checks and an accidental death insurance policy. Other services are also available under the plan, which costs members \$3 monthly.



Let this man
help your bank
profit.

A lot of
bankers do.

He's Bill Rice, 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
City National Bank of Tuscaloosa

Alabama News

■ FIRST STATE, Altoona, has installed a new drive-up teller window and night depository.

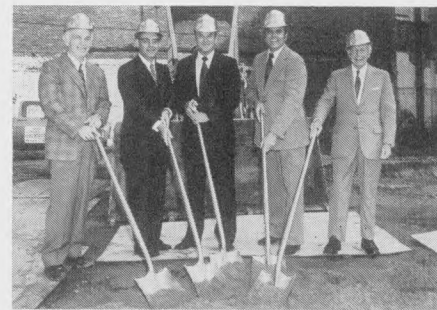
■ FIRST WESTERN BANK, Bessemer, has announced plans to open its fifth branch early in 1974 at the Hoover Mall.

■ BANK OF SULLIGENT is erecting a two-story, antebellum, colonial-style building.

■ ALICEVILLE BANK has promoted Mrs. Alice Raye S. Ware to assistant cashier.

■ FIRST NATIONAL, Anniston, has announced the following promotions: to assistant vice president, operations, Gary Dempsey; to assistant vice president, installment loans, Craig Helms; to assistant vice presidents, marketing, Hubert L. Morrison Jr. and George G. Hines; to assistant personnel officer, Robert Mayes; to assistant cashiers, Martha Reaves and Larry Young, and to loan officers, Tim McRae, Fred Walburn and Charles Elliott.

Alabama Groundbreaking



Taking part in groundbreaking ceremonies for major building expansion program for First National, Montgomery, are (from l.) Jack Bear, contractor; Parker Narrows, architect; James Gaskell Jr., bank pres.; James Robinson, mayor; and Frank Plummer, bank ch. Project includes an eight-story tower, a four-story addition to the bank's present building and a parking garage. Completion is scheduled for spring, 1975.

■ WALTER BLACKWELL has moved up from assistant cashier to assistant vice president at First State, Decatur.

■ FIRST NATIONAL, Tuscaloosa, has promoted D. G. Elliot Jr. and Hershel R. Owen from assistant vice presidents to vice presidents.

■ PEOPLES BANK, Selma, has promoted Terrell F. Hicks from cashier to vice president and cashier, Mrs. Anita H. Hutchings, assistant to the chairman, to assistant vice president, and Mrs. Milner Y. Thomas to assistant cashier at the Selma Mall Office.

■ UNION STATE, Pell City, has advanced Lois Compton from assistant cashier to assistant vice president and Reed Alexander and Joy M. Morrison to assistant cashiers.

■ FIRST ALABAMA BANCSHARES, Montgomery, has received Fed approval to acquire Selma National.

■ GERALD E. JACKSON has moved up from assistant cashier to cashier at Citizens Bank, Russellville.

■ LARRY R. CARDIN has joined Peoples Bank, Montgomery, as assistant cashier. He was formerly with Fulton National, Atlanta.

■ CENTRAL BANCSHARES, Birmingham, has acquired First National, Auburn, Deposit National of Mobile County, Pritchard, and Planners & Merchants, Uniontown.

■ FIRST NATIONAL, Birmingham, has begun a complete renovation of its Leeds Branch building to modernize and expand banking facilities for the surrounding area. Completion is expected by late spring.

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MID-CONTINENT BANKER for December, 1973

107

New Vice Presidents Elected For Mississippi Groups

The Mississippi Bankers Association has held its 1973 series of group meetings and elected the following vice presidents:

Group One—Sterling B. Crawford, president, Monroe Banking & Trust, Aberdeen; *Group Two*—C. L. Robinson Jr., vice president, Merchants & Farmers Bank, Holly Springs; *Group Three*—B. F. Jarman, vice president, LeFlore Bank, Greenwood; *Group Four*—Frank Stanton, executive vice president and cashier, Citizens Bank, Louisville;

Group Five—Thomas W. Colbert, president, Farmers & Merchants Bank, Forest; *Group Six*—P. W. Anderson, president, Bank of Anguilla; *Group Seven*—Charles Stone, executive vice president, Merchants & Planters Bank, Hazlehurst; and *Group Eight*—O. B. Bowen Jr., president, Richton Bank.

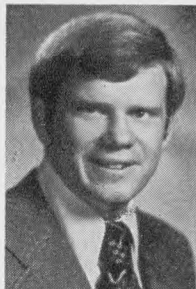
■ DOYLE B. MOORHEAD has joined Coahoma National, Clarksdale, as senior vice president. Mr. Moorhead is an accountant and attorney and will be responsible for the bank's trust and operations areas.

■ WILLIAM G. HUGHES has joined Merchants & Farmers, Meridian, as a vice president. He was formerly with American National, Chattanooga, Tenn., where he was a commercial loan officer.

Mississippi News

Leasing Firm Formed in Jackson With C. A. Wright in Charge

JACKSON—Deposit Guaranty Corp. has formed a wholly owned subsidiary called Guaranty Leasing Co. The firm will concentrate on serving the leasing needs of commercial customers and correspondent banks in Mississippi and the southeastern region served by Deposit Guaranty National. The company will offer complete leasing programs for products ranging from construction equipment to automated teller machines and computers.



WRIGHT

Charles A. "Tony" Wright, who was assistant vice president, correspondent bank department, has been named vice president and general manager of Guaranty Leasing. He joined Deposit Guaranty National's management training program in 1964 and has served in various bank departments.

aged personal trust and employee benefits. He entered banking 20 years ago.

Bank-Sponsored Bull Is Champ



The people at First National, Meridian, are almost as proud as bull handler Nelson Moffett because Mr. Moffett's bull has been chosen champion at the Mississippi-Alabama State Fair. The bank sponsored the calf last May when it took part in the annual Calf Scramble, at which time Mr. Moffett caught the animal and subsequently raised it for competition.

■ HANCOCK BANK, Gulfport, has added a temperature reading to its Audichron time-of-day service.

■ CENTRAL BANK, Brandon, has received FDIC approval to establish a branch in Pearl.

■ BANK OF CLARKSDALE will merge with Bank of Oxford, with the latter bank's three branches becoming branches of Bank of Clarksdale.

Larose Rejoins Hibernia Nat'l As Consumer Loan Vice Pres.

NEW ORLEANS—Hibernia National has appointed Alvin A. Larose Jr. vice president-consumer loan division.



LAROSE

Mr. Larose first joined the bank in 1948 and was vice president in the commercial loan department when he left in 1968 to become money manager for a securities investment firm.

Bank of Slidell Changes Name, Completes Expansion Projects

SLIDELL—First Bank, formerly Bank of Slidell, has doubled the capacity of its main office drive-in facility with the installation of a pneumatic tube remote system.

The bank has also opened its 2,000 square-foot modular building in Mandeville. The building is thought to be the only modular structure ever done with a concrete slab.

Louisiana News

Two Promoted at First NBC

NEW ORLEANS—First National Bank of Commerce has promoted Richard E. Hysom to vice president and Allen Frederic to assistant vice president.

Mr. Hysom joined the bank in 1971 and Mr. Frederic is new to the staff.

■ FIDELITY NATIONAL, Baton Rouge, is constructing a new branch in the Village Green shopping center. Completion is expected by spring. The branch is currently operating out of temporary quarters, with Don Barksdale as its manager.

New Baton Rouge Bank Officer

BATON ROUGE—American Bank has named Mart M. Melton vice president and trust officer and manager of the trust department. He comes from Houston Citizens Bank, where he man-

Bank Honors Personnel



Being honored at 30th birthday party of Bank of New Orleans are Mrs. Marie L. Jackson (l.), installment loan officer, and Miss Berthe M. Artigues, administrative secretary. Both women have been with the bank since its opening in 1943. Presenting honors is BNO President Lawrence A. Merrigan. Not pictured is Mrs. Katherine Ebrenz, new accounts officer, who also was honored for 30 years' service.

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Morgan Shaw and Donald Nalty can do worlds with trusts for you. Morgan is head of Hibernia's Trust Division. Donald is head of Hibernia's Correspondent Banking team. One of the many plans they can help you put to work for your customers is a prototype pension plan for self-employed persons that has already been approved by the Internal Revenue Service. Donald Nalty and Morgan Shaw. The Men of Hibernia. They'll do more for you with trusts than anyone else in the world. After all, the Hibernia is the only Louisiana bank currently listed in the top 300 Trust Departments in the country in fiduciary assets.

HIBERNIA national BANK in
new
ORLeans

Arkansas News

New Banks Scheduled to Open In Fayetteville and McGehee

Two Arkansas cities are getting new banks.

Northwest National, Fayetteville, opened last month with \$1.5 million in capital funds. Herbert Clausen is president and executive officer, and Denny Smith is vice president and chief operations officer. Mr. Clausen was senior vice president and cashier, Parkway Bank, Chesterfield, Mo. He has been in banking 20 years. Mr. Smith comes from Magnolia, where he was vice president and controller. He had been with that bank since 1952.

The bank opened in temporary quarters, but construction will begin soon on a permanent building.

On December 4, First National, McGehee, began operations. William Fred Denton, former vice president, Merchants & Planters Bank, Newport, is president. This bank also opened in temporary quarters, but will construct a permanent building in the near future.

Ark.BA Groups to Meet

1974 Group Meetings of the Arkansas Bankers Association will be held March 11-15. Although locations for the meetings have not yet been finalized, the groups will meet on the following dates:

March 11—Group Four
 March 12—Group Three
 March 13—Group Two
 March 14—Group Five
 March 15—Group One

Average attendance at the five meetings during the past few years has been approximately 2,000.

Advisory Board Discusses Land Use Policy



Members of national advisory board of Commercial National, Little Rock, met recently for their third annual meeting. The topic was land use policy and planning as presented by Senator J. William Fulbright and Governor Dale Bumpers. Seated, from l.: John G. Phillips, pres., Louisiana Land & Exploration Co., New Orleans; Richard C. Butler, bank ch.; Senator Fulbright; Governor Bumpers; William H. Bowen, bank pres.; William Seawell, ch., Pan American World Airways, Inc. Standing: Dr. Neil E. Harlan, McKinsey & Co., Inc., Washington, D. C.; Thomas R. Vaughn, ch., Freepport Minerals Co., New York; Robert E. L. Wilson III, Lee Wilson & Co., Wilson, Ark.; Frank Pace Jr., pres., International Executives Service Corp., New York; Sidney A. McKnight, exec. v.p., Montgomery Ward & Co., Chicago; H. L. Hembree, pres., Arkansas Best Corp., Fort Smith; and Charles H. Murphy Jr., ch., Murphy Oil Corp., El Dorado, Ark. Board is composed of 15 Arkansas native sons who have achieved national and international prominence as business leaders.

WE'RE MAKING A GOOD BANK BETTER.

Correspondent banking is an all-bank involvement for us. Every officer at Commercial National Bank is part of our Correspondent Bank Department. We're all working to help you. By keeping ahead instead of keeping up. And by remembering that correspondents come first. That's how we got to be a good bank. And that's how we're getting better.



Seated: Norman Farris, Richard C. Butler, William H. Bowen
 Standing: John Ramer, Hubert Barksdale

COMMERCIAL NATIONAL BANK OF LITTLE ROCK
 MEMBER FDIC

Worthen Promotes Officers, Opens Shopping Center Branch

LITTLE ROCK—Numerous promotions have been announced by Worthen Bank and the bank has opened its 13th office.

Promoted were the following: Woody Thomas to general accounting officer, Greg Lathrop to trust investment officer, Weldon Craig and Felix Knight to assistant cashiers, Fred Rains to audio visual director and Jett McLaughlin, Jack W. Compton, Mattie Agee, Mike Cloyd and Edgar "Buddy" Garrett to administrative assistants.

In addition, Douglas Scott was promoted to assistant cashier and commercial loan officer and Steve Buckley was named assistant cashier.

The bank's new office is on the site of a future shopping center. It is the bank's 12th branch and is managed by W. A. Tucker.

■ FIRST NATIONAL, Paragould, has elected two new directors—J. C. Cothren and J. T. Meriwether. Mr. Cothren, with the bank since July, 1972, is vice president in charge of business development. Mr. Meriwether joined the bank recently as vice president in charge of community economic development. He has been city manager of Texarkana and Little Rock. Before joining First National, Mr. Cothren was superintendent of the Greene County Tech School District for 15 years.

How many ways can you CUT a

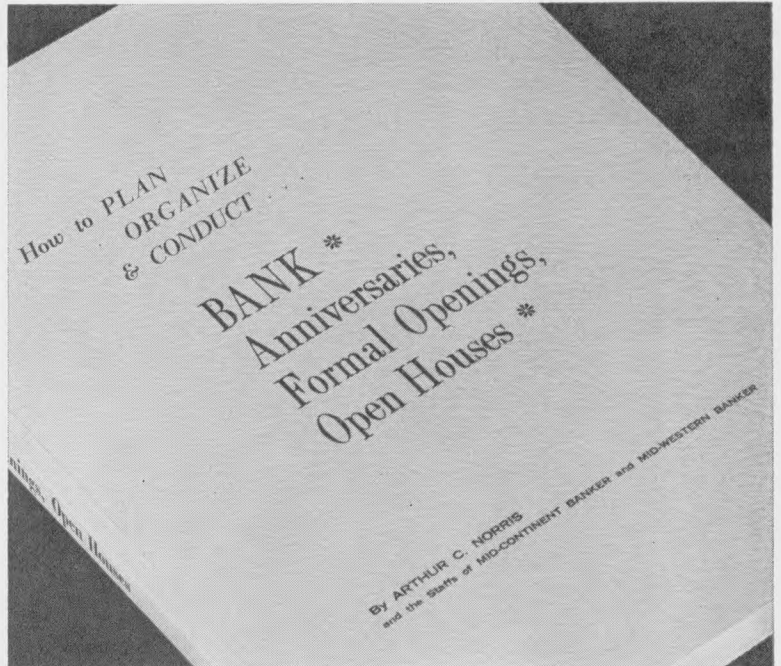
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Sam B. Cantey III Dies; Was Fort Worth Banker

FORT WORTH—Samuel Benton Cantey III, 59, vice president of First National, died last month of an apparent heart attack while in Mexico on vacation.



CANTEY

Mr. Cantey joined the bank in 1940 and became an officer in 1948. He was made a vice president in 1955 and was assigned to the commercial loan department. He also headed the bank's advertising and public relations department.

He was a noted art collector and lecturer and was active in numerous civic organizations.

Republic of Texas HC OK'd; Lead Bank Makes Promotions

DALLAS—The Republic of Texas Corp. is the name of the new HC whose lead bank will be Republic National, Dallas. The Fed has ruled that the assets of The Howard Corp., et al., will be owned by the HC, but that some activities and investments of Howard, including both banking and non-banking activities, must be brought into compliance with the Holding Company Act as interpreted by the Fed. The disposition will take at least two years, with the possibility of three one-year extensions.

Republic National has promoted W. Humphrey Bogart from assistant vice president and trust officer to vice president and trust officer, and Myron B. Deily from banking officer to assistant vice president.

Paul N. Lalla was elected an assistant vice president to serve as manager of corporate cash management services in the national division. He was formerly with Borg-Warner Corp.

William F. Ellis and Janet C. Morgan were elected trust administrative officers and Jackie R. Kimmer, Edward R. McPherson and James H. Newman were elected administrative officers.

■ MRS. JEAN PITTMAN has been elected administrative officer at Frost National, San Antonio. She joined the staff in 1970. The bank has transferred \$1 million from undivided profits to surplus, resulting in a permanent capital and surplus of \$20.5 million and total capital accounts of \$33.6 million, a 12% increase over a year ago.

Texas News

Personnel Changes Announced At State Nat'l & HC, El Paso

EL PASO—A comprehensive holding company organization restructuring has resulted in personnel changes in Pan-National Group HC and State National.

B. Glen Jordan has stepped up to vice chairman of the bank board and continues as CEO of the bank. George G. Matkin remains as chairman for both firms. H. M. Daugherty Jr., executive vice president, State National, has become president of the bank and continues as its senior financial officer.

Charles R. Gary, chairman and president, Metro Bank, Dallas, has been named executive vice president of the HC. Metro Bank was acquired by the HC recently. Lynwood J. Boyer, HC vice president and executive vice president and senior administrative officer of the bank, has been named executive vice president and chief administrative officer of the HC, as well as a director.

J. Gordon Johnson, bank senior vice president and controller, has been named senior vice president and controller of the HC. He continues as secretary-treasurer of the HC.

James L. Bowen, auditor and manager of the bank's audit department, has been named auditor for the HC.

Maedgen Honored Posthumously

LUBBOCK—Charles E. Maedgen Jr., late president of Lubbock National, has been posthumously recognized by the West Texas Museum Association for his efforts in improving the cultural environment of the Texas South Plains.

Mr. Maedgen was named recipient of the association's ACTION award at the group's 44th annual meeting recently. Mrs. Louise Maedgen accepted the honor for her late husband.

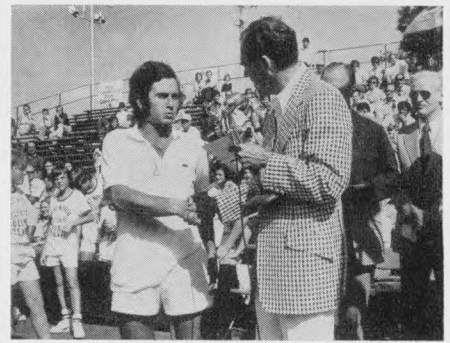
■ ROBERT A. JUNG II has been named a vice president of Guaranty National, Corpus Christi. He was formerly with Texas Commerce Bank, Houston, which he served for five years. He will be in charge of the credit administration department at Guaranty National.

HC to Be Formed in Dallas

DALLAS—Mercantile National has announced its decision to form a multi-bank holding company, subject to approval of shareholders and regulatory agencies.

The formation is expected to be consummated by mid-1974.

Bank Co-Sponsors Tennis Meet



Bayard H. Friedman (r.), president, Fort Worth National, presents \$9,000 check to Eddie Dibbs of Miami, winner of the \$50,000 Fort Worth National Colonial Tennis Championships, which was co-sponsored by the bank. Mr. Dibbs, a member of the U. S. Davis Cup Team, upset top-ranked John Newcombe of Australia and second-seeded Brian Gottfried of Fort Lauderdale, Fla.

Fort Worth HC to Expand

FORT WORTH—First United Bancorp. has announced its intention to acquire Farmers-First National, Stephenville, as a subsidiary. The Stephenville bank was established in 1906 and has reported total assets of \$29.8 million and total deposits of \$27.1 million.

First State, Odessa, a subsidiary of the HC, has applied to the Comptroller of the Currency for conversion to national bank status and a name change to State National.

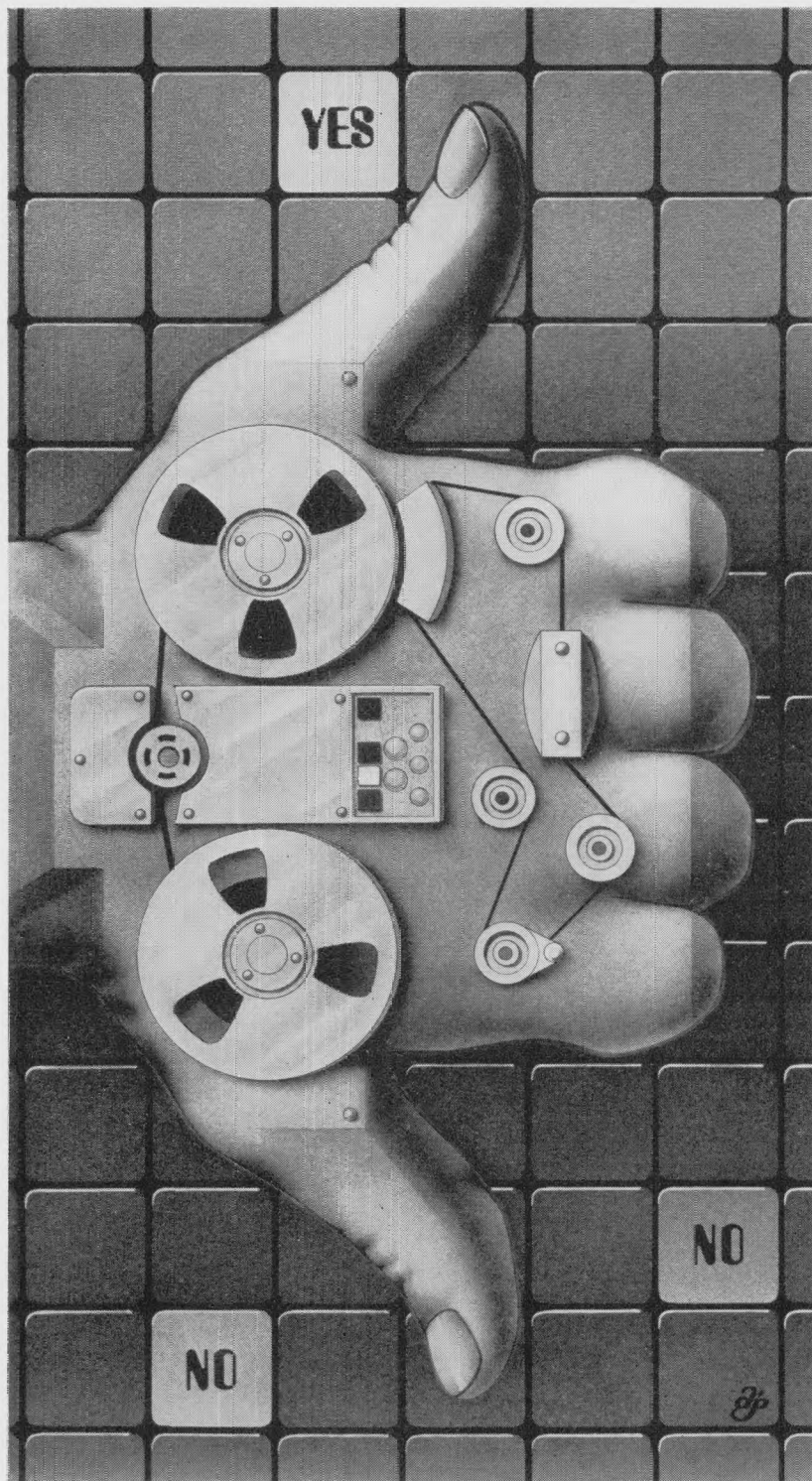
■ WILLIAM E. HAYES JR. has joined Republic National, Houston, as senior vice president. He will direct the loan department. He was formerly with Stone & Webster Securities Corp., Houston.

■ MRS. MARY ANN THOMAS has been promoted to assistant vice president at Main Bank, Houston. She was assistant cashier in charge of the commercial and installment note departments since 1970.

■ WELDON F. SMITH has been appointed assistant vice president in the installment loan department at Corpus Christi Bank. He was formerly with a finance company.

■ JAMES O. HEMBREE has been named vice president of Lakewood Bank, Dallas. He was formerly assistant vice president at Republic National, Dallas.

■ P. DWIGHT PURTELL has joined Guaranty National, Corpus Christi, as a senior vice president. Mr. Purtell, a petroleum engineer, will direct the bank's oil and gas lending activities. He was formerly vice president, petroleum/chemical division, Texas Commerce Bank, Houston.



We said no to lending \$6 million, yes to \$6½ million.

We fed the facts to our computer:

- Major store wants six million dollars cash to build three new stores.
- Stores to be built over 5-6 year period.
- Store wants 5-year pay-back.
- Sales and expense experience.

The computer spoke and said "No." It said, after predicting certain ratios, that the store's financial status would not be as everyone expected.

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Result?

The store got a 6½-million-dollar loan, not all at once, but starting immediately with pay-back out of the new-store earnings. For a period of 5 to 6 years, close to the store's original request.

Moral? Not a big deal, really. Only that Bank of the Southwest commercial loan people sometimes go beyond old banking habits to make a loan. Because making loans is good for us and our growth, and of course, in this case, good for the customer's growth.

A true case history in the Southwest. About Southwest people. And how we can innovate.



Bank of the Southwest

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because we know this land.

■ JAMES T. HUNTER will be manager of the new College Office of New Mexico Bank, Hobbs. The office is now under construction on the Hobbs-Lovington Highway. Mr. Hunter was formerly with Commercial Credit Corp.

■ DALE RATLIFF, vice president and cashier, First National, Clayton, has been elected to the bank's board. He has been with FNB since 1965 and a banker since 1958.

■ ALBUQUERQUE NATIONAL is expanding its East Central Office at a cost of \$250,000. An addition is being made to the building's north section; the safe deposit vault is being doubled; the officer platform is being enlarged, and additional note and collection department windows are being installed in the main lobby.

■ FIRST NATIONAL, Albuquerque, has named John C. Binford senior vice president in charge of the trust division. In addition, the bank promoted James C. Thompson, assistant vice president

New Mexico News

and personnel director, to vice president. Mr. Binford was branch manager and district manager for Goodbody & Co.'s New Mexico-west Texas region, 1965-70, and branch manager for the firm in Albuquerque.

■ TOM CORNS has been named vice president of Bank of Las Vegas. He comes from First National, Tucumcari, where he was in charge of bank operations. Mr. Corns is a graduate of Wichita State University.

■ CENTINEL BANK, Taos, has named Fred A. Peralta assistant vice president and chief loan officer. Mr. Peralta, a native of Taos, has five years' banking experience with Bank of New Mexico, Albuquerque. He was a loan officer and assistant branch manager there.

■ DEMING NATIONAL moved into its new building November 5 and held a grand opening November 10.

■ GRANT COUNTY BANK, Silver City, has announced expansion plans, which include installing two drive-up teller stations and turning the present drive-up station into a walk-up station. The extension will provide 2,500 additional square feet to the existing structure.

■ LEVI SANDOVAL has joined El Pueblo State, Espanola, as assistant vice president in charge of loans. He had held the same post at First National of Rio Arriba, Espanola.

■ FARMINGTON NATIONAL has opened a branch in Kirtland, the community's first bank. The office is located at the junction of Highway 550 and County Road 61.

■ FIRST NATIONAL, Las Vegas, has opened its Legion Park Branch, which has two drive-up windows and five inside teller stations.

R. E. Hogue Named VP-Operations At Liberty Nat'l of Okla. City

OKLAHOMA CITY—Robert E. Hogue, who joined Liberty National last May, has been named vice president and head of operations.

Before going to the bank, Mr. Hogue was with Parke-Davis & Co., Detroit, for 22 years. At that firm, he had extensive experience in operations, cost control, computer processing and corporate systems and procedures on the management level.



HOGUE

Tulsa's Bank of Commerce Adds to Art Collection

TULSA—Bank of Commerce has announced an addition to its western heritage art collection which features original Charles M. Russell bronzes, Paul Rossi bronze saddles and Jay O'Meilie oil paintings.

Newest acquisitions include three original O'Meilie oils, entitled "Hopi Village," "Roundup in the Osage" and "Indian Objects of Beauty." The works were commissioned for the bank's walk-in facility.

"We've found that western art adds a warmth and beauty to the bank that our customers appreciate," said Jay Thomas, bank president. "These works also provide a significant cultural addi-

Oklahoma News

tion and investment in our community."

The bank recently was awarded an award of excellence from the American Institute of Architects Tulsa Chapter for its support of the arts in the environmental and architectural fields.

Two Correspondent Appointments Announced by 1st of Okla. City

OKLAHOMA CITY—First National has announced two changes in its correspondent bank department.



CLIFFORD



GREER

Vice President John Greer has joined the department and calls on banks in southern Oklahoma and northern and western Texas. He has been with the bank since 1964.

Harold H. "Hal" Clifford was elected an assistant cashier in the depart-

ment and travels in northern and eastern Oklahoma and states bordering those areas. He went to First National in August, 1972.

H. E. Leonard Is Appointed State Bank Commissioner

H. E. Leonard, immediate past president of the Oklahoma Bankers Association, became Oklahoma bank commissioner November 1 after being appointed by Governor David Hall.

Mr. Leonard resigned as president, Bank of Elgin, to take the state post and was succeeded at the bank by his son, H. E. "Hank" Leonard Jr., formerly vice president. The younger Mr. Leonard entered banking as a messenger with Fidelity Bank, Oklahoma City, while attending Oklahoma City University. He went to the Bank of Elgin in 1971.

Commissioner Leonard, who was elected OBA chairman of the board at the 1973 convention, became a messenger for Stock Yards Bank, Oklahoma City, in 1940 while attending college, then entered the insurance business before going to the Bank of Elgin in 1947. He was named president in 1961 and president and chairman in 1968.



H. E. LEONARD

New Center For Your Financial Needs.

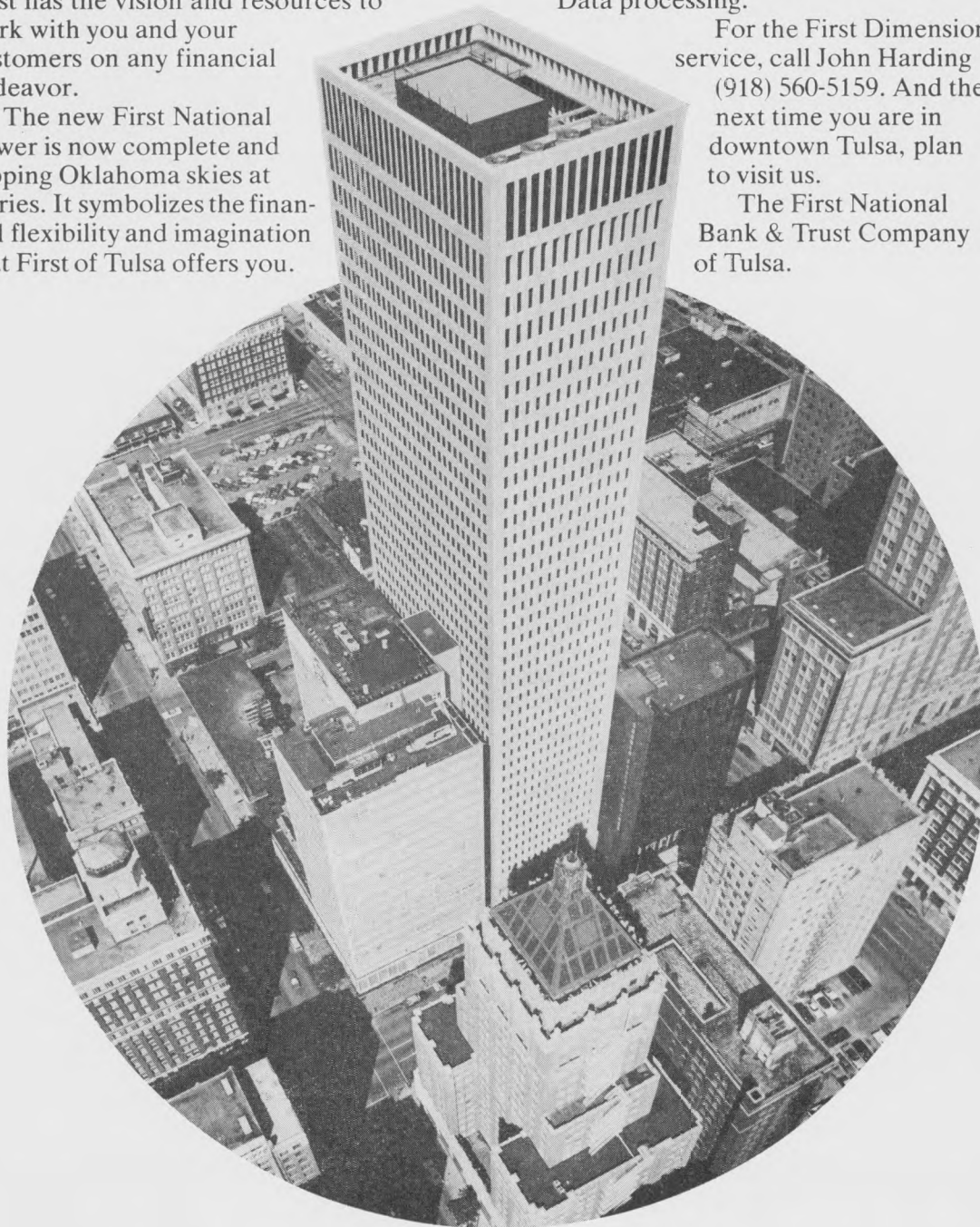
Tulsa is continuing to grow in importance as a hub of business in the Southwest. And First of Tulsa, with assets of over \$600 million, is at the center of the action. First has the vision and resources to work with you and your customers on any financial endeavor.

The new First National Tower is now complete and topping Oklahoma skies at stories. It symbolizes the financial flexibility and imagination that First of Tulsa offers you.

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Energy Control Program

An energy control program has been established for Fourth National, Wichita, that would install fuel conservation measures in all its bank properties. Hiram V. Jefferies, vice president, has been named to supervise the development of specific procedures and policies and to direct implementation of the program.

The program will encourage the use of car pools and mass transportation and will introduce a campaign to create awareness of a more conservative use of electricity.

■ **FOURTH NATIONAL**, Wichita, has appointed Harvey A. Twichell to head its expanded security department. Mr. Twichell is a veteran of 27 years on the local police force. Ann Allison has been elected operations officer and manager of the Motor Bank, succeeding Joan Hubbard, new manager of the new Towne East Bank. New manager of the lock box department is Juanita Killingsworth.

■ **TOM E. BEAL** has been elected an advisory director of Southgate State, Prairie Village. Mr. Beal is chairman of Florida Realty, Inc., Kansas City, Mo.

■ **LENEXA STATE** has reopened its motor banking and lobby facilities in its former location at 92nd and Pflumm in Lenexa. The former motor bank location at 10325 West 95th Street has been closed.

■ **FIRST NATIONAL**, Sterling, has opened a new Motor Mall on the property adjacent to the main bank. The Motor Mall includes eight drive-up lanes and a walk-up station.

■ **DAVID L. HUSSMAN** has been appointed general counsel and vice president at North Shore National, Chicago. New vice presidents on the staff are Andrew Stefik and Albert Nicole.

■ **GAY S. BALDWIN** has been named manager of the Lincoln Heights Office of Kansas State, Wichita. The new branch is expected to be opened early in 1974. Mrs. Baldwin joined the bank in 1967.

Kansas News

Staats Heads New Subsidiary



STAATS

WICHITA—B. A. "Bill" Staats has been named president of Financial Specialists, Inc., a new firm that will supply drive-in, teller and security equipment, filing systems and other allied products.

The firm is an affiliate of Collingwood Office Systems, and is located at 333 South Hydraulic, Wichita. It will provide services to most of Kansas and the southwestern portion of Missouri.

■ **STATE BANK**, Stanley, has increased its capital from \$100,00 to \$300,000 by stock dividend.

■ **GUARANTY STATE**, Kansas City, has changed its name to Guaranty State Bank and Trust.

■ **FARMERS & MERCHANTS STATE**, South Hutchinson, has changed its name to State Bank of Kansas.

Joan Guy Named VP and Cashier Of Topeka State Bank



GUY

TOPEKA—Mrs. Joan Guy, a vice president of Topeka State, also has been named cashier. She is one of the highest-ranking women bank executives in downtown Topeka.

Mrs. Guy joined Topeka State in 1942 and has held a variety of key posts there. She is a graduate of the Clark School of Business.

Architects Hold Social Event In Fourth Financial Center

WICHITA—A unique social gathering was held on the fourth floor level of the partially completed Fourth Financial Center recently. Four hundred delegates and spouses of the American Institute of Architects' Central States



Attending Beaux-Arts Ball in unfinished Fourth Financial Center, eventual home of Fourth National, Wichita, were (from l.) Charles Kahn, dean of the Kansas University School of Architecture; Annette Kahn; Robert W. Asmann, sr. v.p., Fourth Nat'l; Barbara Platte; Karen Asmann; and Sid Platte, architect.

Regional Conference took part in the conference's Beaux-Arts Ball in the shell of the structure which will eventually house Fourth National Bank.

The event combined business with pleasure, since it gave the architects an opportunity to see the building under construction and to observe new methods of design.

■ **FRANCIS M. YOUNG** has joined National Bank of Wichita as real estate representative. Mr. Young recently completed 16 years service with the government. Prior to that, he owned his own real estate firm.

A Billionaire Bank

WICHITA—The Federal Land Bank of Wichita became a billionaire bank on October 30, according to President G. A. Wiles. It is estimated that the total farm and ranch real estate debt held by all lenders in the four-state area served by the bank is \$2.9 billion. Farms and ranches in these states are presently valued at \$25.6 billion. The real estate debt-to-value ratio is 11.3 for the district as compared to a 13.3 ratio for the nation.

CNB

COMMERCIAL NATIONAL BANK

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Mr. and Mrs. Calkins To Retire as Bankers

ST. JOSEPH—Mr. and Mrs. Benton M. Calkins Jr., both bank officers here, will take early retirement at year-end—Mr. Calkins as president and chief executive officer, American National, and Mrs. Calkins (Jessie) as vice president, auditor and trust officer, Belt National. Mr. Calkins will remain on his bank's board.



Mr. and Mrs. Benton M. Calkins Jr., husband-and-wife bank officer team in St. Joseph, plan to take early retirement at year-end.

Both began their careers at the old Drovers & Merchants Bank. Mr. Calkins took time out during World War II to serve with the Navy, leaving service in 1945 to join American National. By 1971, he had become president and CEO. He also is chairman, Belt National, and vice president, Ameribanc, Inc., HC that owns American National and Belt National.

Mrs. Calkins was one of the first women in St. Joseph to be elected a bank officer (assistant cashier). She left in December 1942, to marry Mr. Calkins and returned to banking in 1962. At Belt National, she was assistant cashier and cashier before being named to her present posts. In addition, she has been personnel and loan officer.

Mr. and Mrs. Calkins have bought a home in Estes Park, Colo., where they plan to join their son and daughter-in-law, Mr. and Mrs. Benton M. Calkins III, in operating a gift and antique shop. There's also a granddaughter, Christie Calkins, waiting for them in Estes Park. However, Mr. and Mrs. Calkins Jr. will continue to maintain their St. Joseph home.

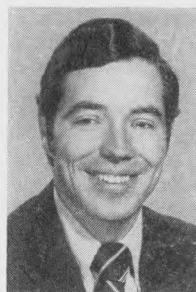
■ HENRY J. SCHNEIDER has joined Continental Bank, Richmond Heights, as assistant to the president, Richard E. Fister. Mr. Schneider was formerly in the loan departments of Mercantile Trust, St. Louis, and Southern California First National, San Diego.

Missouri News

Sutherland Named Vice President At Mercantile Bank, Kansas City

KANSAS CITY—Jack L. Sutherland has joined Mercantile Bank as a vice president. His primary responsibility will be to establish an international department, a new service of the bank.

Mr. Sutherland was formerly an international banking officer at Commerce Bank, Kansas City. He holds BS and MBA degrees from the University of Missouri, where he majored in finance.



SUTHERLAND

New Spanish Lake Bank Opens; Hofmeister Is President

The new Spanish Lake Bank & Trust Co. opened in north St. Louis County last month. Directors and their guests toured the bank November 2, and a grand opening for the public was held November 4. On November 9, several attendance prizes were given away, including a 25-inch color TV set, a trash compactor, AM/FM radios and 25 sets of ovenware. Several members of the St. Louis Cardinals football team were present November 9.

Officers of the bank are: chairman, Wilson R. Schwenk, executive vice president, Junior Achievement of Mississippi Valley, Inc.; president, Stanley T. Hofmeister; vice president and cashier, Frank V. Kussman; vice presidents, Walter W. Lorch Jr. and William R. Victor, and consultant, Alfred G. Arb. Mr. Hofmeister, a banker 40 years, was formerly president, Jefferson-Gravois Bank, St. Louis. Messrs. Lorch and Arb also were with that bank. Mr. Kussman came from St. Louis' Northwestern Bank, and Mr. Victor had been with Parkway Bank, Chesterfield.

Capital is \$575,000; surplus, \$287,500, and undivided profits, \$287,500.

In keeping with its name, the new bank's quarters feature a Spanish decor. It has five drive-up windows.

■ ANTOINETTE KOST and Claire Hinchman have been promoted at Webster Groves Trust. Miss Kost was named assistant secretary and Miss Hinchman was promoted from assistant treasurer to assistant secretary and assistant treasurer.

C. J. O'Connor Retires From Correspondent Post

KANSAS CITY—Charles J. O'Connor, veteran correspondent bank officer at First National, retired October 19. He was particularly well known in Missouri and Kansas.

Mr. O'Connor joined the bank in 1926 and worked in nearly every department before being named an officer and assigned to correspondent bank work in 1946. He became a senior vice president in 1962 and head of the division in 1965.

Early this year, Mr. O'Connor stepped down as division head as part of a plan of orderly transfer of responsibility to his successor, George C. Dudley, also a senior vice president.

One of Mr. O'Connor's two sons, John E. O'Connor, is a vice president in First National's correspondent division.



O'CONNOR

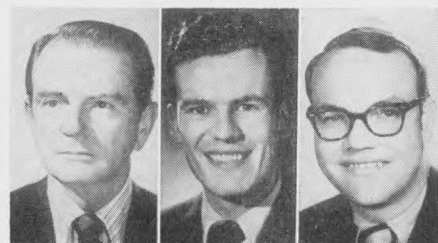
■ PIONEER BANK, Maplewood, has named Peter F. Benoist, Joan S. Jacobs, E. Tracy Bequette and Donald W. Garner assistant vice presidents.

■ CHARTER BANK, Overland, is constructing a new facility on Page Boulevard in the Charter Plaza Shopping Center in Overland. Opening is scheduled for next spring.

Promotions at Boatmen's Nat'l Headed by 3 Vice Presidents

ST. LOUIS—Boatmen's National has named Sam C. Hoover, Russell W. Murphy and Jerry S. Von Rohr vice presidents. Mr. Hoover is manager, leasing and equipment financing department. Mr. Murphy now is officer in charge of the trust division's investment research department and chairman, investment policy committee.

Others promoted were: to trust officers, George A. Halpin Jr. and Larry L. Janson; to assistant trust officers, William A. Faust, Henry W. Ourth and Paul A. Zeman and to assistant cashier, David E. Kunze.



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VON ROHR

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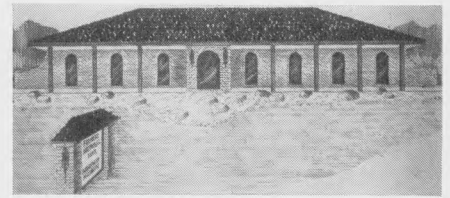
■ NATIONAL BANK of North Kansas City has named Jack V. West Jr. international banking officer. He was formerly in the international department of St. Louis' First National. In other action, National Bank in North K.C. announced that its new motor bank facility will be erected on the site of the old Lewis greenhouses at Highway 1 and 210. Completion is set for late spring.

■ PARKWAY BANK, Chesterfield, has elected Douglas Jay McDowell cashier. He comes from Mark Twain State, Bridgeton, where he was assistant cashier.

New Building Plans Announced By Farmers Nat'l, Ridgeway

RIDGEWAY—Farmers National will begin construction of new quarters early in 1974 and expects to complete the project by mid-year.

The one-story frame and stone structure will have Spanish design inside and out. It will be located on a 2½-acre lot about three blocks west of the bank's present home. The building will be set well back and will be complemented with extensive landscaping. A spacious lobby will feature a gas-log fireplace. In addition, there will be a large meeting room that can be divided



This is an artist's sketch of Farmers National of Ridgeway's new quarters, which will be constructed about three blocks west of the bank's present home. Spanish decor will dominate the exterior and interior.

by sliding doors into two smaller offices, and a roomy work area.

Future plans include development of a community recreation area with a possible tennis court, and croquet and picnic areas for use by townspeople.

The building's designer is Ste. Genevieve Design & Building Corp.

■ FIRST NATIONAL CHARTER CORP., Kansas City, completed acquisition of American National, Springfield.

■ BILL C. LEE has joined First National, Neosho, as assistant cashier. Mr. Lee is the son of Bill B. Lee, chairman and president of the bank. He was formerly with First National, Nowata, Okla., and McIlroy Bank, Fayetteville, Ark.


■ ROBERT J. BAUDENDISTEL, who was president, Mark Twain Northland Bank, Jennings, now is chairman. William L. Marietta has moved up from executive vice president to president. William E. Gillula and James J. Nelson were named assistant vice presidents and Mrs. Jeanette Caiazzo assistant operations officer. Mr. Gillula went to the bank last June. Mr. Nelson is assistant manager, installment loan department, and Mrs. Caiazzo bookkeeping supervisor.

71st Anniversary Noted



Robert Beverly Price Jr. (r.), chairman, Boone County National, Columbia, was honored recently as he began his 71st year of service to the bank. Bank President Albert M. Price (l.) presented his uncle with a resolution signed by persons attending a special bank reception honoring Mr. Price Jr.

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E. A. Huwaldt Named Director Of Kansas City Bank and HC

KANSAS CITY—United Missouri Bancshares, Inc., has announced the election of Edward A. Huwaldt to the board of the HC and its principal affiliate, United Missouri Bank of Kansas City. Mr. Huwaldt recently joined the HC and bank as vice chairman.

In other action, the HC has signed an agreement in principle to acquire Kansas City's Westport Bank and broke ground for a new affiliate, United Missouri Bank South. The HC is constructing the building and will lease a portion of it to United Missouri Bank South.

United Missouri Bank of Kansas City promoted Mrs. Suellen Long to assistant vice president and Thomas D. Cochran to assistant corporate trust officer. Mrs. Long is manager, personal banking department.

NABW Officers Elected

ST. LOUIS—The Metropolitan St. Louis Group of the National Association of Bank-Women has elected officers for 1973-74. Chairman is Mrs. June Darby Ellison, public relations officer, Mercantile Trust, St. Louis. Other officers include Miss Violet Lee Hosey, assistant vice president, Godfrey (Ill.) State—vice chairman; Mrs. Laura May Boemler, assistant cashier, Citizens National of Greater St. Louis—secretary; and Mrs. Lyla J. Rehbein, assistant cashier, Bank of O'Fallon, Ill.—treasurer.

■ WILLIAM GARY RESA has joined Commerce Bank, Mexico, as assistant vice president. He was formerly with Commerce Bank, Kansas City.

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Kansans Attend Annual Football Party



This year marked the 12th annual football party sponsored by Security National, Kansas City, Kan. The afternoon game ended in a tie, with University of Kansas and Oklahoma State deadlocking at 10-10.

The day has become a tradition with Security National, with officers and directors hosting their banking friends with a brunch and then boarding buses for nearby Lawrence, Kan. The day-long fun ends with a social hour and buffet dinner.

Pictured above are some of the pre-game activities. In the photo at top left, R. R. Domer (exec. v.p., host bank) and Mrs. Domer pin registration badges

on guests, Mr. and Mrs. George Ram-skill, Burlingame, Kan.

In the center, Chairman W. L. Webber is flanked by two visitors from Dighton, Kan.: Mrs. Hilda Jasper (l.) and Mrs. Geneva Hineman.

At far right, President Gray Breidenthal and Mrs. Breidenthal "lean in" for a visit with Joe McTigue, a director of the host bank, and an unidentified woman.

In the center panel of photos, bankers are shown participating in the brunch, and in the lower panel they board buses for Lawrence. In the photo at lower right, one banker wears a lapel button that reads: "Beat Oklahoma State!"

Annual Convention, Mobile, Municipal Auditorium.

May 8-10: Kansas Bankers Association Annual Convention, Kansas City, Kan., Ramada Inn Center City.

May 12-14: Missouri Bankers Association Annual Convention, St. Louis, Stouffer's Riverfront Inn.

May 12-14: Tennessee Bankers Association Annual Convention, Knoxville, Hyatt-Regency Hotel.

May 18-21: Mississippi Bankers Association Annual Convention, Biloxi, Buena Vista Hotel.

May 19-21: Illinois Bankers Association Annual Convention, Peoria, Peoria Hilton Hotel.

May 19-22: ABA National Operations & Automation Conference, San Francisco.

June

June 12-13: Indiana Bankers Association Annual Convention, French Lick, French Lick-Sheraton Hotel.

June 13-15: New Mexico Bankers Association Annual Convention, Albuquerque, Hilton Inn.

October

Oct. 19-23: American Bankers Association Convention, Honolulu, Hawaii.

November

Nov. 10-13: Robert Morris Associates Fall Conference, Atlanta, Regency Hyatt House.

■ ROBERT J. KURTZ has been elected assistant cashier at State National, Corpus Christi. He joined the bank in 1964.

Hubert Takes a Ride



As Harris Trust of Chicago's mascot, Hubert, waits, Mayor Richard J. Daley of Chicago (r.) signs the final structural steel beam that topped out the new Harris Bank building, now under construction. Waiting to add their signatures to the more than 13,000 others already on the beam are (l. to r.): Chalkley J. Hambleton, pres.; William F. Murray, ch., and Stanley G. Harris Jr., v. ch. Hubert (note his hard hat) rode the beam to the top of the 38-story structure on the southeast corner of LaSalle and Monroe streets. It will be completed next year.

Convention Calendar

1974

January

Jan. 20-25: Robert Morris Associates Loan Management Seminar, Bloomington, Ind., Indiana University.

February

Feb. 17-19: ABA Bank Investment Conference, New Orleans, Fairmont Roosevelt Hotel.

March

March 20-24: Independent Bankers Association Annual Convention, Dallas, Fairmont Hotel.

March 31-April 3: ABA Trust Operations & Automation Workshop, Chicago.

April

April 9-10: Young Bankers of Tennessee Annual Convention, Memphis, Holiday Inn Rivermont.

April 21-26: Robert Morris Associates Loan Management Seminar, Bloomington, Ind., Indiana University.

April 27-30: Louisiana Bankers Association Annual Convention, New Orleans, Fairmont Roosevelt Hotel.

May

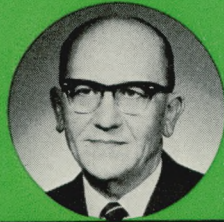
May 5-7: Texas Bankers Association Annual Convention, Ft. Worth.

May 5-8: Arkansas Bankers Association Annual Convention, Hot Springs, Arlington Hotel.

May 7-9: Oklahoma Bankers Association Annual Convention, Oklahoma City.

May 8-10: Alabama Bankers Association

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