

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

MAY 1, 1974

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a Cadillac!

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Correspondent
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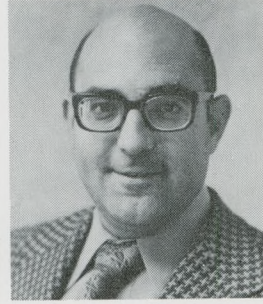
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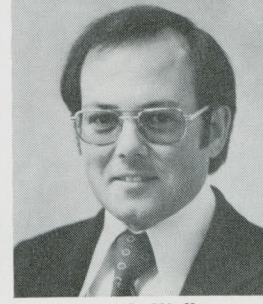
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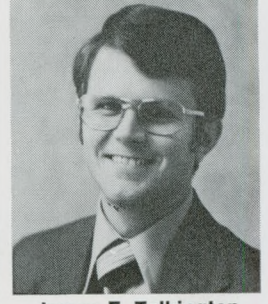
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MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 70, No. 5

May 1, 1974

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Convention Calendar

May

- May 7-9: Oklahoma Bankers Association Annual Convention, Oklahoma City.
- May 8-10: Alabama Bankers Association 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.
- May 22-24: ABA Southern Lending Workshop, New Orleans, Fairmont Roosevelt Hotel.
- May 27-29: AIB Convention, Baltimore, Baltimore Hilton Hotel.

June

- June 2-5: Conference on Bank Holding Company Management Problems, Dallas, Sheraton Hotel.
- June 3-8: ABA International Monetary Conference, Williamsburg, Va.
- June 5-7: ABA Mid-America Workshop (commercial lending), Chicago, Palmer House.
- 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.

July

- July 11-14: ABA Central States Conference, Mackinac Island, Mich., Grand Hotel.
- July 21-Aug. 2: Southwestern Graduate School of Banking, Dallas, Southern Methodist University.

August

- Aug. 31-Sept. 3: Assemblies for Bank Directors, Colorado Springs, Colo., Broadmoor Hotel.

September

- Sept. 15-18: ABA Personnel Conference, Minneapolis, Hotel Radisson.
- Sept. 15-18: Bank Administration Institute Convention, Chicago, Palmer House Hotel.
- Sept. 22-25: ABA Charge Account Bankers Division Convention, Chicago, Palmer House Hotel.
- Sept. 29-Oct. 2: Bank Marketing Assn. Convention, New Orleans.

October

- Oct. 17-18: Association of Registered Bank Holding Companies Fall Meeting, Honolulu, Kahala Hilton Hotel.
- Oct. 19-23: American Bankers Association Convention, Honolulu, Hawaii.
- Oct. 27-30: Bank Marketing Assn.'s Electronic Funds Transfer System Conference, Chicago, Hyatt-Regency O'Hare Hotel.

November

- Nov. 10-13: ABA National Agricultural and Rural Affairs Conference, St. Louis, Chase-Park Plaza Hotel.
- Nov. 10-13: Robert Morris Associates Fall Conference, Atlanta, Regency Hyatt House.
- Nov. 21-22: ABA Mid-Continent Trust Conference, Chicago, Drake Hotel.

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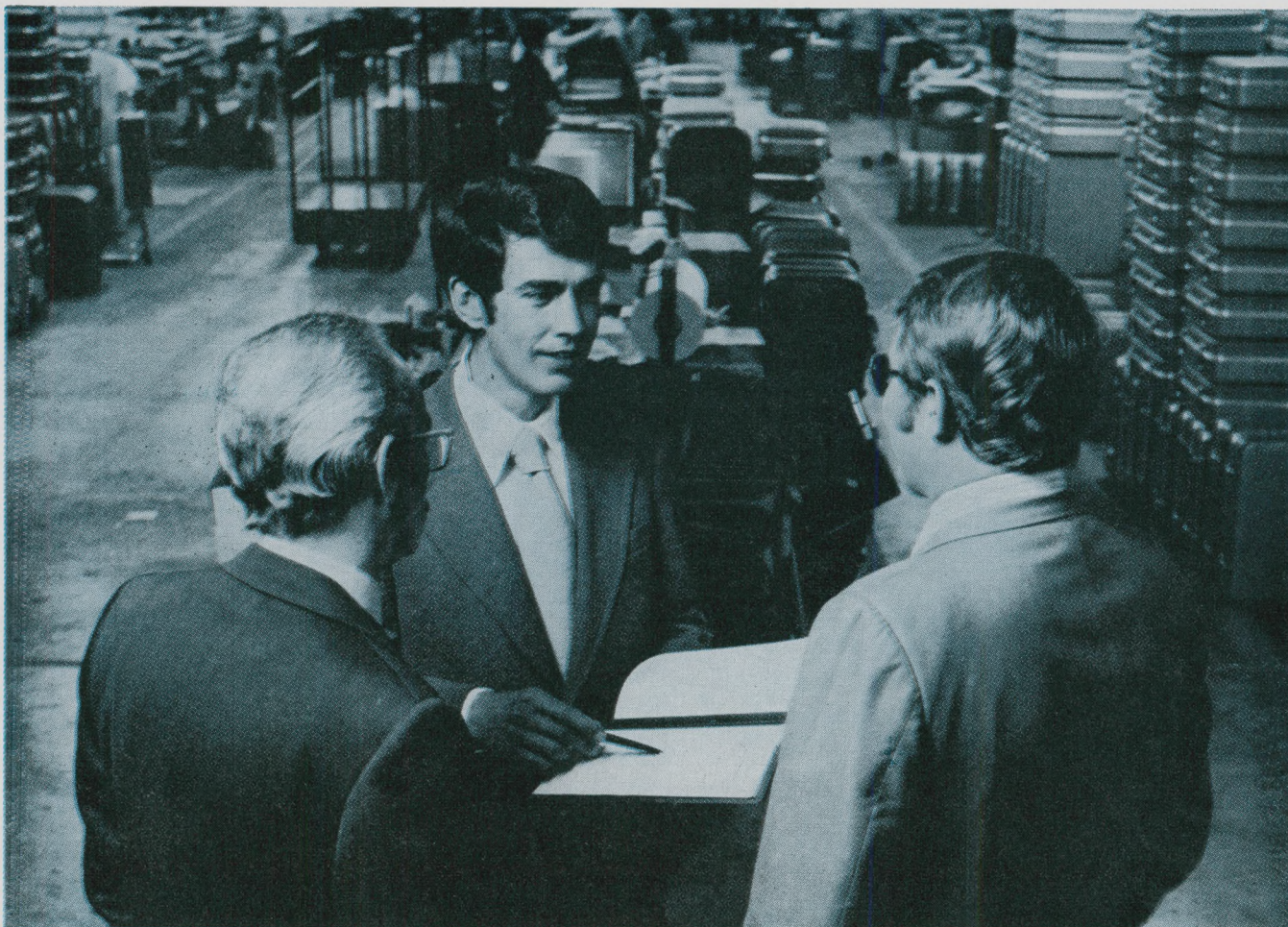
His background is a valuable asset in providing expert analysis and advice to the banks and businesses he visits.

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MID-CONTINENT BANKER for May 1, 1974

Community Involvement

'Gratifying Response':

Annual Scholarships For \$500 Given by Bank To High School Graduates

For the eighth consecutive year, Bank of St. Ann, Mo., is presenting a \$500 scholarship to a current graduate of a St. Louis-area high school. Application blanks are sent annually to public and parochial high school guidance counselors, and they also are available each year at the bank.

"It's only when you get involved in a program like this that you realize how important it is that we encourage our young people to seek higher education," said President Richard J. Pfleging, "and that we give them the recognition they deserve for scholastic achievement."

Mr. Pfleging said he is extremely gratified with the response to the awards. In 1972, he added, there was even an application from an American student in Japan.

The annual scholarship is presented following a screening of applicants by a board of educators representing area schools. The \$500 is sent directly to the winner's chosen college or university and is applied directly to payment of tuition and fees. Applicants' parents must be Bank of St. Ann customers.

A Cooperative Effort:

Educational Program for High Schools Started by Bankers in Memphis Area

THROUGH A large-scale, cooperative effort between the Tennessee Bankers Association and the Memphis and Shelby County school systems, TBA representatives are taking some practical banking information into the high schools this semester. Senior high school economics classes in both the city and county are receiving information and/or visits from association representatives of various Memphis banks.

Announcement of the program was made by R. Steve Sims, Shelby County coordinator for the TBA's educational program this year and training and management development officer, National Bank of Commerce, Memphis.



SIMS

Under the program, a TBA representative—before going into a classroom—contacts the principal of that particular school and then the respective economics teacher. The teacher and representative then decide how best to handle presentation of the banking material and set a date for the presentation. All presentations stress practical information on checking and savings accounts and personal borrowing because these banking areas are most likely to be the first encountered by high school seniors after graduation. The TBA representative tries to answer any questions students may have about

banking and, time permitting, discusses additional bank services.

A program of this proportion is the first for Tennessee, and the TBA hopes that by augmenting the secondary school curriculum with booklets, films and instruction from the financial industry, it can bring about a positive and effective impression that banks are not simply structures, but are organizations full of people who care about their communities and want to render several available services. In turn, according to the TBA, the Memphis and Shelby County school systems recognize the need for and support of a cooperative effort between banking and education to mold better-informed and more prepared citizens for the community and to lead to a more effective execution of the learning process.

In preparing the program, Mr. Sims formed a pilot committee, consisting of persons from various Memphis banks who put together a basic lesson plan for TBA representatives to take to the schools.

In addition to NBC, other Memphis banks contributing manpower are First National, Union Planters National, Memphis Bank, Commercial & Industrial and First American. These banks and Tri-State and Peoples Bank of Shelby County are contributing funds for the program to pay for instruction materials and/or films used during the classroom presentations. The bankers are reaching about 1,300 students in 21 Memphis schools and five Shelby County schools. • •

'Safety Sam':

Traffic-Safety Program For School Children Sponsored by Bank

Thanks to Little Rock's Union National, all elementary schools in the Little Rock and Pulaski County districts are involved in a traffic-safety program. The city's Deaf School also is included in the program, which is designed to reach about 4,000 youngsters.



With "Safety Sam" sign in background, Herbert McAdams (l.), ch., Union Nat'l, Little Rock, presents his bank's traffic-safety program to J. K. Williams, supt., Pulaski County schools, and Dr. Paul Fair, supt., Little Rock schools.

The classroom project is built around a series of 18 aluminum signs that explain traffic warnings with the aid of a cartoon character called "Safety Sam." The signs and classroom materials include a set of coloring sheets and an ABC Safety Booklet. They are based on the standard safety signs and visual symbols used officially by traffic authorities throughout the country.

Certificates of merit signed by teachers and the bank will be given children who complete the program.

Bank Awards Teachers



Richard A. Mason, sr. v.p., Fort Worth Nat'l, presents \$1,000 scholarships to two teachers in the city's public schools to assist them in taking advanced studies in their specific educational fields. This is the sixth year that Fort Worth Nat'l has given \$1,000 awards to two career public school teachers. Winners must utilize the funds to do advanced study. They are chosen by the Fort Worth Classroom Teachers Association.



Rally 'round the men from Commerce Bank

May 5-7 — Nebraska Bankers Convention,
Lincoln — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon



May 5-7 — Texas Bankers Convention,
Ft. Worth — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, Steven K. Summers



May 5-7 — Arkansas Bankers Convention,
Hot Springs — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, Ben F. Caldwell



May 7-9 — Oklahoma Bankers Convention,
Oklahoma City — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, Ben F. Caldwell



May 8-10 — Kansas Bankers Convention, Kansas City
— P. V. Miller, Jr., C. L. William Haw, Fred N.
Coulson, Jr., James W. Fowler, John J. Hilliard,
Edwin B. Lewis, Nelson V. Rogers, John C. Messina



May 12-14 — Missouri Bankers Convention, St.
Louis — P. V. Miller, Jr., C. L. William Haw, Fred N.
Coulson, Jr., Elmer Erisman, John C. Messina,
Frank W. Greiner



June 5-9 — Colorado Bankers Convention,
Colorado Springs — P. V. Miller, Jr.,
Fred N. Coulson, Jr., Tom C. Cannon



June 13-15 — New Mexico Bankers Convention —
Albuquerque — Fred N. Coulson, Jr., Tom C.
Cannon, Steven K. Summers



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The Banking Scene

By Dr. Lewis E. Davids

Hill Professor of Bank Management,
University of Missouri, Columbia

How Does Your Bank Select Officers?

THE FINDINGS of a survey of promotion practices of a small but representative number of business firms confirm what often has been observed by those close to bank management—that promotion practices are surprisingly haphazard.

Does your bank fall into the classification of being “surprisingly haphazard”? Probably most of the bank’s officers and almost all its clerical staff are unaware of the actual steps taken in choosing a new officer. But this will not prevent some subjective conjectures as to the merits of the new executive appointment.

An abstract rationalization would hold that banks and their communities are better served when the “best” man is chosen to fill an executive opening. However, what constitutes the “best” man? Is he a highly trained technician; a personable, pleasant chap; a “ball of fire”; an “organization man”; the boss’s son-in-law? Or is he a combination of such factors? If he is the latter, which facets are most important? The survey itself—while shedding some light on this important point—is subject, as are many surveys, to the limitations of the polling techniques used.

The poll of the presidents of large companies queried their attitudes and techniques in regard to selecting officers. It was subject to a “rationalistic bias,” that is, even though a decision or selection may have been made—let us say for frivolous reasons—an executive will find valid reasons to justify his decision. Thus we should expect responses to be biased in favor of reason rather than less defensible characteristics.

With this in mind, it is amazing to find that only 55% of filled vacancies were admitted to be “merit” promotions. In some 15% of the cases, promotions were “automatic”; that is, a second vice president automatically was promoted

when a first vice president vacancy developed.

Stop for a moment and consider whether you would have selected the last few new officers in your bank for the positions they fill. It might be edifying to conduct your own informal poll among your associates. There is a good probability that you would find some healthy disagreement, which would not necessarily indicate which viewpoint would be the correct one. It would only show differing evaluation criteria. Further, opinions would be subject to the bias of hindsight.

Selection ‘Fads’

The U. S. has some 13,000 banks, which means there exist about that many approaches to the problem of executive selection. It appears that some of the techniques for officer selection may be of a fad nature. Several years ago, in an effort to become more scientific, a number of large financial institutions adopted the practice of using executive ability and mental tests. Top management was, in effect, giving up part of its responsibility to the “objective analysis” of these tests.

Psychological tests were administered to the various candidates, and were then sent to a psychologist who selected the candidate for the position. Variations of this technique involved the psychologist conducting interviews with prospective executives.

A rather devastating blow was dealt this seemingly “scientific” method when it was found that many test standards tended to penalize the person with exceptional characteristics. Further, they encouraged conformity and blandness when, in fact, executives should be anything but typical in their characteristics.

Serious students of management hold there is a proper, useful and valid—if

limited—place for such tests. They also hold that tests are not by far the complete answer. Tests that are well designed, understood and applicable to the problem, may help top management arrive at the best choice among alternatives.

Another technique top management of urban banks is becoming a bit disenchanted with is the “wife interview.” The rationale is somewhat as follows: An executive’s family and especially his wife can be important motivators, and either a social asset or a liability. A wife who doesn’t mind hubby working late at the office or taking long business trips will not bug him about his work and thus there will be less conflict in his loyalties. Further, a wife can push her man in the right direction and identify herself with her husband’s institution. She can also help sell her husband’s bank in her social circle.

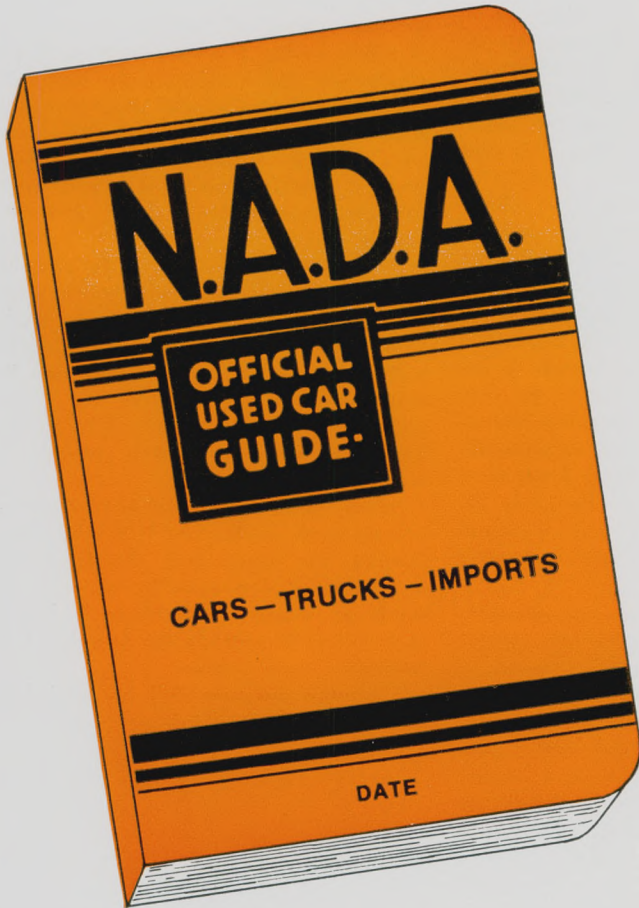
More than one firm’s top officers are said to have abandoned the wife interview technique after viewing a TV show in which the adverse side of this technique was portrayed with humor. In all fairness, it must be admitted that for a few bank positions where customer entertainment is widespread, the wife interview may serve as some minor help in selection. This is more likely to be the case in communities in the heartland of America than in the coastline megalopolis.

Banks have not used management consultants to obtain new officers to any considerable extent. In this way they differ a good bit from their counterparts in manufacturing who fill at least one in 10 jobs this way. However, a small survey of bank officers indicated that about one in 10 came from the ranks of bank examiners of state or national agencies.

Nepotism—being related to the boss—has been repeatedly shown to be an

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influencing factor in choice of executives, both in manufacturing and in banking. Good arguments can be made for or against the practice. Perhaps the greatest argument in nepotism's defense can be raised on the part of the closed-family controlled banking corporation, as opposed to a publicly owned institution. A major distinction would appear to rest on the fiduciary nature of banking. Also of importance is the fact that by accepting public deposits banks become high-leverage institutions and are vested with great public interest. For this reason, publicly owned banks should adopt merit appointment practices rather than considerations of bloodlines. One study of relatives in banking institutions revealed that better than 15% of officer respondents had relatives in the same bank.

Bank size has an important bearing on how officers are selected. It may be generalized that larger banks—those having literally hundreds of officers—have tended to adopt relatively objective standards for officer selection.

Bank policy may in part be deduced from the attitudes of the recruiters who visit campuses and their careful selection of potential bank executive trainees. More than token lip service seems to be given to selecting liberal arts graduates for bank training programs. This is a step advocated by several of the nation's leading bankers. Placement officers of colleges, however, agree that business administration graduates still seem to get a preferential nod from the bankers who interview graduating seniors for employment. However, it would be incorrect to deduce that college graduates are predominantly the source of bank officer material.

In choosing officers, most in top management will agree in theory that ability

rather than seniority should prevail. However, they find it is not easy to measure ability objectively when different characteristics or strong qualifications are to be found among various candidates for an opening.

Most banks appear to follow the generally sound principle of selection from within whenever possible. At times there is difficulty in the larger banks for a good man in one department to be considered for an opening in another department. If a qualified banker is held back because of a dearth of advancement opportunities in his own department while other departments have a high rate of officer selection, problems are bound to develop.

Many banks could improve their methods of selecting officers. This can be accomplished by greater objectivity in evaluating the potentials of an officer candidate with the qualities needed for successful performance of the job. Internal promotion is better for morale and should normally be used unless no one is fully qualified for the executive opening. Bank examiners appear to be favored if management has to go outside its own staff for executive talent. Formal higher educational attainment, while a help, is not a must. Lack of a degree may be remedied by study at various state, regional and national schools of banking designed for operating bankers.

Periodic discussions by top management with employees showing officer potential should be adopted. Consistent and fair policies for officer selection are important. This is especially true because analysis of age and sex distribution of officers and growth of banks indicates that the selection of officers will become of increasing importance in the years ahead. • •

Study Program Announced For Women in Banking By NABW, Simmons College

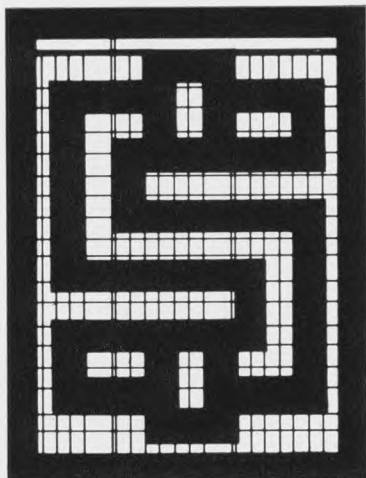
Joint development of a program leading to undergraduate and graduate degrees in management for women in banking has been announced by the National Association of Bank-Women Inc., Chicago, and Simmons College, Boston.

Distinguishing features of the proposed program are its focus on acquisition of managerial techniques through specially designed courses, possibility of credit being granted for prior work experience and utilization for credit of many other educational opportunities within banking. These last include major banking schools, selected AIB courses, credits from local schools and colleges, independent study and research, etc.

Simmons College, said to be one of the two largest women's colleges in the country, recently developed a graduate program—designed specifically with the particular needs of women in mind—leading to a master's degree in management. Its courses will form the backbone of the NABW program's management segment.

Simmons will provide a faculty member to work with NABW's education director on curriculum development. A survey of the specific educational needs of women in banking is being undertaken to provide the base for the program's early courses.

The new program will be available to all women in banking.



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MID-CONTINENT BANKER for May 1, 1974

NEWS ROUNDUP

News From Around the Nation

Mutuals Seek EFTS Access

Assurances that mutual savings banks will be included on an equal basis with other depository institutions in any future electronic funds transfer systems has been requested by the National Association of Mutual Savings Banks (NAMSB).

The organization stated that such participation as a means of competing for savings deposits will be a necessary condition for the long-run survival of a viable and independent savings bank system.

Assuming that the Fed will operate an inter-regional EFTS system, the NAMSB said the Fed should establish uniform, non-discriminatory standards for the system's use. The Fed also should assure that the various public and private segments of the system are open on an equal basis to all depository institutions.

The NAMSB called for congressional assurance that private ownership of various parts of the system will not result in the power to exclude competitors or in other anticompetitive practices.

Moratorium Extension, Expansion Asked

The National Association of Mutual Savings Banks seeks extension of the existing moratorium on mutual to stock conversions for a three-year period to permit thorough congressional study of the complex issues involved. The organization also wants the moratorium broadened to include mutual savings banks.

The potential dissipation of many billions of dollars in the reserves of mutuals poses issues of great importance to the public, a spokesman said.

He also said distribution of the reserves of a converting mutual institution is basically inequitable and not in the public interest. The "windfall" effect is still present, he said, it has simply "gone underground."

The spokesman said that a conversion in New Hampshire resulted in a reduction in holdings of mortgage loans by 10% at a time when other mutuals were increasing their holdings. He said the experience of this institution underscores the adverse impact of savings bank conversions on the availability of housing credit.

Banks Lead in Housing Support

The ABA says banks are number one among financial institutions in financing and servicing the total shelter needs of America's families.

Banks held over \$177 billion in loans and investments in accountable support of family shelter requirements at the end of 1973. This figure represents more than one quarter of the total of bank loans and investments that went toward housing in the U. S. that year, the ABA says.

Banks acquired \$13 billion in residential construction

loans during 1973, almost half of all such loans written that year.

In addition, the mobile home industry relied on banks as the major source of credit last year. Banks had \$7.2 billion in mobile home loans outstanding, representing 57.5% of all such debt, the ABA says.

An estimated \$4.2 billion was held by banks for the purchase of land as of June, 1973, the ABA says. This amount represents the largest percentage of loans made for land purchases by major lender groups.

Banks held some \$90 billion in municipal securities, lead the industry in providing credit assistance to the housing industry through loans made to other financial institutions, held over \$61.7 billion in residential mortgage loans at the end of 1973 and had an investment in federal agency obligations involved in housing amounting to \$10 billion.

Bank Secrecy Act Upheld

The Supreme Court has ruled six to three that the Bank Secrecy Act is a valid attempt to detect illegal use of secret Swiss bank accounts and the "heavy utilization of our domestic banking system by the minions of organized crime."

The justices have rejected claims by banks, depositors and the American Civil Liberties Union that the act violates various constitutional guarantees, including the right to be free from unreasonable searches and seizures. The groups had challenged provisions of the act requiring banks to record, retain and report to the government the details of certain financial transactions by bank customers.

The majority opinion admitted that the act seemed severe but that it was necessary in this age of sophisticated crime.

The minority opinion included the statement that "Congress may well have been correct in concluding that law enforcement would be facilitated by the dragnet requirements of the act. Those who wrote our Constitution, however, recognized more important values."

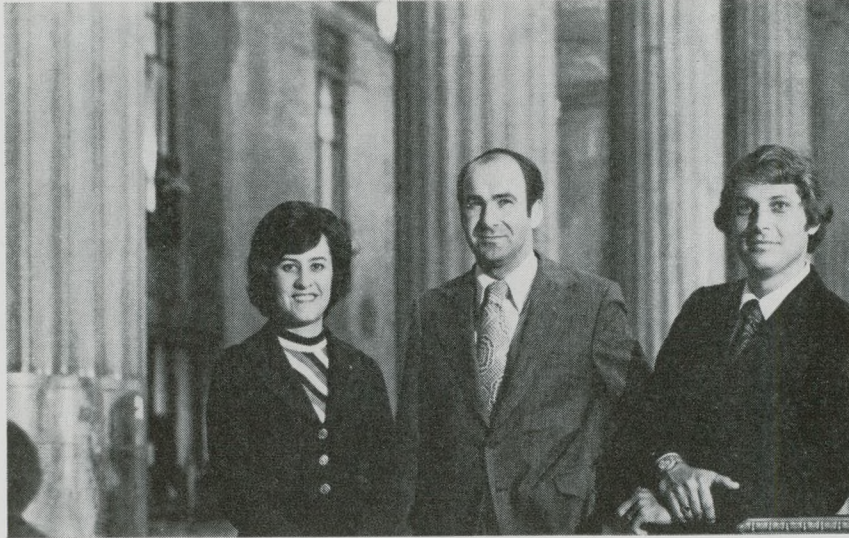
S&Ls to Sell Negotiable CDs?

The Federal Home Loan Bank Board has moved to allow S&Ls to issue certificates of deposit of \$100,000 or more that are negotiable in form. This form would permit a depositor to trade the CDs in the secondary, or resale, market.

If the FHLBB adopts its proposal, a major tug of war could be triggered between commercial banks and S&Ls to attract big saving customers. Last year only 2% of the outstanding CDs of \$100,000 or more were in S&Ls.

The board is scheduled to reach a conclusion on the matter as this issue goes to press.

Let us give you F.A.C.T.S.



Nancy Richard, Don Kidd and David Sas

Free for thirty days.

The "First's Automated Control for Today's Securities" (F.A.C.T.S.) has been proven with banks in five states. It's the latest innovation in investment portfolio analysis and accounting.

Your bond portfolio can be automated on the F.A.C.T.S. system for 30 days at NO CHARGE. Look over the many advantages of F.A.C.T.S., then call Don Kidd, Nancy Richard, or David Sas in The First's Investment Division today, at 405-272-4606.

With F.A.C.T.S. . . . you're not alone.

DEVELOPMENT:

- Designed and developed by The First National Bank and Trust Company of Oklahoma City.

MAINTENANCE:

- No forms to be filled out. Our staff handles the complete conversion.
- Updated daily or as instructed.
- Complete back-up reporting maintained.
- Eliminates bond register posting.

REPORTING:

- Portfolio is current because of daily updates.
- Weekly recaps and detailed monthly reports (Daily reporting available).
- Complete audit trail of activity.
- Premium amortized — none, monthly, quarterly, coupon or yearly.
- Discount accreted — none, monthly, quarterly, coupon or yearly.
- Callable bond reporting.
- Callable bond premium amortized to call date and/or maturity date.
- Forecast of cash income.

- Interest reporting on accrual or cash income basis.
- Liquidity reporting.
- Pledging reporting by pledgee.
- Safekeeping reporting by location.
- Reports for bank calls, audits and examinations.
- Director's reports for purchases.
- Maturity schedules.
- Average yield reports.
- Management appraisal reports of total portfolio.
- Direct terminal can be installed in your bank.

Unlike many other programs, F.A.C.T.S. offers the availability of almost all reports on request.



OVER \$65,000,000 CAPITAL STRUCTURE / LARGEST IN OKLAHOMA / MEMBER F.D.I.C.
A SUBSIDIARY OF FIRST OKLAHOMA BANCORPORATION, INC.



• **Security Corp.** This firm has introduced a new line of modular metal undercounter units (see illustration) that are said to offer components to accommodate virtually any teller station design. They are available either in the "highboy" (38½ inches) or "low-boy" (31½ inches) series. Both series are available in 18¼-inch and 22½-inch depth.

All components are made of steel with anodized satin-finish aluminum flush pulls. Drawers are equipped with heavy-duty support members allowing extension beyond the cabinet housing, bringing the entire interior within easy reach, according to the manufacturer. The anti-rebound design ensures positive closure of all drawers. Coin lockers are equipped with three-wheel, key-change, combination locks with relocking device and key-locking, spyproof dials.

Write: Security Corp., 2055 S. E. Main Street, Irvine, CA 92705.

New Products and Services

• **John H. Harland Co.** An advertising program designed for smaller banks is being offered by John H. Harland Co., Atlanta-based check-printing firm. Called the Competitive Edge, the program was created by the firm's marketing department and includes full-color statement or lobby folders, full-color lobby posters, newspaper ads, teller badges and professionally recorded radio commercials. It offers 15 different subjects from S&Ls to checking to Christmas club.

Participating banks have exclusive use of the materials in their market areas.

The Harland program also allows a bank to use its own custom copy in place of the standard copy. According to Bruce Levitt, the firm's advertising manager, this provides a flexibility and custom feel not available in ordinary syndicated advertising programs. Mr. Levitt said that the program is "de-

They didn't think they could save enough for their child's education either. But they did! And so can you!

When the \$44,000-a-year tuition bill comes probably costing a million more over the years, you probably the thing you'd rather not do—sell your car or liquidate investments, you really don't want to do it. You're in the money!

Make parents take the long term view. The need for planning ahead. When the urge for more money of college funds, parents don't really get discouraged. But you can't be a parent who saves.

How to do it: discuss this valuable planning experience the day the child is born. The key is getting started early. Come to and save with us about one of our best existing education programs. The sooner the better.

HARLAND BANK & TRUST
YOUR TOWN. YOUR STATE

This is sample of newspaper ad provided in John H. Harland Co.'s bank advertising program called Competitive Edge.

signed to provide advertising that is as creative as anything being done by even the biggest banks, at a fraction of the cost of a custom campaign."

Write: Bruce Levitt, Financial Advertising Division, John H. Harland Co., P.O. Box 13085, Atlanta, Ga. 30324.

Agricultural Lending Unit Announced by Continental

CHICAGO—Continental Bank has formed an agricultural lending unit to centralize its expanding agricultural business. Previously, such lending responsibilities were borne by various areas of the commercial department.

The new section is responsible for development and administration of all the bank's agricultural business—grain producers and feedlot operators, for example—regardless of geographic location. It provides financial services to firms engaged principally in production and related activities, according to Vice President Robert C. Vasko, who heads the unit.

Money-Time-Energy-Saving Tips Contained in Bank's Newsletter

ST. LOUIS—Tips on saving money, time and energy are the subject of a new quarterly consumer newsletter, "Saving Ways," being published by Mercantile Trust. The newsletter is mailed to segments of savings customers who receive quarterly statements, and copies are available in the bank's main lobby.

New Customer Services

The spring, 1974, edition of the newsletter contained information on how to determine whether refrigerator door gaskets are tightly sealed, how to save up to \$1.04 when mailing a book, and how to reduce dental costs. In addition, there were "mini-savers" on fire-place wood, candles and double boilers.

Help for Survivors, Beneficiaries Provided by Little Rock Bank

LITTLE ROCK—First National has established a financial-counseling service designed to provide survivors and beneficiaries with advice and help in collecting benefits for which they are eligible. The free service, which is being operated under the marketing division, is called "Helping Hand" and is being offered to customers and non-customers.

The program's specific objective is to help beneficiaries on such matters as proper authorities to notify, immediate measures to be taken and required information for claims in areas like social security, teachers' benefits, credit life insurance, profit-sharing plans, etc.

Simple-Interest Loan Plan Started by Harris Trust

CHICAGO—Harris Trust has announced a new Simple-Interest Loan plan under which interest is calculated on the daily unpaid principal balance.

The Simple-Interest Loan allows a customer to reduce total interest charges by prepaying during the life of the loan or by making payments early in the monthly billing period. There are no late fees or penalty charges; the interest just accrues on the unpaid balance.

Every dollar the customer prepays immediately reduces the balance on which the interest is charged. Interest charges also are reduced when a customer makes two or more payments at the same time or makes partial prepayment with his monthly payment.

When your customers picked you they picked the best bank for them. We'd like to suggest that you get together with a great bank, too. Us. Bank of America.

As a correspondent bank, we participate in loans, help finance and negotiate foreign trade transactions, help you transact business in the money market, process your transit, help keep your securities safe and your customers happy.

And we have the facilities and the experience to

give you outstanding service in most every corner of the world of commerce.

For more information about what our bank can do for your bank, contact our regional correspondent banking specialists at: Bank of America Center, 555 California St., San Francisco 94137, (415) 622-6142; or Bank of America Tower Bldg., 555 South Flower St., Los Angeles 90071, (213) 683-3288.

**Maybe
what your bank needs is
a great bank.**



PEOPLE DO. PEOPLE SHOW.



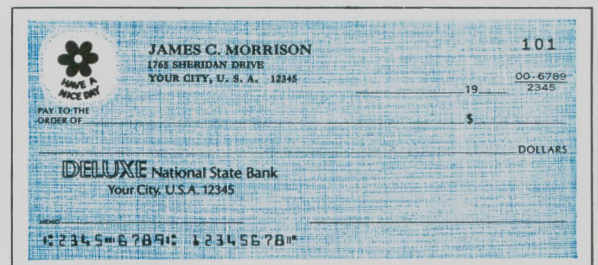
Most people have a special interest. It might be hobbies, sports, ecology, Zodiac or pets. But whatever they do, they're showing it on their checks. DeLuxe "Personal Touch" checks. This unique style of Personalized Checks can show one's vocation, avocation or just a symbol wishing everyone a nice day.

There are over 250 illustrations that your customers may choose from. And they're all displayed in the DeLuxe Catalog of Personalized Checks in a sequence that makes selection quick and easy.

We have developed Advertising material that is available to you at no charge to help you in promoting this popular check package.

Ask your DeLuxe Representative for details on the complete promotional campaign for your bank. Offer your customers the full selection of DeLuxe Personalized Checks.

There's something for everyone. It's the Personal Touch way.



"Personal Touch" CHECKS
DELUXE CHECK PRINTERS, INC.
SALES HDQTRS. • 3440 N. KEDZIE, CHICAGO, ILL. 60618
 STRATEGICALLY LOCATED PLANTS FROM COAST TO COAST

Installment Lending

Will S&Ls Step In?

Are Bankers Ready to Make Loans In Leisure-Products Area?

By **JUDSON WHITE, Ph.D.**
Director
Institutional Research
University of
South Alabama
Mobile

ARE BANKS ready to do business in the leisure-lending area? What effect will the energy crisis have on the leisure industry? Before going into details of the 1974 travel picture, it might be worthwhile to consider briefly the industry as a whole.

I reported two years ago on earlier research and indicated that something like 25% of the Gross National Product is spent each year in various phases of the leisure industry. It would seem obvious that banks should be very interested in any financial activity of this magnitude. However, we found that—at least in Alabama, Kentucky and Montana—bankers were quite conservative with reference to making loans in the leisure-products area.

Actually, they were reluctant to make such loans, and, at the same time, they reported that they had greatest success in recovering loans made in this area.

Results indicated that the age of a loan officer, size of the bank and of the town in which the bank was located had a great influence on the outlook of the loan officer toward making loans for leisure-time products.

Further, it appeared that the geographic location of banks had a great deal to do with their outlook on making leisure loans. Two interesting examples come to mind. My research group found, in general, that bankers in Alabama did not think highly of making loans for race horses and preferred to confine loan activities to pleasure horses. However, it developed that Kentucky bankers were very much interested in making loans for race horses. Not too surprisingly, Alabama bankers were not interested in making race car loans. However, they love race car loans in Indianapolis and we found that a bank in Virginia actually sponsored a race car and that one of the senior vice presidents of First Na-

tional, Great Falls, Mont., is a licensed world class driver. Our results subsequently were published in several national banking journals, and, surprisingly, I was invited to speak at the state meetings of both the Kentucky and Montana Bankers associations. I believe this points out how intensely personal the lender-borrower situation is and how all sorts of unsuspected factors influence loan activities in each locality.

Another interesting example was found. *The Wall Street Journal* indicated that antiques are considered, next to land, to be one of the better hedges against inflation. Oddly enough, we found that bankers were not enthusiastic about making loans for an-

tiques—even for antique coin collections.

One of the basic findings of our research was summed up in a statement made by a young bank officer, who said, "I guess we make loans for things we know about." Every banker should think about that in light of his own experience.

To determine the readiness of Alabama bankers to do business in the area of leisure-products loans, we will consider a bit of research that we did in connection with an evaluation for the Alabama Consumer Protection Council on the operation of the 1971 Alabama Consumer Credit Act. Since it costs money to make a loan of any sort, we asked Alabama bankers to tell us how much it cost them to make one. I was amazed when one bank said that it cost \$46.44. The lowest estimate I got was \$3, and the average stated cost was \$14.47. Some relief may be found for this problem. This past November I reported our research findings on loan-initiating costs to a meeting of chief officers of Alabama banks. They were quite vocal and simply didn't believe that the cost of initiating loans is anything like as high as the figures given to us. Next, I

(Continued on page 46)

Ask KCIC about a complete financing program.



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

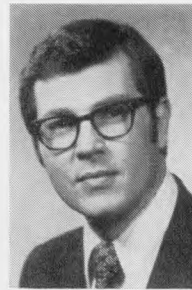
KCIC **KEYSTONE CREDIT INVESTORS CORPORATION**
A James Company • P.O. Box 1675, Harrisburg, Pa. 17105, (717) 761-6820
Oklahoma Branch Office: 700 LVO Enterprise Building, Tulsa, Oklahoma 74103, (918) 587-2444.

Corporate News Roundup

• **ISC Industries, Inc.** Graham Porter, former vice president and director of marketing, Commerce Bancshares, Inc., Kansas City, has joined ISC Industries, Inc., Kansas City, as director of marketing. ISC Industries is a financial services company principally engaged in insurance, S&Ls and consumer finance.



PORTER



NEVITT

Mr. Porter spent 17 years as vice president-advertising and public relations at Commerce Bank, Kansas City, followed by three years with the bank's parent HC. He has written three

humorous novels, including "Small Wonder," a 1957 best seller. He has been a regular contributor of short stories and articles to *Reader's Digest*.

• **CMI Investment Corp.** Robert Nevitt has been named district director for Kentucky and a portion of southern Illinois for CMI Investment Corp., a financial services firm based in Madison, Wis.

Mr. Nevitt had been with CIT Financial Services, Louisville, since 1971 as a sales representative. Before that, he spent 11 years with Household Finance Corp., where he managed offices in Lexington, Ky., and Louisville before switching to sales in 1967.

In his new post, Mr. Nevitt represents CMI in all its operations.

• **Insured Credit Services, Inc.** This firm, said to be the world's largest and oldest private insurer of home-improvement loans, has announced 1974 as its 20th-anniversary year. It was founded in 1954 by Arthur J. Frenz, chairman, and has grown into a nationwide company serving more than 900 client banks.

During the past two decades, ICS has insured in excess of \$1 billion in home-improvement loans. By doing so, said a company spokesman, it has provided banks with a loan-protection insurance program more comprehensive and profitable than FHA Title I and bank self-insurance programs.

With the present fuel shortage and threat of a recession, the spokesman continued, ICS is actively providing ways for the banking industry to generate increased home-improvement loan volume as a means of offsetting lost fuel-related auto, boat, mobile home and vehicle loans.

• **Rand McNally & Co.** This Chicago-based firm has created a sales division called Financial Systems Division (FSD). Development of products and services for financial institutions is now split between the new division and Rand McNally's 102-year-old Bank Publications Division.

FSD specializes in expanding the company's computer and MICR-printed—as well as conventional—services for installment loan and mortgage coupon book systems as well as a new line of Christmas Club programs and savings passbooks.

The Bank Publications Division continues to produce publications like the "International Bankers Directory," "Keybook to ABA Routing Numbers" and "Bank Attorneys' List."

A single FSD sales force represents both divisions.



Write the NYTCO Knight for brochures on all services (Field Warehousing, Inventory Certification Control, Accounts Receivable Certification, Document Supervision Service) that let you make bigger working capital loans on inventories or accounts receivable. • NYTCO Services, Suite 2110, 50 California St., San Francisco, CA 94111

NAME _____ MF
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____



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

No. 1 in motor banking installations

Tel-Air Systems

There are good reasons why there are more Tel-Air Systems in operation today than any other drive-up system. Greater transaction speed . . . more customer convenience . . . trim, clean styling . . . simplicity and efficiency of operation . . . real dependability. That's what users tell us about their Tel-Air installations. And now there's the new personalized TV visual and clear voice audio Tel-Air System Fifteen. You can choose a Tel-Air System "just right" for your banking operation . . . at a totally realistic price.

Talk with your LeFebure Sales Engineer. He will give you locations of Tel-Air installations in your area so you can see for yourself the many advantages Tel-Air has in store for you.

LeFebure

Division of Walter Kidde & Company, Inc.
Cedar Rapids, Iowa 52406

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

Selling/Marketing

A portfolio of marketing ideas that presents ample evidence that the use of premiums, giveaways and creative marketing programs continues to upgrade the image of banking throughout the Mid-Continent area. Put one or more of these ideas to work for your bank!

Actual Vintage Cars Used

Bank Salutes City's Railroad History With Unusual Kind of Branch

RAILROADS played a vital part in the growth of Dothan, Ala., and City National there has paid unusual tribute to that industry. The bank has opened its newest office in two real railroad cars and a building designed like a railroad station of the late 19th century. Appropriately enough, the new office is called Railroad Branch.

The idea for the branch originated with City National's chairman and president, William P. Walker, whose maternal grandfather had been a railroad engineer. In addition, on his way to work each day, Mr. Walker passed four old railroad cars that were deteriorating rapidly from disuse and vandalism. One day, he asked Executive Vice President James Eason why it wouldn't be feasible to buy one of the cars and make a branch out of it. He pointed out that by doing so, the bank would recapture some local railroad

history for present-day and future Dothan residents.

As time went on, the bank obtained not only one of the old cars at rest in Dothan, but a former executive car—the "Moultrie"—described as "really plush," with solid mahogany woodwork and paneling, leaded glass, three staterooms, dining room, observation parlor and platform.

The bank's officers began to realize that they would need more than just the two cars for the branch since they also wanted to start a railroad museum with such memorabilia as pot-bellied stoves, old semaphores, station chairs and lobby benches, ticket holders, a baggage cart, etc. Thus followed the idea of erecting a building designed like a small-town railroad station to house all these objects.

For the Railroad Branch's grand opening, City National also spotlighted

the railroad industry by offering a free Amtrak trip to Disney World in Orlando, Fla., for two as an attendance prize.

Even before turning the "Moultrie" executive car into a branch, the bank made good public relations use of it. Renamed the "Dothan," the car, under the bank's sponsorship, made many actual trips on the Hartford and Slocomb Railroad. Bank officers, employees and directors, members of the communications media and many business and civic groups had a taste of old-time railroad luxury as they rode in the car on excursions, some of which added up to 44-mile round trips. The car was powered by a modern-day diesel engine.

However, now it and its baggage-car counterpart are permanently at rest in Dothan, living testimony to an industry that not only played a big part in that city's growth but in the entire nation's development. • •

People Wait in Line:

Novel Publicity Ideas For Move to New Building Bring Flood of Business

Novel publicity ideas combined with a strategic location brought a flood of business to St. Louis' Southern Commercial Bank as it opened its new building April 1.

"On Monday and Tuesday we actually had people waiting in line for as much as an hour in order to open either a checking or a savings account," reported a bank officer.

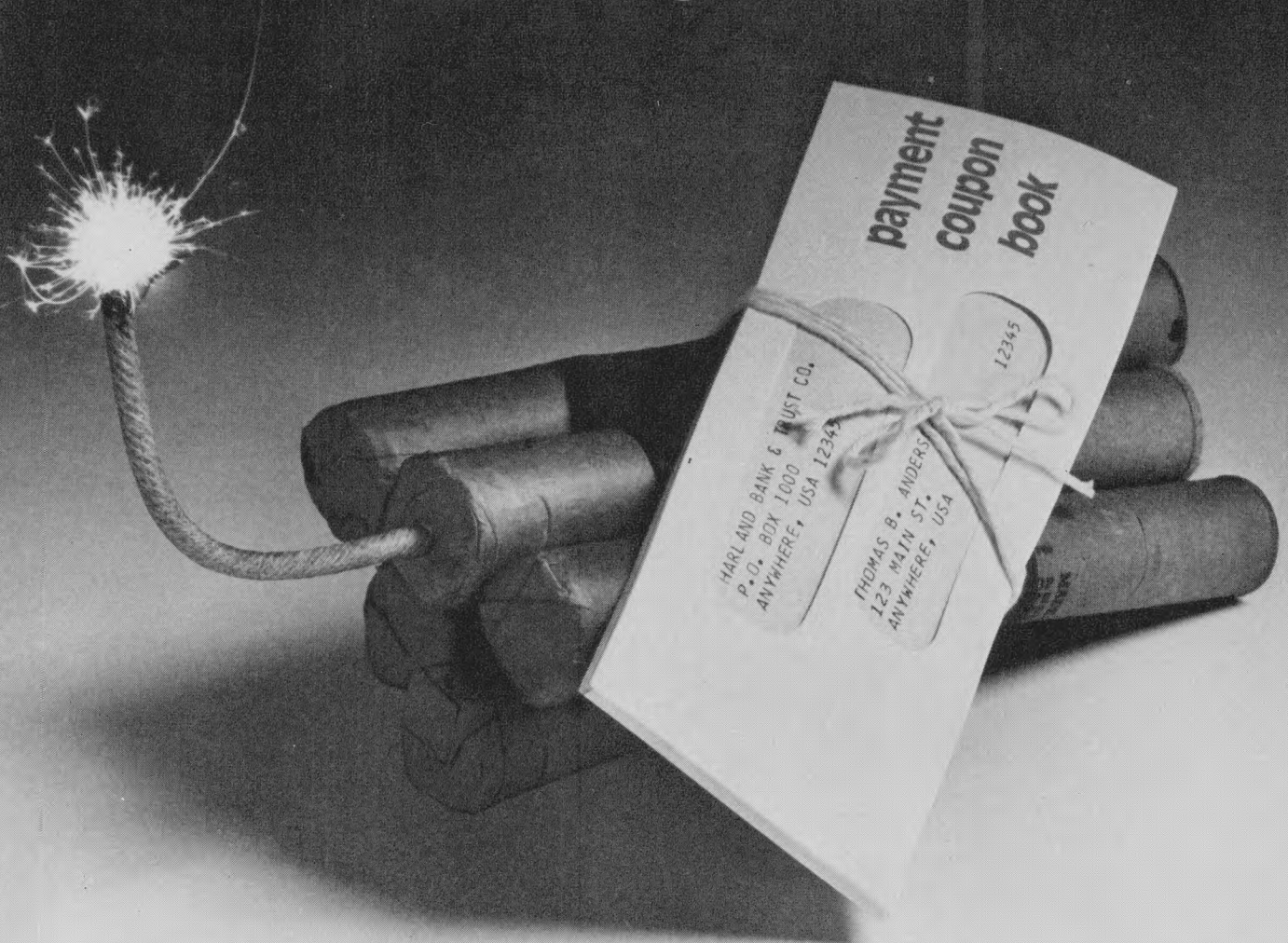
The 82-year-old bank moved its headquarters from a predominantly commercial and industrial neighborhood into the center of a prosperous residential area where many prospective customers can walk to the bank instead of having to drive. The former headquarters will continue in use as a facility.

Spotlighting the move, the bank introduced a "sidewalk superintendents"



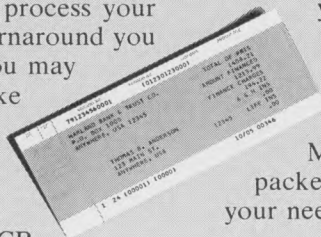
This could be scene from late 19th century, but in reality it is new Railroad Branch of City Nat'l, Dothan, Ala. Bank acquired two vintage railroad cars, had them moved to branch site, where building patterned after old-time railroad station had been erected. Drive-up facilities are located at center of former baggage car at left.

If you didn't need reliable service on loan coupons, ours would have bombed.



But since reliable service is an absolute must, Harland's loan coupons are becoming more popular every day.

■ A sophisticated computer center and advanced technical experience enable Harland to process your customers' coupon books with the fast turnaround you need. And without many of the snags you may be running into with other coupons. ■ Like accuracy. Harland loan coupons regularly test out at better than 99.5% computer readability... The kind of accuracy you need. ■ You also get the flexibility you need, highlighted by an MICR line adjustable to your *exact* needs. It can be



programmed to include the payment number and amount, identification numbers, branch or department designations, and transaction or loan codes. Or you can even have the MICR line blank. The flexibility is there for you. ■ Combine this flexibility, accuracy and reliable service, and you've got yourself a real loan coupon. A Harland loan coupon. ■ Write today, c/o our Marketing Department, for an information-packed kit on how Harland loan coupons can meet your needs. Reliably. Exactly.

Because you need more, we give you more.



JOHN H. HARLAND COMPANY
BANK STATIONERS
P.O. Box 13085, Atlanta, Georgia 30324.



Give people what they want and they'll give you what you want

INTERNATIONAL INCENTIVES
 Division, International Silver Company
 Meriden, Connecticut 06450
 Attn: Jack Daly (203) 265-2391



Yes, I would like for one of your premium experts to show me how International Silver products have been adding luxury and importance to outstanding promotions — at any budget level — for more than a quarter century. MCB 574

Name _____

Company _____

Position _____

Address _____ Tel. _____

City _____ State _____ Zip _____

The way to win new depositors and influence old accounts is to offer a wide variety of premiums.

Which is why International Silver now offers you a total gift line for every kind of bank promotion.

Our bank premium consultants will help you with an exclusive customized program that not only will work effectively, it will work within your budget.

In fact, they'll do everything and anything to help you give people what they want, so they'll give you what you want.

Their business.

For more specifics, call Jack Daly at (203) 265-2391 or send for our complete product catalog.

club and gave out 1,000 official "sidewalk superintendent" buttons. With each button was a two-part card with which the recipient could register for the drawing of a color TV set. To officially open the new building, a bank representative drew the name of the winner of the TV set.

In addition, any one opening an account at the new building who displayed a "sidewalk superintendent" button had \$1 added to his account. But this wasn't all.

During the month of April, customers could register for a drawing in which 24 prizes were given in the form of

merchandise certificates that could be used to make purchases in any area store or service firm. First prize was a \$250 certificate with 23 other prizes of descending value, ending with 10 worth \$5 each.

So that every one coming to the new bank building received some sort of gift, miniature phone directories and ball-point pens were given away and coffee and cookies were served.

During the opening month, various displays were exhibited in the bank lobby, opening with the hobby-craft of Mrs. Stephen Corey, a St. Louis housewife who transforms bird eggs into works of art. Mrs. Corey blows the contents from the eggs of chickens, quail, ducks and geese, decorates the outside and on the inside arranges displays such as a Christmas living room scene, the Holy Family in a stable and deer in the woods.

On Wednesday of the week preceding the opening, the bank held an open house attended by officers, directors and friends of the bank. At the open house women guests received corsages decorated with two new 25-cent pieces. The coins drew attention to the bank's slogan: "New Quarters for Your Dollars."

Bank Celebrates Its 40th Anniversary, Takes in More Than a Million Dollars

TYING a new deposit promotion into its 40th anniversary celebration, First National, Peru, Ill., transformed what could have been essentially a debit into a credit by generating more than \$1.2 million in new money—and this in a city of only 12,000 population.

Founded in the deep-depression year of 1933, First National reached its 40th milestone last December 27 with total assets of close to \$17 million and a recognized position as a financial leader among the 11,000 households of Peru, LaSalle, Oglesby and Spring Valley, Ill.

To celebrate, the bank produced an eight-page multi-color newspaper supplement, 11,000 copies of which were distributed to homes in its trade territory by the Peru *Daily News-Tribune*. The supplement displayed a full-color picture of the bank building on page one, full-color pictures of bank officers, personnel and banking rooms inside and on the back a full-color picture of "baubles, bangles and beads," jewelry that was offered as premiums in return for new deposits.

In addition on Friday and Saturday of the bank's birthday week an open house was held during regular business hours at which coffee was served and huge birthday cakes were cut.

Additional copies of the supplement were distributed at the weekend celebration. "Many people wanted extra copies," reported James F. Erlenborn, marketing officer, "for souvenirs or to send to out-of-town relatives, former residents and friends. We feel that the impact of the brochure was fantastic."

To produce the widest possible interest in the bank's anniversary, 40-second spot announcements were broadcast beginning December 21 over two FM radio stations in LaSalle and one in Peru. An average of four spots were aired over each of the three stations daily.

After the celebration date had passed, First National continued to use the spot announcements at a rate of six



Harold Simkins (r.), First Nat'l, Peru, Ill., pres., spoke over radio station to kick off the bank's 40th anniversary celebration.

a day to plug the "baubles, bangles and beads" promotion. The premiums were rings, earrings and pendants mounted with simulated precious stones and strings of simulated pearls, all called the "Barrington" collection.

Radio commercials carried the message that the collection "includes beautiful stones so close to real diamonds that they cut glass. Only an expert could tell the difference." In the collection were men's and ladies' simulated diamond, jade and star sapphire rings, earrings and pendants and pearl necklaces. All settings were based in sterling silver or 18k heavy gold plate. The simulated pearls were hand polished and hand knotted with sterling silver clasps.

A 22-inch pearl necklace could be obtained free by making a savings ac-
(Continued on page 24)



Mary Ankiewicz, bank secretary, acts as a hostess at the jewelry display to explain the details of First Nat'l's premium offer.

PICTURE



NEW ACCOUNTS

Coming In For These AMERICAN SCENE PROMOTIONAL PRINTS

Each set of 4 American Scene prints can mean one more happy customer for you. These 18" x 24" FULL COLOR PRINTS on FINE VELLUM PAPER with wide self-frame for instant hanging. The scenes are patriotic in theme, Washington D.C., Mt. Moran, Bridge at the Green, and Flat Top Mountain.

We'll be glad to send you a sample set (with bill for \$2.00) and include information on SUBSTANTIAL QUANTITY DISCOUNTS available to you. Your order gives you an exclusive on this promotion in your town. (We'll cancel the \$2.00 bill on your initial order.)

Please write to:

WOODCO SALES CO. INC.

42nd & Noland Road
Independence, Missouri 64055

count deposit of \$200. Choice of a pendant or earrings was free with a \$5,000 deposit or could be bought for \$2 with a \$1,000 deposit or for \$5 with a \$200 deposit. A ring was given free with a \$5,000 deposit or could be bought for \$7 with a \$1,000 deposit or for \$10 with a \$200 deposit.

First National obtained the jewelry from C & R Sales Corp., Omaha, with The Premium House, Chicago, acting as the sales representative.

During the first 10 weeks of the promotion, Mr. Erlenborn reported, the jewelry promotion brought in 448 new savings accounts of various descriptions. These accounts broke down into 157 5% savings accounts, 28 5½% Golden Passbook accounts and 263 6%, 6½% and 7% certificates of deposit. The 448 accounts generated \$1.2 million in new money. These figures reflect only those accounts that came in because of the promotion.

Cost of jewelry given free totaled \$1,250. This broke down into \$850 for rings, the most popular items, \$100 for earrings and pendants and \$300 for pearls. Merchandise sold at reduced prices cost another \$950 for a total jewelry expense of \$2,200.

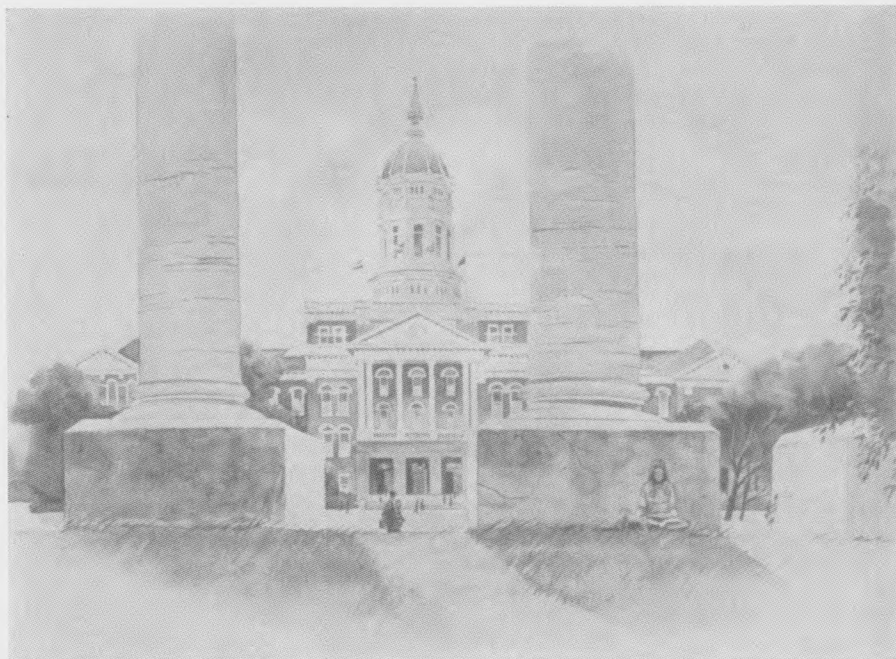
Total budget for the anniversary celebration was approximately \$5,000. This broke down into \$3,600 for 12,000 supplements printed in Davenport, Ia., and \$600 for the *News-Tribune's* distribution charge. Promotional radio, live broadcasts from the bank, anniversary badges, coffee and cake, artwork, negatives, color separations and photography accounted for the remainder.

Add the \$5,000 to the \$2,200 and the entire promotion cost the bank right at \$7,200. In other words, the bank's outgo was only 0.6% of its \$1.2 million in new money. • •

Is it a Bank or a Safe?



Perhaps no bank resembles the actual item more than this drive-in unit of Citizens Bank, Hamilton, O. The vault-like structure is located adjacent to a shopping center. The design originated with the bank's president and was executed by an architectural firm and a sign company. The unit, which is an adjunct to a nearby walk-in office, is supplied with Mosler equipment. So far, nobody has tried to work the combination!



Campus scene at University of Missouri was one of "Impressions of Missouri" offered by affiliates of Commerce Bancshares during premium promotion to boost savings deposits. Scene held memories for many bank customers who had attended the university.

'Impressions of Missouri' Watercolor Prints Accomplish Savings Goal of Commerce Bancshares

When a premium promotion accomplishes three goals for the sponsoring bank, it can be termed a successful promotion!

When Commerce Bancshares, Kansas City-based holding company, offered a series of watercolor reproductions depicting scenes in Missouri, it wanted to identify Commerce as Missouri's "leading bank family," it wanted to create considerable goodwill at the community and state levels and it wanted new business.

According to Lynn W. Bryant, assistant director of marketing, the promotion accomplished all three goals.

The promotion was carried on through TV, radio, newspaper, lobby displays, placards and account stuffers at 25 Commerce banks throughout Missouri. Approximately 20,000 sets of four prints were distributed in 90 days. A 4% increase in the number of savings accounts was achieved on a statewide basis, which more than tripled the HC's savings deposit projection.

An interesting feature of the print advertising was that each bank's local newspaper carried the photograph of the print most appropriate for the bank's trade area.

The prints, executed by artist Jack O'Hara, were entitled "Impressions of Missouri." They were available in

three groups of four prints suitable for framing—size 19 by 14 inches.

Customers could obtain the first set of four prints free by depositing \$50 or more in a new or existing savings account. Additional sets were available at \$5 each with any \$25 deposit.

See America!

American Scene Prints Offered as Premiums

America is still beautiful! And even though most Americans will be cutting their vacation driving this summer, there's no reason why they cannot see some of America's beauty—courtesy of the local bank.



Woodco Sales Co., Inc., Independence, Mo., is offering to banks as premiums American Scene promotional prints

SLT can help you fight him!

Money is tight and very expensive but your customers' financing needs continue.

SLT offers some solutions.

Working capital loans provide high yields. However the risks are high. SLT's collateral control programs eliminate much of the risk and provide the necessary return on your money.

Banker's acceptances can be issued by your

bank on marketable commodities. Changes in federal programs and higher commodity prices have involved banks more and more in the financing of commodities. A banker's acceptance, secured by SLT warehouse receipts, can cage the Crunch Bird and do the job without tying up your money.

Let us suggest one of our collateral control programs to help solve some of your tight money problems. For information on fighting the Crunch Bird, call or write today.



SLT WAREHOUSE COMPANY

P.O. Box 242, St. Louis, Mo. 63166 • 314/241-9750 • Offices in Major Cities
NATIONWIDE COLLATERAL CONTROL SERVICES

**The
Crunch
Bird's a
mean
critter.**



in sets of four enlarged color photos.

Noland Road Bank in Independence used the premiums as account builders and its president, Allen L. Lefko, reports that the photos were well received by customers.

Bank of Jacomo in Blue Springs, Mo., also used the prints as a giveaway item for new accounts. The premium was responsible for 700 new checking accounts being opened at the bank, according to a bank representative.

The prints measure 18 by 24 inches and are suitable for framing.

What's Up?

Employees Kept Informed By Bank's Daily Bulletin

Since when do bank marketing departments publish newsletters for bank employees? Shouldn't that activity be assigned to the personnel department?

A daily single-sheet news bulletin is important in efforts to promote the sales and business development areas of a bank, according to Barbara A. Whitaker at First American National, Nashville.

However, it is necessary to maintain good relations with various bank departments, including personnel, Miss Whitaker says, if meaningful information for the publication is to be obtained.

"FirstAmerican TODAY" is the title of the bank's publication. Its purpose is to condense important management announcements, policy changes, business development facts and other data into a one-page format so bank personnel can be kept abreast of important news items without spending more than two or three minutes a day reading.

Circulation includes bank officers, supervisors and management trainees and distribution is by bank messenger. Deadline for each issue is 8:30 a.m. and personnel receive their copies by late morning or early afternoon.

Regular departments include a calendar, list of new employees, names of new tenants in First American Center (the complex of which the bank is a part), a list of ill personnel and where they can receive cards and messages and hints for developing new business for the bank.

All bank personnel are encouraged to submit news. The bulletin is typed in the marketing department and printed in the Multigraph department.

When a bank is located in a high-rise complex, the value of communications is heightened. A daily bulletin can be an important link in the communication network.

Distinctive and Modern:

ABA Unveils New Symbol For Bank Advertising; To Be Displayed on TV

The ABA last month introduced a distinctive new symbol designed for use in advertising and in-bank use.

The modern design of the letters "ab," standing for America's Bankers, is identified with the new banking industry slogan, "America's Bankers—Helping You Change Things for the Better." The slogan and new design are being incorporated into all ABA national advertising. Banks throughout the country will display the symbol in an effort to tie their services into the overall ABA ad campaign.

According to the ABA, the symbol is intended to be a professional and modern identification that is both distinctive and easy to remember and associate with banking. It's also intended to indicate the interest of banks in providing service to people and communities.

The logo was displayed on national TV for the first time on Easter Sunday, April 14, when the ABA cosponsored a special two-hour telecast of "The Waltons" over CBS. Later, on April 26 on NBC, the ABA cosponsored "Wild Science," a report by on-the-scene camera of some of the strangest or most useful examples of the vast body of scientific knowledge. This telecast was made possible through resources of the "Encyclopedia Britannica." On June 4, 11, 18 and 25 on CBS, the ABA will cosponsor a series of 90-minute broadcasts dealing with "Ben

AMERICA'S BANKERS



helping you change things for the betterSM

This is new ABA symbol designed for use in advertising and in-bank use.

Franklin." The shows will go behind the witty, diplomatic and famous world figure to look at a human being who suffered trials of personal and emotional experiences.

Down to Earth

Crafts Fair Opens Branch; Children Get Invitations

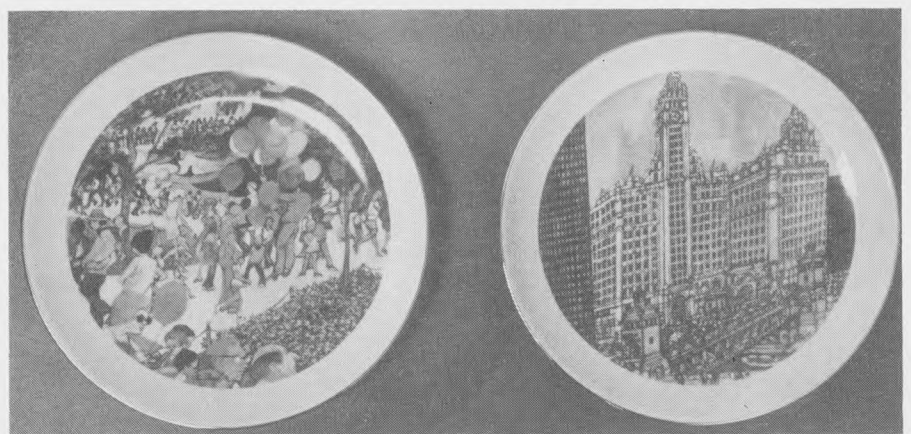
A month-long colonial craft fair was held recently to observe the opening of a new branch office of Brooklyn (N.Y.) Savings.

The show featured five or more working and demonstrating craftsmen daily and a display of farm and home antiques obtained from the Kempton Farm Museum in Pennsylvania.

An added touch was a barnyard with live fowl.

A special effort was made to invite school children and antique buffs to the celebration, which was held on property adjacent to the branch. The craft fair was free and visitors who opened new accounts at the branch were eligible for free gifts.

Collector's Plates Bring in New Accounts



Fine jewelry stores and china shops have been offering limited editions of collector's plates for a number of years. Continental Illinois National, Chicago, has completed the second limited edition of its Chicago Collector's Plates, which are offered free to personal banking customers who deposit \$300 or more in a new or existing account. The availability of the plates was announced in full-color advertisements in Chicago newspapers. Limited supplies of last year's two plates, featuring two different scenes, were offered for \$20 per set. The bank termed the recent promotion "successful" due to the unique nature of the plates and their close association with Chicago.

The Financial Buyer's Guide

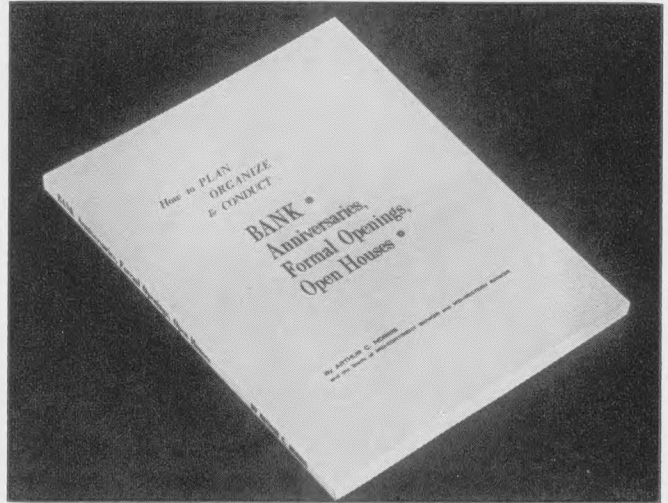
PRODUCTS • SERVICES • IDEAS

Music Pays Big Dividends ...in customers



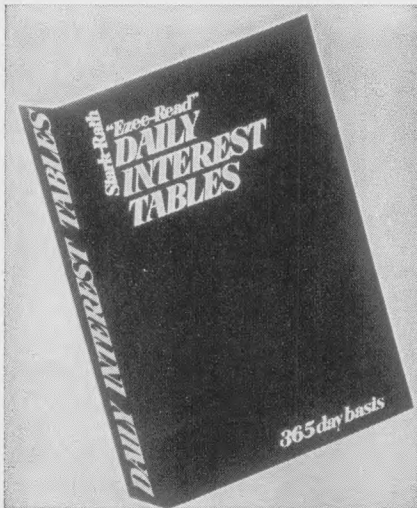
Music makes the world go 'round and nothing can create customer traffic within your banking establishment like the offering of today's top sounds sung by today's top stars! Whether your customer's preference be for the honesty of country music, the heavy sounds of the rock scene, or the fresh excitement of today's pop stars Pickwick's got the music! For account openings the offer of music can't be beat. Pickwick premiums have always performed in the black... For complete details, write; Mr. S. Gordon Strenger, Pickwick International, Inc. 135 Crossways Park Drive, Woodbury, N.Y. 11797. (516) 364-2900

Pickwick Records & Tapes

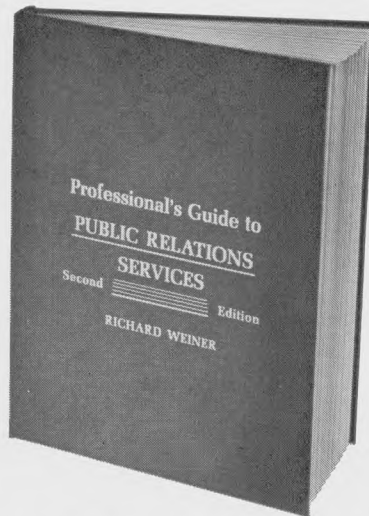


HOW TO PLAN, ORGANIZE & CONDUCT BANK ANNIVERSARIES, FORMAL OPENINGS, OPEN HOUSES.

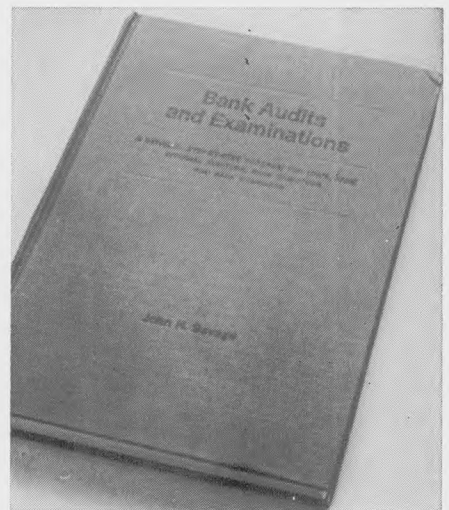
This book is actually a practical "how-to" manual that provides the banker with workable "formulas" for organizing and conducting any type of bank opening. Based on hundreds of successful openings, the book presents a planning approach, checklists of opening-day problems, as well as detailed plans (including budget samples) used in actual openings and anniversaries. **\$14.00** postpaid. Send check to MID-CONTINENT BANKER, 408 Olive, St. Louis, Mo. 63102 (Missouri banks add 3% sales tax.)



EZEE-READ DAILY INTEREST TABLES. Book covers rates from 1% to 14 1/4%, from one day to 10 years, on both 360-day and 365-day basis. Visible thumb index makes for speed in locating desired rate. Book size: 6" x 9" . . . sturdy cover, pages lie flat when open. Complete instructions for use of tables. Each loan officer should have one. **\$17.50** postpaid. Send check to MID-CONTINENT BANKER, 408 Olive, St. Louis, Mo. (In Missouri, add 3% sales tax.) Money-back guarantee.



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BANK AUDITS AND EXAMINATIONS. This book is designed to be helpful (1) to an independent accountant, (2) to an internal bank auditor who wishes to make his work more effective and (3) to a bank director who wishes to compare his bank's procedures with the modern methods outlined. **\$32.00.** Send check to Commerce Publishing, 408 Olive, St. Louis. (In Missouri, add 3% sales tax.)



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K.B.A. Group Meetings

DATE	PLACE	GROUP
May 6	Owensboro	II
May 7	Paducah	I
May 8	Bowling Green	IV
May 9	Louisville	III and V
May 15	Lexington	VI
May 16	Cumberland Falls	VII
May 18	Prestonsburg	IX
May 22	Fort Mitchell	VIII

Tennessee Bankers Association Convention

May 12-14 Knoxville

And, for Louisville-style person-to-person correspondent banking, see us . . . or telephone 502/589-5440.

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Top hosts and entertainers compare notes as the first 62 Plus Club dinner of Sedalia Bank is about to start. (L. to R.) John J. Kniest, bank v. ch.; Mrs. Jason V. Ott; Mr. Ott, bank ch.; Grandpa Jones of "Hee Haw" TV fame; and Ben B. Schifman, financial editor, Kansas City Star.



Missouri Bank Caters to Senior Citizens With Specialized '62 Plus' Club

A NEW solution to the problem of having "free checking" customers maintain satisfactory balances is what Sedalia (Mo.) Bank has found in its 62 Plus Club, an organization directed toward retaining the accounts of senior citizens and attracting more such customers to the bank.

Membership in the club is limited to Sedalia Bank customers who are 62 years of age or older. They must maintain an average balance of \$2,500, either in a checking or a savings account, in time certificates or a combination of any of the three.

In return, these customers pay no service charge on checking accounts. They receive up to \$10 worth of free income tax service each year. At least once each year, they are invited to a gourmet dinner complete with entertainment by well-known personalities. They also are eligible for group travel discounts on tours arranged through the bank.

In addition, a birthday card with an Eisenhower silver dollar attached is mailed to each member on his or her birthday. Christmas cards are mailed to all members. In the first year of the club's existence, 62 Plus Club members were asked to serve as judges in the bank's Dress-A-Doll contest.

By **ARTHUR C. NORRIS**
Contributing Editor



"Since our first announcement early last year, our 62 Plus Club has attracted more than 250 members," reported John J. Kniest, bank vice chairman. "To obtain this result, we started out with personalized announcements directed toward bank customers known to be more than 62 years old. At the same time, we ran a series of large-space ads in the Sedalia *Democrat* announcing the club. We generated immediate enthusiasm, which has continued to grow as word-of-mouth publicity has boosted the popularity of our 62 Plus Club."

The ads were built around two cartoon characters called Jolly George and Happy Hanna. The ads emphasized

how the characters were enjoying the advantages of 62 Plus Club membership. A typical ad pictured Hanna and George at a candle-decorated table and told how they were relishing their free gourmet dinners plus top entertainment and, in addition, were free from worry about income tax and checking account charges. Ad copy included a telephone number to call for additional information and a coupon that could be mailed to the bank.

Another ad showed George standing on his head and urged in its headline: "Look at Retirement From a New Angle." Then it enumerated the "pluses" inherent in 62 Plus Club membership: Free checking, plus free income tax service, plus free gourmet dinners, plus travel discounts, plus planned activities, plus free admission to the Sedalia State Fair, plus many other privileges.

On October 9 a personalized letter went out to all members over the signature of Mr. Kniest. It invited all members to cocktails and dinner in the ballroom of Sedalia's Ramada Inn on November 2 and promised entertainment by Grandpa Jones of "Hee Haw" fame and his group. An RSVP card was enclosed.

A follow-up letter announced an added attraction. Ben F. Schifman, fi-

financial editor of the *Kansas City Star*, would speak and answer financial questions at the dinner. In a separate resume, the bank emphasized Mr. Schiffman's credentials as a veteran financial writer and editor and his broad practical experience as pension trustee and investment manager of the *Star* and as a director of three printing companies.

On November 27, Mr. Kniest wrote to each of the club members asking him or her to come to the bank and cast a ballot for the best-dressed doll in the bank's annual Dress-A-Doll contest. Each year Sedalia Bank conducts this contest and then distributes the dolls to needy children in Sedalia and

surrounding Pettis County.

Early this year, bank management was planning a trip to either Hawaii or Acapulco for 62 Plus Club members, but decided to forego this club feature because of the energy crisis. Club members would have been entitled to purchase the trip at a substantial discount.

The net result has been that older customers of Sedalia Bank are made to feel that the bank is genuinely interested in their accounts and in their welfare. They are made to feel that they are an integral part of bank activities. Above all, it gives them reasons to talk to friends and neighbors about "what my bank does for me." • •

Two-for-One Card

Combination Bank Card Provides Two Services For Charge Card Holders

Puget Sound National's new BankAmericard check guarantee—said to be the only one of its kind in the nation—has received an enthusiastic response with over 4,500 applications submitted in the first two weeks of the program.

The bank is headquartered in Tacoma with 33 branches in western Washington. The new BankAmericard check guarantee promises that the bank will back up the cardholder's personal check to a maximum of \$100. About 500 merchants have signed up as participants in the program.

The new card is a conventional BankAmericard on one side, with the check guarantee on the reverse side.

Introduced March 4 with a two-page color ad in the *Tacoma News Tribune*, the program asks present or prospective cardholders to apply for the new check guarantee card.

D. D. Jutilla, the bank's BankAmericard manager, said the new campaign was primarily aimed at attracting new business from customers who are not presently PSNB customers or BankAmericard holders. Secondary objective is to convert present card holders to the new check guarantee card.

As of March 15, 58% of the applicants for the new card were both PSNB checking account customers and BankAmericard holders; 30% were checking account customers who do not have a card and 12% either have no checking account or no BankAmericard.

Mr. Jutilla noted, "This program has a major potential for our bank, since over 57% of our BankAmericard holders do not have checking accounts with us."

In addition to the newspaper advertising, the program is being promoted with statement stuffers to customers and direct mail to merchants. A full-page ad is being run each week in the *News Tribune*, and a two-page ad listing all participating merchants is in production.

"It is getting increasingly difficult to cash your check in a supermarket or other stores these days," said Mr. Vandenhuevel. "This program is designed to give our customers a double benefit. With one card they can charge their purchases and have a check guarantee. This avoids the need to carry two cards."

There is no charge for the new PSNB check-cashing guarantee card.

Senior Citizen Benefits Offered by Banks

SENIOR citizens are finding themselves being catered to in various ways by various banks.

Citizens Bank, Park Ridge, Ill., offers a package plan called "Dimension 60" which includes 10 different bank services and activities designed for those over age 60.

The plan includes free checking with no monthly charges, no minimum balance and no limit on the number of checks written; savings bonds offering from 6% to 6½% guaranteed interest, with automatic transfer of funds from savings to checking to purchase the bonds; an investment bond-a-month program; trust department counseling;

a guaranteed check cashing card; automatic social security check deposit service; free notary service; and arrangements for securing free discount cards for public transportation. A seminar program is being prepared as the second phase of "Dimension 60."

Lakewood Bank, Dallas, is offering "Retirement Group Banking" which entitles members to a year's free rental of a safe deposit box, free cashier's checks and no monthly activity charge on checking accounts. Requirement for membership is a regular savings account with a minimum balance of \$500. The bank figures that the average member saves almost \$70 per year on bank services, including interest on the savings account.

Members are also entitled to free trust counseling and the bank's "S.O.S." service, which provides information to help families handle details following the death of a close relative.

First National, Denver, recently provided 1,000 free tickets good for \$1 admissions to senior citizen groups whose members were interested in attending an exhibit co-sponsored by the bank at the Denver Art Museum. The bank also provided round-trip transportation to the exhibit in its 12-passenger limousine. Arrangements were handled through the Denver United Way agency.

Worthen Bank, Little Rock, provides free transportation for senior citizens on certain days to enable them to cash their social security checks and take care of other business at the bank. The bank provides round-trip bus transportation from retirement centers to the bank. A hostess on the bus assists riders who have questions about their bank transactions. • •



TOP: Senior citizens were transported to Denver Art Museum in this 12-passenger vehicle provided by First National. BOTTOM: Tours of museum were arranged for senior citizens who are members of groups affiliated with Denver's United Way agency. Bank paid admission fee to museum for senior citizens.

There's Always More Business 'Out There' And Employees Are Encouraged to Get It

Employee incentive programs offer trips, cash, stock

EMPLOYEE incentive programs never die—they simply fade away for periods and then come back to the tune of a new and catchy theme. And they usually pay off—for both the sponsoring bank and its employees.

Take the case of Hamilton Bank in Nashville. Being a new bank, its management could see that an employee incentive program would be extremely helpful in getting the bank off to a good start. Such a campaign would attract attention to the bank and make a good impression on Nashvillians.

The campaign was hung on the theme "Take Your Sugar to the Sugar Bowl." First prize was a trip to New Orleans to see the Sugar Bowl game. Purpose of the promotion was to emphasize the importance to all bank personnel of selling the bank to Nashvillians and of promoting an awareness of the opportunities for cross-selling bank services.

The campaign began with a kickoff meeting last September. The meeting was preceded by several days of teaser announcements hinting that the meeting would be important and that everyone should plan to attend.

At the meeting, the promotion was announced and explained to employees,

beginning with the prizes, which, in addition to the trip to the Sugar Bowl, included a portable TV, two full days off for members of the winning team, a free lunch and half day off for members of the team in first place at mid-point in the campaign and a full day off for members of the team in first place at the end of six weeks.

Teams worked on a point system. Non-contact personnel received five points for each call made and turned in to the team captain and 20 points for each new account opened. Contact personnel received five points for each call made and turned in and 10 points for each new account opened. New business personnel received 10 points for each new account opened.

At the kickoff meeting, skits were presented featuring bankers in football garb and teams dubbed with names such as "Hamilton Hustlers" and "Dirty Dozen."

The football aspect of the theme was flaunted to the fullest. Memos, bulletins and reminders were constantly circulated, designed to keep interest high in the promotion.

By the time the campaign was completed in early December, several hundred new accounts amounting to a

generous increase in demand and time deposits had been opened.

* * *

First National, Tulsa, is in the midst of an employee incentive program called "It's Up to You." The program stresses that every bank employee is an extension of the marketing division and thus, each employee is in a position to solicit new deposit money, once he has been made aware of the bank's many services.

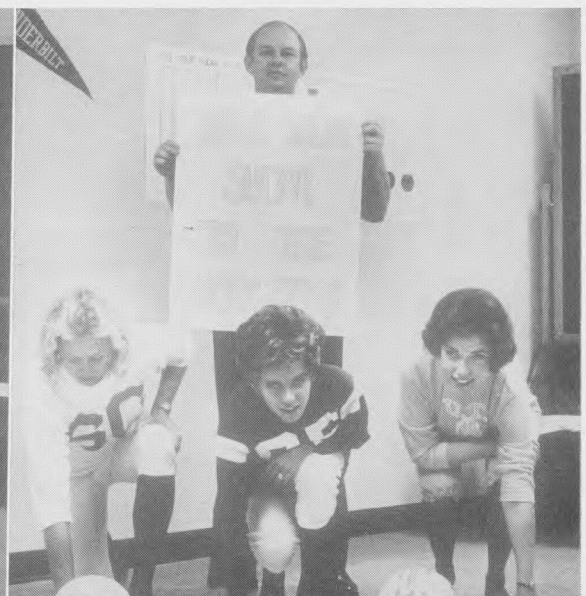
Employees are encouraged to contact prospects and to fill out two-part "cash incentive" cards. One part is given to a prospect and the other is sent to a program administrator. When the prospect comes into the bank, he surrenders his half of the card to notify the bank that the new account or add-on has been consummated. Once \$500 in new business has been credited to an employee, he is eligible to receive cash awards, based on an established formula.

Checking account deposits of \$500 or more earn soliciting employees 1% of the total deposit. New savings accounts between \$500 and \$1,000 earn awards of \$5 each. New money added

(Continued on page 50)

A good kickoff meeting is crucial to a campaign's success. Football theme of "Take Your Sugar to the Sugar Bowl" promotion of Hamilton Bank, Nashville, inspired these scenes. LEFT: Lamar Rankin, bank v. ch. (standing at l.) gets into act as water boy, while kneeling cheer-

leaders Jerry Murff (l.) and Allen Brown (r.), both banking officers, rest after taking part in rousing cheer. Team players and ref smile approvals. RIGHT: Max Herrin, sr. v.p., emphasizes promotion theme as team members prepare to scramble for new business.



'Packaged' Services

—An Increasingly Popular Concept Designed to Boost Banks' Profits

"PACKAGED BANKING," a term that would have drawn blanks among bankers just a short time ago, now is probably one of the fastest-growing programs in banking. Basically, a banking "package" consists of several services offered together at less cost than if each service is purchased separately.

Each bank decides what services to offer in its package. They include no-minimum-balance checking, personalized checks at no extra cost, safe deposit boxes, reduced installment loan rates, overdraft protection, etc. Some banks offer accidental-death insurance policies. Fees or prices vary, usually \$2.50 or \$3 a month per package, as do the names banks give their packages.

One bank—Hartford (Conn.) National—said its Favorite Person Account package program, started last November, had generated so much business, in deposits and loans, by March that the \$3 monthly fee was

By **ROSEMARY McKELVEY**
Managing Editor

dropped. Furthermore, the bank said it was refunding about \$18,000 in fees paid by customers since the package of 11 banking services was introduced. These fees are being credited to savings accounts. At the time the bank announced its refund plan, more than

Little Rock's Worthen Bank believes that in the future it will look back on the packaged-banking-service program as the most important consumer service introduced in its market area since the credit card.

6,500 persons had signed up for the package program, and research indicated that the average package customer uses 3.8 bank services, compared with 1.6 when the program started.

Although it's hard to determine where banking innovations got started, many bankers attribute the packaged-banking idea to Wells Fargo Bank, San Francisco, which introduced its "Gold Account" on the West Coast in February, 1973. The monthly fee is \$3.

As of this writing, the bank had obtained over 100,000 accounts through the plan and can trace a great deal of new business to it. For instance, Wells Fargo had 100,000 more Master Charge accounts this year than a year ago. This represents a gain of more than 2% in share of market for cardholders in the Western States Bancard Association area, according to Richard M. Rosenberg, senior vice president.

Before developing its plan, Wells Fargo conducted consumer research that showed that a significant segment of the consumer market used and wanted each of the services in the package.

LEFT: Worthen Bank, Little Rock, said this was best print ad in its campaign to introduce bank's Pacesetter Account package of banking services.

RIGHT: Continental Bank, Chicago, told story of its Bank-in-One Account package with ads like this. Coupon made it easy to ask for application.

Mr. Rosenberg said that the bank wouldn't eliminate any of the services it offers in its package, but, if the plan were just being started, the bank would add a savings feature. To promote its package plan, the bank uses radio, newspapers, statement stuffers and in-branch displays, and, said Mr. Rosenberg, all elements of the media mix have contributed to the program's success.

Mr. Rosenberg advises bankers thinking of starting similar programs to make the package concept truly a first-class relationship between customer and bank. Do not, he emphasizes, sell it as a "discount grab bag" or as "today's bargain."

The idea of promoting packaged banking as a prestige service rather than as a bargain also was voiced by other bankers, including D. Eugene Fortson, vice president of Worthen Bank of Little Rock's marketing division. Last October, Worthen initiated its Pacesetter Account package, consisting of nine basic services: no-bounce checking protection up to \$100, unlimited check writing with free personalized checks, free safe deposit box, preferred loan customer status with the option of skipping one principal payment per year on any installment loan, free travelers and cashier's checks and

Here's the one account that gives you everything you want from your bank.

The Worthen Pacesetter Account Package.

1. Unlimited check writing (no fee personalized checks, no minimum balance, and no activity charge on transfers from checks you write)

2. Free Personalized Checks (no extra charge)

3. Safe Deposit Box (no extra charge)

4. Preferred loan treatment (on the basis of requesting one principal payment per year)

5. Free Travelers Checks, Cashier's Checks and Money Orders

6. 24 Hour Banking with our Branches, ATMs, and our mobile units, which with you make cash withdrawals from your checking savings

7. Overdraft Protection (no charge)

8. Self Card Account (no charge)

9. Regular Savings Account (no charge)

One account... one application... one low monthly charge. \$2.95

WORTHEN Bank & Trust Company, N.A.

Now get all the personal banking services you're likely to need in one package! Including free checking with no strings attached.

Introducing THE CONTINENTAL BANK-IN-ONE ACCOUNT

Continental Bank's new BANK-IN-ONE Account gives you all these services when you fill out just one simple application. No minimum balance. No monthly service charge.

Free Unlimited Checking: There's no monthly service charge on unlimited checks up to \$100.00. The only charge is the normal printer's fee for personalized checks at \$0.02 per check. Personalized checks are available in 100,000 denominations and are available in 100,000 denominations. Personalized checks are available in 100,000 denominations.

Efficient statement savings: Choose from 100,000 denominations of statements. Statements are available in 100,000 denominations. Statements are available in 100,000 denominations.

Worry-free "Check Protection": You can avoid the worry of bounced checks. Check Protection is a service that automatically covers your checks up to \$100.00. Check Protection is a service that automatically covers your checks up to \$100.00.

The convenience of Master Charge: There's no charge for a Master Charge card when you open a Bank-in-One Account. Master Charge is a service that automatically covers your checks up to \$100.00.

Optional Extras: Loans you can write yourself. Safekeeping for valuables. Get your BANK-IN-ONE Application today.

THE CONFIDENCE OF A PRE-APPROVED CAR LOAN. A safe loan for your car. A safe loan for your car. A safe loan for your car.

CONTINENTAL BANK FAMILY BANKING CENTER

Get your BANK-IN-ONE Application today.

Apply for a Bank-in-One Account, which includes free checking, Check Protection, statement savings, Master Charge, and any personal service of your choice. Fill out one simple application.

Just mail in the coupon or call a Family Banker at 822-6320.

money orders, Pacesetter identification card to speed all bank transactions, BankAmericard and/or Master Charge account, free 24-hour banking privileges at Worthen's 24-hour automated "mini-banks" and an automatic savings account. Total cost: \$2.95 per month.

The bank settled on the above services after researching its market area and finding that the services met three criteria: 1. Each service was related to and would be desired in that market area as part of a total package. 2. Each could be included in the package and still sell at a reasonable cost. 3. The bank was capable of offering each service under its current operations system. Of course, as Mr. Fortson pointed out, with such limitations as a 10% interest ceiling in Arkansas, the bank was unable to offer any loan discounts. However, to make up for this, the bank offered the "skip-a-payment" feature.

If the bank were starting over with its plan, according to Mr. Fortson, there are some internal changes it would like to make in its operations systems that would have helped implement the plan in its initial stages. However, he continued, for competitive reasons, the bank went ahead and announced the plan when it did without having the benefit of some of these operational changes. He emphasized that none of these changes would significantly affect the services included in the plan. At this time, he said, the bank would not subtract from nor add to the services offered, but this doesn't mean that in the future it won't add to the package.

According to Mr. Fortson, TV commercials were extremely effective in selling the Pacesetter Account package, but the bank also used radio and newspapers, along with many point-of-purchase materials, including a special employee sales-aid card. This card was designed to be the size of a business card that can be carried in an employee's wallet or purse. Then, no matter where the employee is, if someone asks him or her about the Pacesetter Account advertised on TV, the employee can pull out the card and explain all the services offered, then leave one of the cards with the prospect. Mr. Fortson added that even though TV commercials were very successful, they wouldn't have been without good support in newspaper ads. It's difficult to explain an involved package plan such as the Pacesetter in any other medium except print, he continued; therefore, Worthen used TV to get consumers' attention and followed up with print advertising to explain how the account works.

Worthen looks on its Pacesetter Account as very successful. In fact, said Mr. Fortson, the bank believes that in the future it will look back on the program as *the most important consumer service introduced in its market area since the credit card*. The bank is impressed with the amount of new business generated by the program and particularly its ability to pick up business that was already established in a competing bank.

The biggest problem the bank encountered was operational. There was

such a tremendous initial response and so much sooner than expected that it put an overload on Worthen's credit card center, which processed the applications. This was complicated by the fact that operationally, the bank had some other problems that it had thought would not hamper it for the first couple of weeks, said Mr. Fortson. However, he said, other than just trying to handle the tremendous influx of business, the bank has experienced few major problems with the program.

As to advising other banks thinking of starting similar programs, Mr. Fortson pointed out that the difference between its success and failure is the way it is marketed. The plan must be marketed as a product, he advised, and the package concept must be sold much more strongly than any one feature of the package. It's also extremely important, he continued, that this package be sold as a prestige service, not as a bargain, thus echoing the opinion voiced by Wells Fargo's Mr. Rosenberg.

Worthen priced its plan at \$2.95 because it felt this was retail oriented. However, the bank didn't promote the package as a bargain, using this price. Instead, the package was offered as "the one account that gives you everything you want from your bank." Also emphasized were the features of "one account, one application and one monthly charge."

Mr. Fortson pointed to what he sees as one great advantage Worthen had, and that is that Worthen is the only
(Continued on page 34)

Employee-Incentive Contest Being Used to Boost Bank's Package Program

NOT ONLY has Chicago's National Boulevard Bank begun offering a packaged-banking service—called 10+1 Account—but it's conducting a 43-week employee-incentive contest to achieve a goal of 12,000 customers for this program. This incentive contest also has other objectives, such as obtaining 6,000 new direct consumer loans, an increase of 1,400 regular savings accounts over 1973 and a total of 1,100 new savings certificates—all by next December 31. However, according to a bank spokesman, it was the packaged-banking program that sparked this new-business campaign.

As the incentive contest is organized, the entire bank staff has been divided into two groups. Group A consists of all contact personnel and, in turn, is divided into two types—Type 1 consists of individuals with heavy customer contact, and Type 2 consists of individuals with light customer contact.

Group B is comprised of non-contact personnel. Teams have been formed within each of the two groups, and competition is directed solely among teams within each group. Team quotas are derived from an accumulation of the quota assigned to each team member. Individually, each team member receives a quota or goal to achieve each month. Quotas differ, however, among Group A/Type 1, Group A/Type 2 and Group B members.

Each retail service offered by the bank has a point value. For instance, in the case of the 10+1 Account, six points are given for each new approved account and three points for converting a present checking-account customer to an approved 10+1 Account. Awards are given weekly in the form of tickets to sporting events or theater performances. Days off are given as monthly incentive awards.

For each month of the campaign, a

trophy is placed in the office of the department head whose department leads in total points. This indicates the "top banana" in the bank for each month and reinforces the incentive program's theme, "How to Score a Bunch and Go Bananas on Your Day Off."

At three intervals in the contest, top-performing employees will be awarded memberships in the Chief Executive's Club at dinners to be hosted by CEO Irving Seaman Jr.

The grand prize will be an expense-paid, six-day trip to Acapulco, Mexico, for two for winners in the various categories.

NBB's 10+1 Account derives its name from the 10 services offered in the package, plus a customer's own personal bank counselor. The bank charges \$1 a month for the package, but there's no charge any month a customer maintains a checking-account balance of at least \$300. • •

'Packaged' Services (Continued)

bank in its market area to have 24-hour banking machines, and this proved to be an important part of the package. To access these machines, the bank created an entirely new identification card that can be used in the machines and for identification when cashing checks or obtaining any of the services offered in the Pacesetter Account. Mr. Fortson said this ID card is extremely beneficial to the bank. It's printed on silver stock to produce a prestige look and is promoted to the consumer as identification of his important status with the bank.

In Nashville, First American National offers two packaged-banking plans, each priced at \$3 a month. Its Gold Star Account—the newer of the two—appeals to older customers who want to enjoy free checking with no minimum balance, Master Charge and nonstop banking. The package also offers free travelers and cashier's checks, Gold Star check-cashing ID cards, preferred interest rates on personal loans, free \$10,000 accidental-death insurance policy and a First American savings account with a one-dollar balance.

The Young Nashvillians Club, for persons 18-35 years old, was started several years ago to encourage young persons to open accounts with First American. The club offers many of the same services of the Gold Star Account. The two most popular features of the Young Nashvillians Club are the special events, such as money-management seminars, fashion shows and luncheons and low-cost trips and vacations available through the club to places like New York City, Acapulco and Hawaii.

Bank officials believe both packages have been well received by consumers.

As is the case with Worthen Bank of Little Rock, First American has found TV to be the most powerful medium in promoting the packages. The bank also utilized newspapers and direct mailings, including statement enclosures. There were saturation campaigns of both packages, including an employee-incentive program described as highly successful.

In putting the packages together, said President T. Scott Fillebrown Jr., the bank tried to include those services most desired by customers. Safe deposit boxes were excluded because of lack of supply or demand. If the bank were to start over, he continued, possibly it would expand its accidental-

death insurance to cover all age groups over 18. Otherwise, he said, the bank wouldn't add to nor subtract from the packages. He urged banks thinking of starting such programs to be sure and offer bona fide banking services and to be realistic in pricing the packages so that they are profitable for the banks. He also cautioned banks in medium- or small-sized markets to avoid offering services such as those found in the Young Nashvillians Club if another bank in the same market area is involved in a similar program. He explained that seminars and trips offered require a minimum number of individuals to make them successful.

By making a Master Charge card a prerequisite to obtaining a Gold Star Account, said Mr. Fillebrown, prestige is added to the program, and the latter attracts those customers the bank wants most.

Continental Bank, Chicago, calls its package program Bank-in-One Account, and it includes a free, unlimited checking account, with no minimum balance required, a savings account and a Master Charge card and the convenience of using the card to cover check overdrafts. Options available are safe deposit boxes (rent free the first year), a personal line of credit and pre-approved auto loans.

"Our studies show customers are looking for more convenience when tending to their personal banking needs," said William D. Plechaty, vice president in charge of Continental's personal banking department. "Now a customer can get all of the services he's likely to need by completing just one (application) form."

To interest more customers in applying for the package, Mr. Plechaty said the bank offers to trade checks remaining from a customer's account at another bank for the first 200 Bank-in-One checks. After that, the standard printer's fee of \$3.50 is charged for each additional 200 checks.

These package plans are not being used exclusively by giant banks in big cities. For example, the \$88-million Central National of Rockford, Ill., has a program called All-in-One Account, which includes a check-cashing ID card, unlimited check writing, free personalized checks, a free safe deposit box in the \$9 size (or if a larger one is preferred, the bank will apply a \$9 credit to it), unlimited travelers and cashier's checks and money orders, overdraft privileges (cash reserve) and

reduced interest rates on personal loans—all for \$2.50 a month. The bank also offers a complimentary six-month subscription to *Changing Times* magazine to everyone approved for its package program.

Central National initiated the program for three reasons: to attract new customers, to cross-sell current customers and to direct its competitive efforts more effectively toward the retail market. The selection of services, said T. E. Regnier, vice president, marketing, was based on research designed to determine which services were being used most often by retail banking customers. It also was based on national research concerning services most demanded by customers, for instance, an ID card.

If the bank were to redesign its package, Mr. Regnier continued, it would make the cash-reserve feature optional because people generally don't understand what this is and, consequently, are hesitant to sign an agreement. By making this feature optional, said Mr. Regnier, the bank wouldn't have to turn down present customers who want the All-in-One, but who don't qualify for cash reserve. In addition, the bank believes its \$2.50 charge may be slightly high and is considering reducing it to \$2, especially if the introductory offer of a *Changing Times* subscription is dropped.

The program was launched last September over radio, on TV and through direct mail and newspaper ads. In a two-month period, the bank opened about 300 accounts, 20% of which were new customers. This was about what Central National had anticipated. However, since the advertising stopped, said Mr. Regnier, only about five or six package accounts are being opened each week. Although response to the plan was not overwhelming, he said, the bank does plan on continuing to offer it and to advertise it extensively during 1974. Because the bank has had difficulty getting its personnel to sell the program, it's considering an employee-incentive program to produce a better internal sales effort.

Mr. Regnier recommends to other banks that they do everything possible to obtain the support of all sales personnel, from officers to new account people, and get them involved in the program.

At Trust Co. of Georgia, Atlanta, which offers the Big T Package, Vice President Willis Johnson Jr. advised bankers considering similar programs to answer these questions before committing themselves: At which segments of your market are you aiming? What effect will introduction of your package have on existing accounts? Do you visualize your service as a club or associa-

(Continued on page 74)



These are some of advertising and promotion materials used by First Nat'l, Little Rock, in its Guard program, which is aimed at 21-35 age group.

Bank Communicates With Youth

First of Little Rock's Guard Program for 21-35 Age Group Viewed as Source of Short-, Long-Range Profit Potential

AT FIRST, the men and women felt uneasy as the reptile raised its head to inspect the onlookers, but the tension soon disappeared as the Tangerian snake charmer took full command. To the group of 40 or so Arkansans, the experience would be one of many they would re-enact to loved ones on their return to Little Rock from a trip to Spain and surrounding areas.

How these Arkansans became international "jet-setters" for eight days is representative of the efforts generated by the leadership of First National, Little Rock, in providing effective service

to the young adult market of central Arkansas. The trip had been arranged and sponsored by the Guard, the young people's branch of First National, and the tourists were Guard members and their guests.

Aimed at the 21-to-35 market, the Guard at First National was established four years ago to educate and involve the young adult market in the Little Rock area. Since then, over 7,000 members have joined the program, and its design emphasizes attracting even more people within this key market segment.

In 1970, First National conducted a

market research study to determine what type of market was available in Little Rock that included the 21-to-35 age group. The study revealed that over 30,000 young people, living in central Arkansas, fell into the age group. In addition, another study was initiated to find the average balances of checking-account customers within the age group, both locally and na-

FAR LEFT: Guard shopper takes advantage of clothing sale open only to members of First of Little Rock's Guard.

CENTER: Guard members discuss special premiere showing of new film at Little Rock movie theater. This activity is one of many offered members of Guard.

RIGHT: Guard members and guests gather around table to try their luck during "casino party," one of the favorite Guard social functions.



tionally. Results from the research efforts contributed greatly to determination of membership charges in the Guard.

National studies had already indicated that the largest potential market for checking accounts was to be found in the younger age groups. First National was found to be strong in this area, but not strongest in actual accounts. However, none of the major local banks were rated favorably by customers in "working with young people."

The bank also looked at national averages concerning the number of persons in the 21-to-35 group and the average income per family. With those facts, the market research and planning department conducted extensive investigations on youth-oriented bank clubs and determined that such a club, in time, would be a very effective profit producer for First National.

The philosophy behind the Guard places heavy emphasis on personal service so that members can become better customers through a clearer understanding of the opportunities that First National provides. By increasing the market of young customers, the bank is increasing its assurance that this important group will feel at home at First National and will be a continuing source of short- and long-range profit potential.

Art Rand, director of the Guard, sees the program's objective to be basically a means to generate future business:

"The entire purpose of the Guard should be to solicit new business for the bank. After we acquire a customer's initial business, we then try to sell additional services offered at the bank. For example, if a young couple has a small balance now, we hope that as the years pass their relationship with the bank will become stronger, and their accounts will eventually become more profitable. If this type of relationship is conducted successfully, it should prevent the customer from moving his business to another bank."

The young adult market presents an opportunity for banks to focus on a segment of the population that will account for over 25% of the total population by 1980. The Guard, by aiming at an age group that has not firmly established its banking habits, seeks to fill a deep void in youth/banking communication, both locally and on a national scale.

"We should grow in numbers, as well as increase the sophistication of our operations," Mr. Rand says. "The importance of financial responsibility and sound credit is stressed to all members. The Guard provides information and education along with concrete opportunities to improve money manage-



Art Rand is director of First of Little Rock's Guard program, whose basic objective, he says, is to generate future business for bank.

ment and to receive special considerations on money matters."

Anyone between 21 and 35 can become a Guard member by opening an account with an initial deposit of \$100 and by paying a \$3 monthly membership fee. The member then is eligible for several benefits, including a no-service-charge checking account; a starter certificate on the first savings account; \$10,000 accidental death insurance; patron discounts from local merchants and entertainment spots; group trips and special entertainment features; special social events; financial forums; a monthly newsletter; notary public service and Master Charge and BankAmericard services.

"By increasing the market of young customers, the bank is increasing its assurance that this important group will feel at home at First National and will be a continuing source of short- and long-range profit potential."

Social events and group trips have been the most popular Guard benefits. At least one or two social gatherings are held each month, with attendance often reaching up to 800 members and guests. Activities include family picnic outings, tennis parties, wine tastings, golf tournaments, casino parties and tax/stock market seminars.

"We are very pleased with the response of our members to these social events," Mr. Rand says. "Guests are invited to come with members, and this has proved to be a very big boost in recruiting new Guard members."

A trip to Spain, plus another to Freeport in the Bahamas, was offered to Guard members last year. Mexico will be the next destination in June. Trips to local areas in Arkansas are the favorites of most members, however, because they are inexpensive and do

not interrupt one's schedule. Participation by Guard members and guests has been very good, and Mr. Rand plans to continue sponsoring as many local and commercial trips as possible.

The Guard has had a significant impact on First National. For employees and customers, it has been a constant source of interest, enthusiasm and excitement. Its evaluation as a service can be described as unique and challenging, especially in the contact-sales area. After the first year of existence the program had generated 1,000 accounts for the bank, and presently, with implementation of many sales strategies and marketing techniques, over 7,000 Guard members contribute nearly \$1 million in deposits.

With its banking benefits, educational and social activities, the Guard provides an excellent means for introducing young people to Little Rock. A newcomer can easily become an active participant in Guard functions, and membership gives a young adult an opportunity to meet and associate with people who share the same interests.

"The profile of a Guard member as a bank customer indicates that he is superior to the average young customer in both the number of services he requires and the frequency of their use," Mr. Rand says. "The versatility of our program has allowed it to be heavily oriented toward cross-selling banking services while also sponsoring educational seminars and social events."

Personal selling and mass media advertising are combined to acquire Guard members. Direct mailings, sent to prospects from the Guard office, include a personal letter from Mr. Rand and a copy of the *Guard Review*, the club newsletter. Special attention is given to law and medical students in the central Arkansas area, as well as to young people transferred from another city or state. New-account prospects are contacted by telephone when possible. The same applies to prospective merchants. These merchants display the Guard logo in their promotional advertising and often join the list of local merchants who offer the discount programs to Guard members. All print and broadcast advertising concerning Guard services and promotion is included in First National's total advertising budget.

Involvement is the byword of this generation, and the Guard at First National, Little Rock, provides a channel for involving the 21-to-35s in a variety of activities. Through its newsletter and functions, the Guard is acquainting this market with the advantages that can be gained through sound financial planning and by learning how to best use a bank's services. • •

BIG RED'S BACK!



Yes, Red Ward is back. During the past year, just about the only place you would have seen him was at an Oklahoma Banker's Association function somewhere in Oklahoma.

Being President of the OBA is a full-time job, you know.

We here at Fourth of Tulsa know that too, and we're proud that Red had the opportunity to devote a year of his life to further our profession. We appreciate the tremendous contributions which the OBA has made in advancing our profession and to the healthy growth of commerce in our state. And we're proud that during his year as President, Red was able to attend virtually every banking function which took place in the state.

Yes, we at Fourth of Tulsa are pleased and appreciative to take this opportunity to salute the OBA and Red Ward. Because over the years, we've learned something valuable. Although we've grown to become the sixth largest bank in Oklahoma, we couldn't have done it by ourselves. We had help along the way which taught us the value of cooperation. This, then, is our salute to cooperation, to the OBA and to Red Ward.

Working
together,
we all grow.



**FOURTH
NATIONAL BANK**

Tulsa, Oklahoma 74119

Member F.D.I.C.



Participants in presentation of salary savings plan to automated payroll customers of First Missouri Bank include (from l.) Charles Galvin, CLU from Continental Western Co.; Gerald W. Schoor, bank pres.; and Charles Steinhouse from Employee Benefit Communications, Inc., St. Louis, marketer of the plan.

Salary Savings Plan Offers Banks Mass-Marketing Tool for New Accounts

SALARY savings plans offer banks one of the greatest mass-marketing tools ever devised for getting new accounts. But to develop an effective salary savings plan, a bank usually must go outside its usual staff of professionals to get the advice and counsel of insurance specialists.

Proof of what can be done when banking management engages outside experts is the salary savings plan for employees of firms using the automated payroll services of First Missouri Bank, Creve Coeur, Mo. (formerly Creve Coeur Bank).

Gerald W. Schoor, bank president, selected Employee Benefit Communications, Inc. (EBC), St. Louis, to market the plan. The plan itself was designed for bank use by Continental Western Life Insurance Co.

In the conceptual tug-of-war between offering premiums or services to attract new business, the salary savings plan stands out as an example of the service approach to marketing.

Without charge to the bank or its customers, EBC "toots the horn" of participating customers by showing the employees of each customer the full extent of their existing fringe benefits. It toots the bank's own "horn" by offering employees an opportunity to enroll in the salary savings plan.

The key to the plan is the bank's own automated payroll department. Daniel

Tobin, First Missouri's operations manager, adapted one of the bank's computer programs to deduct life insurance premiums and passbook savings deposits from the payroll checks it prepares for employees of its customers.

Through a series of top management seminars, Mr. Tobin, EBC officers and Charles Galvin, a Continental Western chartered life underwriter, explain the two-part program for the bank's automated payroll users.

The first part of the program comprises EBC's "one-on-one" communication to employees of an employer's existing fringe benefits. EBC field representatives give each employee a computer print-out, individually prepared at EBC's expense, listing the monetary value of all fringes, including social security and workmen's compensation insurance.

In the print-out, EBC benefit analysts even attach a monetary value to such things as coffee breaks and employee discount privileges. In this way EBC "toots the employer's horn" through giving the employee a better understanding of his "invisible paycheck," i.e., the benefits the employer pays in addition to actual wages.

Statistically, there often is much dissatisfaction inherent in the employer-employee relationship, yet fringe benefits are running from 23.6% to 35.7% of payroll in most industries.

The second part of the program is the actual salary savings plan that gives employees the opportunity to put from \$15 to \$60 a month into passbook savings and life insurance.

Why use life insurance *together* with savings? To provide instant cash for the financial security of the depositor's family as well as accumulation for future family goals.

A unique feature of the Continental Western plan is a "double waiver" in event of disability. This means that both the life insurance premium and the passbook savings contribution would be paid by the insurance company if the employee were to become disabled.

In the case of First Missouri Bank, passbook savings under the plan draw 5% daily interest, the same rate paid on other passbook savings accounts. The plan does not have to be IRS qualified, nor is any employer contribution necessary. Employers have the additional advantage of EBC's fringe benefit analysis, *which is one of the most comprehensive employee-relations packages available.*

Participants in the salary savings plan frequently become customers of the bank for other services, such as checking or loans. Meanwhile, their employers—the bank's commercial accounts using automated payroll—become firmly wedded to the bank and are not likely to seek computer time elsewhere for payroll purposes.

Since a depositor may make withdrawals from his passbook account at any time, First Missouri plans to make low-cost loans available to participants following somewhat of a credit union principle. For the depositor who wants a higher rate of return, CDs are available.

One variation of the plan allows for employer contributions to savings which can serve to lock in deposits with a vesting requirement.

Seldom is there a marketing proposal by which everyone wins, but in salary savings, EBC and Continental Western apparently have created a 100% winner.

BOOKS FOR THE BANK DIRECTOR

Responsibilities of Bank Directors \$4.25

Too little has been written about the duties and responsibilities of bank directors, particularly in view of the economic influence many banks wield in their respective communities. Furthermore, the rapid growth of holding companies and the impact of "consumerism" dictate that directors not only know what is expected of them but also what is expected of the bank they serve in terms of responsibilities to depositors, shareholders and to the public-at-large.

In this new book, the author has done an excellent job of compiling in one short volume information on the traditional, functional and legal responsibilities of the bank director. In evaluating the director's legal liability, it would be impossible, of course, to set forth all federal and state statutes governing such liability. However, the

author has examined recent court decisions to determine whether significant trends have developed and whether changes in social awareness have eroded pre-existing notions as to the director's responsibilities.

The author examines the director's responsibilities to shareholders in terms of investment return, continuity of management, long-range planning, the effects of structural changes on competition, e.g., bank holding companies, branching and merger trends. One chapter also is devoted to potential reactions to the various social responsibilities being thrust today upon banking and other businesses.

It is a book worthy of retention in any bank library, with copies being made available to new directors as they are elected.

THE AUTHOR, Raymond Van Houtte, is currently president of the \$100-million Tompkins County Trust Company, Ithaca, N.Y., where his service as a director and the interest of fellow directors made him personally aware of this subject. Thus, it was "natural" for him to write his thesis for The Stonier Graduate School of Banking on this topic. His education and ex-

perience as a lawyer, C.P.A. and banker lend themselves ideally to give the author additional insights into the problems faced by the director. In his book, Mr. Van Houtte blends with his knowledge extensive hours of research, correspondence and interviews to bring to the banking field a timely reference on "Responsibilities of Bank Directors."

← **Order A Copy For Each Member Of The Board!**

Composition and Compensation Of Bank Boards \$3.75

This statistical analysis of bank boards provides the banker with a wealth of information on the "Composition and Compensation of Bank Boards" . . . the title of the book.

Data, based on comprehensive surveys by the author, Dr. Lewis E. Davids, editor of the BANK BOARD Letter, give the reader an insight into the variety of occupations represented on bank boards . . . the number of inside and outside directors . . . frequency of board meetings held by various size

banks in different sections of the country.

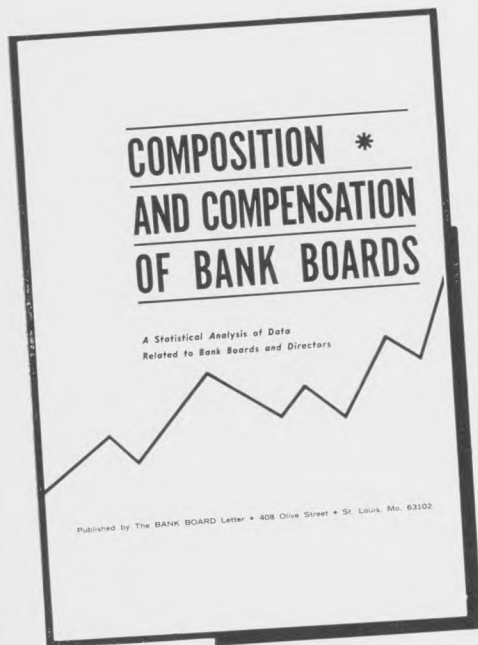
Salaries paid to directors and top bank management also are analyzed, as well as range of pay scales, bonuses and fees paid to directors attending and those NOT attending meetings.

For the first time, directors will have available to them material which will make it possible to compare the structure and operation of their board with those of banks of similar size.



QUANTITY PRICES

2-5 copies	\$4.00 each
6-10 "	3.90 "
11-25 "	3.75 "
Over 25 "	3.65 "



MANY TABLES are contained in this study, e.g., Retirement Ages of Directors (Inside and Outside) . . . Chief Executive Salaries . . . Salary and Bonus of Chairman . . . Fees of Directors, Executive Committee, Advisory Board . . . Director Fees for Regular Meetings and ANNUAL Fees . . . Savings Bank Trustee Fees . . . Highest Paid Directors. THESE STATISTICS WILL HELP YOU MAKE COMPARISONS AND PUT YOUR BOARD STRUCTURE AND FEES IN PROPER PERSPECTIVE.

MID-CONTINENT BANKER for May 1, 1974

THE BANK BOARD LETTER
408 Olive St., St. Louis, Mo. 63102

Send These Books:

..... copies of "Responsibilities of Directors" \$.....
..... copies of "Composition & Compensation" \$.....
Total Enclosed \$.....

Name
Bank
Street
City, State, Zip

(Please send check with order. In Missouri, add 4% sales tax.)

Extra Services Seen as Key To Counteract New Competitor

WHAT CAN a neighborhood bank do to offset the prestige of a billion-dollar bank when the central city bank opens a facility in the smaller bank's trade territory?

Hampton Bank, St. Louis, seems to have found the answer in a broadly based community identification program directed toward welding its customers to the bank and convincing them that Hampton Bank is its community's servant.

To obtain this result, Hampton Bank has done no one thing that is spectacular, but has done many small things that generate goodwill.

For example, take that day early in the month when the senior citizens swarm into the bank to cash social security and other pension checks. Naturally the wait sometimes is a little long, but Hampton Bank makes it less tedious by serving coffee and cookies to its customers.

What's more, last fall the bank introduced a "red carpet" teller service that actually shortens the wait for many customers on those real busy days. Instead of having a line at each teller station, Hampton Bank has a single line that forms along a red carpet runner that leads up to the center of the teller bank. A customer enters the line at the end and moves up to the front as customers are served. At the head of the line a hostess watches the teller windows and alerts the next customer when a window is about to come open.

Officials of the bank report that customers like the brisk way in which the line moves. They feel that all customers are taken on a first-come first-served basis. They particularly like the fact

that they can transact their business in virtual privacy with no one looking over their shoulders to see what they are doing.

A recent innovation—tied in to an extent with service to senior citizens—is a wheelchair that has been made available for customers who have difficulty in walking. The wheelchair may be taken out onto the parking lot where the customer is helped out of his car and then wheeled into the bank.

A community room is available for meetings of neighborhood organizations. Just how important this common-enough service is to the community is indicated by the fact that close to 400 members attended a meeting of the St. Louis Hills Homeowners Association at which a prominent St. Louis architect gave a talk about the migration of various nationalities from Europe into the area and also about "landmark" buildings in the neighborhood.

Other services offered by Hampton

Bank are a total financial program tied into the customer's insurance needs, college help for middle and upper-middle income families and, most recently, an overseas travel program that is said to be an outstanding value. The bank is offering a round-trip from its parking lot to Frankfurt, Germany, for \$279 per person via Lufthansa Airlines. The customer may then plan his own tour of Europe or he may buy any one of four tours starting from Frankfurt to various parts of Europe.

Last year and again this year the bank offered free income tax service tied into a savings account deposit.

All of these services are brought to the customer's attention at least once a month through a Community Newsletter which the bank mails to its customers.

Finally, Hampton Bank offers full-service banking 9 a.m. to noon every Saturday, a genuine service to the working man who can bank only at that time. • •



Hampton Bank uses various folders to advertise its services. From left: monthly Community Newsletter, an insurance folder, one on college help and a brochure describing a travel offer. Folder at bottom advertises "red carpet" teller service.

NATIONAL DETROIT CORPORATION



Parent Company of
NATIONAL BANK OF DETROIT

CONSOLIDATED BALANCE SHEET—March 31, 1974

ASSETS

Cash and Due from Banks (including Time Deposits of \$902,543,648)	\$2,209,171,953
Securities—At Amortized Cost:	
U.S. Treasury	542,837,685
States and Political Subdivisions	774,802,275
Other Securities	52,413,675
	<u>1,370,053,635</u>
Federal Funds Sold	416,870,000
Loans:	
Commercial and Consumer	2,347,038,930
Real Estate Mortgage	846,865,987
	<u>3,193,904,917</u>
Bank Premises and Equipment (at cost less accumulated depreciation of \$30,240,324)	51,898,127
Other Assets	93,898,140
Total Assets	<u>\$7,335,796,772</u>

LIABILITIES, RESERVE AND SHAREHOLDERS' EQUITY

Deposits:		
Demand	\$1,745,367,544	
Certified and Other Official Checks	531,258,273	
Individual Savings and Time	1,827,657,726	
Other Savings and Time	588,551,815	
Foreign Offices	1,089,902,310	
	<u>5,782,737,668</u>	
Other Liabilities:		
Federal Funds Purchased and Securities Sold Under Agree- ments to Repurchase	\$918,246,875	
Capital Notes (6 $\frac{7}{8}$ % due 1979)	50,000,000	
Convertible Capital Notes (5% due 1993)	50,000,000	
Unearned Income and Sundry Liabilities	108,104,841	1,126,351,716
Total Liabilities		<u>6,909,089,384</u>
Reserve for Possible Loan Losses		59,211,205
Shareholders' Equity:		
Preferred Stock—No Par Value	—	
No. of Shares		
Authorized	1,000,000	
Issued	—	
Common Stock—Par Value \$12.50	75,000,000	
No. of Shares		
Authorized	10,000,000	
Issued	6,000,000	
Capital Surplus	175,000,000	
Retained Earnings	119,813,526	
Less: Treasury Stock—51,404 Common Shares, at Cost	(2,317,343)	367,496,183
Total Liabilities, Reserve and Shareholders' Equity		<u>\$7,335,796,772</u>

Assets carried at approximately \$514,000,000 (including U.S. Treasury Securities carried at \$21,000,000) were pledged at March 31, 1974, to secure public deposits (including deposits of \$40,827,760 of the Treasurer, State of Michigan) and for other purposes required by law.

BOARD OF DIRECTORS

A. H. Aymond Chairman and President— Consumers Power Company
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What Makes a Good Premium?

By ARTHUR C. NORRIS
Contributing Editor

WHAT MAKES a good premium? In this issue and the one that follows in mid-May, MID-CONTINENT BANKER will present multiple answers to this ever-recurring question. Our own answer—which has been voiced a number of times in these pages — is that it isn't the premium, it's how well the premium is sold that piles up the results.

Take that perennial, a set of dishes. The average banker when approached with such a premium will react with "Every housewife has a set of dishes." Yet every other day, it seems, another bank is proving that even though every housewife has a set of dishes, almost every housewife wants another set—provided the china is attractive enough and the sales pitch is strong enough to arouse that "want."

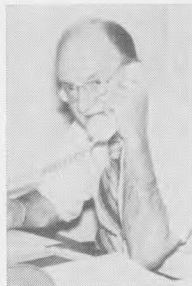
Banks have offered everything from Cadillacs—the Marine Midland banks of New York state—to canned soup—Peoples Bank, Rocky Mount, N. C.—as a means of obtaining increased deposits. And Peoples Bank also used boxes of Tide detergent and bags of peanuts.

Canned soup, detergent and peanuts certainly underline the fact that it isn't *what* a bank offers, but *how* the premium is "sold" that brings new customers and new money through those big doors. We write this because these three "left-field" offers were all successful. In 10 weeks 14,000 cans of soup brought in \$508,000 in new money; 16,000 boxes of Tide accounted for \$614,000 in new funds, and 25,000 bags of peanuts drew \$1.5 million!

We lack information on the results of the Cadillac offer, but it would take 60 purchasers of \$25,000 five-year CDs who also want a Cadillac to equal the results of the peanuts offer. We think 60,000 people with \$25 who like peanuts would be much easier to attract.

Timeliness is certainly an element in the success of a premium. Repeatedly, umbrellas have proved an excellent draw in rainy April and an outfit in Wichita markets a folding shovel suitable for the trunk of an automobile that will assure a blizzard of new deposits in January and February.

Undoubtedly, the banker from southeast Missouri who visited St. Louis recently looking for a



place to buy two carloads of fertilizer had "timeliness" uppermost in his mind. Chemical fertilizers, as you know, are in short supply and he knew for a fact that sacks of fertilizer offered at cost in exchange for new money would make his total deposits grow like weeds.

Many bankers are convinced that the only people who respond to premium offers are "premium shoppers." Repeated studies at individual banks have proved that this just is not so. The rate of retention of new business obtained via an incentive campaign averages remarkably high. Many banks have reported almost 90% retention six months later.

Probably the most acceptable proof of high retention rates lies in the experience of S&Ls. For years S&Ls have been using major premium campaigns to offset the drop in deposits that occurs regularly coincident with their interest-paying dates. Instead of falling, total deposits of aggressive S&Ls have been rising year in and year out and to their incentive campaigns must go a good deal of the credit.

Of course, there are premium shoppers and some of them are pretty blatant. Like the man and wife an executive of a suburban St. Louis bank was telling us about.

In St. Louis, Eagle trading stamps are given at the nine Famous-Barr department stores and can be redeemed there for merchandise at more than their cash value. The suburban bank offered 50 Eagle stamps for every \$50 savings deposit. The man-and-wife team came in and deposited \$10,000 and received 10,000 Eagle stamps. Sixty days later, they had the bank invest their 10 grand in stock. A couple of months later, they sold the stock and returned to the bank with what might have looked like another \$10,000, but was actually the first 10 grand. They made their deposit and received another 10,000 Eagle stamps. This time the cash was in the bank for about 90 days until the couple had the bank buy Treasury notes. Another three months and the couple was back with \$10,000 again—actually the same \$10,000—for another 10,000 Eagle stamps. But this time before he let loose of the Eagle stamps, the banker wanted to know how long the \$10,000 would remain in the bank.

"All told," the banker commented, "the couple got 30,000 Eagle stamps out of us for what was actually one \$10,000 deposit. They must have furnished their home with Eagle stamps."

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This investment performance, together with our administrative

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Attractive lobby display called attention to china promotion at First Michigan Bank, Zeeland.

Score Another Plus for China As a Great Deposit Builder!

CHINA is one of the original bank premiums. It has consistently done a good job in boosting a bank's deposits. And it still is doing a good job.

Take the case of First Hardin National, Elizabethtown, Ky. The bank's trade area had never experienced a bank-sponsored premium promotion. Management saw this situation as a ripe one for the introduction of a premium program. It wanted to generate new checking and savings deposits as well as call attention to the bank.

China was a natural. It was obtained from Salem China Co., Salem, O.

One free place setting was offered for each new checking account in the amount of \$100, a new savings account in the amount of \$25, or similar amounts as add-ons. Customers were then eligible to purchase additional settings at \$2.95 each, with qualifying deposits of \$25 or \$100. A complete eight-place setting cost about \$54 (compared to \$99 retail).

The program began last June and is expected to continue until mid-1974.

As of March, the promotion has been responsible for the opening of 552 new accounts with deposits totaling more than \$100,000. More than 6,000 free place settings were distributed, with 15,000 more being sold.

The promotion was advertised in two local newspapers and the local radio

station, and by an eye-catching display in each office.

The bank expects to break even by the time the promotion ends.

Three banks in the Great Lakes area have reported success with similar dinnerware promotions.

Northeastern Ohio National, Ashtabula, is winding up a time deposit pro-

motion. The bank's objective, according to Robert Anthony, assistant vice president, is "to obtain as much time money as possible in anticipation of a great loan demand."

An investigation into various premium proposals, Mr. Anthony said, led the bank to Salem's continuity dinnerware program. Initial positive reaction to the program by bank employees was the first clue that such a program would be a success with the public as well.

And it was. Part way through the promotion, Mr. Anthony said, "Significant growth in time deposits has been attributed directly to the dinnerware promotion."

Northeastern Ohio National's campaign is designed to include small continuous depositors as well as less frequent large depositors. A \$25 deposit entitles customers to free place settings. The offer proved so enticing that over 90% of the original depositors made additional deposits of at least \$25. For larger depositors, a 61-piece collection was available for purchase with a minimum deposit of \$475.

"Both options," Mr. Anthony said, "had appeal to depositors, as evidenced by customer reaction."

Mr. Anthony estimated that the average customer is expected to purchase five additional place settings, a fact



Full-page newspaper ad gave support to Salem china campaign at Winters National, Dayton, O.

Performance is "call me at home tonight"



Our correspondent people really don't have banker's hours. In fact, it's quite common for our officers to leave home phone numbers with our correspondent customers. You can't always control when a financial need will arise. So, we're standing by—day and night—to lend a hand. That's performance. Backing up that personal performance, you'll find Manchester Bank's computer system working day and night to speed financial reports to your doorstep. That's performance too. And that's what makes the difference! See Tom Lofgren at the Missouri Bankers Association Convention.

Manchester Bank

Vandeventer and Chouteau Avenues • St. Louis, Missouri 63110 • 314 • 652-1400

Manchester Bank—Hampton Office

2331 Hampton Avenue • St. Louis, Missouri 63110 • 314 • 652-1400

The National Bank of Affton

10000 Gravois at Rock Hill Road • St. Louis, Missouri 63123 • 314 • 631-4800

The Performance People



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that projects a possibility that the bank will break even on the program.

First Michigan Bank, Zeeland, introduced its china promotion at a breakfast meeting of employees. Marketing Officer James Hoffman said his bank's goals were fourfold: "To increase customer traffic with a continuing premium program; to increase savings deposits; to influence employee morale by giving staff people something new to tell their customers; to positively influence customers, both new and present, by offering them an attractive premium at an attractive price."

Mr. Hoffman reports the four goals were achieved and the bank was satisfied with the program. Especially impressive, he pointed out, was the aggressive and positive attitude of employees, which, he said, "Indeed spelled the success we experienced."

Don Peterson, vice president, marketing, at Winters National, Dayton, O., said the Salem ironstone promotion his bank held was especially attractive because it represented a fresh approach in the market—other financial institutions in the area having had no continuity programs in the past.

The people at Winters National, too, shopped carefully before deciding on a supplier. The bank felt, Mr. Peterson said, that the quality of the merchan-

dise would reflect upon the bank's overall image.

Reporting mid-campaign results, Mr. Peterson had these reactions: Offering a choice of two patterns was a good decision, since volume was divided equally between the designs; customer reaction at all income levels was positive and no negative comments had been received from retailers; the promotion had produced "an attractive growth in deposits and in number of accounts"; liquidation of the cost of the merchandise was "coming along well."

These instances score a collective plus for china as a deposit builder whose attraction has not diminished through the years! • •

Leisure-Products Area

(Continued from page 17)

asked what was the smallest amount that banks like to lend and found it to be somewhere around \$250. I have no information on the average size of loans made for leisure products, but I do know that a great number of recreation products sell for well under \$250.

This particular dilemma could best be described as "saved by the credit

card." Banks involved in credit-card operations are indirectly making loans every day for items that at least two years ago they took a very dim view of. There are a sizable number of banks that have no credit-card affiliation, and they are still plagued with problems about what to do about making loans for small items in this particular area. This, of course, describes only what might be done with requests for small leisure-products loans. It appears that attitudes are rapidly changing relative to providing financing for larger leisure products.

My group recently completed a study that attempted to measure the impact of the energy crisis on tourism in the country. I labor under the layman's impression that bankers are interested in action where the money is. I can assure you that the money is here. The leisure-products industry is the fourth- or fifth-largest industry in America. In 1973, \$53 billion was spent by travelers away from home. Of the 20 states involved in our study, the least amount spent in a state was \$130 million, and that was in North Dakota. Tourists spent \$4.8 billion in California and \$650 million in Alabama. Let's look at Wyoming, which has only 300,000 population—roughly the equivalent of metropolitan Mobile. Wyoming's tourism income was \$180 million. That



this premium is hot!

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ACTUAL SIZE

rounds out to something like \$600 for every man, woman and child or from between \$1,800 and \$2,400 for every family in the state.

To get a better in-depth picture of tourism in America, let's take some hypothetical figures from years past and add up the economic spinoff.

From 1961 to 1971, more than three million recreation vehicles were produced in America. Obviously, the growth rate for these vehicles has increased quite rapidly since that time. For the sake of our discussion, let's consider that all three million of those recreation vehicles are still on the road and follow them to see how much revenue they produce.

It has been found that employed individuals travel something around 2,600 miles per year over a two-week period, and retired couples travel 4,600 miles per year, roughly over four weeks. For purposes of data development, we estimated that about 10% of the recreation vehicles are owned by retired couples and the remainder by individuals still in the work force. Thus, about 2,700,000 trailers are owned by the employed and 300,000 by retired individuals.

Using these figures, we found that the employed group would travel roughly 7,020,000 miles per year, and the retired group 1,380,000 miles a year for a total of 8,400,000 miles. Then we assumed that each vehicle achieved 10 miles per gallon, which, of course, is unrealistic. Even so, they would have consumed 840 million gallons of gasoline in one summer. At 50¢ a gallon, this is \$420 million.

Unfortunately, it takes more than gasoline to make a trip, so we estimated that each vehicle spent \$25 a day. To make a long story short, this entire gasoline and expense operation sums up to well over \$9 billion for a hypothetical season.

To fill in a few details from other leisure areas, hunters spent \$1,121,000, fishermen \$1,905,000 and \$3,150,000 worth of boats were bought in the year in question. However, these figures are two or more years old and have become almost meaningless, but indicate that much money is being spent each year in the limited area that I speak of as the leisure industry.

Now for a look at the summer travel picture in 1974 and some of the factors that will be involved. To gain viable information on the national outlook for tourism, we sent a questionnaire to 20 states. Our findings indicate that the general public and government officials, although giving lip service to the importance of this industry, have not as yet gotten around to focusing proper attention on the importance of tourism and related industries in each

state. Actually, Governor George Wallace says that tourism is Alabama's second largest industry. In no instance did we find in the 20 states sampled that tourism ranked lower than the fourth-largest industry.

At least a 15% drop in tourism is anticipated and is contingent on several factors, such as gasoline supplies. Our results indicated that the smaller the state population, the greater the impact on the economy of the state. Small states simply do not have sufficient traveling populations to divert from out-of-state to in-state travel to make up for the loss. As one state indicated, this would amount to "taking money from one pocket and putting it in another, all in the same pair of pants." Even so, it would prevent some money from leaving the state.

We were told by the states that they really do not believe there is a gasoline shortage, and a questionnaire from Texas stated this point most emphatically.

From what we could determine, states are placing too much emphasis on the gasoline shortage as the chief threat to normal tourism for the present year. It appears quite clear that other economic factors may be of at least equal importance. Inflation, no doubt, will be most important. Also, the gasoline shortage has caused a considerable collateral unemployment, which will prevent a sizable number of individuals from taking their usual summer trips. Information from the West and South and particularly from Florida indicates that the tourism picture at present is well below usual standards.

In conclusion, it appears that banks might be well advised to designate at least one lending officer as a leisure-

time expert. It all boils down to the fact that either banks will grant credit in this area or that the consumer credit group, credit unions and possibly the S&Ls will take over this vast business. How ready is your bank to do business in this dynamic industry? • •

At "O'Millikin National":

St. Pat's Day Moved Up Two Days for Celebration

St. Patrick's day fell on a Sunday this year, but that didn't deter Millikin National, Decatur, Ill., from celebrating the Irish feast day. The bank, which becomes "O'Millikin National" every St. Pat's day, merely moved it up to March 15.

"O'Millikin National" used a full-page ad in Decatur papers to invite the public to drop in for coffee and shamrock cake, free genuine Irish pennies and lucky four-leaf clovers. In addition, the "O'Millikin University chamber singers" (see illustration) presented a musical program.

Bank officials said about 600 persons went to the bank for the celebration. They added that, of course, no one was prevented from turning their "green into gold" by opening a Golden Passport Account at the bank.



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Banking's Changing Times Explored At BMA-Ark.BA Marketing Conference

By **JIM FABIAN**
Associate Editor

BANK MARKETERS were exposed to the changing environment and its implications for banking, the art of performing branch location analysis, the needs and expectations an advertising agency has from a bank and several other topics at the recent 1974 Midwest Regional Conference sponsored by the Bank Marketing Association and the Arkansas Bankers Association in Little Rock.

More than 200 marketing officials from more than 20 states and two foreign countries were in attendance. Theme of the conference was "Changing Times, Action or Reaction? It's Your Choice."

Keynote Speaker Terence E. Renaud, BMA president, and president and chairman, Twin City Bank, North Little Rock, called on bankers to provide what customers want, namely, the financial services to meet their needs. He said that recent bank marketing history is filled with examples of bankers being forced to offer services by government edict that they could have offered on their own initiative if they had been alert to the need. He cited Truth-in-Lending and Truth-in-Savings as examples.

He called on bankers to find the right balance between the demands of consumers and bank policy. This is most important today because consumers have an increasing number of

alternatives for meeting their financial needs. Banks are in competition with all these alternatives, he said.

Bankers should be aware of the changing nuances of consumers, he continued. This will enable them to head off legislation that threatens bankers in the consumer area, it will prompt them to join with other banking organizations to see that beneficial consumer legislation is created and it will prompt them to concentrate on the basic principles of marketing.

Consumerism is here to stay, Mr. Renaud said. If it presents problems, it also presents opportunities. The consumer will take his money to where he is best served and it's up to bankers to make sure he is best served in banks.

The main point of a talk by Donald Jacobs, Morrison professor of finance at Northwestern University, was that the major threat to banks comes from outside the banking field. Banks have been fighting competition from banking, he said, letting competitors from outside the banking field trample them.

In detailing what a bank should expect from its advertising agency, Norwood (Red) Pope, vice president, First at Orlando (Fla.) Corp., stated that an advertising agency must have the guts to stand up for its ideas because that's what the agency has been engaged for. He said that his HC demands that its ad agency have no conflicts of interest (meaning that it cannot service any other financial institution, nor can it ever have serviced such an institution), that it must not enter the bank's ad-

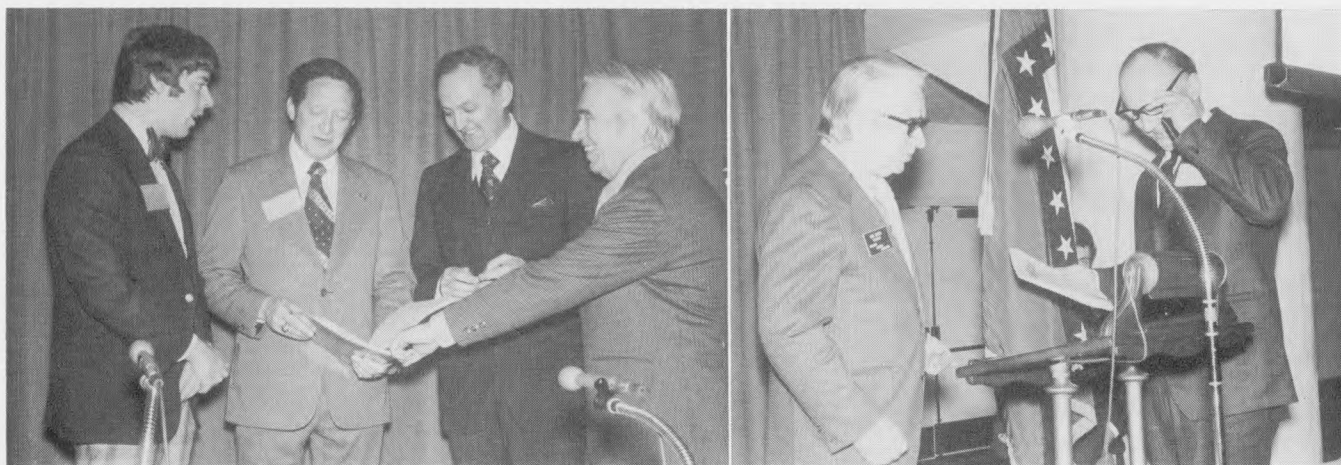
vertising in art competitions, that it must have some sort of an account with the bank. He cautioned that for the best service a bank should select an out-of-town agency. The bank should also insist that the agency submit what it understands its instructions to be in writing and that a written transcript of all bank-agency conferences be prepared for the bank by the agency.

George Dunn, vice president for marketing services at Buti-Roberts Advertising Agency in Chicago, said an ad agency should expect a bank to know what it wants to accomplish with its ad program. The bank should make sure it understands its agency, it should give the agency firm objectives and not ask an agency to prepare material in an area in which its staff is not proficient. Above all, he said, the bank must understand that it takes money to carry out an effective advertising campaign. The bank must spend enough to do the job.

A knowledge of how to motivate people is a must in order to create a successful environment for sales, according to Thomas M. Robertson of Mountain Trust Bank, Roanoke, Va.

Through the medium of slides, Mr. Robertson explained how proper planning determines the success of a program. "First, plan your work," he said, "then work your plan."


He discussed the importance of staff sales programs in providing a high level of quality banking service, how marketing/sales conferences can be used to create a greater awareness of the needs and problems of customers, what the branch office manager's role is in motivating his staff to apply the principles and techniques of sales/marketing, how attitude and enthusiasm affect results and how to emphasize all dimensions of a job. •••



LEFT: Principals at BMA-Ark.BA Midwest Regional Conference included (from l.) Tom Steves, sr. v.p., First Nat'l, and D. E. Fortson, v.p., Worthen Bank, both of Little Rock, conf. co-ch.; Terence E. Renaud, BMA pres., and pres. & ch., Twin City Bank, North Little Rock; and

Van Smith, Ark.BA pres., and pres., Bank of Tuckerman. RIGHT: Mr. Smith is shown presenting Arkansas Traveler certificate to M. Jean Pierre Hery, banker from Paris, representing a group of French bank marketing men who visited the conference.

“Week after week, you depend on one of our correspondent bankers. But a lot of people you never see are helping you, too.”



George Dudley,
Correspondent Division

Clockwise from top:

J. Walter Peniston
William O. Weis
William J. Fisher



“When a good customer asks for a lot of money, we can help.

We can help when a key employee leaves and you have to fill the position quickly; when you want to sell Fed funds; when you need checks collected—fast; when you want to buy bonds and treasury bills.

You want a correspondent banker you can depend on. And you want to know that the bank he represents is staffed with professionals in every department—people who

know how to solve problems like yours.

We’ve got really good people in our Correspondent Division. And we have hundreds of other professionals—behind the scenes—helping your First National correspondent help you.”

FIRST NATIONAL BANK
of Kansas City, Missouri
a Charter Bank 

Depend on The First People.

Employee Incentive

(Continued from page 31)

to existing savings accounts in amounts from \$500 to \$1,000 earns awards of ½%, as does money deposited in savings accounts or CDs in amounts from \$1,000 to \$99,999.

All deposits are subject to 90-day analysis periods except the Gold Seal savings accounts or CDs for 90 days or longer. These receive immediate awards.

After the 90-day analysis periods, account balances are checked. If they are equal to or greater than the original deposits, cash awards are paid based on the original deposits. If the totals are less than original deposits, employees are paid on the actual balances.

After deposits have been verified as new money, prior balance histories are recorded to serve as benchmark measurements for the 90-day analysis. Either the balance at date of deposit or the previous 90-day average balance—whichever is highest—is used.

If the actual balances at the end of the 90-day analysis periods are equal to or greater than the benchmarks plus the deposits being analyzed, payments are made on the full amount of the deposits. If the balances are below these levels, employees receive awards based on the differences between the two figures.

According to Lindsay L. Alexander, vice president of marketing, there is a new attitude around the bank that reflects the new awareness of the individual's role in the marketing operation. Preliminary figures show "It's Up

to You" has generated a wider range of participation than any other incentive plan used in the past.

* * *

"Sales Is the Name of the Game" is the title of a promotion at Manufacturers Hanover, New York City, that has as its weekly reward one share of bank HC stock. The program began last July, and has been so successful that its original six-month term has been extended to one year.

The campaign aims at customers in six target areas: personal loans, new special checking and personal checking accounts, savings accounts, high interest passbook accounts and Master Charge cardholders.

Each employee at the bank's branches earns points for every account, loan and Master Charge approval he introduces. Weekly, monthly and quarterly quota leaders receive days off, dinner or tickets for two to the theater or sporting events, or, in the grand prize category, trips to Bermuda or Puerto Rico.

Branches are divided into five groups for the campaign based on the amount of retail business production in the past. Branch employees are divided into two groups—contact and non-contact personnel. The two members of each group with the highest number of points at week's end are awarded stock certificates.

Employee incentive campaigns are not new. What is—and must be—new about them is the theme and the enthusiasm that make them successful—which has been proved by Hamilton of Nashville, First National of Tulsa and Manufacturers Hanover of New York City. • •

Cross-Section Represented:

Residents' Advisory Board Appointed Yearly by Bank To Solve Area Problems

For two years, First Jacksonville (Ark.) Bank has been working with an advisory board composed of eight persons representing nearly all aspects of community life. Its purpose is to serve as a sounding board for problem areas in Jacksonville in the hope that the bank may help solve the various problems through leadership provided by directors, officers and employees.

The First way to meet the needs of our community is to find out exactly what the community needs.

The First Jacksonville Bank 1974 Advisory Board

A FULL SERVICE BANK

(Standing, from left) ODES GOODELL, Goodell's Welding and Jacksonville Metals Company; GORDON TUBBS, Franklin Electric Company; ROY HALL, Retired School Official; FATHER GARY MCCONNELL, St. Stephens Episcopal Church; FRANK WEELEY, Jacksonville Police Department. (Seated, from left) FRANCES ANASTASHA, UAW-CIO 1,000; ROSALIE SZILJENYI, Minute Max Restaurants; LISA ROYO, Student, Jacksonville High School.



First Jacksonville (Ark.) Bank published this newspaper ad to announce names of 1974 members of its advisory board. As shown in photo, various segments of community are represented, including high school students.

According to Larry Wilson, the bank's marketing officer, the public relations benefits achieved through sponsorship of this board are great because a cross-section of the community is represented, and the members witness first-hand the bank's efforts to better its city. In addition, when a new board is named, its members are pictured as a group, along with a story on their appointment, in the local newspaper.

Advisory board members serve a one-year term and meet quarterly to discuss various community problems and possible solutions to them. In the two years the bank has sponsored the board, the following groups have been represented on it: young people, senior citizens, minorities, retail merchants, the clergy, labor, industrial leaders, women's clubs and city police.

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We suggest you see your local Travel Agent... he should know about us. Or use the coupon for complete information.

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Dates of Vacation _____

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Register daily at your Kentucky Group Bank!

\$100,000 Giveaway!

Contest Closes
February 2, 1974



Only ONE more week to register
for 23 FREE Cadillacs and Fords!

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Central Bank & Trust Company KENTUCKY GROUP BANKS 

Newspaper ads like this one kept Kentuckians abreast of contest facts. Other ads listed names of finalists for Cadillacs.

The \$100,000 Giveaway

Banks Say 'Thank You' to Customers By Awarding Cadillacs, Fords

THE PEOPLE of central Kentucky treated the 17 banks making up the Kentucky Group Banks pretty well last year. They were responsible for a 26% gain in combined assets over figures for the previous year, enabling the association of banks to reach a \$400 million asset plateau.

But that wasn't all. The increasing demands for banking service from customers prompted the banks to authorize 13 new facilities which will result in the members of the Group operating 54 offices when the expansion pro-

gram is completed.

All this affluence presented the Group with a pleasant, although challenging, "problem"—How does a grateful banking organization go about properly thanking its customers for their loyalty while, at the same time, generating valuable publicity to attract new customers and their deposits?

Would giving away \$100,000 worth of 1974 automobiles in one hour's time on an area-wide TV show do it? The idea had merit, so arrangements were made to give away six Cadillacs and

17 Ford Torinos in a gigantic giveaway.

News about the promotion broke in December and the actual contest period ran from the middle of December to the beginning of February. The six-week period enabled the banks to give away one Cadillac for each week of the promotion. Each of the 17 participating banks gave away one of the Fords.

Billboards, newspapers, radio and TV were used to publicize the giveaway in each of the communities served by Kentucky Group Banks. All anyone desiring to try for a free auto had to do was register at the bank in person (as many times as he wished). Throughout the promotion, anyone opening a new free checking account was given 200 imprinted checks free as a bonus.

The name of one contestant was drawn each week from each bank's registration slips to become a finalist for the drawing for the Cadillac representing that week's prize. The remaining slips at each bank accumulated until the end of the contest, at which time one name was drawn from each bank's collection of slips to determine the Ford winners.

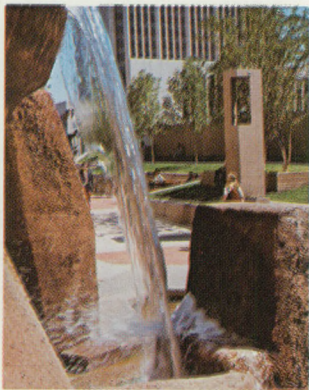
Each week, the names of the prospective Cadillac winners were published in newspaper advertising. Thus 17 individuals knew they were in the running for a free Cadillac each week (although none of the final drawings occurred until the close of the contest).

Although the promotion began in the

A Cadillac winner thanks Al Florence (l.), Kentucky Group representative, during hour-long TV program at which finalists were selected.



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midst of energy crisis publicity, little adverse comment about the big cars being given away was received by the banks. Total registration for the 17 autos was almost 200,000, a clear indication that no one seemed concerned about obtaining sufficient fuel to run the autos.

The promotion climaxed with the live, hour-long TV program, broadcast from Lexington, largest city served by Kentucky Group Banks. Finalists for the Cadillacs, more than 100 people, were special guests at the studio and they participated in the program, both through interviews on the air and through the excitement they expressed during the drawings.

The studio set consisted of a gallery for the Cadillac finalists, an orchestra and a display of the two types of cars being awarded. A table holding six fishbowls containing the registration slips for the weekly Cadillac finalists and a row of hoppers or tumblers containing the registration slips for the 17 banks were onstage.

The CEO of each bank was on hand to participate in the Ford drawings. Some made brief presentations about their banks' industrial development work and how their banks had contributed to community growth.



A hopeful winner receives assistance in placing registration slip in the box. Nearly 200,000 registration slips were entered in Kentucky Group's \$100,000 giveaway contest.

Drama was evident during the show when one of the Cadillac winners shed tears of joy at her good fortune. Each potential Ford winner throughout the central part of Kentucky held his breath during the 17 drawings as the program unfolded on home TV screens.

One Ford winner was watching the show from her hospital bed when her name was announced. Her exuberance caused a moment of panic among the hospital staff. Another Ford winner, a

college student from a foreign country studying and residing in Kentucky, was assured of a complete education by his win.

The grand scale of the Kentucky Group Bank's giveaway attracted considerable publicity throughout the trade areas of the 17 member banks, something that could not have been achieved if each of the banks had held independent giveaways, according to Group officials.

Putting six weeks' worth of excitement into the lives of its customers, plus making 23 customers owners of new autos, was a unique and fitting

way for the Kentucky Group Banks to say "thank you" for the excellent year of growth bank customers had provided. • •

■ THOMAS D. COCHRAN has been promoted to corporate trust officer, United Missouri Bank of Kansas City. He joined the bank originally in 1960 and rejoined it last year after spending several years with major stock brokerage firms. He was elected assistant corporate trust officer at the bank last October.

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(1) Prearranged Transfers (2) Direct-Pay Deposit

Two Services With Good Potential in the Banking Marketplace

IF the electronic funds transfer system (EFTS) has potential value in banking, then the latter's marketing people must help put that potential to use. They have to *sell* it, to win acceptance for it, if it is going to do for our industry the things it is capable of doing.



This selling job is going to be big, and it is the challenge on which I want to concentrate this article.

Most particularly, I want to discuss certain significant elements of the Booz, Allen and Hamilton study prepared for the ABA late last year. The study identified two areas in which EFTS technology stands a good chance of winning quick and widespread acceptance. Thus, it may have opened doors through which bankers, in their marketing efforts, can put EFTS to use and bring it into the mainstream of our business.

Before exploring the opportunities outlined for us by Booz, Allen and Hamilton, I will quickly review the present status of the electronic funds transfer concept. As most bankers know,

The talk on which this article is based was given by Mr. Barksdale at the ABA's National Marketing Conference in March. At the conference's final session, Mr. Barksdale was elected chairman of the association's Marketing Division. His term will begin October 23 and run for a year.

By **CLARENCE C. BARKSDALE**
President
First National Bank
St. Louis

EFTS technology now is available for many purposes. The hardware is ready, and such facilities as automated clearing houses, special procedures, delivery systems and even customer services are coming on-line. The technology has been the subject of a good deal of talk for quite some time, and now we are

"Banks that have analyzed the results of their direct-pay deposit operations have found three major benefits accruing to them for their efforts. Balances in DPD checking accounts are invariably higher than normal; banks promoting this service have been able to cross-sell other services effectively, and banks selling DPD have acquired new customers."

seeing a good deal of action as well. Atlanta and other cities already have established automated clearing houses; and though their success is far from being established, their very existence is a fact of no small importance.

Appropriately, EFTS and its applications are receiving careful attention from the ABA and other financial organizations. The ABA's Payment Systems Policy Committee is continuing to address itself to the basic issues raised by EFTS, and the ABA Automated Clearing House Task Force has

been studying the functions of and rules governing exchange transactions. One result of this work is going to be a recommendation for the creation of a National Clearing House Association.

The Federal Reserve, also alert to the importance of EFTS, has been rapidly establishing regional check clearing centers and revising its Culpepper System to enable faster money transfers by wire. Recently the Fed issued a proposed revision of Regulation J, which includes suggested operating rules for the handling of EFTS transactions. This revision raises questions of ownership and access to EFTS systems, and comments on such questions have been submitted to the Fed. At this point, we do not know what the Fed's exact position will be. We *do* know that its attention to EFTS and the questions that it poses is another index of the new technology's importance.

EFTS is also having its impact in the credit card field. BankAmericard and Interbank (Master Charge) are rapidly extending their credit card ownership systems to provide an instantaneous interchange capability. Hardware is being developed quickly in the point-of-sale area, and costs appear to be coming down.

All these things are evidence of progress in the development of EFTS. In one area, however, progress has been slow. That area is *customer acceptance*—the very area that marketing specialists must be most concerned about. To a great extent it is marketing's job to find ways in which EFTS can be successfully put to work, and to do their job, marketing people have to know



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where best initial opportunities lie. And this is where the findings of the Booz, Allen and Hamilton study become especially helpful.

The main purpose of the study, which was commissioned by the ABA in response to the challenge of new technology, was to identify factors essential to achieving customer acceptance of EFTS. The study also was designed to provide bankers with guidelines for evaluating their own marketing situations and mounting their own marketing programs. Twenty banks representing different geographic areas, sizes and types were selected for the study. Bank executives, employees and customers were interviewed in depth in a search for the most effective ways of marketing and using EFTS.

For marketing purposes, the study had one overridingly important result. It determined that two services have good potential for acceptance in the banking marketplace. Those two are *prearranged transfers and direct-pay deposit*. These are our most promising opportunities, the avenues we must follow if we are to move forward speedily in making EFTS what it should become: a successful part of banking's "big picture" in the years ahead.

The Booz, Allen and Hamilton study is not, of course, merely a glowing description of opportunities. It recognizes the fact that, although prearranged transfers and direct-pay deposits are marketable, we will encounter problems in marketing them. It details the process that bankers must go through in order to launch and maintain ef-

fective programs. This makes it both an interesting set of guidelines and a worthwhile starting point for discussion of prearranged transfers and direct-pay deposit.

"*Prearranged transfers*," the first of our two immediate opportunities, is an arrangement by which a customer's funds can be transferred between his accounts at a single bank. For example, a specified amount can be transferred from the customer's checking account to his savings account at a specific time each month. Or, such transfers can be used to make mortgage or loan payments. (I should add, by the way, that the study did not consider prearranged payments to utilities or other outside businesses.)

Banks have offered prearranged debits for years. But as the study showed, few banks have promoted such service. In the small number of cases where promotion was substantial, the motivation appears to have been defensive—not to expand the service because of its own value, but to protect deposits from thrift industry competition. This lack of promotion probably resulted from the fact that, from the banker's point of view, there seemed to be two major obstacles to the successful marketing of prearranged transfers. One obstacle is that the vast majority of bankers do not regard prearranged transfers as a "stand-alone" service. The other is that banks expect operating problems from high use of such a service—particularly when their operations are not automated.

Customers seem more receptive than bankers to prearranged transfers. They seem to like the discipline of forced

savings, and they indicated that they would use transfers to purchase securities or mutual funds. However, customers felt that they didn't know enough about prearranged transfers and that their banks had not made an effort to inform them about this service. Customers also tended to react more negatively to prearranged transfers used to pay obligations. They do not easily distinguish between a bill for a loan from a bank and bills from other vendors.

The two most commonly repeated customers' fears in the study are loss of control and the prospect of doing battle with a computer. Despite these apprehensions, consumers do recognize the benefits of prearranging payments between accounts in the bank. They like the idea of saving time, avoiding late-payment charges and escaping the embarrassment of forgetting. The main benefits most customers perceive are convenience in terms of loan payment and discipline in terms of forced savings.

Banks now marketing prearranged transfers successfully are using such names as "convenience transfer" to avoid the computer-anxiety syndrome. It is apparent that a marketing strategy that includes prearranged transfers can help strengthen the full service concept we have been selling for many years.

Prearranged transfers can deliver several very real benefits to banks. If the transfers are handled electronically, they will produce substantial cost reductions. At the same time, they will generate balances. And they will help the bank to keep its customers.

Since this service is already fairly widespread, it is an excellent opportunity for banks to introduce their customers to the overall value of the electronic funds transfer system. Direct-pay deposit is important and urgent in the banking community. And it will require work and intelligence.

Because of the rapid spread of interest in automated clearing facilities such as SCOPE in San Francisco and COPE in Atlanta, our study will have special value to bankers wanting to make direct-pay deposit a successful venture. It will help bankers understand the problems they will face and the things they must do to sell direct-pay deposit to their customers.

"*Direct-pay deposit*" is an arrangement by which an employer deposits an employee's pay directly into the employee's bank account. The employer also provides the bank with deposit information whether or not the bank provides the employer with a payroll service.

Direct-pay deposit services have

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been in existence in some banks for several decades. Despite this fact, however, the penetration of the service has been extremely small. In all but one bank sample, less than 1/2% of all corporate accounts used this service. Is that because companies have resisted the efforts of banks to market the service? Apparently not. Almost all the companies that use direct-pay deposit generated the request for the service themselves.

The study shows that certain categories of employees resist the direct-pay deposit service. But it found also that employees tend to accept the service once they understand its advantages.

The barriers to successful marketing of direct-pay deposit are partly imaginary and partly real. For example, bankers believe that the corporate employer is deeply concerned about the impact of electronic posting of payroll on his float, but the companies interviewed regarded that float problem as relatively insignificant. Bankers also thought that the service appeals only to white collar and professional workers, while the study shows a much broader acceptance. All the barriers are not imaginary, however, and the real ones make up the challenge for our industry.

Many corporate managers believe that employees have the right to control their own pay, and they are concerned about invading their employees' private business. Employers are concerned about pushing employee bank accounts or seeming to favor a particular bank. Also, companies are concerned about changing their own automated systems. They are concerned, too, about possible union problems, and they are concerned about having to provide their employees with check-cashing services.

Bankers have problems of their own with this service. To date, there hasn't been a sound economic analysis of benefits created by aggressive marketing of direct-pay deposit. In the majority of banks interviewed, direct-pay deposit is not identified, sold or handled administratively or operationally as a separate service.

To compound the difficulties, employees who do not use the service have misunderstandings and misgivings about having their pay deposited for them. Their main concern is a feared loss of personal control over their money and resulting change in the family's financial habits. The employee, like the employer, sees the need to be able to obtain cash at the company location during working hours. Other concerns center around general misunderstandings of banking and banks; these



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range from unfamiliarity with how a bank account works to fear of impersonal systems centered around computers.

There is no question that direct-pay deposit generates a host of negative reactions. However, all these negatives tend to become defused once employers and employees have used direct-pay deposit. In fact, they tend to become quite positive about the service when they are familiar with it.

Employers find that direct-pay deposit can help solve a number of different problems. If their plants and offices are widespread, DPD solves an annoying distribution problem. If they have many salesmen on the road or other traveling personnel, it solves the problems of paying these people. It also saves a considerable amount of employee time on payday.

Employees find DPD a great convenience. They know it will enhance their credit with banks where they keep their accounts. It resolves the problem of collecting their checks during vacations. Some of them even enjoy the ability to play the float by drawing on the account slightly ahead of the deposit, and they utilize DPD in conjunction with prearranged transfers to their savings accounts on the theory that what you don't see, you

don't miss. This last situation demonstrates how an aggressive bank can help both itself and its customers by using these two services together.

Banks that have analyzed the results of their direct-pay deposit operations have found three major benefits accruing to them for their efforts. Balances in DPD checking accounts are invariably higher than normal; banks promoting this service have been able to cross-sell other services effectively, and banks selling DPD have acquired new customers.

In short, there is little doubt that direct-pay deposit can be marketed successfully. Clearly, the benefits to both bank and customer will outweigh the negative perceptions now associated with this service.

In summary, prearranged transfers and direct-pay deposit are two services that can help the banking community strengthen the "full service" concept in the face of growing competition. These services, the Booz, Allen and Hamilton study shows, can be successfully sold to bank customers. Furthermore, these two services can provide the banking community with the beginnings, the genesis, of electronic funds transfer as an integral part of the whole payments system.

Bankers who take this study and

compare it to their own situations will find good reasons for launching their own aggressive marketing programs.

I have tried to explain two services that marketing people now can sell in their own markets. The groundwork has been prepared, and the opportunity is real. If we believe that the electronic funds transfer system is necessary for the future of banking, we have an obligation to promote EFTS services and build for the future of a more viable banking system. • •

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Pleasing people who like to trip the light fantastic, First National, Atlanta, recently held a square dance as part of the festivities when it opened a new branch office in Atlanta. The party included free hot dogs, baked beans and soda. Live country musicians performed and power tools were given away as prizes.

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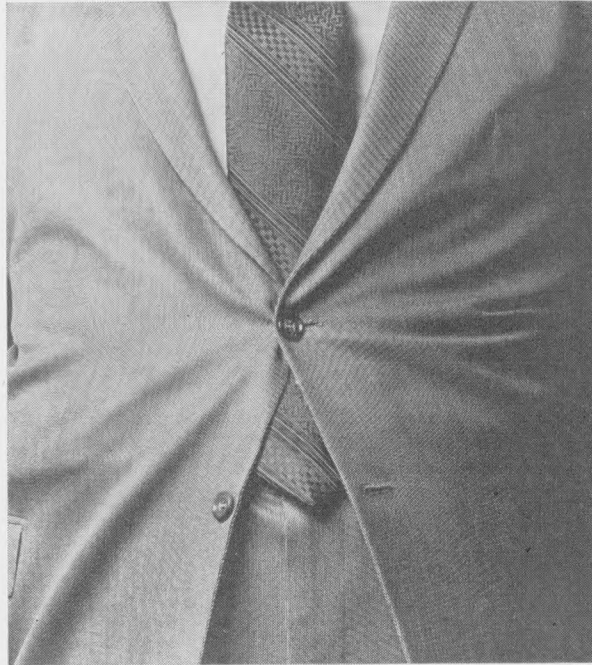
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NEW IBAA PRESIDENT Embree K. Easterly (2nd from l.) is congratulated by outgoing President Fred T. Brooks (c.), as other new association officers look on. They are: Kenneth J. Benda (l.), 1st v.p.; Charles O. Maddox Jr. (2nd from r.), 2nd v.p., and Russell Hanson, re-elected treasurer.

Suggestion From Nader:

Independent Bankers Urged to Form Coalition With Consumer Groups

A COALITION of independent bankers and consumer groups has been called for by consumer advocate Ralph Nader to fight what he calls "the growing concentration of economic power in multi-bank holding companies." Mr. Nader spoke at the Independent Bankers Association of America's annual convention in Dallas in March.

Other speakers included Representative Wright Patman (D., Tex.), chairman, House Banking and Currency Committee; Dr. Robert C. Holland, Board of Governors, Federal Reserve, Washington, D. C., and Dr. Walter W. Heller, regents' professor of economics, University of Minnesota, Minneapolis.

According to Mr. Nader, "Where the consumer's interest converges with the interest of independent and/or small banks, there is no reason why a coalition cannot be established." He made clear that he considers pro-consumer action to be in the self interest of smaller banks, noting that the question is whether "independent banks are going to become active participants in a consumer movement that vectors toward deconcentration," as well as pushes for consumer goals "or whether they are going to be destroyed bit by bit or co-opted bit by bit" into an increasingly monolithic banking system.

Mr. Nader said that IBAA members'

"contribution can be measurable and very considerable in speeding up confrontation (on significant public issues) in a policy format and with the broadest interest of the consumer in mind."

He suggested a series of "shortsleeve seminars" in which consumer advocates and small bankers can "work out common strategy" for attaining legislative goals.

Mr. Nader attacked the Federal Reserve Board of Governors, which, he said, operates far too often in secret and without the understanding of the general public.

"Those days are over," he continued. "Rest assured that some of us are going to make the Federal Reserve a household word."

He said that "the consumer movement cannot be comprehensive in its thrust . . . unless it brings the Federal Reserve under its scrutiny." He believes the Fed's stance of independence is totally unwarranted and that its attitude on the pending bill to allow for General Accounting Office audit of the Fed "illustrates the enormous opposition which that institution has against elementary scrutiny."

Mr. Nader suggested that Fed Chairman Arthur W. Burns has been violating the law in promoting banker opposition to the audit legislation.

"Dr. Burns has every right to go up to the Hill to try and persuade members to vote against it . . . whether he has the right to use Federal Reserve facilities to phone bankers and other people around the country to marshal support" for the Fed's position "is in



LEFT: Pictured at IBAA convention's opening night banquet are (l. to r.) Mr. and Mrs. Rae C. Heiple, Abington (Ill.) Bank, and Mr. and Mrs. Morris E. Peine, Farmers State, Minier, Ill. CENTER: Also shown at opening night banquet are (l. to r.) Mr. and Mrs. Fred Neumann, SBA, Dallas, and Mr. and Mrs. Don Weckwerth, Nat'l Bank

of Texas, Ft. Worth. RIGHT: Enjoying buffet breakfast are (l. to r.) Mrs. Eric J. Folmar, Bonifay, Fla.; Mr. and Mrs. Richard Gump, Trotwood, O.; Mr. and Mrs. Robert W. Herren, Haskell (Tex.) Nat'l, and Mrs. Royal Mullins, Wolfe City, Tex.

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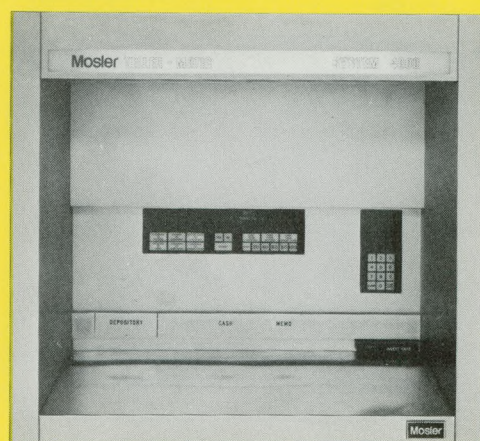
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serious doubt," said Mr. Nader.

The speaker said there's a federal statute prohibiting federal officials from using their time and government resources to seek assistance in lobbying Congress. "The only ambiguity," he continued, "is whether the law applies only to agencies using federally appropriated funds or includes the Federal Reserve, which certainly poses as a federal agency even though it doesn't have appropriated funds." Mr. Nader said he wrote to Congressman Patman, suggesting that if the law doesn't cover the Fed, it should be amended to prevent further instances of board efforts to seek outside support for its legislative positions.

In another area, Mr. Nader said he is planning court action to determine the degree to which the Fed is subject to provisions of the Freedom of Information Act.

Representative Patman's Message. Congressman Patman pledged to IBAA members to do everything he can to curb banking concentration and cure the bank regulatory agencies of their "boardinghouse reach for power."

"Right now," said the Texan, "only 50 banks control 49% of the deposits of our entire commercial banking system. This is 50 banks out of 13,500 institutions. . . . The trust departments represent an even more serious picture. Today, there is \$404 billion controlled by bank trust departments, and over 49% of this is in the hands of only 25 banks.

"With this kind of concentration, it would be reasonable to assume that the bank regulators and the Justice Department would be doing everything in their power to slow the trend. It's just the opposite, and today the Federal Reserve System is letting the Bank Holding Company Act be used as a wholesale means of tightening the grip of the big banking conglomerates over the economy."

The Fed is reaching out in all directions to build its power, said Representative Patman. As an example, he cited FRB Chairman Burns' idea that all banks in the nation should be subject to the Fed's requirements on reserves. He also mentioned the proposed electronic funds transfer system (EFTS), which would bring all check and credit transactions under the wing of a single nationwide network operated by the Fed. Such developments point to the need for some kind of public accountability, Mr. Patman believes, and that's why he is fighting for an audit of the Fed by the GAO.

The Fed's Representative. Governor Holland of the Fed gave his views of current federal law and regulatory issues as they relate to small, indepen-

Two New Independent Groups

During the 1974 IBAA convention in Dallas, the Independent Bankers Association of Texas was formed, with 100 banks as charter members. There are 618 IBAA member banks in the state, and the new group expects to have a membership of 200-300 within a year.

Outgoing IBAA President Fred T. Brooks, pres., Merchants State, Dallas, was named president of the new Texas independent group.

The new IBA of Texas brings to 17 the number of formal state organizations of independent bankers.

Another Mid-Continent-area state, Illinois, has a group called Independent Community Banks in Illinois, which is working within the Illinois Bankers Assn. Its objective is to promote the cause of independent banking in the state.

dent banks.

First, Governor Holland believes the small but well-run independent bank can provide some special economic benefits to its customers, community and nation. *Second*, he thinks the small independent bank is vulnerable in some respects to disadvantageous forces and both needs and deserves a measure of protection against those forces. *Third*, he believes some of the protections provided or sought for small, independent banks are mis-designed or have been rendered obsolete by the onrush of events.

Therefore, he continued, there is good reason for reform of financial laws and regulation to extend to small, independent banks, but such reform needs should be tailored carefully and wisely.

Economic Outlook. The economic scenario for 1974 was outlined by Dr. Heller, former chairman, President's Council of Economic Advisers. He projected a first half plagued by economic downturn and double-digit inflation, followed by a second half in which the economy would turn up and inflationary pressures ease somewhat.

President's Report. Fred T. Brooks, outgoing IBAA president and president, Merchants State, Dallas, attributed the pinch at the food counter and the gas pump in large part to concentration in many industries. If banking becomes as concentrated, he warned, a handful of giant banks would control the credit spigot, a potentially more dangerous kind of power, in his opinion. He cited the proposed Financial Institutions Act as a giant step in that direction.

Mr. Brooks announced the open-

ing of a new IBAA Southwestern Office in Dallas, headed by John J. O'Meara, retired vice president, correspondent bank department, Mercantile National, Dallas.

Resolutions. The convention approved resolutions that included calling for: support for objectives of the Rural Development Act, supplemented by a secondary market that would enable rural lenders to sell guaranteed loans to major money market investors, thus recovering loan funds that can be used for other rural development and community purposes; rejection by Congress of legislation that would subject all insured nonmember banks to Fed reserve requirements; an amendment to the Truth-in-Lending Act that would exclude agricultural loans used in the business of agriculture from the act's disclosure requirements; support of all legislation that upholds independent banking and opposition to legislation that would permit further expansion of branching or multi-bank HCs; subjection of multi-bank HCs to state control; a ban on NOW accounts; legislation to subject the Fed to audit by the GAO, with the exception of open market operations; referral of a proposal for an EFT system to Congress for in-depth study, followed by appropriate legislation to provide nondiscriminatory access and rates and protection of the public; elimination or modification of proposed legislation to provide 100% insurance for public fund deposits placed in commercial banks, S&Ls, and credit unions so that the law will not cause disintermediation of funds from commercial banks and the ultimate destruction of local bond markets; defeat of proposed legislation that would create a third banking system by providing for federal chartering of mutual and stock savings banks with powers now allowed commercial banks; closing of tax loopholes among certain financial institutions, such as credit unions and improvement of independent bank stock marketability and ownership succession as vital ingredients in the preservation of independent banking.

New Officers. Embree K. Easterly, president, Capital Bank, Baton Rouge, succeeded Mr. Brooks as IBAA president. Other new officers are: first vice president, Kenneth J. Benda, president, Hartwick (Ia.) State; second vice president, Charles O. Maddox Jr., president, Peoples Bank, Winder, Ga., and treasurer (second year), Russell Hanson, executive vice president and chairman, Swift County Bank, Benson, Minn.

The IBAA's 45th annual convention will be held March 16-20, 1975, in Las Vegas. • •

The Importance of Flexibility In Asset, Liability Management

By **CHAMPNEY A. McNAIR**
Executive Vice President
Trust Co. of Georgia
Atlanta

WE HEAR a lot these days about asset and liability management. In reality, this is what bankers always have been engaged in because we have historically tried to increase—or manage—our liability deposits, and we have historically tried to control—or manage—our asset loans. We hear about it more these days because it has become much more complicated and ramified.



On the liability side, many new deposit-attracting devices have become vogue. We have seen, in just the last few years, the introduction of savings certificates, golden savings accounts, commercial CDs and Christmas club accounts. And, in the great wisdom reserved only for bankers, we have redoubled our efforts to increase demand deposits by offering zero-balance checking, hoping that balances will be increased anyway. In addition, we have seen banking turn to sale of commercial paper, to sale of assets with repurchase agreements, to steady use of buying federal funds, to issuance of long-term capital debt, to use of Eurodollars, all designed to increase our liabilities. Indeed, our success as bankers often is judged by how much we owe.

On the asset side, we have been trying to manage our loan and investment accounts to satisfy the tremendous appetite for credit in our market areas. We have seen ourselves as financial department stores, so we have formed factoring divisions, gone into the mortgage business, formed REITs, become purchasers of dealer paper, formed leasing departments, and some even have become ordinary finance companies operating through several states. We have extended our visions to the world market and have found profitable ways to extend credit abroad.

So, we have all these variable liabilities

over here on the right side of the balance sheet, and all of these variable assets on the left-hand side. We have done it because we believe we can take the funds from these various sources at various costs and can use them in various types of loans and investments at a profit.

One element of risk that's inherent and has been particularly troublesome in the last several years is what we call tight money—an inability always to obtain the money we need at a price with which we can profit. The year 1969-70 was particularly bad because we just couldn't get the money; 1973 was a year when we could get the money all right, but at extremely high prices. Intervening was 1972, when money was plentiful and fairly cheap, but when loan demand was not particularly strong. Therefore, not only do we have the variety of asset and liability accounts, but conditions in the money market are highly volatile and need to be coped with. It is the introduction of, and the dealing with, these three highly variable items—assets, liabilities, and money—that has given rise to the current interest in so-called asset and liability management.

To manage, we need to have clearly in our minds what it is we can and cannot control. *First*, let's look at money conditions. We really don't have much, if any, control by ourselves over the money supply or its price. All banks together have some influence, yes; but by ourselves, we are like a drop of water in a pond.

Second, let's look at liabilities. We have some control here. The strongest control we have is *not* borrowing or creating liabilities. If we don't need to, we do not have to issue more CDs, or commercial paper, or buy federal funds, or issue capital notes. On the other hand, we begin to lose control of

liabilities when we start trying to increase them—will there be a market for our CDs, commercial paper, our checking accounts, our notes, etc. We can try to push them, but whether they're accepted is someone else's decision. So, we *can* limit our liabilities, but we *can't* create them for sure.

Third, let's look at assets—this is where we have the greatest degree of control. It is *our* decision alone when it comes to making loans or investing in securities. It is *our* decision when we put the price on them. Oh sure, I know about the market, and competition, and those very significant influences, but we can choose to, or choose not to, *make* a loan, and at a particular price. And we have the clear choice of being in the factoring business, the leasing business, the international business, etc. What I'm saying is that we have the choice on the upside—to do or not do. We lose some control on the down-side—customers do not have to borrow, or lease, or factor. Another area of less control is in the use of loan commitments. Many banks, and we are one, usually have twice as much outstanding in commitments as we have loans on the books. Woe unto us if they were all exercised at one time.

Now what does all this mean to us? Well, I can speak only for the Trust Co. Bank and I'll tell you briefly how we have reacted in the past few years. If all our liability accounts, all our asset accounts and the money situation are variable as I have indicated, and we have only a measure of control over each, I think it naturally says that the management must be variable and flexible also. *This we try to be*. This reveals itself primarily in our maintaining a flexible loan-pricing policy, a flexible loan policy and a flexible portfolio policy.

The variable monetary situation over which we have little or no control is the principal reason for having a flexible loan-pricing policy. Our loan-pricing policy basically is one of using floating rates, a policy instituted formally in 1967. We have avoided fixed-rate loans to corporations, we have sidestepped capital-rate loans, bullet loans and all others that tended to lock us in at a set rate for an extended period of time. Also, we have set a minimum yield that we expect from any borrowing customer, taking into

"The less rigid and the more flexible a banker can be, the better able he is to make a profit regardless of money costs. And, let's face it—more and more of our money is bought at interest, and this is a trend we must accept and live with."

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consideration balances maintained on deposit and the rate we charge on his loans. This minimum yield is a rate over prime—for instance, if prime is 9½%, and we look for a minimum yield of 2½% above prime, then the yield including rate and free balances must be 12% for the best credit. The riskier the credit, the higher the yield. By floating our rates with prime, and by requiring a minimum yield on all borrowing accounts, we believe we can make money when money is tight or loose, expensive or cheap.

Now I know you can legitimately say, "There's no way you can float all rates." That is true. There are legal limitations on installment loans and on loans to individuals. There are some term loans and mortgage loans that are fixed, and we have our share of those. But we try to make sure that such loans are covered by demand deposits and/or individuals' savings accounts, and that the commercial, industrial, and construction loans, which increase so rapidly at times, are at floating rates since they must be financed by high cost CDs and federal funds. *In other words, our interest-sensitive sources of funds should not exceed our interest-sensitive use of funds. Our bought funds should not exceed the total of those loans where we are able to charge floating rates.*

Next, our flexible loan policy. Loan policy is the area of best control for us. We can't determine money conditions, and we can't be assured of a limitless supply of funds. But we can control our loans to a significant extent, especially on the upside. During 1973, for instance, we restricted ourselves in the types of loans we would make and thereby held our outstandings almost to the exact amount projected. We had ready for publication to our lending officers an even more restrictive policy if our planned sources of funds did not materialize or if our loan levels got beyond the desired levels. We studied carefully, and continue to do so, use by customers of loan commitments to make sure we could satisfy their requirements.

As to our portfolio policy, in 1973 we managed it in light of our planned other sources and uses of funds. When we saw that money would be tight in 1973, we elected *not* to raise the level of investments; we elected to stay short with maturing issues, and we elected to increase our mix toward tax-free investments for the higher yield. It is a manageable asset account which we can hold level so loans can go up, or we can increase it if loans go down.

To sum up, we have a flexible pricing policy built around floating rates and minimum yields. This helps pro-

tect us against an uncertain money market. We have a flexible loan policy that helps protect us against the uncertainty in liability deposit accounts, and we have a flexible portfolio policy to help protect us against the uncertainties in our asset loan accounts.

I have often been asked, "How do we allocate money to the various functions such as portfolio, commercial loans, installment loans, factoring, leasing, etc.?" There is no money czar at the Trust Co. Bank that I know of who says, "Leasing, you get \$10-million to use this year; factoring, we are cutting back on you because your yield is not as good as commercial loans." Allocation is a matter of planning. Of planning what you can generate in the way of *profitable* lease financing, of *profitable* commercial loans, of *profitable* factoring volume, etc., trying to find ways of generating the money we need to take on that volume. Sure, if our planned sources are not adequate, or the incoming funds do not materialize, naturally we must cut back. Those that are cut back are determined, I think, by answering this question: Where can you cut back with the least harm to the long-run interests of the bank? The answer will probably lie in *all* areas. For instance, we are not going out of the installment lending business, but we can cut back on volume by stiffening credit requirements and shortening terms. We should not, in the best interest of the bank, go out of factoring, but we can refuse to take on new accounts and we can cut out marginal accounts. We must not renege on a loan commitment to a long-standing customer in the commercial department, but we can refuse to make a new commitment for speculative purposes. We should not go out of the correspondent banking business, but what we must do is put ourselves in our correspondent banks' shoes. When we consider a request that we buy a loan participation, we must accommodate them when the business is particularly meaningful to them, and refuse when it is not. Selective curtailment in all areas is the best answer.

Good asset, liability, and money management requires the ability to remain flexible. In my opinion, this applies to every bank. Size is really not important. Market area, type of customers, kind of loans unique to a community—all these *are* important in establishing a pricing policy, lending policy and portfolio policy. The less rigid and the more flexible a banker can be, the better able he is to make a profit regardless of money costs. And, let's face it—more and more of our money is bought at interest, and this is a trend we must accept and live with. • •

In Oklahoma

Advance Interest Program Features Vintage Autos, Other Desirable Premiums

Perhaps one of the most intriguing premiums ever to be offered in lieu of interest by a bank was the 1914 Stutz Bearcat auto touted by First National, Oklahoma City, during its recent advance-interest promotion.

The Stutz was really a new car, but was authentic to the classic of days past. It could be obtained in lieu of interest by any depositor who bought a \$60,000 CD and kept it for 30 months.

Other highly desirable items included two styles of mink coats available for \$20,000 and \$10,000 CDs.

According to the bank, several dozen inquiries were received about the vintage auto, and if the economy had not been in a tailspin at the time, no doubt a few would have been snatched up by wealthy auto buffs.

One lady did come into the bank with \$10,000 cash. She walked out wearing her new mink coat.

These slim pickings do not mean the promotion was a flop—far from it. The bank moved quite a few 10-speed bikes, black and white TV sets, sewing machines, color TVs, trash mashers and microwave ovens—plus advance cash interest in lieu of merchandise.

The bank estimates that 84% of the money taken in during the promotion was in effect new money.

So, even if nobody in Oklahoma City is driving around in a drafty Stutz Bearcat, quite a few customers of First National are enjoying the merchandise they accepted as advance interest on their savings!



This is the sporty Stutz Bearcat that First National, Oklahoma City, offered during its advance interest promotion. There were no takers, but other merchandise offered by the bank moved briskly.

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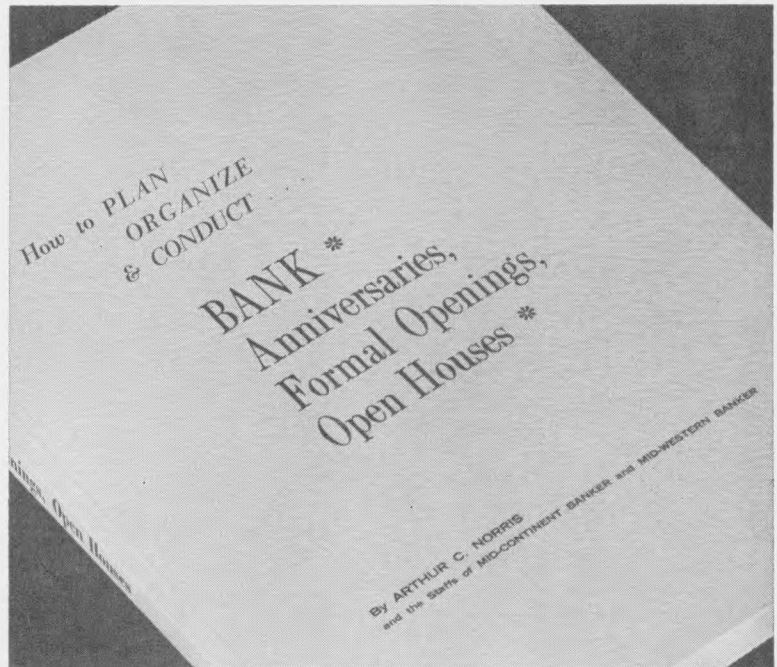
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'Packaged' Services

(Continued from page 34)

tion of customers, or do you see it as a special type of account? Do you wish to restrict your package to basic retail services, or will you include nonbanking gimmicks? Should you include some sort of insurance? What are the administrative and operational considerations?

The Atlanta bank, according to Mr. Johnson, decided on four main objectives for its package program: 1. To increase earnings by bringing in profitable new customers. 2. To increase demand-deposit share of market and number of Master Charge customers. 3. To increase the number of services sold to each customer, thus tying him closer to the bank. 4. To be the first bank in Atlanta to offer this type of service, enhancing Trust Co.'s position as a leader and innovator. Mr. Johnson said naming the service was fairly easy because the bank's T-mark has achieved a high level of recognition in Atlanta. He believes the Big T Package says a lot: It identifies the bank in a strong way, has personality and marketability and suggests the nature of the service.

Services offered in the Big T Package are similar to those offered in the other programs described in this article, with the package's key element being the Master Charge qualification, said Mr. Johnson. That is the point of control where applications are processed, he added, and, obviously, a personal checking account also is a basic ingredient.

"We emphasize in all of our promotion and advertising," said Mr. Johnson, "that the Big T Package is not for everybody. We try to make it clear that the individual should compare what he now pays for bank services, and if the total is more than \$3 a month (the charge for the Big T), he ought to consider our package. We even provide a form for this comparison in our brochure."

The Big T Package's target market is individuals between 21 and 45, with household incomes ranging from \$8,000-\$25,000, who find it inconvenient to maintain a \$250 minimum balance in their checking accounts. The bank believes the package has strong appeal to newcomers and to those making changes in their shopping patterns and home or job locations.

The bank doesn't particularly want to convert present DDA customers to the Big T Package, but, of course, doesn't turn them down. Initially, according to Mr. Johnson, there was a high percentage of such conversions, but since the introductory period, this has slacked off, and the bank now is dealing for the most part with new customers.

The Big T Package has exceeded the bank's expectations in terms of numbers of accounts opened, dollar balances in all categories and in profitability. It also found what it expected, said Mr. Johnson; namely, that the most profitable package customers involve new DDA accounts. He said that the package has proved instrumental in helping Trust Co. increase its share of market of personal DDA accounts in Atlanta by 1%, and it believes it definitely is moving in the right direction.

"There are some extremely important indirect benefits to us in all of this," continued Mr. Johnson. "Our rate of opening new accounts which are not directly tied to the Big T Package has virtually doubled over the past year."

Grand Avenue Bank, Kansas City, which offers the Grand Plan, merchandises its package by pointing out the vast difference between the \$3-a-month, or \$36-a-year, cost of the plan and total cost if all services in the plan were purchased separately—\$90.75—a saving of more than \$50 a year.

In addition to the usual services offered, Grand Avenue Bank includes automatic saving, through which a cus-

tomers tells the bank to transfer a certain amount each month from his checking account to his savings or Christmas savings account. Vice President Barbara Pendleton said that more than half the persons who sign up for the plan take advantage of this automatic-saving feature. By contrast, she pointed out, the bank has always found it difficult to get a regular checking-account customer to authorize automatic saving after he has opened his account.

Miss Pendleton sees two other features as being important. One is a \$10,000 accidental-death-and-dismemberment insurance policy, and the other is special preferred interest rates on most personal installment loans of \$500 or more. Miss Pendleton said that the preferred rate on auto loans currently is about ½% add-on, and so a borrower under the package plan could save approximately \$16 on such a loan at current rates.

In Wichita, Kansas State has initiated an ACTION CASH/Check-Guarantee account, which includes a checking account with an automatic-loan feature, a check guarantee by the bank honored by area merchants and access to the bank's 24-hour cash-dispensing machine.

In Denver, First National ties in with its Landmark 10 Account the many landmarks in the state such as the Mesa Verde cliff dwellings, Garden of the Gods in Colorado Springs, Red Rock Amphitheater in Denver, etc. As the name indicates, Landmark 10 offers 10 separate banking services for \$2.50 a month. The state's landmarks, chosen both for their historical identification and beauty, were pictured prominently in TV commercials, full-page print ads and transit advertising on city buses. Radio commercials featured a musical theme composed especially for Landmark 10.

To streamline operations in regard to the package program, First National distributed brochures and advertising reprints among employees to familiarize them with the program. In addition, they received distinctive buttons with the Landmark 10 logo in color.

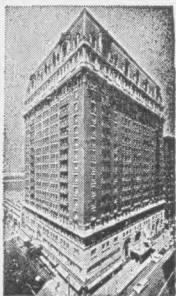
Of course, the bank packages described in this article are just a few of the many now being offered across the country. Thus, "packaged banking" seems to be here to stay. As Willis Johnson of Trust Co. of Georgia so graphically states, "It's a demonstrated fact that people like packages. Packages are generally neat, easy to handle, desirable to receive and as large or small as necessary. . . . Packages have strong psychological appeal. . . . People like packages with a combination of things—sort of like the idea of getting 'two for one.'" • •

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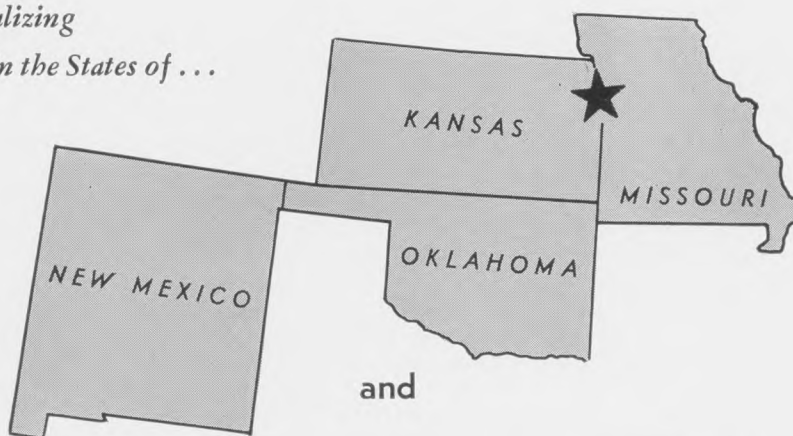


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Tennessee Convention

A Lot of Work and Play on Agenda Of TBA's Convention May 12-14

WAYS in which the banking industry and state government can help each other in industrial and economic development efforts will be outlined during the 1974 Tennessee Bankers Association convention May 12-14 at the Hyatt-Regency Hotel in Knoxville. The speaker on this subject will be Commissioner Pat Choate of the state's Department of Economic and Community Development, who will address a joint meeting of the State and National Bank divisions of the TBA on the morning of May 13.

A new entry on the schedule of division meetings this year is the Independent Bankers Division, which became an official division of the TBA last year through a change in the association's bylaws and structure. Formation of this division resulted from the appointment of an independent bankers committee late in 1972 by the TBA's executive council. During the 1973 TBA convention, the division was officially organized and officers elected. The new division will meet the morning of May 13.

General session speakers will include Frederick Deming, vice president and senior economist, Chemical Bank, New York City and Miss Marilyn Van Derbur, former Miss America and "speaker of the year—1973," who will appear through courtesy of General Motors Corp. Both will be on the May 14th morning program.

Registration is scheduled from 3-7 p.m. in the hotel lobby and a grand-opening reception from 6-7 p.m. in the Cumberland ballroom, both on May 12.

On Monday, May 13, there will be a Knoxville-Kingsport breakfast in the Cumberland ballroom, registration again in the lobby, golf and tennis, the Independent Bankers Division meeting, the joint meeting of the State and National Bank divisions in the Cumberland, Nashville luncheon in the Cumberland, TBA board meeting in the Alvin York and an evening Hawaiian luau in the Cumberland. Golf tournaments for both men and women will be sponsored by Appalachian National Life Insurance Co., Knoxville. Golf privileges will be available for men

at Holston Hills Country Club and for women at Cherokee Country Club. Tennis also will be available May 13 at Cherokee Country Club.

The Chattanooga breakfast in the Cumberland will lead off the events of Tuesday, May 14, to be followed by registration in the lobby, School of Banking of the South breakfast in the upper ballroom, the general business session in the Cumberland, Memphis luncheon in the Cumberland, another board meeting in the Alvin York, a grand reception in the lobby and the grand banquet in the Cumberland.

In addition to talks to be given by Miss Van Derbur and Mr. Deming, the May 14th general session will feature an ABA report and election, to be presided over by Carl Panter, ABA vice president for Tennessee and president, Ducktown Banking Co.; the presidential address by John P. Wright, president, American National, Chattanooga, committee reports and election of officers.

The May 13th Hawaiian luau will be complete with a luau feast, Hawaiian music, hula dancers and special decorations.

The grand banquet will feature a presentation by the University of Tennessee singers and will conclude with a dance.

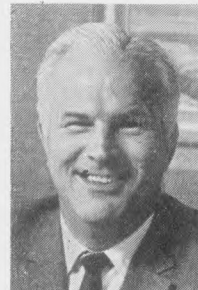
A new feature of this convention will be a special hospitality center for bankers' wives in the James K. Polk room and a number of events to be staged especially for women. The hospitality room will be open from 9-10 a.m. May 13 for coffee and a get-acquainted hour. At 10 a.m., Mrs. William A. Nussbaumer, a gourmet cook and instructor, will give a demonstration on preparation of a gourmet "spring-thing luncheon." At 2 p.m., Dr. Ruth Stephens, University of Tennessee history professor emeritus and known for her wit and humor, will lecture on current world events. From 4-6 p.m., a beautician will be available—by appointment—in the hospitality room to "comb out" hair. She also will be on call from 2-6 p.m. May 14.

On May 14, buses will leave at 9:30 a.m. to take the women from the headquarters hotel to the University of

Tennessee campus for a tour.

TBA Officers. In addition to Mr. Wright, other officers of the TBA the past year have been: president-elect, William Wooten

Mitchell, chairman, First National, Memphis, and first vice president, Jack O. Weatherford, chairman, Murfreesboro Bank. Laurence W. Frierson, who was elected second vice president of the TBA at the 1973 convention, died of



WRIGHT

a heart attack last July, and his association post has been left vacant since then. Mr. Frierson was president, Valley Fidelity Bank, Knoxville.

Mr. Wright joined American of Chattanooga in 1947 after serving in the U. S. Air Force as a meteorologist. He advanced through several posts before being named president in 1962. He is a past president of Robert Morris Associates. He is a graduate of Stonier Graduate School of Banking at Rutgers University (1955), and his thesis was accepted for the school's library.

Mr. Mitchell went to First of Memphis in 1935 and rose to senior vice president in 1956 and executive vice president in 1960, was elected a director in 1961, became president in 1969, chairman in 1971 and CEO in 1973. From 1947-60, he had charge of the loan department. Like Mr. Wright, he is a former president of Robert Morris Associates.

Mr. Weatherford entered banking in 1949 at Murfreesboro Bank upon graduation from the University of Tennessee and became the bank's president and CEO in 1970. He is a graduate of Stonier Graduate School of Banking. Mr. Weatherford has been chairman of the TBA's State Bank Division and of its Groups Four and Five. • •



WEATHERFORD



MITCHELL

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Alabama Convention

LeMaistre, Udall, Lowrie Scheduled To Speak at Alabama Convention

THIS YEAR'S Alabama Bankers Association convention isn't being held in Bermuda, as was the 1973 meeting, but there will be plenty of attractions for 1974 just the same. The convention dates are May 8-10 and the place, Mobile's Municipal Auditorium.

Convention speakers will include George A. LeMaistre, an Alabamian and director, FDIC, whose topic will be "Financial Restructure Under the Nixon Program"; Gerald M. Lowrie, executive director, Government Relations, American Bankers Association; Stewart Udall, former Secretary of the Interior, "Energy Crisis—Fact or Fiction?," and Dr. Andrew D. Holt, president emeritus, University of Tennessee, "How to Be a Cobalt Bomb."



BROOM



LeMAISTRE

there will be a Calypso Carnival, an Ala.BA Carnival, an early-bird golf tournament and a women's luau luncheon. Delicious seafood—to be catered by Bill Bayley—is promised for both carnival nights.

The Calypso Carnival is planned for the night of May 8 in the auditorium's Exposition Hall; the Ala.BA Carnival will be held the following night in the Big Arena and the luau luncheon May 9.

The golf tournament—scheduled for May 8 at Lakewood Country Club in Point Clear—will have something new this year. Howard Morris, Ala.BA executive vice president, has donated a perpetual trophy, which will be awarded to the net winner and remain in his custody until he successfully defends it or loses it to another Alabama banker in 1975. In addition to the Howard Morris perpetual trophy, there will be personal trophies for the flight, low net and gross winners.

Ala.BA Officers. J. M. Barrett, Ernest F. Ladd Jr. and Horace W. Broom have served as the elected officers of the Ala.BA for the past year—Mr. Barrett as president, Mr. Ladd as first vice



HOLT



LOWRIE

president and Mr. Broom as second vice president.

Mr. Barrett, president, First National, Wetumpka, entered banking in 1941 and has held various posts at his bank from teller to president.

Mr. Ladd joined Merchants National, Mobile, as a runner in 1935 and worked in several departments, including correspondent banking, before being named an officer in 1941. He advanced through several official posts to executive vice president in 1967, president in 1969 and chairman and chief executive officer in 1972.

Mr. Broom worked with Citizens Bank, Hartselle, during summers while attending college and became a full-time employee in 1950. After being elected cashier in 1952, he advanced through various official posts, becoming president in 1969. • •

■ **FIRST NATIONAL**, Mobile, has promoted N. Q. Adams to senior executive vice president, Richard Murray III to executive vice president, Joseph H. Baker Jr. to senior vice president and trust officer and James C. Andress and Harry D. Henson to senior vice presidents. Lloyd B. Patrick and Robert D. Sclater were named vice presidents. Mr. Andress is manager of the correspondent banking department.



BARRETT



LADD

Also as part of the business part of the convention, members will vote on a proposed amendment to the association's constitution. If approved, the amendment (to Article II, Section 4) will increase the executive council's membership by adding the trust division's president and the Young Bankers Section's president. The Ala.BA's executive council approved the proposed change at its meeting last November 28 and directed that the amendment be submitted at the 1974 convention.

In addition, there will be a meeting of members of the American Bankers Association to elect a member of the ABA's governing council for a two-year term to succeed C. Logan Taylor and a member and alternate member of the nominating committee to serve at the ABA's convention next fall. Mr. Taylor is chairman, First State, Oxford.

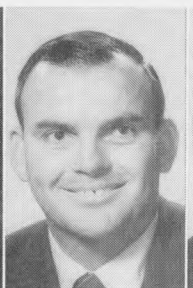
In addition to the business portion,



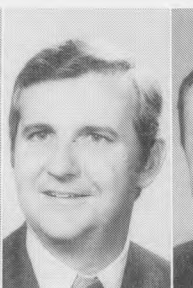
ANDRESS



ADAMS



HENSON



MURRAY



BAKER

MID-CONTINENT BANKER for May 1, 1974

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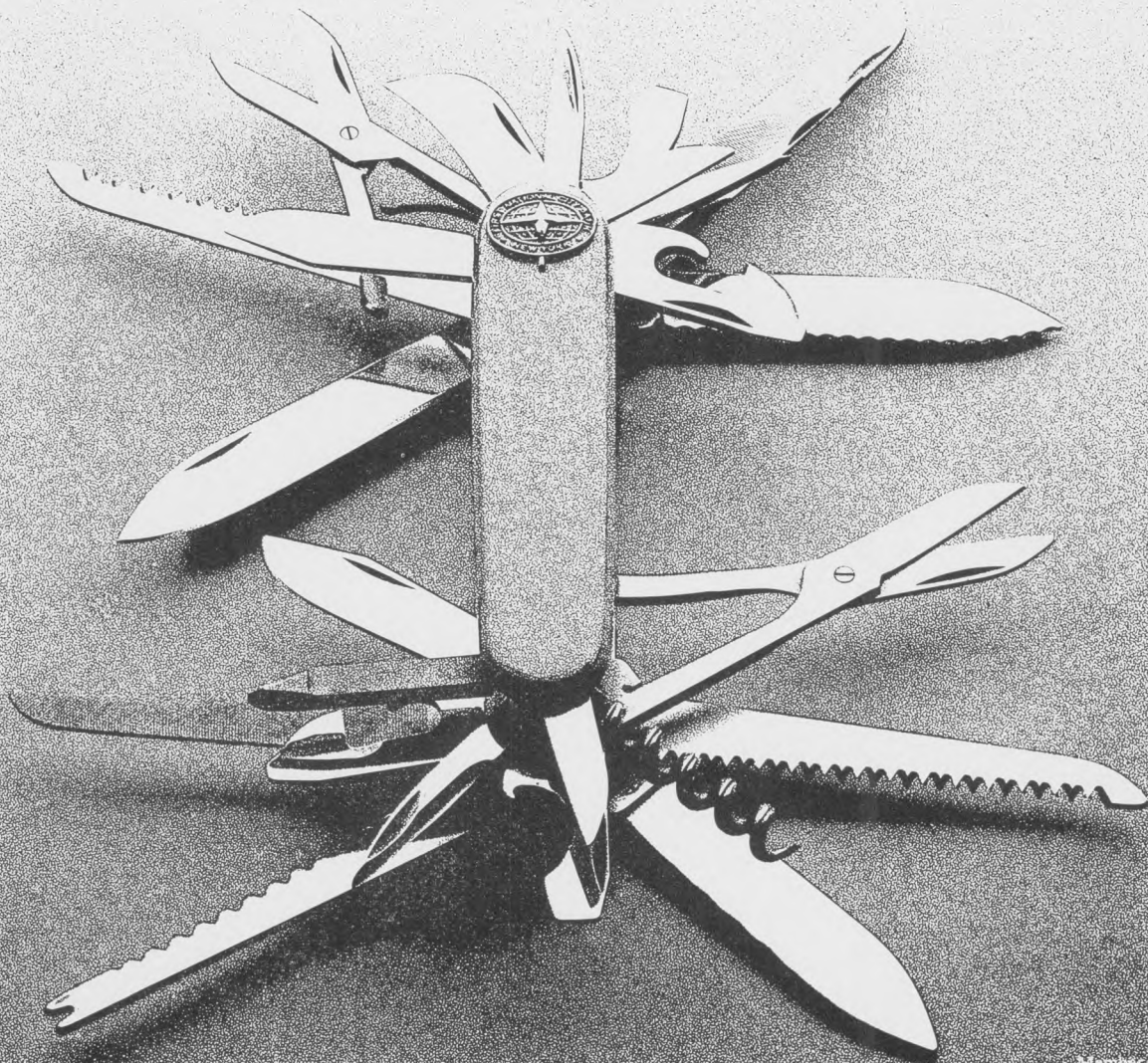
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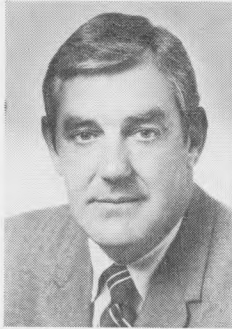
While you're at
the convention...



P. V. Miller, Jr.



C.L. William "Bill" Haw



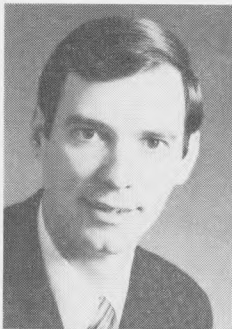
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Elmer Erisman



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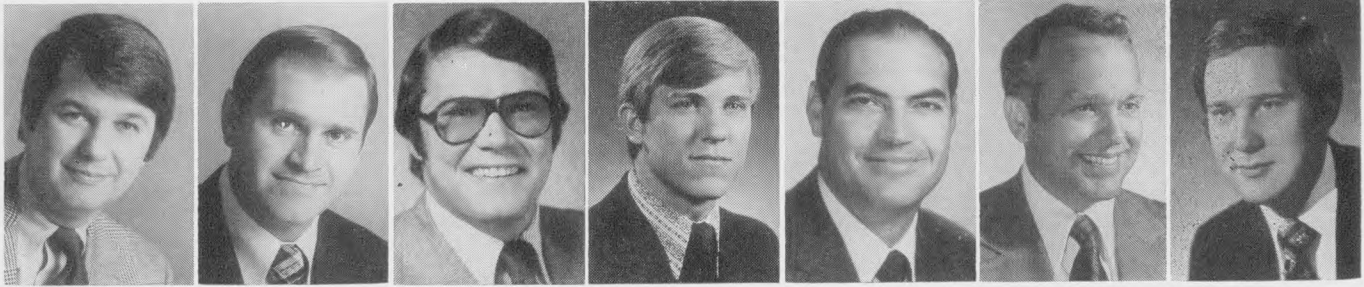


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Convention 'First-Timers'



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ROGERS

FITZGERALD

THIBAUT

JONES

BAGGOTT

OSBORN

These new faces will be representing city-correspondent banks at the Kansas and Missouri conventions this year. They are introduced here.

Kansas Convention

- John J. Hilliard is a vice president in the correspondent department at Commerce Bank, Kansas City, which he recently joined, coming from First National, Ottumwa, Ia.
- Nelson V. Rogers is a new assistant vice president in the correspondent department at Commerce Bank, Kansas City. He was formerly with First National, Bartlesville, Okla.
- Thomas Michael Fitzgerald represents the banks and bankers department at Mercantile Trust, St. Louis. He joined the bank in 1972.
- Dean Thibault joined the correspondent department of First National, Wichita, last year. He is training in farm management.

Missouri Convention

- E. Alonzo Jones Jr. is an assistant vice president at National Bank of Commerce, Memphis, which he joined in 1970. He is with the correspondent bank division.
- William A. Osborn is a commercial banking officer in the southwestern division of the banking department at Northern Trust, Chicago. He joined the bank in 1970.
- George M. Baggott joined Mercantile Trust, St. Louis, last May as a representative of the metropolitan division. He is a graduate of the University of Missouri.

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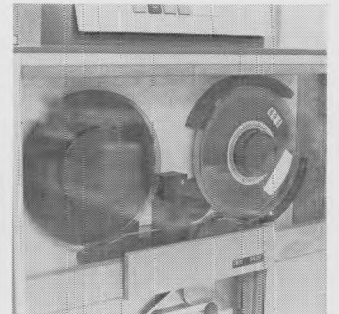
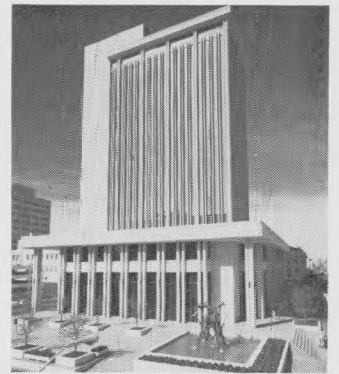
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Oklahoma Convention

Oklahoma City, May 7-9

Headquarters—Skirvin Plaza Hotel

PROGRAM

FIRST SESSION, 9:15 a.m., May 8

Call to Order—GLENN P. WARD, president, Oklahoma Bankers Association, and senior vice president, Fourth National Bank, Tulsa.

Introduction of New Members, 50-Year Club.

Meeting of Oklahoma Members of American Bankers Association.

President's Message—GLENN P. WARD.

Presentation of Service Awards.

Address—To Be Announced.

Appointment of Nominating Committee.

Adjournment.

SECOND SESSION, 9:15 a.m., May 9

Call to Order—GLENN P. WARD.

Address—F. J. SPENCER, president, International Management Services, Houston.

Address—BILL OSTERBURG, executive vice president, Nebraska Bankers Association, Omaha.

Election of Officers.

Message From New President—MORRISON G. TUCKER, chairman, Stock Yards Bank, Oklahoma City.

Adjournment.

President



WARD

Glenn P. Ward, sr. v.p., Fourth Nat'l, Tulsa, is OBA pres. He entered banking in 1952 and joined Fourth Nat'l in 1959 as v.p. in charge of the corres. dept. He is a past ch. of OBA Exec. Council.

Pres.-Elect



TUCKER

OBA Pres.-Elect Morrison G. Tucker is ch., Stock Yards Bank, Okla. City, and is associated with four other local banks. He retired from Liberty Nat'l, Okla. City, in 1969 and remains an advisory dir.

Treasurer



MILLER

Ed Miller, assn. treas., is pres., Founders Bank, Okla. City, which he organized in 1964. He entered banking in 1954 in Clinton with Oklahoma Nat'l, which he served as v.p. and cash. for 10 years.

Oklahoma Senate Kills HC, Facility Legislation; Another Try Promised

The multi-bank holding company issue is dead in Oklahoma—at least for this year. A bill that would have permitted the formation of multibank HCs died in the Oklahoma Senate in March.

A separate measure that would have changed the current status of detached facilities also died in committee.

The two bills originally were contained in one measure, but subsequently were separated in the Senate. The multibank bill was voted out 5-4 by the Senate judiciary committee, but a “no” vote from the chairman tied things at 5-5, killing the issue for this year. The detached facility bill was killed by the Senate rules committee.

Under current statute, Oklahoma permits HCs with one bank and detached facilities within 1,000 feet of a bank's main office.

The defeated HC bill would have permitted limited multibank HCs with these restrictions: a HC would not be permitted to control more than 12½% of total state bank assets; a HC would not be permitted to acquire more than 15 entities in the state and it would not be allowed to control more than five banks in any one county.

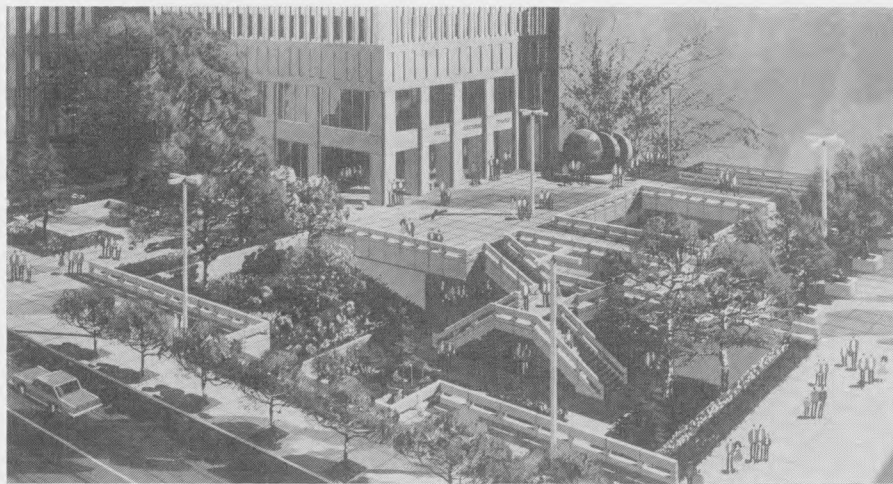
Under the terms of the defeated facilities bill, all facilities now in use as well as any within 1,000 feet that a bank might construct, would have become part of the bank's main office and all banking procedures carried out in the bank's main office could have been conducted in the facility also.

The terms specified that the geographical limitations would be extended from within 1,000 feet to city or corporate limits and additional facilities would be permitted according to population. In cities of 10,000 or under, one facility would be permitted; 50,000 and under, two facilities; 50,000-200,000, three; and, more than 200,000, four.

The measures are expected to be reintroduced next year.

Organized opposition to the measures has developed under the name “Bankers Legislative Committee” with Robert L. Moser, vice president, City National, Oklahoma City, as chairman. The group took a poll of 447 Oklahoma banks that revealed that, of 272 banks responding, 218 were opposed to multibank HCs and 171 were opposed to legalization of an additional facility.

■ VERN BUCHANAN has moved up from executive vice president to president, Oklahoma State, Vinita. He succeeds E. N. Price, who became chairman and chief executive officer.



This is artist's sketch of landscaped park First of Tulsa is providing at southeastern corner of Fourth and Main streets. Park will be located north and west of bank's recently opened 41-story tower and will tie into existing plaza immediately west of tower.

Downtown Landscaped Park Planned by First National In Tulsa's Central Area

TULSA—First National has announced plans to develop the southeastern corner of Fourth and Main streets into what it says will be the central city's first landscaped park. Work was scheduled to begin immediately after the announcement on a 33,000-square-foot expansion of the bank's First Place Plaza. Construction and landscaping will take approximately five months to complete, and cost is estimated at between \$350,000 and \$400,000.

The two-level development will tie into the existing plaza immediately west of First National Tower. The park will be north and west of the 41-story structure.

According to Vice Chairman Russell F. Hunt, the new plaza will provide the appeal of a spacious, well-landscaped garden in the center of the metropolitan area. The lower plaza will connect, via an arcade under Main Street, with a new parking garage being built by the Tulsa Parking Authority. Access to the lower arcade from street level will be by a two-sided grand stair and an escalator. Access to the tower will be provided at both levels.

All concrete sections of the plaza and the alley west of the First National Building will be finished in the unique Arbiton Process, a textured concrete used on the lower tower floors. The bank building is said to represent the first use of the granite-in-concrete finishing technique in Oklahoma and the third in the country.

A large number of mature trees will

dot both levels, along with a variety of shrubs and tiered banks of flowers. Small plantings will be replaced with the changing seasons for maximum color variety and bloom. Seating areas on the street level immediately north of the tower will be surrounded by shade trees. Three 40-foot flag poles also will be located in this area.

Additional landscaping will add an “oasis” atmosphere to the perimeter of First Place. A tree row along the Fourth Street side will give a softening effect, as will banks of plantings on the Main Street edge.

Plaza lighting will be achieved through mercury-vapor fixtures atop decorative X-shaped poles. Full bank security will be extended to all plaza areas.

To carry out the park-like theme, First National will move the Harry Bertoia sculpture now at its Autobank to the new plaza. The welded metal foundation stands 15 feet tall and has a diameter of seven feet. It will be placed on the Fourth Street side of the lower plaza.

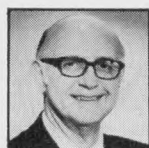
Another original sculpture will be added to the plaza's south side. This work was done by artist Gottfried Honegger of Zurich, Switzerland. The charcoal black fiberglass structure stands 13½ feet tall and carries out Mr. Honegger's unique treatment of spheres and sections of spheres while emphasizing the importance of form in space.

■ WILLIAM M. BELL has been elected a director of the Automated Mortgage Market Information Network, a recently created information-trading system for the secondary mortgage market. Mr. Bell is president, Liberty Financial Corp., and executive vice president, Liberty National, both of Oklahoma City.

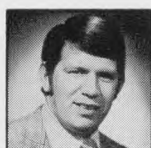
When you're up against a knotty problem...



Charles
Rice



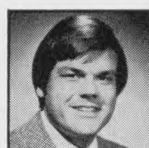
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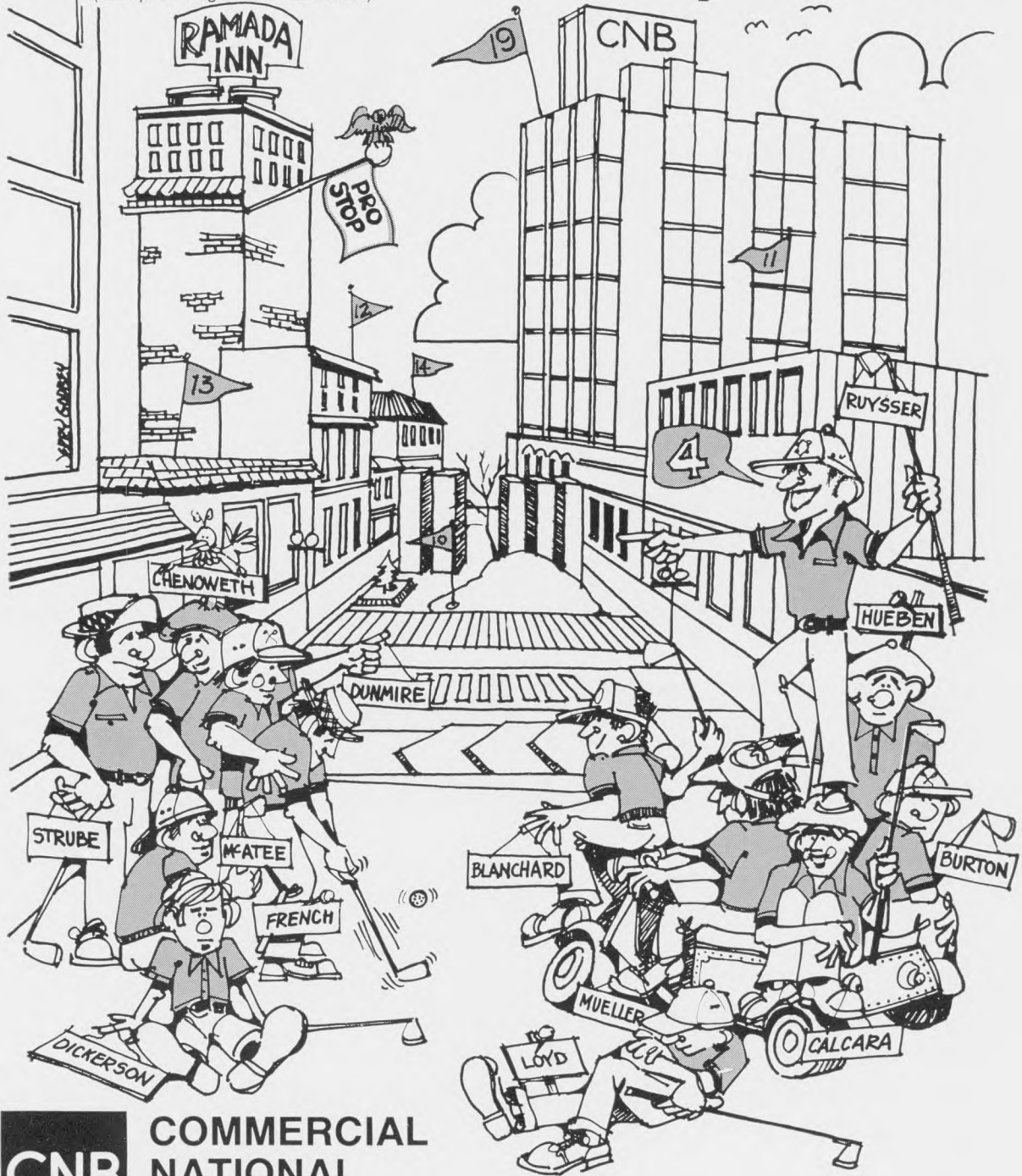
MID-CONTINENT BANKER for May 1, 1974

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Kansas Convention

President



BLANCHARD

Henry G. Blanchard, KBA pres., is ch., Commercial Nat'l, Kansas City. He joined his bank in 1947. He is a past pres. of Greater Kansas City Clearing House Assn.

Pres.-Elect



JENNISON

Robert H. Jennison, KBA pres.-elect, is pres., First State, Healy, which he joined as cash. in 1937. He is also pres., First State, Ransom, and Security State, Scott City.

Treasurer



FAIR

Fred L. Fair, KBA treas., is pres., Alden State. He joined his bank in 1939 as cashier and became pres. in 1947. He is also pres., Hudson State.

Kansas City, May 8-10

Headquarters—Ramada Inn

PROGRAM

FIRST SESSION, 2:15 p.m., May 9

Opening Music—Conservatory Chorale, University of Missouri at Kansas City.

Invocation.

Greetings from the Governor—ROBERT DOCKING, governor of Kansas.

50-Year Club Induction—ROBERT H. JENNISON, president-elect, Kansas Bankers Association, and president, First State Bank, Healy.

American Bankers Association Elections—PHILIP HAMM, American Bankers Association state vice president, and chairman and president, First National Bank, El Dorado.

Address—"Energetic Bankers Have the Most Fun!"—MRS. LOIS A. MORLOCK, senior vice president, Mid-American National Bank, Bowling Green, O.

Address—"Banking and the Economy"—ROBERT C. HOLLAND, member, Board of Governors, Federal Reserve System, Washington, D. C.

SECOND SESSION, 10 a.m., May 10

Address—"Energizing Kansans"—HENRY G. BLANCHARD, president, Kansas Bankers Association, and chairman, Commercial National Bank, Kansas City.

Presentation of Kansas 4-H Leadership Winners—DUANE M. STOKOPF, chairman, KBA agricultural committee, and chairman and president, Kendall State Bank, Valley Falls.

Report on Recodification of State Banking Laws.

Tribute to Former Presidents.

Resolutions.

Election, Installation of Officers.

Address—"Should the Fed Hold Your Reserves?"—DR. LAWRENCE

E. KREIDER, executive vice president and economist, Conference of State Bank Supervisors, Washington, D. C.

Adjournment.

Convention Speakers



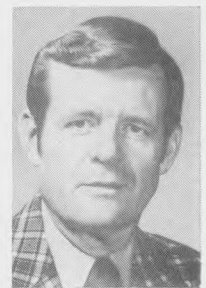
HOLLAND



MORLOCK



KREIDER



RICE

These four speakers will appear at the Kansas convention in Kansas City. They are (from l.) Robert C. Holland, member, board of governors, Federal Reserve System, Washington, D. C.; Mrs. Lois A. Morlock, senior vice president, Mid-American National, Bowling Green, O.; Dr. Lawrence E. Kreider, executive vice president and economist, Conference of State Bank Supervisors, Washington, D. C.; and Bruce Rice, sports director, KCMO-TV and radio, Kansas City. Mr. Rice will speak at men's breakfast on May 10; others will speak during business sessions.

**'Energetic Bankers Serve Best'
Theme for 87th KBA Convention
To Be Held in Kansas City**

A busy schedule is prepared for delegates attending the 87th annual convention of the Kansas Bankers Association, set for May 8-10 in Kansas City. Headquarters hotel will be the Ramada Inn.

Convention theme will be "Energetic Bankers Serve the Best."

Events set for Wednesday, May 8, include a golf tournament starting at 7:30 a.m. at the Victory Hills Country

Club and Dub's Dread Golf Course. Registration will begin for the convention at 8 a.m. in the east lobby at the Ramada Inn.

The KBA board of directors will meet at 3 p.m. in the Chief's Room at the Ramada Inn and a "gasser" Welcome Party will begin at 6 p.m. at the Garage Roof Garden of the Ramada Inn.

The KBA Governing Council will hold an 8 a.m. meeting on May 9 in the American Royal Room. A women's "Lamplighter" brunch will take place at 10 a.m. in the Ramada Inn Ballroom.

Four luncheons will begin at 12:15

p.m. The Schools of Banking luncheon will be held in the Executive Ballroom, the Kansas Flying Bankers will lunch in the Flame Room, the Young Bankers of Kansas will meet in the Chief's Room and the 50-Year Club will hold its luncheon meeting in the Terrace Club in the Brotherhood Building.

The first general business session will convene at 2:15 p.m. in the Ramada Inn Ballroom.

A social hour will begin at 6 p.m., followed by a 7 p.m. dinner and entertainment at 8:30 p.m., all held at the Hotel Muehlebach across the river in Missouri's Kansas City.

A men's breakfast will start at 7:30 a.m., Friday, May 10, at Pitko's Restaurant. A press conference will take place at 9:15 a.m. in the Chief's Room at the Ramada Inn and the second general business session will convene at 10 a.m. in the Ramada Inn Ballroom.

Concluding function will be a champagne luncheon at noon in the American Royal Room, Ramada Inn.

Committee chairmen. General chairman for the convention is Bernard J. Ruysser, president, Commercial National, Kansas City, Kan., and vice chairman is John Pearse, senior vice president, Livestock National, Kansas City, Mo.

The general committee for the convention includes Henry Blanchard, KBA president, and chairman, Commercial National; Donald Hallier, executive vice president, Brotherhood State; Gray Breidenthal, president, Security National; J. E. Gaffney Jr., vice president, Fidelity State; and Justin Altenhofen, executive vice president and cashier, Westgate State. All are from Kansas City, Kan.

Committee chairmen, all from Kansas City, Kan., banks, include Mrs. Maxine Breidenthal, president, Victory State—women's entertainment; Gary Watson, vice president, Brotherhood State—golf; Leona Seaman, assistant cashier, Home State—registration; W. Max Meyers, president, Brotherhood State—champagne luncheon; Frank P. Abernathy, senior vice president, Brotherhood State—50-Year Club; Norbert W. Anderson, vice president, Fidelity State—Schools of Banking; Lloyd O. Burton, vice president, Commercial National—entertainment; R. R. Domer, executive vice president, Security National—men's breakfast; Richard D. Harman, president, Guaranty State—budget; Donald Hallier, executive vice president, Brotherhood State—facilities and transportation; R. J. (Jay) Breidenthal Jr., vice president, Security National—YBOK luncheon; and W. L. Webber, chairman, Security National, and Max Dickerson, senior

Fly Joe, Dean, and Ed
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vice president, Commercial National—housing.

Homer Lyle of United Missouri Bank, Kansas City, Mo., is chairman of the Kansas Flying Bankers meeting and Barry Robinson, Federal Reserve Bank, Kansas City, Mo., is in charge of publicity.

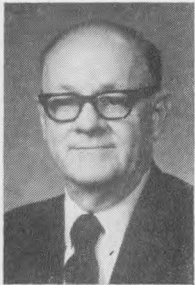
Ayres, Marshall Are Endorsed For KBA Leadership Posts

J. R. Ayres and Elwood Marshall have been endorsed by many bankers throughout the state for KBA president-elect and treasurer, respectively, for the 1974-75 term.

The KBA nominating committee will meet prior to the second general business session to consider nominations. As far as can be determined, Messrs. Ayres and Marshall may be the only ones presented to the nominating committee.

Mr. Ayres is one of the organizers and is now president of Citizens State, Miltonvale. He has served KBA as chairman of the study committee of the Uniform Commercial Credit Code, as a member of the executive council, advisory committee and many other committees. He was admitted to the Kansas Bar in 1935 and is a graduate of the Graduate School of Banking at the University of Wisconsin.

Mr. Marshall is president, Home National, Eureka, a post he has held since 1956. He is a former KBA group chairman, member of the executive council and has served on several KBA commissions, the latest being the bank marketing commission, which he served as chairman.



AYRES



MARSHALL

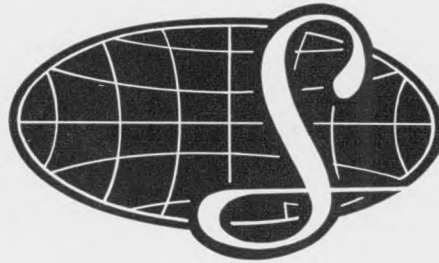
■ LENEXA STATE has named Richard Muir executive vice president and director, Mrs. Anne Phillips assistant vice president and H. Jay Welton assistant cashier. E. W. Walker, bank vice president, and Robert G. Springer were elected to the board.

■ INDUSTRIAL STATE, Kansas City, has named Joseph F. Podrebarac and Donald A. Crane vice presidents. Both were formerly assistant vice presidents.

MID-CONTINENT BANKER for May 1, 1974



Chairmen of events for the KBA convention are pictured at a planning session. Seated, from l.: Mrs. Maxine Breidenthal, Vice Ch. John Pearse, Gen'l Ch. B. J. Ruysser, Henry Blanchard, Mrs. Dorothy Moulden. Standing: Barry Robinson, R. R. Domer, W. L. Webber, Homer Lyle, Dick Harman, Justin Altenhofen, Gary Watson, Jay Breidenthal, Gray Breidenthal, Donald Hallier and Norbert Anderson. Not pictured: J. E. Gaffney, Lloyd Burton, Max Meyers and Max Dickerson.



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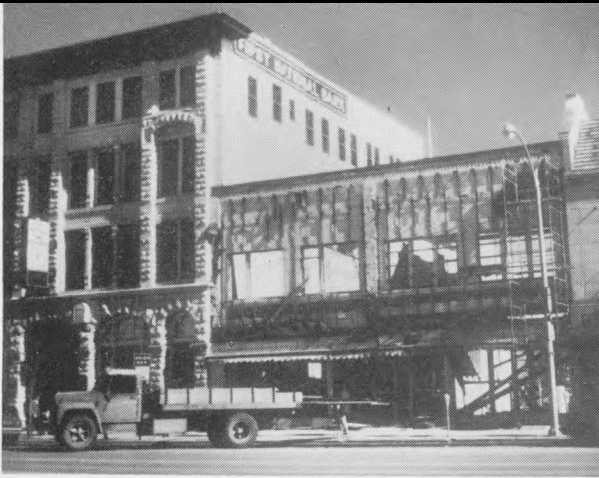
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LEFT: Demolition of store adjoining First National of Winfield, Kan., building (l.) cleared site for new addition. RIGHT: Striking exterior of new addition as it will look upon completion in September. Walkway at far r. leads to enlarged city parking lot behind buildings. Bank expects to double its floor area at less than half the cost of a completely new building.

Remodeling Can Be Most Economical Method To Enlarge, Beautify Bank Buildings

Bank in Kansas estimates fifty percent savings possible

REMODELING a bank's present building rather than building a new structure has become a popular consideration in these times of rising material costs, shortages and tight money.

John Jarvis, president of First National, Winfield, Kan., made the decision to remodel his bank last February. By September, the bank expects to be conducting its business from both a structure that has had its lower level and main banking floor completely remodeled and from an adjoining new addition. Total floor space is expected to be doubled.

The cost? Less than half the investment required for a totally new bank building.

Why remodel? In President Jarvis' words, "We needed more space, having become crowded in our present quarters, and we wanted to maintain our fine downtown location. A motivating factor was the doubling in size of a city-owned parking lot directly behind our building. When the property adjoining our bank became available, we decided the best approach would be to tear down the existing building on the adjoining property and build a new structure that would connect with our present building. The combination of

increased banking space and enlarged parking lot is expected to accommodate the increase in customers we anticipate as the bank continues to grow."

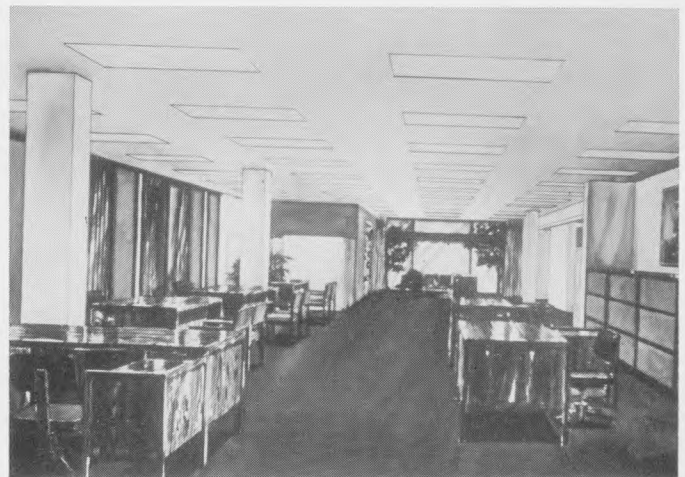
The Central Division of Bank Building Corp. (BBC) in St. Louis was named consultant and construction manager for the project. It was decided that the bank would remain open for business throughout the remodeling program.

The main floor and lower level of the present structure (totaling 7,300 square feet) is being completely re-

modeled. In addition, a new structure including a lower level and main floor (totaling 8,400 square feet) plus a second story framed (providing an additional 4,200 square feet) is being constructed on the adjacent property. The second story area will enable the bank to further expand when future growth dictates.

BBC applied its "Design for Earnings" program to the project in order to take an analytical approach to the bank's projected growth. The program projects 15 years into the bank's future

Officers' area on main floor of new addition will accommodate seven officers, including president and chairman. Space is expected to accommodate additional officers during next 15 years of bank growth.



Whenever bankers get together...



they hash and rehash certain topics. The discussion starts quietly enough... "What do you think about...?" They dissect innovations in operations (daily interest paid or simple interest charged)... controversial marketing news (overdraft checking or service charges or packaged services)... whatever is new somewhere in banking. If a banker has heard about it, he always wants to know more!

Such working confabs are everyday stuff to our correspondent bankers, Tom Potter,

Joe Stout, and Fred Swinson. We can speak from The Fourth's own experience with a great many subjects. For those we haven't tried, we have direct connections with bankers all over the nation. We can get answers.

We'll see you at meetings. But year-in, year-out, for bank-and-Fourth exchange of information, we're on call: (316) 268-4441.

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TheFourth



requirements to provide a basis for future planning.

"Design for Earnings" involves a comprehensive survey of bank data concerning services, methods of operation, present facilities, departmental interrelationships, work flow, equipment and personnel. Extensive analyzation enabled BBC, along with bank management, to establish a period of occupancy for the best use of capital, substantial growth, business mix, future activity level and personnel to man the remodeled main building and the adjoining new addition.

As to loan officer activity, for example, Bank Building personnel explained in their schematic design presentation (prior to the start of construction) the need for seven private offices on the main floor of the new addition to house the president, chairman and present officers as well as new officers expected to be added to the staff to meet increased loan activity over the 15-year planning period. This is expected to prevent costly remodeling and expansion later. With building costs rising at approximately 10.5% per year, such planning could mean a considerable savings for the bank.

Customer stack-up problems had developed at teller windows in the narrow Pullman-style public lobby in the

present structure. The Bank Building study indicated that lobby traffic at First National in 1987 is expected to be more than 175% greater than the current level. Motivation research by BBC indicates that financial institution customers become dissatisfied with the level of service when more than three customers must wait in line at a teller window.

The solution to this problem involved moving the officers' area to the new addition, then redesigning the public lobby into an L-shape with four of the existing teller fixtures of marble, laminated plastic and granite located on one side of the lobby and the remaining four fixtures, plus a new one, located on the opposite side. The remodeled public lobby will be twice the size of the present lobby when work is completed.

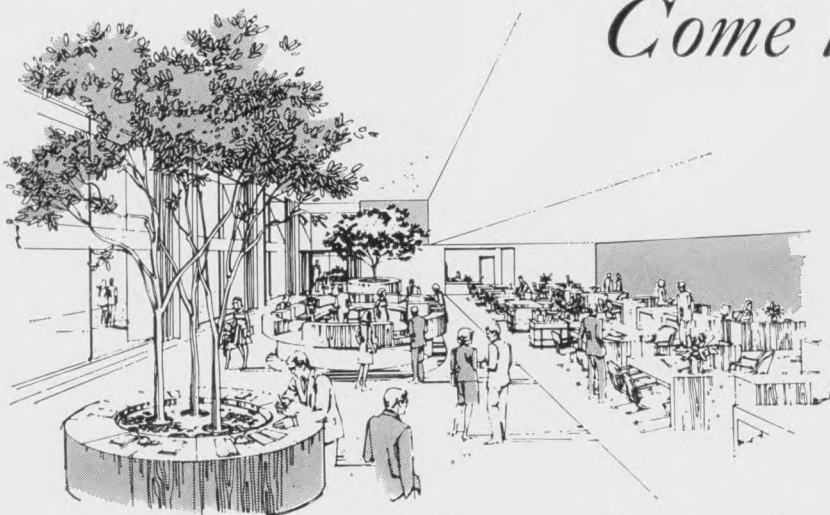
Other features of remodeling work in the present structure include connecting separate cash and safe deposit vaults on the main floor to make one large cash and coin counting vault and connecting the main lobby floor to the lower level with a floor-loading dumb waiter of a size capable of moving a notes bus.

In addition to the officers' area and trust department on the main floor of the new addition, a new vault will

house as many as 2,500 safe deposit boxes.

The Bank Building study also indicated that bookkeeping activity in 1987 is expected to increase over 175% as compared to the current level of activity. Remodeling of the lower level of the present structure will afford additional space for this activity. The lower level of the new addition will also house the bookkeeping operation. The new addition also will have sufficient space for an on-premises computer operation, which may be needed at a later date.

Bank Building's design for the project involves a blending of the existing structure with the new addition. The interior of the addition will not match but will complement the interior of the present structure when work is completed. To be decorated in a transitional style combining the traditional with the contemporary, the interior of the new addition will, in effect, coordinate the old with the new in color and design. The predominant color scheme will feature natural colors—burnt orange and bronze. In officers' area, offices, coupon booths, the trust department and safe deposit vault, floor covering will be loop pile acrylic in rich burnt orange and amber combination. Furniture will be traditional,



Come to See Us

at Crown Center Square

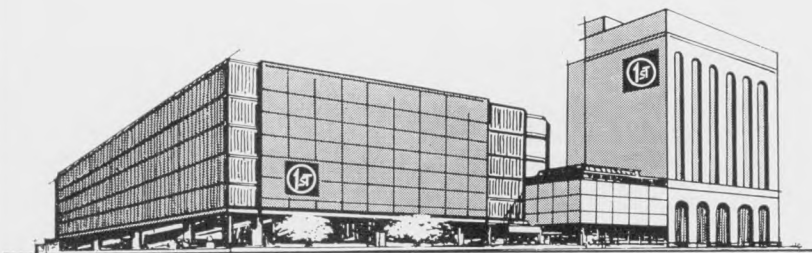


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There's a lot of empty space in our correspondent bank department because everybody else has gone to the convention in Kansas City. However, I'll be on the job — so call me (Lucile Congdon) at 316-263-5711.



FIRST NATIONAL BANK IN WICHITA

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finished in lacquered mahogany and walnut with upholstery of beige, brown and burnt orange tones.

The population of Winfield—about 10,000—has been static for a number of years. However, in President Jarvis' words, "We see a good possibility for substantial growth over the next 10-15 years. We're in the center of a good agricultural area surrounded by fine ranchlands and we are attracting new industry to Winfield."

First National's new look, along with a "Design for Earnings" plan for growth, should put it in strong competitive position to take advantage of the growth opportunities that lie ahead.

Kansas Legislature Amends Conflict of Interest Rule

TOPEKA—The Kansas legislative session for 1974 has been completed with 19 bills passed in the senate and house touching on financial matters.

One of the more significant pieces of legislation amends the conflict of interest law to provide that a public officer or employee does not make or participate in the making of a contract if he abstains from any action in regard to the contract.

The amendment was enacted to clarify the situation regarding conflict of interest. For a number of years, the

existing conflict of interest statute had been interpreted so that, if the bank officer having a conflict of interest abstained from participation in any matter that could be affected by that conflict of interest, neither the bank nor the officer would be considered to be in conflict of interest.

However, the committee on governmental ethics, a non legislative committee whose statutory responsibility is to issue opinions and make interpretations of the conflict of interest law, recently ruled that the fact that a bank director or officer or employee is on the governing body of a public agency prevents the bank from being a depository for funds of the agency.

Therefore, the Kansas Bankers Association introduced the amendment stating that a public officer, employee or director does not make or participate in the making of a contract if he abstains from any action in regard to the contract. This means that the bank officer, director or employee must refrain from voting, and must refrain from influencing the vote in any manner, to absolve him and his bank from conflict of interest charges.

Albert Sewell Will Retire From KBA Exec. Council

Albert K. Sewell Sr., president, Citizens National, Independence, has completed a three-year term as a member of the KBA executive council and will retire from that group this year.

Mr. Sewell began his banking career in 1931 and has served in almost every position in his bank. He has been president since 1958.



SEWELL

■ KANSAS STATE, Wichita, has promoted William M. Bashaw and Maurice R. Linnens to vice presidents. Mr. Bashaw, with the bank since 1969, has served as manager, credit department, in addition to his duties as a commercial loan officer. Mr. Linnens joined the bank in 1968 and has been in the commercial loan department since 1970. In other action, the bank elected Jon T. Williams Jr. to its board. He is owner and president, Alpine Drilling Co., Inc., and president, Quaker Drilling Co., Inc.

■ ANDERSON CHANDLER, president, Fidelity State, Topeka, has been elected president of the Topeka United Fund. He previously served as campaign chairman.

The First National Center.

**Not just a new bank building.
A tribute.**

For 98 years we have served western Kansas from the corner of Sherman and Main in Hutchinson.

And during those years we have developed a deep pride and undaunting optimism in this area.

So when we decided to build a new bank building, we wanted it to reflect our attitude. And now the eight-story First National Center is almost completed.

The offices are filled with professionals such as attorneys, accountants, and business executives who share our faith in the future of Hutchinson and western Kansas.

We invite you to stop by the next time you're in town and tour a tribute.

1ST First National Bank of Hutchinson.



Welcome From Your "Security" Hosts



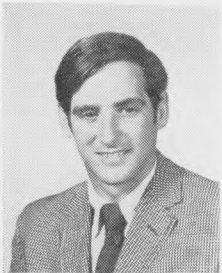
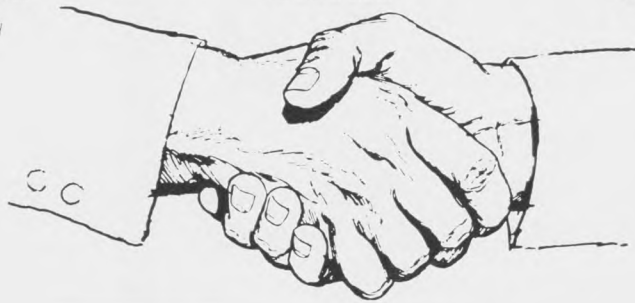
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Jay Breidenthal
Vice President



Ken Domer
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Phil Zeller
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John Peterson
Vice President

Our theme this year is "Security correspondents will get *more in '74.*" This will be true at the Kansas City in Kansas '74 Convention at the Ramada Inn.

Just take the elevator to the second floor, turn left all the way to the end of the hall and what most of you remember as the old "Town House Club."

There you'll find all of the above officers and more of the Security National Staff—*At Your Service* in hospitality, the same as they are in daily business.

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American Banker

1974 DIRECTORY AND BANKING "WHO'S WHO" ALL BANKS IN U.S. WITH DEPOSITS OVER \$10,000,000

By States and Cities, with 1973 Deposits and Rank Versus 1972

EXCLUSIVE OF MUTUAL SAVINGS BANKS
FROM DEC. 31, 1973 AND DEC. 31, 1972 STATEMENTS
 Compiled in Co-operation with Polk's Bank Directory
 Copyright American Banker, New York, N. Y., 1974

DEPOSITS		Dec. 31, 1973	Dec. 31, 1972	Rank	Gain
Position	Dec. 31, 1973 KANSAS . . . WICHITA	\$	\$	1972	\$
347	Fourth National Bank & Trust Co., Wichita, Kan.	346,440,217	318,093,125	249	+ 2
473	First National Bank, Wichita, Kan.	172,377,392	157,074,751	469	
623	Union National Bank, Wichita, Kan.	124,518,924	108,930,403	645	+ 22
720	Kansas State Bk. & Tr. Co., Wichita, Kan.	106,910,503	72,952,014	967	+247
2093	Southwest National Bank, Wichita, Kan.	39,904,728	37,482,673	2006	
2405	Boulevard State Bank, Wichita, Kan.	34,847,510	30,511,131	2498	+ 93
3242	United American State B&T Co., Wichita, Kan.	26,375,000	26,061,622	2937	
3456	Wichita State Bank, Kan.	24,813,885	25,094,863	3045	
	First National Bank, Topeka, Kan.	195,893,943	192,669,072	398	
	First National Bank, Topeka, Kan.	170,000,000	175,700,000	400	
	First National Bank, Topeka, Kan.	150,000,000	150,000,000	300	
	First National Bank, Topeka, Kan.	125,000,000	125,000,000	300	
	First National Bank, Topeka, Kan.	100,000,000	100,000,000	300	
	First National Bank, Topeka, Kan.	75,000,000	75,000,000	300	
	First National Bank, Topeka, Kan.	50,000,000	50,000,000	300	
	First National Bank, Topeka, Kan.	25,000,000	25,000,000	300	
3778	Highland Park State Bank, Topeka, Kan.	22,578,032	17,305,154	4415	
4800	Southwest State Bank, Topeka, Kan.	17,000,000	17,000,000	3502	
5194	Topeka State Bank & Trust Co., Kan.	15,800,000	15,800,000	4681	
6684	Capital City State B&T Co., Topeka, Kan.	10,000,000	10,000,000	5634	
7731	First National Bank, Tribune, Kan.	7,000,000	7,000,000	6065	

Need we say more...

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Convention Entertainers



WILLIAMS



PIAZZA



BLACK

A trio of entertainers will perform at the Kansas convention. They are Alan Black, harmonist; Marguerite Piazza, singer; and Berl Williams, comedian. The entertainment will follow the banquet and will take place Thursday evening, May 9, at the Hotel Muehlebach in Kansas City, Mo.

Schuster Named SBA Director, Former Wichita Banker

KANSAS CITY, MO.—Deryl K. Schuster has assumed duties as director of the Small Business Administration Region VII office headquartered here. He succeeds the late C. I. Moyer.



SCHUSTER

Prior to this appointment, Mr. Schuster was district director of the SBA office in Wichita.

Prior to joining SBA, Mr. Schuster worked for two years as administrative assistant to Senator James B. Pearson. Before that, he was with Kansas State, Wichita, where he served in the correspondent banking department.

■ TWIN LAKES STATE, Wichita, has increased its capital from \$400,000 to \$500,000.

Kansas Death

JEAN McGUIRE, wife of Hugh McGuire, chairman, First State, Pittsburg. Mrs. McGuire was the daughter of the late Jay N. Patmor, who was president of First State, Pittsburg, for over 60 years.

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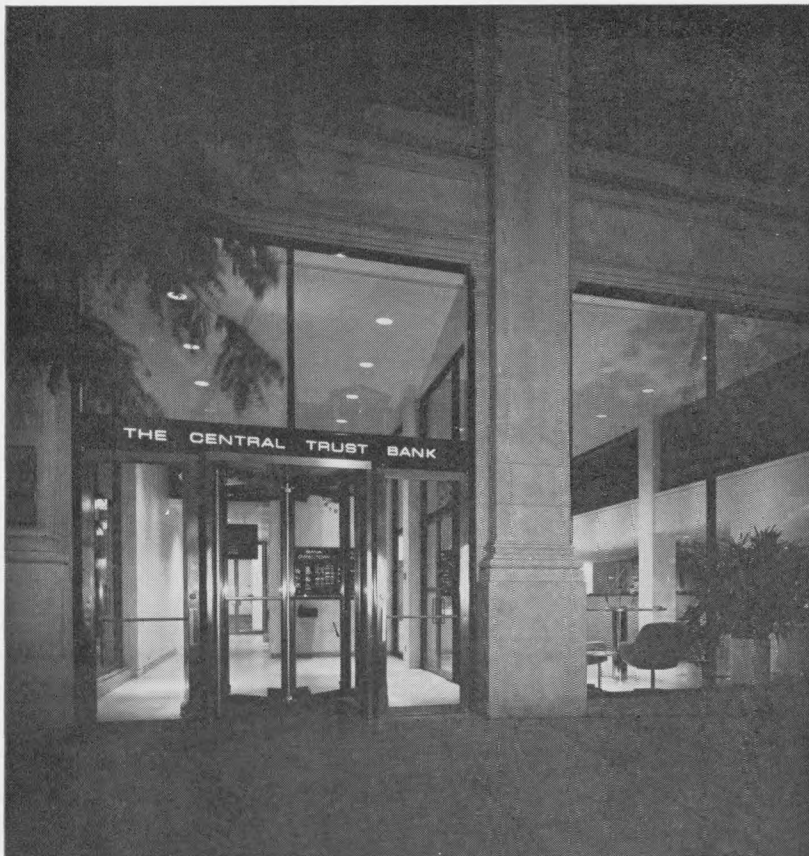
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We look forward to seeing you at the MBA convention in St. Louis, May 12-14.

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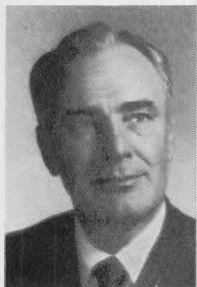
THE CENTRAL TRUST BANK

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Missouri Convention

Pres. Pro-Tem



RISLEY

Charles W. Risley Sr., MBA pres. pro-tem, joined Excelsior Trust, Excelsior Springs, in 1940. He became sec.-treas. in 1946 and was named pres. in 1966.

Treasurer



PFLEGING

MBA treas., Richard J. Pflieger is pres., Bank of St. Ann, which he joined in 1964. A native of New York, he was with the New York Fed before joining Brentwood Bank in 1961.

Charles W. Risley Sr. has been designated as MBA president pro-tem, due to the resignation of James E. Cline, who served as MBA president until February 15. Mr. Cline cited ill health as his reason for resigning. He had been president, Citizens State, Maryville.

St. Louis, May 12-14

Headquarters—Stouffer's Riverfront Inn

PROGRAM

FIRST SESSION, 1:30 p.m., May 13

Presiding—PAUL M. ROSS, chairman, convention committee, and senior vice president, First National Bank, St. Louis.

Welcome—CLARENCE C. BARKSDALE, president, St. Louis Clearing House Association, and president, First National Bank, St. Louis.

Remarks—CHARLES W. RISLEY SR., president pro-tem, Missouri Bankers Association, and president, Excelsior Trust Co., Excelsior Springs.

Address—CHRISTOPHER S. BOND, governor, State of Missouri.

Executive Vice President's Report—FELIX LeGRAND, Jefferson City.

Treasurer's Report—RICHARD J. PFLEGING, treasurer, Missouri Bankers Association, and president, Bank of St. Ann.

Report of Committee on Nominations.

Election of Officers.

Announcements and Adjournment.

SECOND SESSION, 9 a.m., May 14

Call to Order—CHARLES W. RISLEY SR.

Meeting of Missouri Members of the American Bankers Association—FLETCHER E. WELLS, ABA state vice president for Missouri, and vice president and cashier, St. Johns Bank.

POS-EFTS-TMS—More Competition for Your Bank?—WILLIAM H. OSTERBERG, executive manager and treasurer, Nebraska Bankers Association, Omaha, and SMITH W. BROOKHART III, president, Peoples Bank, Branson.

Address—JOHN J. SPARKMAN, United States Senator from Alabama, and chairman, Senate Banking, Housing and Urban Affairs Committee.

Announcements.

THIRD SESSION, 2 p.m., May 14

Call to Order.

Membership Report, First Missouri Development Finance Corp.—FRED F. ROST, chairman, First Missouri Development Finance Corp., and senior vice president, Central Trust, Jefferson City.

Installation of Officers.

Report of Committee on Resolutions.

Address—ART BUCHWALD, syndicated columnist, Washington, D. C.

Announcements and adjournment.

Convention Speakers



BOND



SPARKMAN



BUCHWALD

Among the speakers at this year's MBA convention will be Missouri Governor Christopher S. Bond, Alabama Senator John J. Sparkman and syndicated columnist Art Buchwald.

'Tempo 74' Is Theme Of MBA Convention Set for St. Louis

ST. LOUIS—Missouri bankers are looking forward to their traditional Mother's Day-week convention, to be held this year May 12-14 at Stouffer's Riverfront Inn.

Theme of the convention is "Tempo 74."

Sunday's events begin at 2 p.m. with the opening of registration desks and the opening of the exhibits.

The men's golf tournament begins at 8 a.m., Monday morning, May 13, followed by a tennis tournament at 9, a meeting of the stockholders of First Missouri Development Finance Corp. at 9:30, meetings of the nominating committee at 10, the resolutions committee at 10:30 and the sergeants at arms at 11. The 50-Year Club will hold its reception and luncheon at 11:30 in the Lewis and Clark Room, while the women's luncheon will begin at noon in the Grand Ballroom South.

The first general business session will begin at 1:30 p.m. and an informal mixer and dance will be held from 9 p.m. to midnight, featuring the Levee Singers from Dallas.

The second general business session



Members of MBA convention committee pose during meeting. Seated, from left: Felix LeGrand, MBA exec. v.p.; James E. Cline, who resigned as MBA president earlier this year; Paul M. Ross, conv. ch.; Richard J. Kempland, St. Louis County Nat'l, Clayton; and R. Turner Peters, Lindell Trust, St. Louis. Standing, from l.: Roy E. Schumacher, MBA dir. of public rel.; Richard T. Singer, Mark Twain South County Bank, Mehlville; William H. Stephenson, MBA admin. asst.; William T. Springer, Boatmen's Nat'l, St. Louis; Sylvia Greer, MBA staff; Charles S. Betz, First Nat'l, St. Louis; William O. Weis, conv. vice-ch., First Nat'l, Kansas City; Clifford A. Schmid, Chippewa Trust, St. Louis. Not pictured: Ray A. Arand, United Bank, Union; Fred N. Coulson Jr., Commerce Bank, Kansas City; Eugene F. Everett, Union Nat'l, Springfield; Mario M. Gaia, Pioneer Bank, St. Louis; George T. Guernsey III, Manchester Bank, St. Louis; James A. Smith, Mercantile Trust, St. Louis; and Martin E. Harrington, Bank of St. Louis.

will begin at 9:15 a.m. on Tuesday, May 14, followed by the third session at 1:30 p.m. A 6 p.m. cocktail party will be hosted by the St. Louis Clearing House Association in the Exhibit Hall, followed by the President's Banquet in the Grand Ballroom at 7 p.m. Entertainment will include Brenda Lee and Harry King Cole, plus Buddy Kay and his Orchestra.

Paul M. Ross, senior vice president, First National, St. Louis, is chairman of the convention committee, and William O. Weis, vice president, First National, Kansas City, is vice chairman.

Serving on the convention committee are Ray A. Arand, executive vice president, United Bank, Union; Charles S. Betz, vice president-correspondent banking, First National, St. Louis; Fred

We'll see our friends at the M.B.A.
May 12-14, Stouffer's Inn, St. Louis



Banks



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Serving St. Louis

N. Coulson Jr., senior vice president, Commerce Bank, Kansas City; Eugene F. Everett, executive vice president, Union National, Springfield; Mario M. Gaia, executive vice president, Pioneer Bank, Maplewood; George T. Guernsey III, executive vice president, Manchester Bank, St. Louis;

Martin E. Harrington, vice president, Bank of St. Louis; Richard J. Kemp-land, vice president and trust officer, St. Louis County National, Clayton; R. Turner Peters, vice president, Lindell Trust, St. Louis; Clifford A. Schmid, president, Chippewa Trust, St. Louis; Richard T. Singer, president, Mark Twain South County Bank, Mehlville; James A. Smith, vice president, Mercantile Trust, St. Louis; and William T. Springer, vice president, Boatmen's National, St. Louis.

Mrs. John H. Obermann, wife of the president of Mercantile-Commerce Trust, St. Louis, is chairman of the women's luncheon committee.

Richmond Gets Nomination

Charles K. Richmond, executive vice president, American National, St. Joseph, has been officially nominated for the post of MBA treasurer for the 1974-75 term.



MBA's 50-Year Club Scheduled To Meet May 13 in St. Louis

ST. LOUIS—The MBA's 50-Year Club luncheon will be held on May 13 at Stouffer's Riverfront Inn. James B. Courier, commercial banking officer, First National, St. Louis, is secretary.

The following bankers have been inducted into the club since the 1973 convention:

L. W. Jacobs Jr., Commercial Trust,

Fayette; Richard J. Dalton, Commerce Bank, Fenton; Henry G. Willers, First National, St. Louis; O. W. Epperson, Bank of Neosho; Miss Martha E. Helm-kamp, First National, Wellston; Marshall S. Shain, State Bank, Fisk;

Sidney L. Perkins Sr., and D. W. Woolley (retired), both from Columbia Union National, Kansas City; George B. Wessels, Chippewa Trust, St. Louis; George J. Helein, South Side National, St. Louis; Mrs. Goldie Brown, Bank of Troy; Harry M. Meyer, Jackson Exchange Bank; and L. H. Johanson, United Missouri Bank of Blue Valley, Kansas City.

Convention Entertainment



Appearing at the Monday night mixer and dance will be the Levee Singers from Dallas. Mixer will begin at 9 p.m.

There's more
to being
a good
correspondent
bank
than calling
yourself one!

It takes men ready to become personally involved in your problems. Men with the authority to make decisions, and the knowledge in their field to make the right ones. Men like Beanie Broadhead, John Karn and Phil Miller... agricultural pro's from the First Stock Yards Bank. Just give them the chance to show you the difference

between talking about good correspondent services and actually giving them.

Credit information. Financing assistance. Collection and remittance services. Just give them the chance and they'll show you the personal, professional services you've been looking for in your correspondent bank.

Convention Entertainment

Monday, May 13

- 8:00 a.m.—Golf Tournament, Glen Echo Country Club.
- 9:00 a.m.—Tennis Tournament, Creve Coeur Racquet Club.
- 11:30 a.m.—50-Year Club Reception and Luncheon.
- Noon—Women's Luncheon.
- 9:00 p.m.—Mixer and Dancing with Levee Singers.

Tuesday, May 14

- 6:00 p.m.—Cocktail Party.
- 7:00 p.m.—President's Banquet.

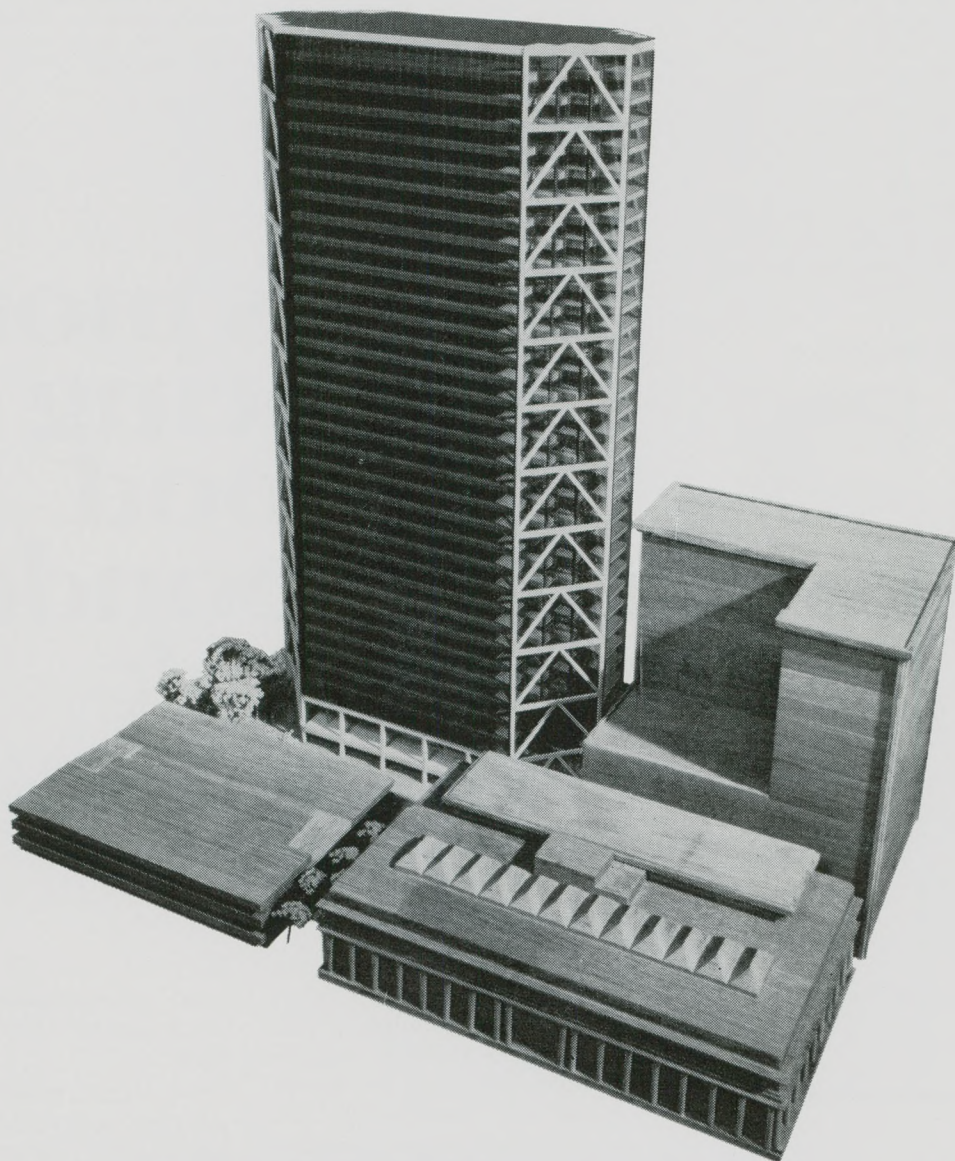


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MERCANTILE BANK

MERCANTILE TRUST COMPANY N.A. ST. LOUIS, MO. MEMBER F.D.I.C.

Registration

The registration desk at Stouffers' Riverfront Inn will be open during the MBA convention as follows:

Sunday, May 12—2 p.m. to 6 p.m.
Monday, May 13—9 a.m. to 6 p.m.
Tuesday, May 14—9 a.m. to 6 p.m.

Convention badges must be worn to all convention functions.

First Mo. Development Offers Stock to Banks; Makes Five-Year Report

JEFFERSON CITY—Now that the First Missouri Development Finance Corp. has completed five years of operation—and five years' audited financial statements are available—the firm is making its stock available to Missouri banks. Because of the newness of the corporation five years ago, its organizers decided not to offer any stock to banks.

Under enabling legislation, member banks are permitted by law to hold stock not exceeding 10% of their legal loan limits in addition to being members of the corporation. Member banks are being advised of the change of policy and are being invited to acquire stock.

According to Jerry Stegall, the firm's executive vice president, requests for First Missouri's assistance in 1974, as of this writing, exceed \$6 million. As of year-end 1973, the firm had paid-in capital of \$371,000, and 171 member banks had pledged \$3.9 million in lines of credit. In its March 15 Newsletter, the firm reported that it has been able to maintain a self-supporting posture with its leveraged borrowing to provide more than \$8 million in approvals to Missouri firms. At the end of last year, more than \$3.4 million was outstanding in loans to such firms, with applications pending consideration by First Missouri's board for \$1.5 million in added financing.

The Newsletter also announced that the firm's stock-sales drive continues under full-time effort by Charles Wear, employed by the board in 1972 as coordinator. Mr. Wear's efforts, said the Newsletter, have resulted in sales of \$48,700, with many more banks and companies becoming aware of First Missouri's activities.

The firm was started through efforts of the Missouri Bankers Association and Missouri Chamber of Commerce. The MBA undertook a goal five years ago to secure member lines of credit for \$10 million, all for the purpose of assisting the economic growth of business

in the state by providing a source of credit not otherwise readily available. The state's C. of C. pledged to raise \$1 million in capital to fund First Missouri.

MBA Nominating Committee To Meet During Convention

The nominating committee for the MBA convention will meet at 10 a.m., Monday, May 13, in the Outpost Room at Stouffers' Riverfront Inn. The following members serve on the committee:

Region One—George Harris, execu-

tive vice president, Farmers & Merchants Bank, Huntsville; *Region Two*—Ivan Buckman, cashier, Marceline State; *Region Three*—Michael R. Morris, president, First Community State, Savannah; *Region Four*—John B. Skelton, president, Wellington Bank;

Region Five—Frank K. Spinner, senior vice president, First National, St. Louis; *Region Six*—James R. Reinagel, vice president, Farmers & Merchants Bank, Cape Girardeau; *Region Seven*—David S. Eblen, vice president, Security Bank, Branson; *Region Eight*—Ronald L. Ancell, vice president, Glasgow Savings Bank.

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Wolford and Toczylowski Join St. Louis County Nat'l

CLAYTON—Robert C. Wolford has joined St. Louis County National as executive vice president. He was formerly vice president of Edward K. Love Mortgage Co. and prior to that was a vice president at Mercantile Trust, St. Louis.



WOLFORD

Matthew S. Toczylowski Jr. joined the bank as auditor. He was formerly with Peat Marwick, Mitchell & Co., St. Louis.

■ **BANK OF CARTHAGE** and First National Charter Corp., Kansas City, have reached an affiliation agreement.

■ **HAMPTON BANK**, St. Louis, has named Kenneth Hecht, Kenneth E. Marschuetz and Michael J. Nava vice presidents; Edgar S. Albrecht Jr., Carl Gentile, Raymond H. Gettemeyer Jr. and Elizabeth A. Stanfield assistant vice presidents; Lawrence Dunn, Edward Feltmann, Robert March and James O'Donnell assistant cashiers; and Larry Brown trust officer.

Greetings to Our Banker Friends at This Convention Season

FROM THE OFFICERS AND DIRECTORS
OF THE SOUTH SIDE NATIONAL BANK

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J. RICHARD FURRER
Executive Vice President
FRANK BIRCHLER
Vice President
H. WM. ROBERT
Vice President & Trust Officer
GEORGE F. BENNER
Vice President
WALTER C. HAMMERMEISTER
Vice President & Cashier

ALBIN F. OEHLER
Vice President
RAYMOND E. KNORPP
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ROBERT C. WERKMEISTER
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LEON A. BREUNIG
Assistant Vice President
WILLIAM E. MUHLKE
Asst. V.P. & Auditor

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Assistant Cashier
ARTHUR L. JEANNET, JR.
Assistant Cashier
VERNON C. BETSCHART
Assistant Cashier
MARGUERITE CIBULKA
Safe Deposit Officer
ALYCE L. SCOTT
Personal Loan Officer
JOSEPH E. MAGER
Personal Loan Officer

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Ralph Crancer, Jr.
Howard F. Etling
J. Richard Furrer

Thomas J. Hejlek
George J. Helein
Paul V. Helein
Charles F. Herwig

Martin Schlitt
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Secretary—Arthur G. Baebler

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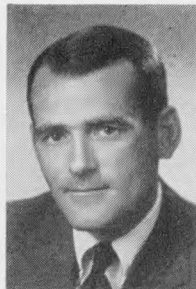
Jerry Stegall, Exec. Vice Pres.
Phone—AC 314-635-0138

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302 Adams Street—P.O. Box 252
Jefferson City, Missouri 65101



GUERNSEY



HARDIN

Guernsey, Hardin Get New Titles At Manchester Bank, St. Louis

ST. LOUIS—Manchester Bank has announced the promotions of George T. Guernsey III and Hord Hardin II from senior vice presidents to executive vice presidents and W. C. Johns from vice president to senior vice president.



JOHNS

Also promoted were A. J. Schmitz from assistant vice president to vice president, John G. Einspanier to assistant auditor, James B. Gannon III to operations officer and Mary Jo Powell to assistant cashier.

Searles Elected President Of St. Louis-Area Bank

OLIVETTE—J. Michael Searles has joined Commercial Bank of St. Louis County as president. The firm is a member of General Bancshares Corp., St. Louis-based multi-bank holding company.



SEARLES

Mr. Searles comes from St. Louis' Mercantile Trust, where he was vice president and head of the Missouri division in the banks and bankers department. He joined that bank in 1966, coming from Bank of California, San Francisco.

Mr. Searles was chairman, Young Bankers of Missouri, in 1972-73.

■ BALTIMORE BANK, Kansas City, has elected a new director, Robert E. Esrey, president, Robert E. Esrey & Co., a Kansas City property management firm.

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■ TOM L. MOUSER has joined Commerce Bank, University City, as cashier. He was formerly assistant vice president at First Northwest Bank, St. Ann.

■ BOATMEN'S BANCSHARES, INC., St. Louis, has announced plans to acquire Baltimore Bank and North Hills Bank, both in Kansas City.

Day-Long Festivities At St. Louis Bank Mark 50th Anniversary

ST. LOUIS—A German band, attendance prizes including a TV set and refreshments were featured at American National's recent 50th-anniversary open house. During the day-long festivities, 7,500 persons visited the bank.

Many visitors joined in song, and some were seen dancing a polka in the crowded lobby. The affair began at 9 a.m. and continued until closing at 7 p.m. The bank is a member of a local bank group known as the "ABC" banks.

The bank began as American Exchange National and shortened its name to its present form in 1951, when its building underwent its first major expansion. Another addition and modernization were completed in 1960. Last year, the bank installed six pneumatic drive-up lanes. Total resources are \$70 million.

A bank spokesman said American National was one of the first in its

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Invited to Visit Us
in Our Newly Remodeled
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LEMAY BANK & TRUST COMPANY

Come in and visit the finest, most modern bank in St. Louis County. We would like you to meet our staff and tour our new building, which has been designed with our customers in mind, to provide a relaxed atmosphere for banking business.



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QUINTON KELLER, Exec. Vice Pres.	FRANK J. ZIEGLER, JR. Vice Pres.
LOWELL L. ALEXANDER, Vice. Pres.	HARRY W. CONNERS, Mgr. of Insurance Dept.
ROY O. THEISS, Asst. Cashier	LEGER GRINDON, Trust Officer
ALVIN B. COLEMAN, Auditor & Compt.	

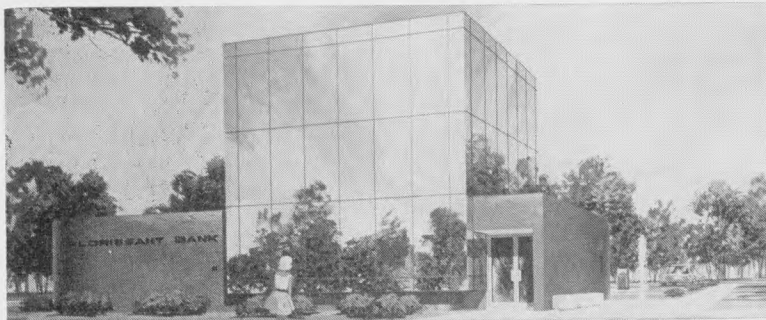
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TOTAL RESOURCES NOW \$88 MILLION



Philip F. Lichtenstein (l.), ch., American Nat'l, St. Louis, and Edward W. Krite, pres., pause long enough for picture during bank's recent 50th-anniversary festivities.



Meeting the Growing Needs of the Florissant Community!

MELVYN MOELLERING, Chairman & President	EUGENE J. MEYER, Assistant Vice President
CYRIL A. NIEHOFF, Executive Vice President & Cashier	DOROTHY R. JASPER, Assistant Vice President
NORBERT W. LOHE, Senior Vice President	STEVE FRANK, Assistant Cashier
EMMA R. SCHOLL, Vice President	CARL W. PETERS, Assistant Cashier
LEROY J. MEYER, Vice President	DOLORES BIEBEL, Assistant Cashier
LESTER H. ROSENKOETTER, Vice President	
ROY F. LARAMIE, Assistant Vice President	
ROSA N. SMITH, Assistant Vice President	



FLORISSANT BANK

880 ST. FRANCOIS ST. & 13980 NEW HALLS FERRY RD. FLORISSANT, MO.
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TOP: Gus Ponstingl and his Viennese Serenaders play German music for 50th-anniversary celebration of American Nat'l, St. Louis. BOT-TOM: This is just part of crowd in bank's lobby during open house. About 7,500 persons visited bank during day-long observance.

area to install a drive-up window more than 20 years ago and the first to establish a bank travel department and a 24-hour cash-dispensing Money Machine. The spokesman also said the bank was an originator of no-cost senior-citizen checking and income-tax-preparation service.

While the bank building was being remodeled in 1959, it operated its drive-up service from a neighboring hamburger stand, an action that drew national news attention.

Chairman Philip F. Lichtenstein has been with American National more than 30 years, and President Edward W. Krite has been there 49 of the 50 years. Edmond Koeln was founder and president until 1946.

The bank will continue its anniversary festivities throughout the year, with special promotions coming later this spring and next fall.

Joins Empire Bank

Bob White has joined Springfield's Empire Bank as vice president in charge of the data processing department. He was formerly with Burroughs Corp.



Richard Ford Elected Director At First National, St. Louis

ST. LOUIS—Richard F. Ford has been elected to the board of First National. An executive vice president at the bank, Mr. Ford is responsible for the commercial banking divisions, international and retail banking and the marketing and advertising departments.



FORD

He joined the bank as a vice president in 1969, coming from Merrill Lynch, Pierce, Fenner & Smith, Inc., in St. Louis.

St. Louis Banker Dies

Clarence E. Zinck, 62, executive vice president and a director, City Bank, St. Louis, died April 2. A banker 34 years, he was with Mercantile Trust and American National, St. Louis, and First National, Clayton, before going to City Bank in 1966.



■ CHARTER BANK of Overland has announced the following promotions: from vice president and cashier to senior vice president and trust officer, Orville W. Morris; from vice president to senior vice president, Harry L. Harrison; from assistant vice presidents to vice presidents, John A. Heil and Rob-

ert Vogel; from assistant cashier and auditor to cashier, Eugene J. Jezik; from assistant cashier to assistant vice president, Gerald J. McFarland; from assistant auditor to auditor, LeRoy A. Hume, and to assistant cashiers, Mrs. Louise Stanford and Mrs. Melva Vannipp.

The officers and staff of Pioneer Bank & Trust Co.

invite you to visit our new headquarters building at 2211 S. Big Bend, St. Louis, Missouri.

The following officers of Pioneer Bank & Trust Company will welcome your queries about banking services for both consumer and industrial accounts throughout West and South St. Louis County.

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Sr. Vice President, Secretary and Treasurer
PHYLLIS W. HILL
Vice President and Asst. Secretary
THOMAS J. POWERS
Vice President and Trust Officer
T. W. HAGAN
Vice President
SAMUEL H. GOLDMAN
Vice President
ROBERT G. SNYDER
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PETER F. BENOIST
Asst. Vice President
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Asst. Treasurer
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Kansas City, Missouri
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Gets New KC Post

George William Sherman has joined Mercantile Bank, Kansas City, as a vice president. He comes from United Missouri Bank, Kansas City, where he was a vice president, business development department. He joined the latter bank in 1958, when it was known as City Nat'l.



New Bank Suit Initiated

JEFFERSON CITY—Three banks here—Exchange National, Central Trust and Jefferson Bank—have moved to dismiss a suit contesting the chartering of a new national bank for this capital city. The court action had been filed in the Federal District Court for western Missouri last October by the banks.

An attorney for the banks said another action is being filed in the Federal District Court of Appeals, but will not question the granting of the new bank's charter by the Comptroller of the Currency. The new suit's purpose is to obtain a judicial determination of the manner in which bank holding companies may conduct operations of subsidiary banks under Missouri law, the attorney said. No state or federal court has decided the permissible scope of group services or advertising by bank HC banks, in light of the state prohibition of branching, he continued, and thus a court determination of the rules is necessary so that all banks may compete equally.

Attend International Opening



To celebrate the opening of its new international department, National Bank in North Kansas City held a reception for representatives of international businesses in the Kansas City region. Among attendees were (from left) Edwin S. Jones, chairman, First Union Group, St. Louis; Gerard B. A. Seymour, international department manager, host bank; Clarence C. Barksdale, president, First National, St. Louis; and Van O. Williams, president, host bank. National Bank and First National, St. Louis, are both affiliates of First Union.



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1974

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MID-CONTINENT BANKER for May 1, 1974

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C. U. IMBODEN
Assistant Vice President
LESTER O. WAGNER
Assistant Vice President
DONALD A. WIBBENMEYER
Assistant Vice President

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Assistant Vice President
THERESA S. KRONER
Installment Credit Officer

MORTGAGE LOANS

THOMAS M. NOONAN
Vice President
PATRICK H. STEVENSON
Mortgage Loan Officer

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Senior Vice President
WALTER E. BECKER
Assistant Vice President
GILBERT E. FARRELL
Assistant Vice President
PAUL L. GIBBONS
Cashier
RICHARD A. MATT
Assistant Cashier
GERALD P. FAGIN
Data Processing Officer
MARGIE M. KING
Personnel Officer

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Vice President
WILLIAM E. CARROLL
Assistant Cashier
RAYMOND F. ERKER, JR.
Assistant Cashier
NORINNE HOBBS
Assistant Cashier
HARRIS E. WILLIAMS
Assistant Cashier

MARKETING AND ADVERTISING

CURTIS L. GILES
Assistant Vice President

COMPTROLLER

LAWRENCE D. ABELN
Comptroller
E. W. DICKMANN
Assistant Comptroller

AUDITING

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Auditor
RUSSELL E. ALBRECHT
Assistant Auditor

TRUST DEPARTMENT

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Vice President and Trust Officer
JAC E. GRISWOLD
Trust Officer
WILLIAM L. HOEMAN
Trust Officer
WILSON F. HUNT
Trust Officer
CARL ENLOE
Trust Investment Officer

THE COMMUNITY IS GONE!

We're now St. Johns Bank & Trust Co. instead of St. Johns COMMUNITY Bank. Because trust services are such an important part of our business, we've added "Trust" to our corporate name. And to make room for it, we've dropped the word "Community."

We're the same otherwise—ready to help a customer of yours moving to our market area.

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HUBERT V. KRIEGER	Auditor and Comptroller
JERRY L. BYRD	Vice President
EARL D. PEPPERS	Vice President
EARL R. LUNDIUS	Assistant Vice President
LEONARD W. HUDDLESTON	Assistant Vice President
JACK K. ISHERWOOD	Assistant Vice President
WILLIAM O. ROBARDS	Assistant Vice President
FRED G. FETSCH	Assistant Cashier
VIRGINIA F. HAUSER	Assistant Cashier
CHARLES C. SMITH	Assistant Cashier
MARIE WELLINGHOFF	Assistant Cashier
WALLACE J. SHEETS	Trust Officer
F. GILBERT BICKEL	Vice President
HARRY C. MUMMERT	Vice President
RUTH DICKEY	Mgr. Loan Dept.
IRMA G. HASTINGS	Mgr. Proof Dept.
EARLENE TAYLOR	Mgr. New Accounts

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St. Louis Clearing House Assn. Announces Convention Committees

ST. LOUIS—Clarence C. Barksdale and George I. Baggott are chairman and vice chairman, respectively, of the reception committee for the MBA convention, representing the St. Louis Clearing House Association. Mr. Barksdale is president, First National, and Mr. Baggott is chairman, Manufacturers Bank.

Other members of the reception committee are: Donald N. Brandin, chairman and president, Boatmen's National; James E. Brown, senior vice president, Mercantile Trust; Harrison F. Coerver, president, Mercantile Trust; Richard J. Gudinas, vice president and cashier, Boatmen's National; Edwin S. Jones, chairman, First National; Donald E. Lasater, chairman, Mercantile Trust; Paul M. Ross, senior vice president, First National; Harley E. Schwering, senior vice president, Manufacturers Bank; Ethan A. H. Shepley Jr., executive vice president, Boatmen's National; and Joseph J. Spencer, senior vice president, Manufacturers Bank.

Ted J. Smothers, assistant vice president, Boatmen's National, is chairman of the hospitality committee. Serving on the committee are Mr. Baggott; James B. Courier, commercial banking officer, First National; and John F. Tullock, assistant vice president, Manufacturers Bank.

Missouri Death

LEE BELL, president, Summersville State, and a staff member for more than 50 years.

1974—Our 93rd Year!

Citizens Bank of Grant City

GRANT CITY, MO.

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\$12,578,000

Capital Accounts & Reserves

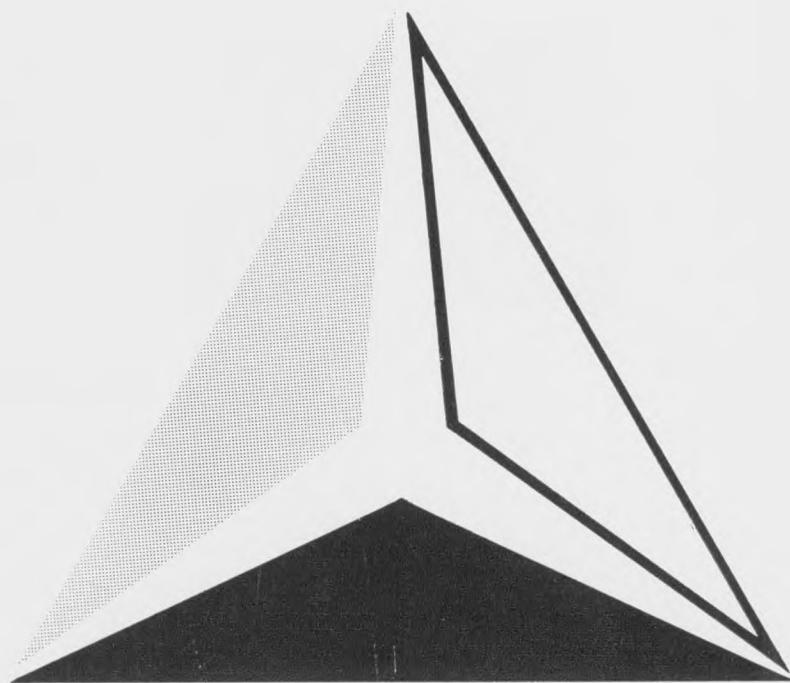
\$925,500

W. M. C. DAWSON, Chairman

JOHN P. DAWSON, President

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'Conventionally' speaking...



“We’ll be there!”

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or Kansas Conventions would be
un-American.

An AMERIBANC Bank

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American National Bank

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A DYNAMIC BANK FOR A PROUD CITY

NEWS

From the Mid-Continent Area

Arkansas

■ **FIRST ARKANSAS BANKSTOCK CORP.**, Little Rock, has elected Robert L. Fikes administrative vice president, Dan Horton treasurer and financial officer, Fred Burns secretary and legal acquisition officer and Woody Thomas assistant financial officer and assistant secretary.

■ **FIRST NATIONAL** of Lawrence County, Walnut Ridge, has announced plans for a drive-in branch in Walnut Ridge on Highway 67 adjacent to a shopping center.

■ **JESS L. MOORE** has joined Arkansas Bank, Hot Springs, as personnel officer. He was formerly executive director of the Hot Springs Convention Bureau.

■ **UNION NATIONAL**, Little Rock, has named Honor Millender and Mike Seymore assistant cashiers and Bill Blenden, Jim Davis and Jack DeGinther regional branch managers.

■ **COMMERCIAL NATIONAL**, Little Rock, has acquired Thom-Godwin & Wilson, Inc., mortgage banking firm, as its fifth wholly owned subsidiary.

■ **STATE FIRST NATIONAL**, Texarkana, has appointed William T. Young vice president and Jimmy V. Fincher assistant vice president. Mr. Young, formerly director of marketing, First American Bank, Memphis, heads State First National's marketing department. Mr. Fincher, who was assistant cashier and commercial loan officer, Worthen Bank, Little Rock, has been assigned to the Texarkana bank's commercial loan division.

Illinois

■ **GEORGE L. DEARBORN** has joined National Boulevard Bank, Chicago, as vice president in the correspondent banking division. He was formerly with University National, Milwaukee.

■ **TUSCOLA NATIONAL** has opened a new three-lane drive-in facility with a three-day grand opening observance.



FIKES



DEARBORN

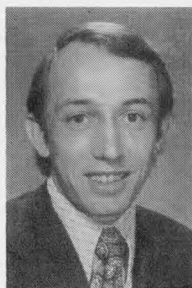
■ **THE BANK**, Arlington Heights, has named Stanley A. Perry senior vice president and trust officer; James P. Weiler auditor; James F. Geiser, Daniel B. Quinn and J. Michael Steill assistant cashiers; and Lawrence S. Knobe loan officer.

■ **CONTINENTAL ILLINOIS NATIONAL**, Chicago, has elected Gordon R. Haworth, Robert O. Swanson, Thomas G. Church, Robert H. Paulsen, John J. Waldron Jr. and Robert E. L. Walker vice presidents.

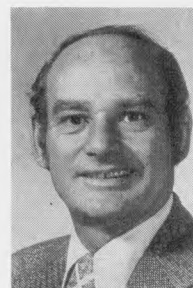
Indiana

■ **LLOYD L. MARSH**, senior vice president, Central State, Connersville, has been named a director of the bank. He joined the bank in 1950.

■ **AMERICAN FLETCHER NATIONAL**, Indianapolis, has promoted Donald C. Agnew and Gene C. Gehring to vice presidents and named Gary A. Haltom vice president and trust officer. New assistant vice presidents are L. Ronald Dunn, Thomas E. Ertl, William J. Leppert, Dennis M. Murphy and Robert L. Zeunik. J. William Rice was named assistant vice president and trust officer.



HALTOM



AGNEW



GEHRING

■ **PHILIP B. ROBY**, vice president, has been named manager of the credit department at Indiana National, Indianapolis. He was formerly assigned to the Indiana division, succeeding Gary K. McWilliams, who now heads the Indiana division. Lloyd A. Craig and Garold L. Segro were promoted to assistant vice presidents and James R. Wood was named assistant vice president and trust officer.

Kentucky

■ **ROY L. TOLLIVER** has been promoted to senior vice president by First Security National, Lexington. He joined the bank in 1954.

■ **DAVID W. NEWELL** has been elected senior vice president and manager of the international department at Citizens Fidelity, Louisville. Robert Hecht has joined the bank as a vice president and manager of the BankAmericard department.

Louisiana

■ **HOWARD SMITH**, chairman, Ruston State, was honored recently with a 50th anniversary in banking party. Gifts included a silver tea service and a boat and motor.

■ **JAMES H. JONES** bestowed a certificate of appreciation from the United Fund on entertainer Joey Heatherton as one of his first official duties as UF general campaign chairman for the greater New Orleans area. Mr. Jones is chairman and chief executive officer, First National Bank of Commerce. While appearing at the Fairmont Ho-

“Investment decisions got you down? We’ll help you up.”

Do you need advice about specific government and municipal bonds? Would you like to talk about your bond portfolio ratios? We have the experienced, knowledgeable, full-time, bond and money market experts who can and will be glad to help you. Only Citizens Fidelity Bank can provide you with these advantages: • Kentucky’s only complete bank bond department. • Our own inventory of actively traded issues allows you to purchase odd-lots at a minimum cost. • We compete favorably on large-lot prices with all primary government bond dealers.

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Joe M. Rodes Bob Folsom Joe L. Hamilton

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NEWS

From the Mid-Continent Area



tel's Blue Room, Miss Heatherton made several audio tape appeals to be used in the coming UF drive.

Mississippi

■ Four University of Mississippi students recently received scholarships presented annually through the Missis-



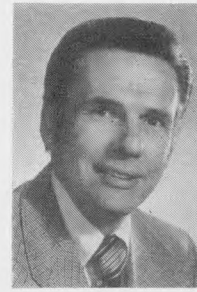
issippi Bankers Association Chair of Banking. From left: Dr. Harvey S. Lewis, head, Chair of Banking; Garner Hickman, president, First National, Oxford; Jim Collins, executive vice president, Bank of Mississippi, Tupelo; the four students; and University Chancellor Porter L. Fortune.

■ DEPOSIT GUARANTY NATIONAL, Jackson, has promoted Oak A. Duke to vice president and trust officer, Thad S. Bridges to branch officer and John R. Jones to trust audit officer.

New Mexico

■ FIRST NATIONAL, Grants, has begun construction on its new quarters, which are being erected by Bank Building Corp., St. Louis. Completion is scheduled for the end of June. In other action, the bank elected Lynn E. "Buddy" Elkins chairman and Dr. Basil Wang, M.D., to the board. Mr. Elkins, a member of a pioneer ranching family in the area, has been a director of the bank since 1965. As chairman, he succeeds Dr. M. A. Connell, who resigned the post when he moved to Sun City, Ariz.

■ CHARLES H. WHITE retired March 15 as vice chairman, Fidelity National, Albuquerque. A banker in that city 22 years, Mr. White became president of Fidelity National when it



LUNDELIUS



DUKE

was established in 1965. He became vice chairman in January, 1973.

■ AMERICAN BANK OF COMMERCE, Albuquerque, has reached the \$100-million mark in total assets. ABC is the lead bank of Bank Securities, Inc., a New Mexico bank holding company. The bank was acquired by BSI in 1970.

■ MRS. BETTY PERKINS has been elected a vice president at First National, Albuquerque. She joined the bank in 1964 and had been an assistant vice president since 1968.

■ DELTON NORRIS has been promoted to cashier-vice president at Valley National, Espanola. He joined the bank in 1969 as assistant cashier.

■ GRANT COUNTY BANK, Silver City, has promoted Jack Inmon and Fred Little to vice presidents. They joined the bank in 1965 and 1968, respectively.

Texas

■ FINAL ACQUISITION of the stock of six south Texas banks has been completed by Victoria Bankshares, Inc. The banks are Victoria Bank; Farmers State, Cuero; First National, Nordheim; Community State, Runge; Smiley State; and Home State, Westhoff.

■ CHARLES R. LUNDELIUS has been elected a vice president of Fort Worth National. He is a commercial loan officer. Texas American Bankshares, Inc., has been recommended to shareholders as a new name for Fort Worth National Corp., HC controlling Fort Worth National.

■ FIRST NATIONAL, Fort Worth, has promoted Bob D. Gregory, H. Joe Hunnicutt, Shirley McCubbins and Kenneth Pittman to assistant vice presidents. David L. Miller Jr., assistant vice president in the marketing and business development areas, has retired.

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Where Are My Keys?

Customers Losing Keys? Bank Service Can Help— And Bring New Business!

Every year many keys are lost or misplaced and few are returned to their owners. What does this situation have to do with banks?

A number of banks have begun offering a service that is called the "lost key" program to protect the keys of customers.

The concept really isn't far out. Banks have long protected the money and valuables of their customers. Many customers consider their keys to be valuable.

A bank can't practically keep a customer's keys under lock and key. But it can provide a registry service that can be useful in returning lost keys to their owners.

Here's how it works: Customers are informed of the "lost key" service. They come into the bank to register for the service. The bank gives each registrant a serialized tag that attaches to the customer's key chain. The tag informs anyone who finds the keys to drop them in a mailbox. The tag carries the name and address of the bank.

When the keys are delivered to the bank, their owners are looked up in the registry and the keys are returned. Very simple!

This service is valuable for several reasons, its promoters say. It brings customers into the bank to register, providing opportunities for cross selling. By having the address of the bank on the keys rather than the address of the owner of the keys, finders are discouraged from using the keys for criminal purposes. The service can be used to get new business for the bank, especially if the bank requires registrants to be customers before being eligible for the service.

Although the first tag is normally given out at no cost, additional tags (for key rings of other members of the family) are usually sold to customers, which cuts down the cost of the service to the bank.

Banks offering the "lost key" service were contacted to determine if this service has resulted in new business for the bank.

Carl Cassell, president, First National, Palm Beach Gardens, Fla., says the friends of some of the bank's customers opened accounts after the word got around about the service.

A. A. Matasy of Union National, Youngstown, O., reported that new business resulted from the service and

the bank developed a new mailing list from information obtained from the key registry.

Thomas M. Strong of Citizens State, Ontonagon, Mich., said the service is valuable because it helps keep customers loyal to the bank. The service is also a good closing item in connection with boat, snowmobile or auto loans, he said.

"Lost Key" service is marketed by Product Research Co., Riviera Beach, Fla.

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State Bank Supervisors' Study Makes Comprehensive Analysis Of Reserve-Setting Authority

A COMPREHENSIVE analysis of relationships between optional affiliation of some banks with the Fed for reserve purposes and the effectiveness of monetary policy has been released by the Conference of State Bank Supervisors. As CSBS President Donald E. Pearson pointed out in announcing the study, it is particularly significant and timely because of the Fed's recent submission to Congress of draft legislation that would extend its reserve-setting authority to a vast majority of nonmember financial institutions, including S&Ls and mutuals. Mr. Pearson is superintendent of banks in California.

The study was prepared by Dr. Ross M. Robertson, professor of business economics and public policy and director of business history studies, School of Business, Indiana University, and Dr. Almarin Phillips, professor of economics and law, University of Pennsylvania. Dr. Phillips was professional staff co-director of the President's Commission on Financial Structure and Regulation (Hunt Commission), and Dr. Robertson is recognized as an authority on the history of monetary policy.

The paper—divided into four sections—is titled "Optional Affiliation With the FRB for Reserve Purposes Is Consistent With Effective Monetary Policies."

The introduction reviews the FRB's escalating efforts to secure mandatory affiliation for reserve purposes, summarizes reasons the board gives to justify such expansion of authority and suggests other factors that the authors believe to be the real reasons.

Section one contains a detailed analysis of the historical evolution of the role of bank reserves that clearly evidences the number and complexity of the variables that affect the size and rate of change of the money supply. Section Two provides a concise schema of current monetary processes—of ways the Fed controls the money supply—so that readers can judge for themselves whether universal reserve-setting authority makes any real difference from a monetary-policy standpoint. Section three contains detailed rejoinders to the board's principal monetary-policy arguments in support of a grant of universal reserve-setting authority.

According to the two professors' study, the Fed's argument is that if all banks were required to keep reserves according to its mandates, "the precision and the certainty" with which monetary policy is executed would be increased. However, says the study, the real reasons for Fed moves at this time are twofold: (1) a growing concern over a slow and small, but nevertheless steady, decline in system membership and in the proportion of commercial bank assets owned by member banks and (2) increasing likelihood that a large number of hitherto nonbank financial intermediaries—particularly S&Ls, mutuals and credit unions—will one day be given powers to create liabilities that will make them part of the payments mechanism.

Sophisticated observers, the study continues, have long noted that, except for the large money market banks, Fed membership largely is a matter of indifference for effecting monetary policy. The Fed, it says, prefers absolute authority to an authority subject to political checks and balances guaranteed by sharing power with other federal agencies and with state jurisdictions.

Thus, say the professors, top Fed officials, choosing not to attack the integrity of the dual-banking system head-on, have tried to achieve the same objective by seeking legislation that would impose their own reserve requirements on all banks.

The study then advances arguments that, according to the professors, make it apparent that the number of variables affecting the money supply process is so large that the question of whether nonmember banks do or do not hold reserves with the Fed is insignificant. Until the Fed provides a research study that adequately supports its basic contentions, says the study, reasonable men can only conclude that there is not a solid case to be made for dismantling the dual-banking system and replacing it with a single federal system.

The two professors listed five conclusions they reached based on their analyses of the historical evolution of the role of bank reserves and contemporary evidence on the manner in which Fed monetary policies affect the economy:

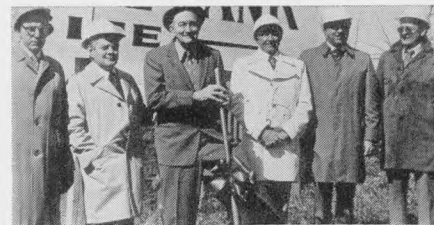
- A large number of weighted variables affect the level and rate of change of the money supply.
- Interrelationships among these variables are complex and uncertain, and attempts at monetary policy precision assume a knowledge of the major variables that neither exists now nor can reasonably be expected to exist in the foreseeable future.
- Major monetary policy weaknesses have been revealed in the recent past, and prudent persons should anticipate more in the future, but optional affiliation for reserve purposes cannot be considered high on the list of factors contributing to these weaknesses, if it is eligible at all for inclusion.
- Compulsory affiliation for additional banks would further increase the Fed's power over banks and force dilution of state and local determination of the banking structure.
- Foregoing the known merits of the dual-banking system, with its healthy state-federal checks and balances, for the uncertain benefits, if any, to be derived from compulsory affiliation for reserve purposes would not be in the public interest. • •

Last Shovelful Turned:

Ground Broken by Man For New Bank on Site That Was His Farm

When the new Harvester National Bank, St. Charles, Mo., broke ground for its building, it asked the man who had been plowing ground on the site for more than 50 years to do the honors.

Farmer Otto Banze turned his last shovelful of earth on ground that will be the future location of the new bank.



Holding the ribbon-tied shovel, Mr. Banze posed for a photo (see illustration) with bank directors Paul Niedner, Paul Knoblauch, Irwin Schumpe, Robert Meers and Ralph Prinster.

A luncheon at an area restaurant followed the ground-breaking, and details of Harvester National were explained.



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