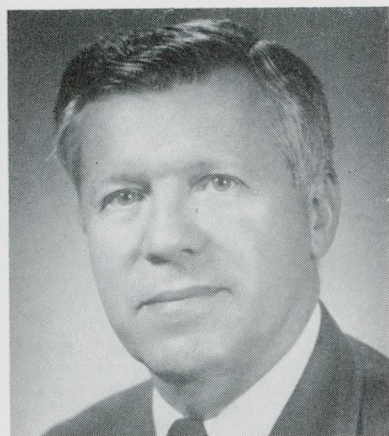


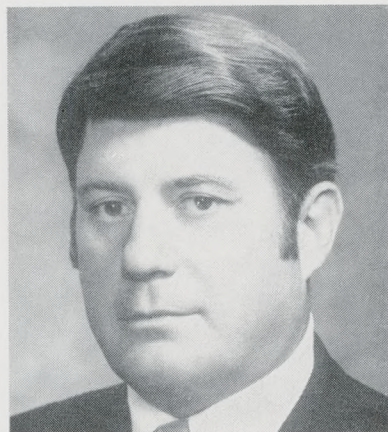
MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

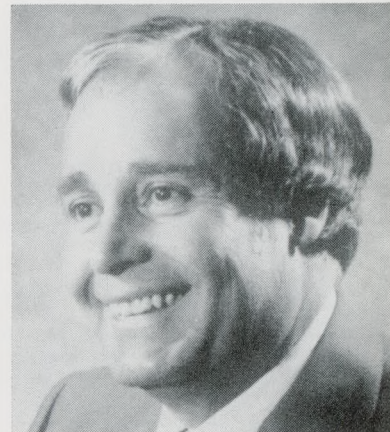
MAY 15, 1975



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Pres., Mississippi BA
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RICHARD A. LIFE
Pres., Indiana BA
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HENRY JARAMILLO JR.
Pres., New Mexico BA
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CONVENTION ISSUE

What Every Bank Marketer Should Know About:

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Interdependence and Marketing Assistance

2135



F.A.C.E. executive club

SOS

tiara club

FREEDOM 60

Ask this question about your bank.
"How can a potential customer choose between two or more banks . . . conveniently located . . . and all offering the same full services?"

One of the answers is market segmentation. In simple terms, market segmentation is a method of identifying groups of people with common characteristics, needs, goals, attitudes. After these segments have been identified, packages of bank services are developed to meet the needs of the

individual groups. Examples of market segments are: Young people on the way up, between the ages of 21 and 35; high income executives, both male and female; people age 60 and over; people who need investment advice; and people who have suffered a loss in the family.

As a Liberty Correspondent, you're invited to inquire about these market segments . . . and how your bank can take advantage of the packages we've developed to meet their specific banking needs. We'll give you facts, figures . . . marketing assistance, to help your bank stand out from the competition.

Marketing assistance is just one of the ways we help our correspondents. With this kind of help, shouldn't you be a Liberty Correspondent too?

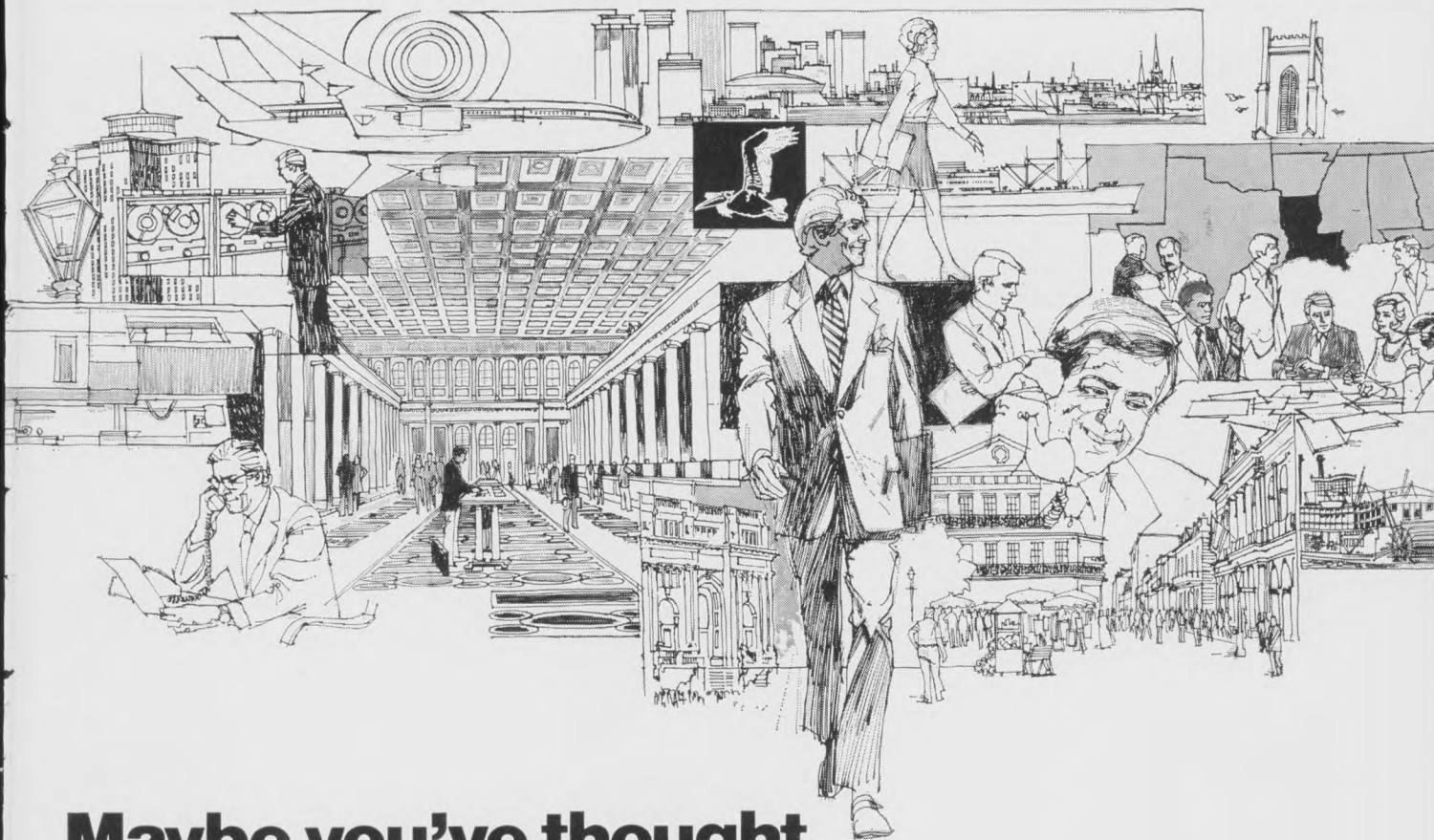


at your

LIBERTY

THE BANK OF MID-AMERICA

The Liberty National Bank and Trust Company P.O. Box 25848 Oklahoma City 73125 Phone: 231-6164 Member F.D.I.C.



Maybe you've thought of New Orleans banks as sleeping giants.

As a banker in the Gulf South, you have watched New Orleans lag behind other, newer cities in becoming centers of Southern finance. Whatever the reasons, New Orleans, the nation's second largest port, one of the South's largest metro areas, may appear to have been financially sleep walking. But as a banker you have noticed . . .

First National Bank of Commerce has identified the problem and is moving to solve it. And our efforts are paying off. For us and for our correspondents. We report more correspondents in a wider area than any other bank in the region. For a number of sound reasons. Our aggressive calling program. Our desire and ability to meet, head on, any correspondent requirement, quickly, confidentially and successfully. And, of course, our strategic location.

Our aim is to promote banking throughout the Gulf South, if we wake up a few sleeping giants in the process, we'll all benefit from the competition. Because only through an active, vitalized banking system will our region grow and prosper. If you're looking for our type of correspondent, you'll find us in New Orleans. If we don't find you first!



CORRESPONDENT BANKING

FIRST NATIONAL BANK OF COMMERCE

NEW ORLEANS



Art Krebs
Arkansas-Louisiana



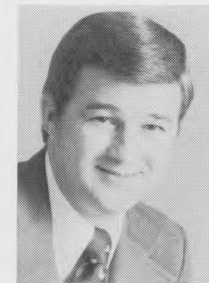
Ben Adams
Missouri



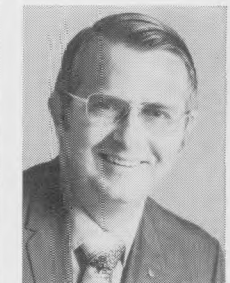
Jack House
Iowa



Duncan Kincheloe
Texas-Oklahoma



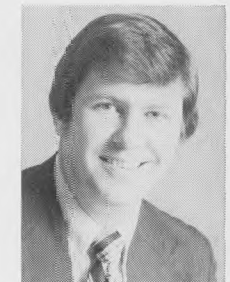
Paul Libbert
Missouri



Verne Schweder
Kansas City Metropolitan



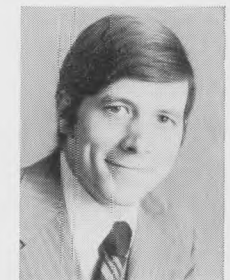
Jack Beets
Kansas



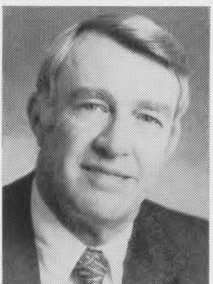
Phil Straight
Nebraska-Colorado



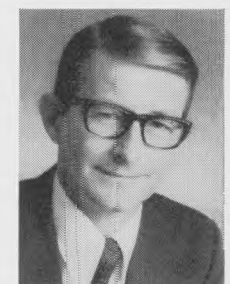
E. L. Burch
Vice President



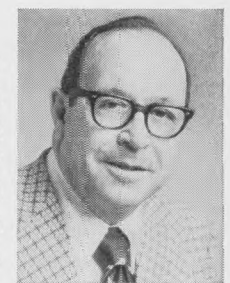
Tom Wood
Kansas



Don Thomason
Senior Vice President



Bob Widlund
Oklahoma



Dave Van Aiken
Kansas

We have a tiger in your territory.



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People like a leader. And when that leader can also get behind a problem and give it a push toward a practical solution—well, that's United Missouri Bank for you.

And for you, all the way.

We are ready to come to you

to help you with your credit overlines, to help you design your pension and profit sharing plans, to help you with your municipal and government bond portfolios, and to show you the many ways our expanded agribusiness department can help you with your farm customers.

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united missouri bank of kansas city, n. a.
None of the others come close.

Convention Calendar

May

- May 17: Bank Marketing Association Teller/ Customer Relations Program, Chicago, Continental Plaza Hotel.
- May 17-21: Mississippi Bankers Association Annual Convention, Biloxi, Pete Fountain's Buena Vista Hotel.
- May 18-20: ABA Southern Trust Conference, Williamsburg, Va., Williamsburg Lodge.
- May 18-20: Bank Administration Institute Northern Regional Convention, Louisville, Galt House.
- May 18-22: Independent Bankers Association of America First Seminar South, Fayetteville, University of Arkansas.
- May 18-23: ABA National Personnel School, Atlanta, Atlanta Townehouse.
- May 18-23: New Mexico Bankers Association New Mexico School of Banking, Albuquerque, University of New Mexico.
- May 18-31: School of Banking of the South, Baton Rouge, Louisiana State University.
- May 19-24: Illinois Bankers Association Agricultural Lending School, Normal, Illinois State University.
- May 25-29: Assembly for Bank Directors, Hot Springs, Va., The Homestead.
- May 25-30: Bank Marketing Association Essentials Course of Bank Marketing, Boulder, University of Colorado.
- May 25-June 6: Bank Marketing Association School of Bank Marketing, Boulder, University of Colorado.
- May 26-28: AIB Convention, Minneapolis, Leamington Hotel.

June

- June 1-6: ABA CEO Program, Hot Springs, W. Va., The Homestead.
- June 1-6: Kansas Bankers Association Kansas School of Agricultural Banking, Manhattan, Kansas State University.
- June 1-6: Kentucky Bankers Association Kentucky School of Banking, Lexington, University of Kentucky.
- June 1-13: Illinois Bankers Association Illinois Bankers School, Carbondale, Southern Illinois University.
- June 2-3: Robert Morris Associates Regional Workshop on "Problem Loan Reclamation/Workout," Kansas City.
- June 8-20: ABA National Installment Credit School (Second Session), Boulder, University of Colorado.
- June 10-12: Oklahoma Bankers Association Secured Lending School, Norman, University of Oklahoma.
- June 10-12: Kansas Bankers Association Bank Management Clinic, Lawrence, University of Kansas.
- June 10-13: International Monetary Conference, Amsterdam.
- June 11-12: Indiana Bankers Association Annual Convention, French Lick, French Lick-Sheraton Hotel.
- June 11-12: Missouri Young Bankers Seminar, Osage Beach, Tan-Tar-A Resort.
- June 12-14: New Mexico Bankers Association Annual Convention, Albuquerque, Albuquerque Hilton Hotel.
- June 14: Arkansas Junior Bankers Conference, Hot Springs, Arlington Hotel.
- June 15-20: ABA Bank Card School, Evanston, Ill., Northwestern University.
- June 17-19: Oklahoma Bankers Association Secured Lending School, Norman, University of Oklahoma.
- June 17-20: Arkansas Bankers Association Arkansas Banking School Basic/Intermediate Course, Little Rock, University of Arkansas Medical Center.
- June 30-July 1: ABA State Banking Law Workshop, Denver, Regency Inn.

July

- July 10-23: Tennessee Bankers Association Executive Management Conference, Switzerland.
- July 13-18: Kansas, Missouri & Nebraska Banker Associations Basic Trust School, Lincoln, University of Nebraska.
- July 13-19: ABA Operations/Automation Division Business of Banking School, Durham, N. H., New England Center.
- July 13-25: ABA School for International Banking, Boulder, Colo., University of Colorado.
- July 16-17: ABA National Governmental Affairs Conference, Washington, D. C., Shoreham Americana.

September

- Sept. 7-9: Kentucky Bankers Association Annual Convention, Louisville, Galt House.

MID-CONTINENT BANKER



The Financial Magazine of the Mississippi Valley & Southwest

Volume 71, No. 6

May 15, 1975

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NEWS ROUNDUP

News From Around the Nation

Bill-Paying From Savings Proposed

Proposals have been made by the Fed and FDIC to permit holders of savings accounts to use the accounts to pay any kind of bill. Currently, only mortgage payments can be paid from savings accounts.

In a companion move, the Fed has given the OK for withdrawing and transferring funds from savings accounts by telephone, a practice that has been banned for 39 years. The FDIC already permits this practice.

The innovations have been proposed "to permit member banks to offer more convenient banking services to their customers," according to a Fed statement.

Similar proposals have been made by the Federal Home Loan Bank Board for S&Ls, but no action has been taken at this writing.

No Time Deposit Penalty?

Regulatory agencies have proposed that banks be permitted to pay time deposits before maturity without imposing any penalty for early withdrawal in cases where the depositor has died.

Under the proposal, currently prescribed penalties for early withdrawal would not be mandatory upon a request for redemption after the death of an individual depositor. However, a bank would have the option of either refusing to pay the deposit early or agree to pay the deposit but impose a penalty of its own.

The proposal would not apply to joint or irrevocable trust accounts.

FHLBB Expands S&L Farm Loan Regs

The Federal Home Loan Bank Board has acted to permit S&Ls to make farm loans when mortgage payments are not made on a monthly basis.

The new regulations extend the maximum term of years for loans on farm residences from 15 to 25 years and allow for annual rather than semi-annual interest payments.

For commercial farm loans, the loan-to-value ratio is raised from 60% to 80% and the term of years is extended from five to 25 years on loans that are made on "commercial farming enterprises."

Education Loan Revamp Proposed

Major congressional surgery has been called for by the ABA to cure the ailing and poorly bandaged federally insured student loan program.

The association's plan calls for the payment of interest by the Office of Education to lenders on all guaranteed

loans while a student is in school and during any grace period that may follow graduation. Currently only students who can pass a needs test qualify for an interest subsidy. Students who don't qualify must seek often hard-to-get non-subsidized program loans.

The ABA proposes that the lender would reimburse the Office of Education for the interest advanced on behalf of the student and, at the same time, add that amount to the payment note. Students normally must begin repaying their loans within nine months of graduation.

The move would reduce the cost of the program by about \$250 million a year and enable more students to obtain loans, the ABA said.

Credit Allocation Bill Halted

Action has been halted on a credit allocation bill in the House because of mounting opposition from the banking community and government agencies.

An effort is expected to be made to work out a compromise plan with the Fed that will give Congress some control over the money management policies of the agency.

A resolution passed in March requires the Fed to give the public 12-month targets for money supply growth, asks the agency to seek lower long- and short-term interest rates and keep a closer tracking of money supply growth to growth of the economy.

ABA Supports RE Law Revamp

The primary objectives of the proposed Uniform Land Transactions Act have received ABA support. The act would simplify and modernize state real estate laws to encourage the flow of mortgage funds without regard to state lines.

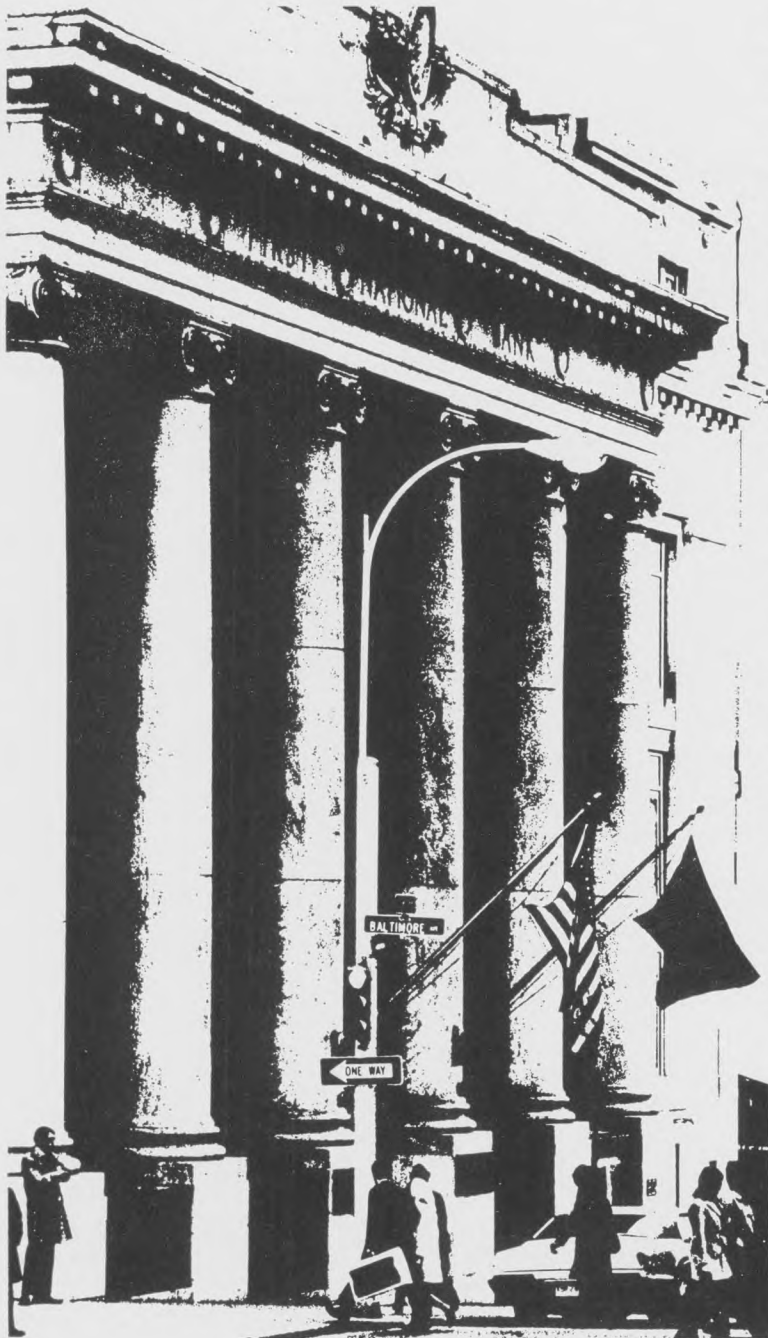
An ABA spokesman testified that it is in the best interest of the lender, home builder and prospective homeowner that the free flow of construction and mortgage funds be encouraged.

Comptroller Rules on Travel Services

The Comptroller has ruled that national banks are without power to operate full-scale travel agencies but may continue certain travel-related activities such as making travel loans, selling travelers' checks, foreign currency, letters of credit, transportation tickets and providing free travel information.

Activities prohibited would include travel promotion, soliciting travel business from the public at large and organizing or planning individual or group trips.

Let's talk about our strength and your security.



First National Bank of Kansas City has a reputation for being a strong, conservative bank. Strong because we have one of the largest capital structures of any bank in the region, and some of the longest standing correspondent relationships. Conservative because we obtain and invest funds cautiously.

Razzle dazzle has never been a part of our approach. And there have been times when that has worked to our disadvantage. But in today's economy, our strength and conservatism are looked upon as something of a financial fortress.

Our policies and people, of course, are what make the difference. We've always placed strong emphasis upon financial security and service for our correspondent banks.

That's one reason we call ourselves The First People. First of all, we're bankers. And we take money very seriously. Member FDIC. 816/221-2800

FIRST NATIONAL BANK
of Kansas City, Missouri

An affiliate of First National Charter Corporation

Selling/Marketing

For Easter:

Hanging Plants Draw \$ During Spring Promotion At Mercantile, St. Louis

Hanging plants proved to be popular items in St. Louis prior to Easter, 1975! Mercantile Trust conducted its first premium promotion (other than small gifts when promoting Christmas club accounts) during a three-week period in March. Plants came in eight-inch diameter plastic hanging baskets and varieties included Hoya, Boston Fern, Sprengerii, Plumosa and Piggyback.

Although the bank does not release figures as to money received, a spokeswoman said that add-on deposits outnumbered new accounts by about three-to-one. Judging from the number of people carrying hanging plants in the downtown St. Louis area, a good number of deposits were made.



Kathy Lia of Mercantile's customer service department arranges supply of hanging plants adjacent to redemption center in bank lobby.



Spanish courtyard atmosphere flavored display of hanging plants at Mercantile Trust, St. Louis.

A plant redemption center was set up in the main lobby. When a customer opened a new savings account for \$100 or more or added a like amount to an existing account, he or she was given a card which was taken to the redemption center where it was exchanged for the plant of the customer's choice.

A lobby display of hanging plants also was set up in the Mercantile lobby to show off the plants.

Ten Cent Beer, Too:

Bank, City Cooperate To Put on Polka Fest That Draws Thousands

With a minimum of cooperation from Liberty Trust, Durant, Ia., the city puts on a Polka Fest each year that draws as many as 25,000 people into a town of 1,500. So reports Oliver A. Hansen, bank president.

"The first year, the bank did lend a hand to get the affair started," Mr. Hansen said, "but in 1974, the affair's second year, it became entirely a community project. However, the bank does arrange to have a plentiful supply of change on hand and permit the headquarters bus to park on its lot."

The event is widely advertised—the bank talks up the affair on its own billboards—and draws people from states as distant as Minnesota, Wisconsin, Indiana and Ohio. And all they do is dance the polka and presumably drink beer because the only other feature is an hour of 10-cent beer to start off the big day.

Highway 6 through Durant is closed off for the day, and four bands play at one time while thousands dance. Many amateur groups also appear and play on side streets. The event was modeled after a similar Polka Fest at New Ulm, Minn.

'Check-Mate' Program:

Bank Offers Free Checking To Customers of Area S&Ls

Free checking service is not limited to a bank's own customers anymore—at least not at Madison Bank, Chicago, and a growing number of other banks.

Customers of three S&Ls in the Chicago area have the privilege of opening free checking accounts at Madison Bank, simply because these people maintain savings accounts of a given

minimum balance at the participating S&Ls.

The program is called "Check-Mate," and its key element is the use of wire transfer to shift funds from the customer's S&L account to the customer's bank checking account.

The bank is a primary correspondent for some 60 Chicago-area S&Ls and expects to sign up as many as 30 of them in the Check-Mate program.

According to a bank spokesman, Madison Bank expects to gain considerable new demand deposits from the program. At the same time, the participating S&Ls are placed in a stronger competitive position by being able to offer free checking to customers.

To comply with Illinois' prohibition of branching, checking accounts are opened by mail. Upon customer authorization, the bank uses wire transfer to funnel funds between the S&Ls and the bank.

Free Steaks:

Grand Opening Celebration Puts Meat on the Table

Liberty National, Louisville, has opened its 32nd branch office, the Pleasure Ridge Park Branch. As an enticement, the bank offered free meat to visitors, depositors and contest winners.

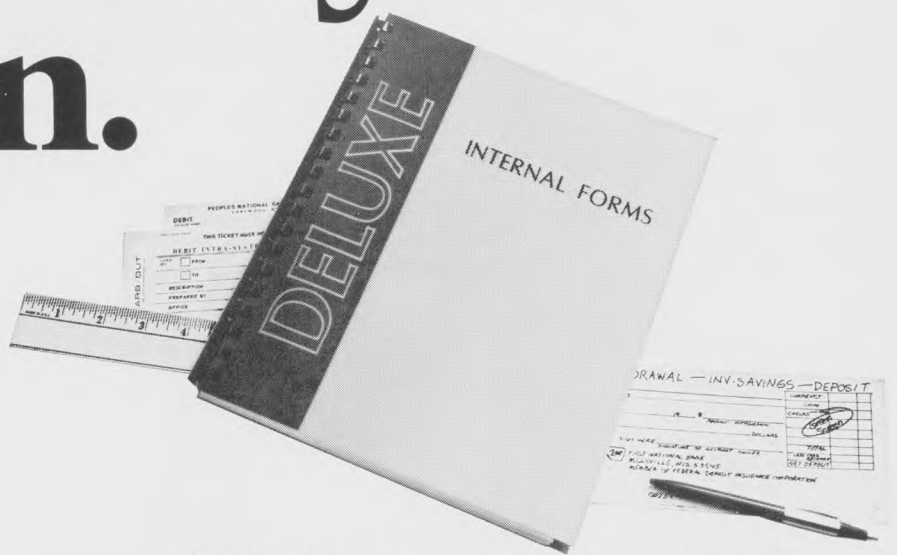
Liberty gave away a pound of bacon to anyone who visited the branch during the two-week celebration. Those who established an account received their choice of four 8 oz. strip steaks or a 4 lb. Boston rolled roast. As an added incentive, customers were able to register for a drawing. The prize? A side of beef.

The branch, which occupies more than 2,200 square feet of space, has four drive-in lanes and includes a 24-hour "Liberty Money Machine."



This was offer to depositors during opening of Pleasure Ridge Park Branch of Liberty Nat'l, Louisville. Those visiting branch received free pound of bacon, while customers could enter drawing for side of beef.

You'll find every bank form we print in our new catalog, except the ones you design.



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When you page through our new Internal Forms catalog, you'll probably find the form you need to do a better, more efficient job.

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STRATEGICALLY LOCATED PLANTS FROM COAST TO COAST

Multi-Media Training Helps Develop Sales

Bank Marketing Association (BMA) is planning to release a new multi-media training program this month, entitled the "Know Program." Its purpose is to help customer contact people, especially new accounts people and tellers, to quickly develop skills needed to sell their bank's services.

The new program has the intention of increasing the awareness of contact people so they can better serve the customer at various daily contact points by knowing services, customers and selling situations unique to their bank. The systematic introduction to personalized banking is followed by effective methods of getting the customer to make a commitment to the bank's services. BMA feels that any bank can increase the number of services now being used by its present customers.

The training program includes audio cassettes, participant workbooks, role-playing cards and a bank cassette for skills practice. A cassette recorder/player is the only piece of audio-visual equipment needed to implement the training program in the bank.

For self-instruction ideas, a trainer's manual is included in the package.

Bone China Attracts Dollars For Eastern Institutions

China continues to be a crowd-pleaser and a good source of new funds for financial institutions. Witness the case of Mechanics Co-operative Bank, Taunton, Mass., which recently concluded a promotion featuring Royal Crest English bone china.

During the three-month promotion, the bank took in \$665,946, split almost evenly between new and existing account deposits. The first unit of china was offered free with a \$25 qualifying deposit and additional units could be purchased for \$2.99 each with additional \$25 deposits. Additional deposits averaged \$348 instead of \$25, however. Customers could select from 35 items to complete their collections.



Selection of bone china designs available as incentives from International Premium Products, Des Plaines, Ill.

Items offered were cup and saucer sets, cake plates and coffee steins. All were provided by International Premium Products, Des Plaines, Ill.

A similar promotion at Attleboro (Mass.) Trust netted \$1.5 million in three months. \$1.6 million was deposited for bone china items at Bay State Savings, Worcester, Mass., and \$700,000 in new money was deposited at County Bank, Cambridge, Mass., in bone china programs.

Green Stuff Promotion:

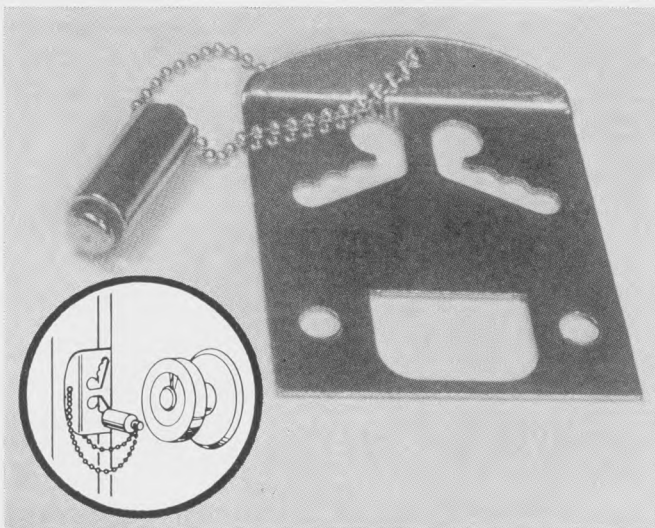
Bank Celebrates Birthday By Giving Trees, Bikes

First North County Bank, Jennings, Mo., celebrated its 15th anniversary by giving away 6,000 flowering redbud tree seedlings and two 10-speed bicycles.

The seedlings, given to all customers attending the two-day event, were obtained from the Missouri Department of Conservation as part of the bank's "We're Giving Away the Green Stuff" theme.

Special guests at the party included St. Louis TV-radio personality Grant Horton, who serves as the bank's spokesman, and St. Louis TV clown "Mr. Patches."

A photo display of the milestones in the institution's history was exhibited in the lobby, while balloons and refreshments also were part of the party atmosphere.



A REALLY NEW . . . LOW-COST PREMIUM

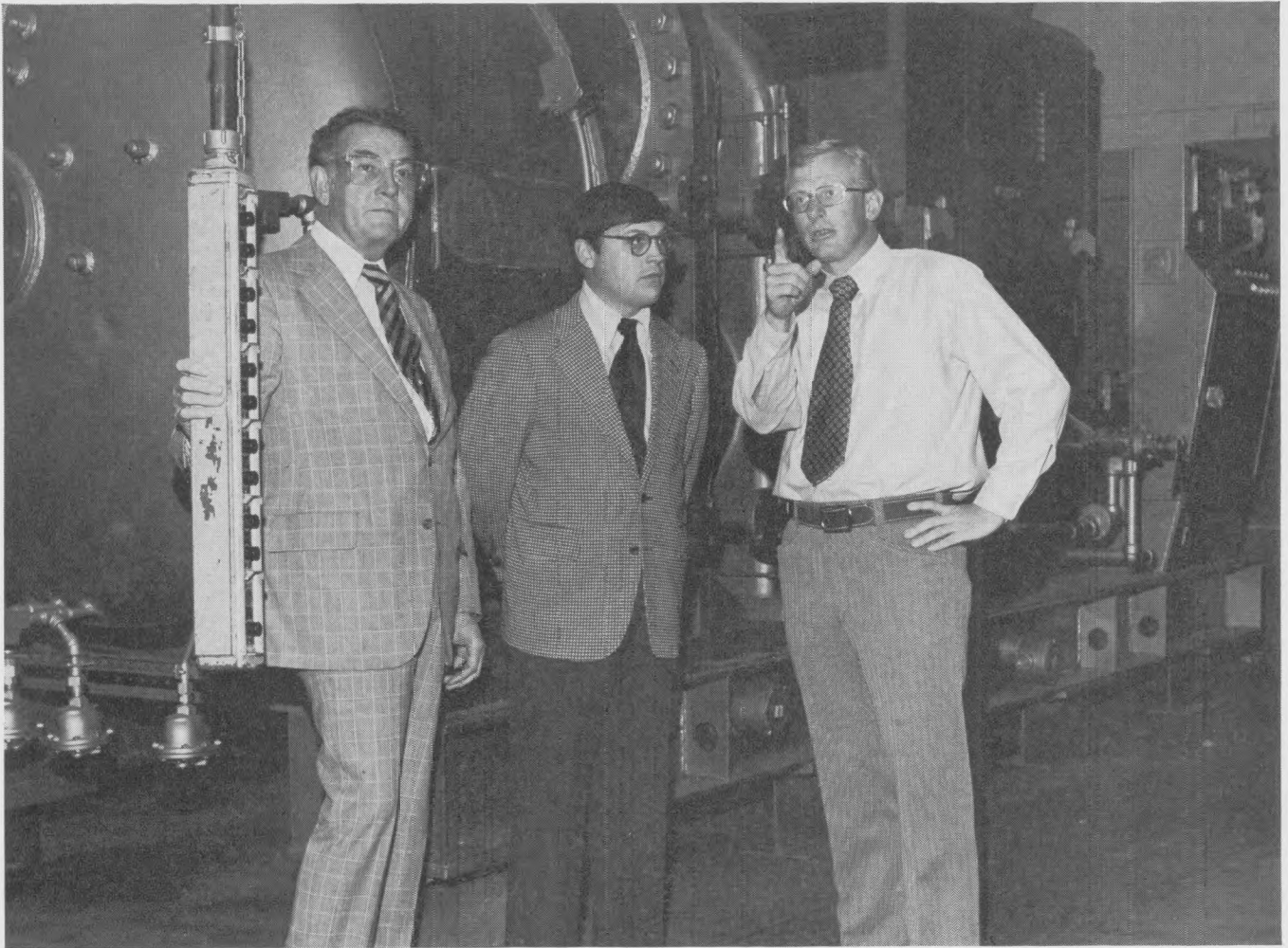
Help safe-guard your customers with this unique E.S.P. Door Lock. Every home can use Extra Security Precaution. This Door Lock can be your firm's EXCLUSIVE premium. The E.S.P. Door Lock is only \$1.49 @. This affords your program a lower minimum savings requirement to attract maximum new accounts or "add-on" savings. E.S.P. is easily installed with an ordinary screwdriver. Each unit is attractively packaged and offers full buy-back privilege. ADVERTISING CONCEPTS, INC., 6572 East Central, Wichita, Kansas 67206 (316) 684-0461.

Flower Fete Opens Bank



Bank of Ellisville, a brand-new institution in suburban St. Louis County, Mo., used a 29-day Flower Festival as its grand opening celebration. Starting with a ribbon-cutting by a local celebrity on Saturday, April 5, and concluding with a balloon ascension on Saturday, May 3, the virtually month-long event featured free flower seeds and what might be termed a Festival of Free Garden Tools. Each adult who came to see the new bank received a choice of a packet of zinnia, aster or Mexican fire bush seeds. Customers opening either a savings or a checking account with a minimum of \$100 could choose a gift from among 15 different garden tools or two different clocks. In most cases the gifts were just that—free—in other cases a small charge was made.

“We do our corresponding in person.”



Left to right, Howard L. Shaw, President, Liberty Savings Bank, Mayfield, Ky., and Sam T Adams, Vice President, Liberty National Bank & Trust Co., receive a complete tour of plant facilities from Jim Perella, Plant Manager, Ingersoll-Rand Co., Mayfield, Ky.

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**Liberty
National
Bank**

and Trust Company
of Louisville

In South Bend, Ind.:

Economy Since Studebaker Is Topic of Bank Report

When American National, South Bend, Ind., celebrated its 10th anniversary since local ownership and management took over from out-of-state interests, officials felt that the 1974 annual report should trace not only the institution's history from that time, but the economy of the surrounding area as well. A nostalgic view of the city was the result.

South Bend's economy has had several sudden swings since the day in December, 1963, when Studebaker Corp. announced that it was closing down its car-making facilities and releasing 7,000 employees. The report opens with a news clipping of that event, entitled "Black Monday at Studebaker Gate #1," showing shocked workers leaving the plant. In the background, an American flag can be seen flying at half mast in mourning for John F. Kennedy.

That page, as the others that follow, is done in a nostalgic sepia tone and the economy narrative is accompanied by a topical news clipping from that year. Each historic page is placed opposite a full-color page recounting the bank's 10-year history, resulting in an intriguing visual contrast on each spread.

The area economic history traces the various dips and gains in employment, construction, bank deposits, industrial development, etc. One economic gain was the role played by American National when it coordinated and as-

sisted in construction of what is reported to be the area's tallest skyscraper—the 25-story American National Bank Building.

The structure has served as something of a catalyst for the city's downtown redevelopment by private business and government. Since the bank erected the new building, over \$60 million in private and government funds have come into the downtown South Bend area.

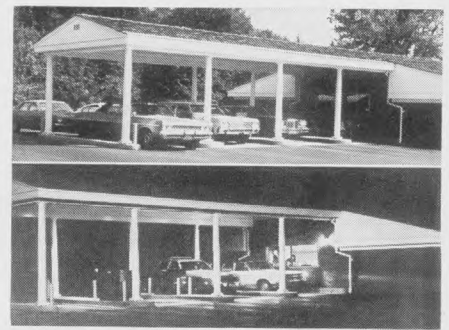
Work on the report was directed by Richard E. Coffey, senior vice president, marketing, at American National.

Bicentennial Premium Disc



Pickwick International is offering this collection entitled "The Americans—The Music of Our Great Nation" on two records or twin tape as an incentive item for financial institutions. The records are offered at less than half current retail price, according to Pickwick. Included are 30 musical selections celebrating the bicentennial. Write: Pickwick International, Pickwick Building, Woodbury, NY 11797.

Nonstop Banking Offered



Business never comes in too late at Colonial National, Newburgh, Ind. Why? Because the bank never closes! The bank is said to be the first in the U.S. to maintain a nonstop schedule of extended banking hours. Customers choosing to do their banking in the wee hours have a choice of using the bank's "mini-lobby," which is separate from the main office, or the drive-in facility, which is equipped with a drive-in window and three Diebold Visual Auto Teller I remote banking systems. The bank maintains two extended hour shifts, each manned by two experienced female tellers. According to Gerald R. McIntyre, president, about 20% of the bank's business is transacted at hours when the main bank (as well as the bank's competitors) are closed. All services are offered except loan closing, credit approval and safety deposit box access. Photos show day and night drive-in service.

In Hartselle, Ala.:

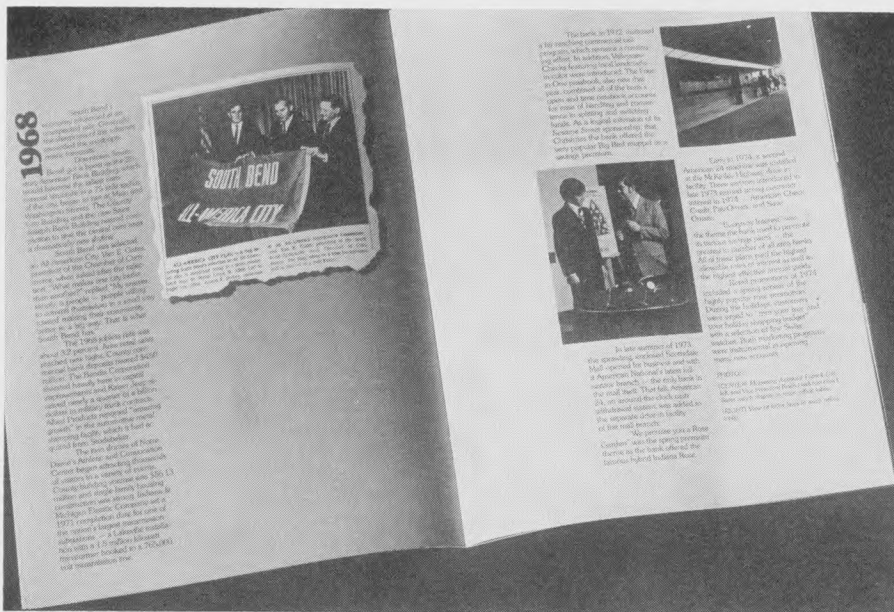
Handicapped Get a Break With Big Contract Order

Employees and residents of the Lurleen B. Wallace Developmental Center, a Hartselle, Ala., institution for the handicapped, have been awarded a contract to assemble and package 100,000 coin bank replicas of the Lincoln log cabin by Quality Incentives, a local advertising novelties dealer.

The banks, which will be marketed nationally as mementos of the Bicentennial celebration, will be assembled in the Sheltered Workshop at the Wallace Center.



Lincoln log cabin coin bank will be assembled and packaged by handicapped at Wallace Developmental Center, Hartselle, Ala. Quality Incentives, local advertising marketing firm, awarded contract for center to construct 100,000 such banks, which will be marketed nationally.



1974 annual report of American Nat'l, South Bend, Ind., contrasts bank's 10-year history with area's business development for same decade. Bank officials say approach has been successful, evoking favorable comment from businessmen mentioned in narratives and news clipping reproductions.



TOMORROW...

When ocean-floor cities are the newest frontier, BNO will have the services to make banking easy.

TODAY...

BNO is running ads like this to sell Teller 2000 Automatic Banking.

This is a look at BNO's leadership of the future—wild and fanciful!

However—BNO leadership today is real—and productive. So—when leading bankers, like *you*, join up with your friends at BNO, the result is bound to mean greater prosperity and progress for both of us.

(This illustration is taken from a consumer campaign now running in New Orleans. We'll gladly send proofs of the series on request.)

BNO

THE BANK OF NEW ORLEANS

AND TRUST COMPANY

P.O. Box 52499, New Orleans, La. 70152
CALL: 1-800-362-6718 (Within Louisiana)
1-800-535-6760 (From Miss., Ala.,
Texas, Ark., Okla.)

Community Involvement

In Tulsa:

Something New at Bank: Service for the Deaf

First National, Tulsa, is offering banking services to the deaf.

Harry Mattix, assistant vice president, who has completed courses in sign language at the Tulsa Speech and Hearing Clinic, says few deaf persons are aware of the service, hoping word will spread.

"Since we more or less do everything for a customer in the way of checking accounts, savings accounts, installment loans and CDs, it seems the deaf should be able to come to just one person for all their banking needs, too," Mr. Mattix says.



Harry Mattix, a.v.p., First Nat'l, Tulsa, demonstrates sign language he uses to communicate with deaf customers. He says only thing that slows financial conversations is lack of signs for terms such as checking, savings or deposit.

In Tennessee:

Bank's \$1,000 Donation Saves Fire Protection

The city hall in Union City, Tenn., was about to close, bringing to an end the hopes of townspeople who were trying to save the under-funded rural fire protection plan. Then, officials from Farmers Exchange Bank appeared and underwrote the remaining \$1,000, rescuing the plan.

A few months previous to that, Union City had been threatened with an increase in fire insurance rates unless additional equipment was purchased for the department, or rural service abandoned.

By getting rural families to sign up for fire service at \$35 per piece of property, \$27,000 was raised. With time running out, and the pool short by 31 families, the situation seemed hopeless. But, thanks to Farmers Exchange, the coverage was guaranteed and new equipment was ordered.

"We Live Here":

Bank's Public Services Help a City's Growth

Continental Bank, Chicago, invested about \$3.4 million in public service activities last year, mainly in the Chicago area. Officials announced that this year's contributions would be aimed at broadening the city's financial base.

In a report entitled ". . . Because We Live Here," the bank disclosed more than 40 projects in which it has been involved in recent years, listing all Chicago area agencies in the health, welfare, education, cultural, urban and related fields that were supported by either the bank or its foundation, Continental Bank Foundation.

The \$3.4 million public responsibility investment represented both direct expenditures and estimated staff time, according to bank officers.

Besides outlining key projects in which the bank is involved, the report shows that the Continental Bank Foundation and direct bank contributions in 1974 aided some 130 organizations in the Chicago area. Individual activities described include:

- The Family Financial Education Program is three series of money management education materials which the bank provides without cost to area high schools, social agencies and the Spanish speaking community.
- The bank has extended educational loans at lower than normal rates.
- It has made loans to community nonprofit organizations, chiefly hospitals and health centers.
- Continental has given direct grants to hospitals.
- The bank "loans" executives for periods of time to assist community groups and agencies.

Continental officials announced that the bank will turn its attention, in light of current economic conditions, to broadening the industrial base of the community through the work of its area development division this year.

The development division, reportedly the only one of its kind among mid-west banks, has been successful in attracting many major companies to locate their facilities in Chicago. The division will continue to work with local groups such as the Chicago Area Central Committee and the Mayor's Committee on Economic and Cultural Development.



Part of the \$3.4 million spent by Continental Bank, Chicago, during its ". . . Because We Live Here" program last year was PAL, updated tutoring program run in cooperation with Chicago Housing Authority. Julie Nause (l.), properties management division, is one of 40 bank staffers who help second-fourth graders with reading, spelling, math.

Skilled, But Sightless:

Products of the Blind Are Displayed by Bank

A Blindsight exhibit was held in the cafeteria of Heritage/Pullman Bank, Chicago, recently, during which bank employees were invited to examine products made by the blind.

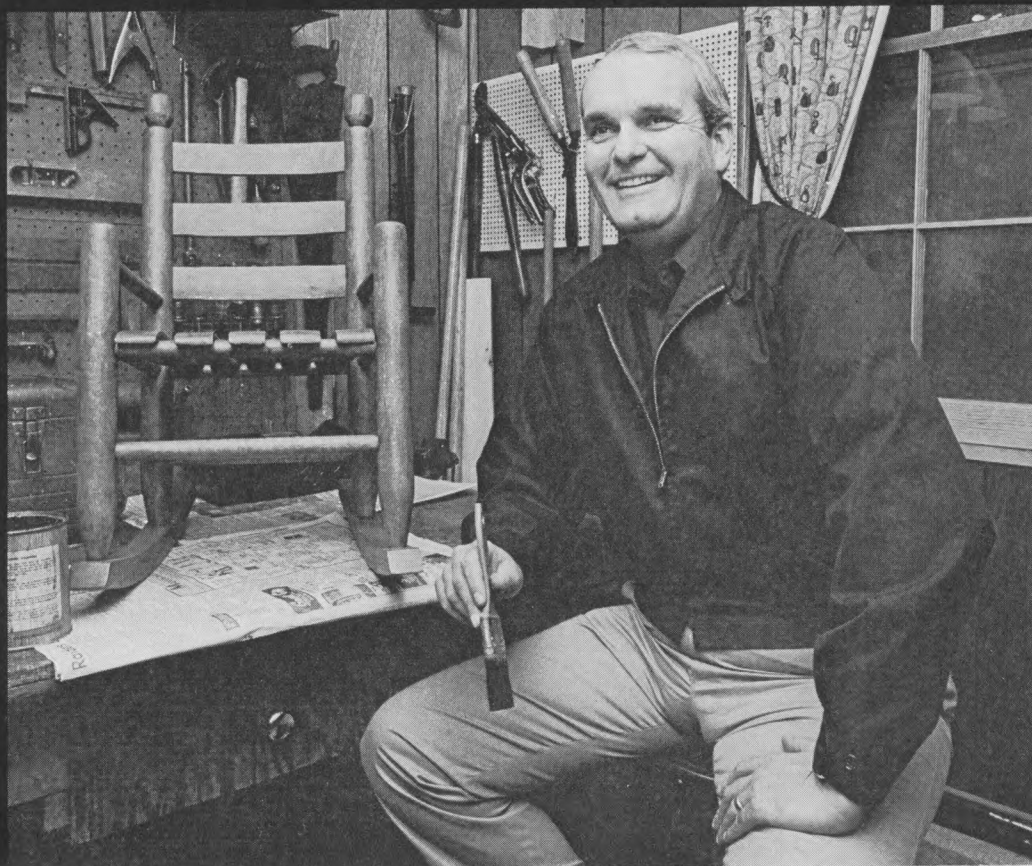
An array of household items was displayed along with cuddle dolls, stuffed animals and men's and women's wallets for purchase.

The display was an assist to the 5,000 blind craftsmen employed in the 83 Blindsight workshops of National Industries for the Blind.



Employees of Heritage/Pullman Bank, Chicago, study products made by National Industries for the Blind in their Blindsight workshops. Many items were for sale to the bank's employees.

As a woodworker, Tommy Butts lets the chips fall where they may.



But as a Correspondent Banker, he's a real craftsman.

In his spare time, Tommy Butts, Senior Vice-President and head of Third National's Correspondent Banking Division, likes to work with his hands. And the many items of furniture he's produced in his home woodworking shop attest to his considerable skill.

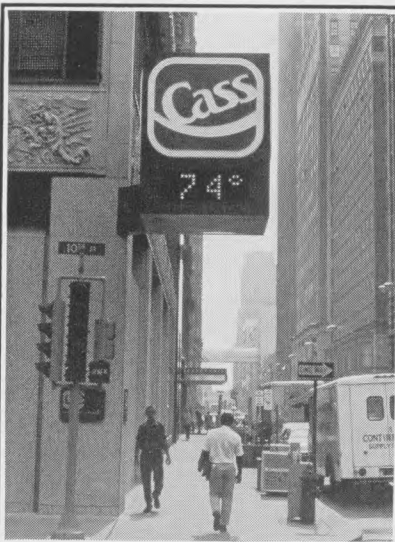
Tommy brings the same craftsmanship, the same careful attention to detail, to his profession of Correspondent

Banker. With the result that he's built some of the Mid-South's most lasting correspondent banking relationships.

Whatever your correspondent banking need or problem, call Tommy Butts or another of Third National's correspondent banking professionals. Our Tennessee WATS line is 1-800-342-8360. In neighboring states, dial 1-800-251-8516.

We're here to serve you.

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IN NASHVILLE Member F.D.I.C.



Cass Bank and Trust Company
St. Louis, Missouri

Beat the pants off your competition!

Bring in new money . . . and more business for all services . . . your reward for using the proven pulling power of an AS&I community service/advertising display. Time/temperature displays, Message Centers, complete signage and logo programs . . . each produces results in today's competitive climate. With AS&I you also get environmentally-sound design and a lifetime guarantee of dependable performance.

Over 5,000 financial institutions are now enjoying the rewards possible with AS&I displays. You should be, too. Return the coupon today for full details!



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Representatives and Field Engineers
Serving Every City

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Title _____
Company _____
Address _____
City _____
State _____ Zip _____

Double Prize:

Six-Foot Rabbit Is Feature Of Bank's Easter Drawing

The Junior Bankers Savings Club at State National, Evanston, Ill., celebrated the Easter season with a gift to Greater Chicago's Easter Seal Foundation. In addition, Junior Bankers were invited to participate in a drawing for "Hugs," a six-foot stuffed rabbit.

One of the ways to enter the drawing was to make a donation to the foundation. All contributions were used toward the purchase of a wheelchair for one of several Easter Seal clinics throughout Chicago.

Breezie the Clown, Junior Bankers Club president, presented the wheelchair to the Easter Seal Foundation during the foundation's annual Easter Seal Telethon.



Beth Hurrie, member of the Junior Bankers Savings Club at State Nat'l, Evanston, Ill., donates her gift to Easter Seal Foundation. Contributions went towards wheelchair for foundation; contributors were eligible to enter drawing for six foot stuffed rabbit.

Goodbye, Ford:

Man Underwrites Program As Foundation Withdraws

When it was learned that Ford Foundation money was being withdrawn from Oklahoma's Public Broadcasting System, many feared that the network would die unless local funding could be found.

Peter G. Pierce, president and chairman of First National, Bethany, stepped forward as the first person to completely underwrite a program for a full year.

Mr. Pierce contacted the state Educational Television Authority a week before its 11-day telethon, informing the authority that he wanted to finance the "Wall Street Week" show, which, he said, seemed the logical choice because of its interest to the Oklahoma business community.

Through a series of mailings, Mr. Pierce hopes to encourage others in the state's business community to lend their support to the broadcasting system.

Financial Seminar:

Bank Teaches Planning For Financial Future

Palatine (Ill.) National has sponsored a free financial seminar for area people interested in learning more about financial planning, investing, buying insurance, budgeting and other money-related subjects.

The series, held at the bank on three consecutive Monday evenings, featured Alastair Duff, who has taught money management in the Palatine Adult Education program for three years. He also has been a financial adviser the past eight years and is licensed to speak on the merits of equity investments.

The first of the series featured budgeting, achieving financial program balance and the importance of wills, while the second covered insurance. The final session highlighted advice on stock market investments, mutual funds and the new tax-exempt Individual Retirement accounts and HR-10 plans.

Born Grown:

Bank-Commissioned Book Wins 'Wrangler' Award

Born Grown, a history book about Oklahoma City that was commissioned and published last year by Fidelity Bank, has reportedly become the first work written and published in Oklahoma to win a Western Heritage Award from the National Cowboy Hall of Fame and Western Heritage Center.

Author Roy P. Stewart, an Oklahoma City journalist, along with research-editing associate Pendleton Woods, won the "Wrangler" award in the local history category.

The book contains many photographs recalling the history of the town.



(From l.) Dean Krakel, dir., National Cowboy Hall of Fame and Western Heritage Center; Jack T. Conn, ch., Fidelity Bank, Okla. City; and authors Roy P. Stewart and Pendleton Woods look over a copy of "Born Grown," a photographic view of the city's history, after learning that book, commissioned by bank, had won Hall of Fame's "Wrangler" award in local history category.

Some of the things you might think you need to insure all your customers.



Everything you need.



Durham Life has put it all in a single, compact kit.

All the credit life policies you need to insure everything from small loans to large, long-term loans.

Instead of dealing with a drawer full of different companies,

you'll deal with one company, one man. You'll get a complete credit life kit from him and much more. He's an expert who can set up a system tailored to your system.

We even have a special policy that covers the \$10,000 to \$15,000 loan. The unique feature of this

policy is a premium determined by age. The form is short, easy to fill out, and no physical is required.

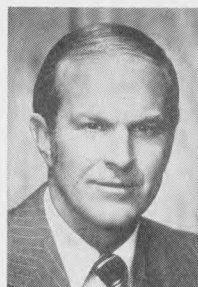
You'll have competitive premiums and fast claim settlements too.

Durham Life. It's all you need to know when it comes to credit life.

Durham Life

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NEWS OF THE BANKING WORLD



BARNSDALE



WILLIAMS



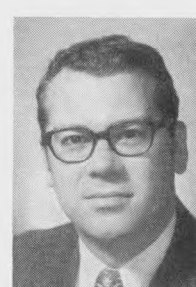
GOLDER



HUSSEY



MONAHAN



FIELD

• Clarence C. Barksdale has been elected president and chief operating officer of First Union, Inc., St. Louis. He formerly was executive vice president of First Union and will continue as president and CEO of First National, St. Louis, one of the HC's lead institutions. Eugene F. Williams has been elevated to vice chairman and Richard F. Ford has been named executive vice president of First Union. Mr. Williams, who formerly was executive vice president of First Union, will continue as chairman and CEO of St. Louis Union Trust, First Union's other lead institution. Mr. Ford will continue as executive vice president of First National, St. Louis. Mr. Barksdale joined First National in 1958, rose through the ranks, and was named president and director in 1970. He was elected vice president and director of First Union in 1971 and executive vice president of the HC in 1972. Mr. Williams joined St. Louis Union Trust in 1947, becoming president in 1967 and CEO in 1970. He was named executive vice president of First Union in 1972. Mr. Ford joined First National in 1969 and became executive vice president in 1973.

• Stanley C. Golder, president, First Capital Corp., Chicago, subsidiary of First Chicago Corp., has been appointed chairman of the 13-member Small Business Investment Companies' advisory council of the Small Business Administration. The council works with SBA officials in exploring innovations to make the industry more effective.

• Paul L. Hussey has been promoted to executive vice president from senior vice president at Manufacturers Bank, Detroit. Promoted to senior vice presidents were Michael T. Monahan, national division; Robert E. Field, mortgage; Gerald V. MacDonald, consumer loan; and Don B. Dean, commercial loan division. Mr. Hussey will assume responsibility for the retail banking functions, including consumer loan, branch, marketing, community relations and government relations departments. He joined the bank in 1950. Mr. Monahan is responsible for bank relationships outside Michigan serving the financial needs of bank customers.

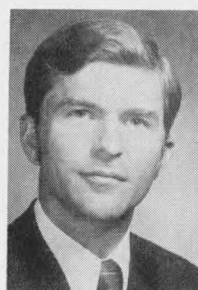
Corporate News Roundup

• First Claren Corp. William J. Burda Jr. has been appointed vice president and general manager at First Claren Corp., Naperville, Ill. Formerly assistant vice president, Mr. Burda has been with First Claren since 1973. First Claren is a wholly owned subsidiary of First Ogden Corp., Naperville.

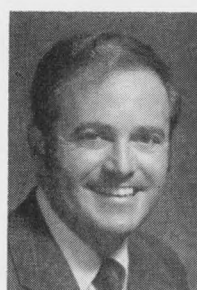
• Financial Insurance Service, Inc. William Chris Eickhof Jr., has been elected president of Financial Insurance Service, Inc., Des Plaines, Ill. He had been executive vice president and director since the firm was organized in 1969. Earlier in his career he was with Travelers Indemnity Co. at the Richmond, Va., Chicago and Oklahoma City branches.



FORD



MacDONALD



DEAN



EICKHOF

Say Aloha For Your Next Deposit-Building Continuity Program.

With Genuine
Hand Painted



STONEWARE



Aloha PATTERN

Now available for the first time, this brand new, genuine hand-painted stoneware in the alluring Aloha pattern, an elegant design inspired by the gorgeous tropical flowers of Hawaii, is already setting sensational new deposit records. In its first savings promotion, it brought in over a million dollars in new money in ten days. What better way to say "welcome" to qualified accounts, new and old, than by giving them a place setting of this magnificent and practical stoneware. Rare is the depositor who can resist adding more place settings and accessory units once she acquires her first free place setting. Fired at extremely high temperatures, this stoneware is the most versatile and durable dinnerware made, having the exceptional strength to go from freezer to oven to table to dishwasher.



**Chadds
Ford**

*Fine
China*



makes the ideal complement to a stoneware continuity program. The combination appeals to both the formal and casual segments of the dinnerware market. Let us show you how other institutions are securing maximum results from properly structured continuity programs.

The Aloha promotion, complete with glamorous displays, color brochures and advertising aids, is now available exclusively through Programmed Marketing, Inc. For full details and a first option in your marketing area, call or write

Mel Smith, President

**PROGRAMMED
MARKETING, Inc.**

An affiliate of D.F.S. Inc.

Chadds Ford, Pennsylvania 19317
Telephone: 215-388-7384

Planning A Grand Opening?

Build Big Traffic Fast, Speed Payout On Office Investment



With **MYSTERY TELLER**

Repeat business, year after year, is convincing evidence that DFS Incorporated has been able to help hundreds of institutions throughout the United States shorten the pay-out period on their new office investments. How is this accomplished? By using our packaged promotions built around the exclusive Mystery Teller's Window, which attracts maximum grand opening traffic and maximum new business.

A Successful Strategy

It's a fact that nine out of ten grand openings produce new accounts in direct proportion to the number of people who attend. And the Mystery Teller's Window is a proven traffic generating device. It works like this:

About a week before your Grand Opening, a Mystery Gift Card is distributed to each home in the area

being promoted. Most cards are self-mailers, but they can be designed as mail or newspaper inserts. Your prospects are invited to bring their card to the Grand Opening, because hundreds with invisible mystery messages will entitle the bearer to a free choice of the gifts shown. When winning cards are put through the



Mystery Teller, the mystery message becomes visible, lights flash and a fanfare of trumpets is sounded. Winner or not, each visitor can select one of the same gifts when he opens an account.

Having lots of winners of low cost gifts costs less and produces far more traffic than most grand prize drawings. And the more traffic, the more new accounts.

COMMENTS FROM ENTHUSIASTIC USERS

"We were very pleased with the results of the Mystery Teller. During the two full days, we opened 910 new accounts."

"Our Association was very pleased with the Mystery Teller. We made a mailing of less than 3000 and . . . had about 1000 people at the opening . . . we opened 165 new savings accounts.

"Am writing to tell you how delighted we are at the results of our branch opening. A great deal of the credit for the very successful three day opening belongs to your organization and the Mystery Teller. The latter met with unusual customer acceptance and is still a topic of conversation almost three months later. Any such successful campaign as this one deserves an encore, so please keep in touch with us."

"During the Grand Opening of our Uptown Office we had traffic of 3,500 and opened over 500 new accounts. The entire program was a complete success. Congratulations to you are in order for a job well done. Thank you again for your excellent services."

"Our Grand Opening was a tremendous success. A large measure of credit was due to your expert assistance. Our sincere thanks for a job well done."

"The 'Mystery Teller' was most effective in building traffic for the recent opening

of our new all-TV bank. We plan to use it again for our next branch opening."

"...we were well satisfied with our 'Mystery Teller' promotion. We mailed about 4400 cards and gave away approximately 340 prizes. Total traffic for the two days was estimated close to 4000 people. The continuous action of the Mystery Teller created much interest and we had many favorable comments on it."

"Your Mystery Teller was better medicine than prescribed by Old Dr. Boston. Our employees, wives and daughters were all involved to the point we never had time to go to lunch; the fact is the lobby was full — we could not get out the front door. In one five hour period, 400 mailers went thru the Mystery Teller and 110 new accounts opened. The following three hour day, 313 mailers came in and 92 new accounts were opened. We cannot help think the Mystery Teller did the trick."

"Our Mystery Teller program was very successful. We distributed 5000 gift cards . . . and . . . 1612 cards or 27% were returned during the three days . . . we opened 193 new accounts . . . I would recommend the program to anyone . . ."

"We were pleased with the Mystery Teller. It was the perfect alternative to a grand prize drawing. *Names supplied upon request.

Typical Mystery Gift Cards



If you have a Grand Opening in your future, get the full story of the Mystery Teller Promotion. Without cost or obligation, write or call

MEL SMITH, President

DFS Incorporated

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Financial Lessons of 1974: A Regulator's View



By **PHILIP E. COLDWELL**
Member, Board of Governors
Federal Reserve System

THE ECONOMY of 1974 and the financial problems developing therefrom were of a highly unusual nature. We were responding to the changes in the energy situation and the sharply higher prices for oil, natural gas and their products. And these responses brought even more rapid rates of inflation throughout the economy. The construction industry fell to quite low levels as prices of houses rose rapidly and credit became less available to home buyers in this period of high and rising interest rates reflecting, again, the disintermediation of funds from thrift institutions.

The international developments reinforcing inflationary trends include the coincident cyclical positions of the industrial countries, the pressure for recycling petrodollars and the uncertainties originating in the changing international monetary reaction to floating rates. There were rapid and wide gyrations of exchange rates which kept the markets off balance and increased the uncertainties for dealers in exchange and for the exporters and importers of goods throughout the world.

The instabilities in our domestic economy were accentuated by the political problems of the year and by the shortages of basic raw materials early in 1974, with the subsequent over-ordering which created a massive inventory buildup. Recognizing these and other major difficulties in the economy, I want to write about the responses of the financial institutions in meeting these problems.

In evaluating the responses, I intend to appraise four areas which I will call the four "cs"—conceptualization, control, constraint and caution.

Conceptualization represents planning—the need for careful planning of forward actions by managements of banks to the changing economic and financial conditions of an economy in transition is a clear lesson of history. It seems to me that most of us, including bank managements, spend too

much time reacting instead of planning. Without carefully conceived plans and programs to meet changing situations, bank managements are constantly fighting fires and adjusting policies to day-to-day situations.

By April of 1974 it took no special insight to know that the banking system was going to have to respond to another period of monetary restraint. Some banks were able to plan their programs in such a way as to be able to respond appropriately when excessive demands for credit hit their banks and a rising proportion of outstanding credit commitments were drawn down. In too many banks, planning ahead to conceptualize the framework within which they must operate was merely a day-to-day response of business as usual and meet all the demands possible by borrowed funds, issues of new CDs, purchase of federal funds, or even Eurodollar acquisitions.

Too many banks relied too heavily upon an upward ratcheting of interest rates to control credit extensions, without giving sufficient thought to the type

of credit commitment they were extending nor the type of borrower being accommodated. Planning for future acquisitions by holding companies both in foreign operations and domestic additions also was often inadequate and inappropriate to the developing situation and its problems. It almost seemed that some bankers cared little about or understood the necessity for the internal balance of assets, both in maturity and product mix.

Planning for additions to capital was especially weak. Now, I grant that markets were poorly placed to accommodate new capital issues, but few banks took actions in the areas where they did have control, such as voluntarily retaining earnings to boost capital and limiting asset growth until capital and liquidity became sufficient.

The first step in adequate bank management response to a developing situation should have been for planning and conceptualizing the salient features of the economy to which it must respond. But often a satisfactory response in this area was counteracted by a poor response to the second "C," that is, in their follow-through in controlling the activities of the banks.

Bank after bank found itself in a position heavily funded by short-term funds because it did not adequately review and limit the extensions of credit or the commitments made by its management to would-be borrowers. I know that many bankers would respond that they were merely accommodating the credit needs of their regular borrowers and that credit commitments were made in past years when expansion was the rule of the day. But I submit that a careful well timed management response to the situation would have curbed credit commitments and found ways to curtail them in the face of a reduced supply of credit and a period of monetary restraint.

Control was insufficient in the area of foreign activities where banks, particularly subsidiary banks of some of

Mr. Coldwell's remarks were delivered recently at the district meetings of the Texas Bankers Association.

the large bank holding companies, permitted officers to engage in foreign exchange operations with neither controls nor adequate caution as to the type of currencies being acquired nor the open positions to which the bank might be exposed. It is probably true that the weaknesses of any organization and especially one so highly service oriented as banking become evident largely in periods of stress. However, I believe that such periods of stress in the past have shown these same weaknesses, and yet some bank managements have been slow to respond to such developing problems and have failed to provide adequate controls or place limits on their positions.

For a few banks, even the control of day-to-day operations seems to have slipped this past year and some of their control procedures seem to be inadequate for modern day banking. The sheer growth of banking operations, the increased check processing, cash handling, credit commitments and repayment schedules have not been adequately supervised. It is not sufficient to develop a control program and walk away from it without careful supervision and external audit checks. In a period of rapid changes in banking and of changes in the market places within which banks must do business, controls must be enforced with great diligence and control procedures continually updated to maintain efficiency and effectiveness, and to permit management supervision of a growing institution.

The need for continued attention to the adequacy, effectiveness and enforcement of controls is a lesson which banks should have learned from prior periods of stress but certainly from the pressures of 1974. Hopefully, some will learn in rapid fashion for there are still banks presently in need of the development of such controls to correct back-office problems.

Our third lesson from the 1974 textbook of banking and financial developments can be represented by the word "constraint," which, in the context used here, means public service constraint. It means self restraint for the economic statesmanship required of the banking industry and it may mean limiting profits, interest income and even operating revenues to contribute to the higher goal of economic stability in the nation.

I recognize that the individual banker seeks a bottom line maximization and I recognize that the banking industry is now moving largely from owner operators to professional managements. But I also know that the banking industry is one of the most visible and highly public service oriented indus-

tries of our nation. Its public responsibilities far exceed that of the normal profit-oriented business, and may exceed those of other regulated industries. If banking does not live up to its responsibility, the nation as a whole will suffer. Under the pressures of competition, many banks have been unwilling to constrain their profit-making activities for the benefit of the nation as a whole and have operated "business as usual" with growth and bottom-line expansion as the sole targets.

Constraint is difficult but it is one of the hallmarks of an enlightened banking management and a public service oriented institution. One can wonder aloud about those banks that rely excessively on purchased brokered funds or the banks on the other end of the transactions who sell most of their surplus funds into the federal funds market with too little regard for adequate servicing of local credit needs. Constraint means saying no to some borrowers for the benefit of the nation and the banking institution.

In another context, constraint means careful response to the problems of banking. Far too many bankers become back yard gossipers about the alleged problems of other banks or bank customers. Time after time the difficulties of a particular bank were exacerbated by the Monday morning quarterbacks and the gossipy old hens of the banking industry. The efforts of the regulators to aid in the correction of individual bank problems have been partially frustrated by the public gossip of other bankers. It is long past time when bankers should recognize that the problems of one unit are the problems of the industry and that the failure of one compounds the difficulties of all. I cannot say in too strong terms that gossip has no place in a responsible industry of professional leaders. It is demeaning to the industry and all within it to gossip about the problems of individual units.

Finally, it seems to me that another lesson not well learned by bankers in 1974 was the need for caution. It would have seemed logical to me that banks and bankers would have injected a considerable degree of caution into their operations and handling of borrowers and credit extensions this past year. But insufficient caution was exercised by too many with a result that expansions of credit in both over-all totals and in specific areas became a nationwide problem. It is of course easy to generalize the headline problems of a few banks and certainly the banking industry as a whole is not in the kind of operational or credit condition that these banks represented. But there are a number of other banks whose posi-

tions need strengthening and they should learn from the troubles experienced by others.

There are likely to be large loan losses recorded as banks report their year-end data. It is also apparent that a good many of such losses will be coming from the real estate and construction industries. One can sympathize with those banks that sought to help the construction industry in their communities and extended credit for back-up lines of commitments, only to find that financial conditions beyond their control caused cash flow problems or even failures.

But it is hard to extend much sympathy to the bank that merely accepted the credit appraisal of another financial institution and made no effort to cross-check the validity of those appraisals or to review and reappraise them as changing conditions impacted upon the construction industry. A generous measure of caution would have brought bank managements into a posture of checking, double checking and re-checking every major line and assuring themselves that bank funds were being adequately safeguarded with additional collateral as needed and take out commitments reinforced.

Another type of credit problem surfacing too often these days is self-dealing loans to directors and shareowners. It would seem to me that such loan activity should have been limited severely in the difficult times of recent years. Excessive credits to directors and their industries can only bring grief to the bank if nothing else than by the appearance of self-dealing. Similarly, over-concentration of credits in a particular industry was a special problem for some banks this past year. A balanced portfolio of loans is still a desirable objective and one particularly appropriate in periods of economic stress.

In still another area, it would seem to me that adequate caution would have required directors of banks and other financial institutions to insure that their managements were on top of all situations and preparing reasonable forward plans to meet developing contingencies. Perhaps as a fallout to the shift from owner-management to professional-management, some bank directors do not seem to have adequate control, interest or even information to appraise the adequacy of their managements and assure themselves that management is doing a proper and responsible job.

It has been, and continues to be, axiomatic in banking that management is the critical key to the progress, safe-

(Continued on page 26)



LEFT: Frank S. Craig Jr. (l.), pres. & CEO, and Donald F. Gerald, exec. v.p., Fidelity Nat'l, Baton Rouge, approve plans for implementing communications and selling skills program with Sally Lay, bank train-

ing coordinator. RIGHT: Bruce Krueger, instructor for The Innovative Group, lectures at leaders workshop prior to implementation of training program. Leaders are managers of branches or departments.

Customer Communication Training Program Develops Employee Selling Skills

IF A PERSON should drop into any one of the 11 offices of Fidelity National, Baton Rouge, La., and could snoop a bit behind the scenes, he'd probably be surprised by the sight of a raft of shiny new decals plastered about.

Placed on desks, telephones and at tellers' windows, these stickers contain a list of basic principles governing communication with the bank's customers. While none of these guidelines offers any special magic, they do present logical step-by-step reminders on how to effectively communicate with customers, beginning with a proper greeting and ending with the sale of new or additional bank services.

The placement of these stickers is not the only noticeable change at Fidelity. Bank personnel, from branch managers to tellers and bookkeepers, have a new attitude which reveals itself in many day-to-day employee interactions. And it all stemmed from a training program recently developed for the bank by The Innovative Group, a management consulting firm in La Jolla, Calif.

To understand how this program came about, what it involved and what the benefits to the bank may turn out to be, it is helpful to realize that Fidelity National is a progressive institution

run by some rather far-sighted executives. Although the bank, headed by President and Chief Executive Officer Frank S. Craig Jr., was already on the upswing, employed about 400 people and had just opened its ninth office, it was on the threshold of a major, new marketing thrust. Until 1974, it had concentrated on service to the corporations and business firms in the east Baton Rouge Parish area. To further its growth, Mr. Craig, along with bank board members, decided to make new customers of the individual consumers in the area and, in keeping with this policy, instituted a number of special consumer-oriented services.

During this same time, Ralph H. Sims, Fidelity's vice president of advertising and public relations, heard about a program in communication and selling skills being offered by the California firm. He invited Jack Hayes, Innovative's president, to Baton Rouge to discuss the program. However, this consulting firm's approach to selling its services differed somewhat from the typical.

Prior to meeting with Mr. Sims and bank management, Mr. Hayes' people performed a "shopping" survey in which they posed as prospective bank customers, making in-person and telephone inquiries about the bank's ser-

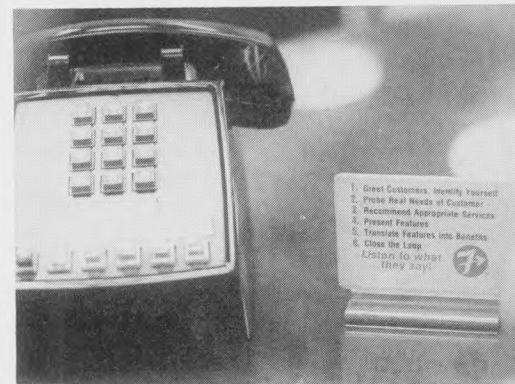
vices. Then, when Mr. Hayes met with other bank officers, he asked these executives to express their opinions regarding the communication skills of their customer-contact personnel.

More specifically, he had them answer a set of questions such as, "What percentage of the time do you believe that your customer-contact people:

- Speak clearly?
- Ask probing questions to determine the customer's needs?
- Ask for the business?"

Mr. Hayes then compared responses to these questions with results of his communication effectiveness evaluation

Desk plaque serves as reminder to employees to practice basic steps of improving communications and selling skills.



(a formal tag for the shopping survey). The reaction of this senior management group, according to Mr. Sims, was "shock at the weaknesses of our people in communication and selling skills."

As a result of this disclosure, followed by the presentation of possible solutions to the problem, Fidelity agreed to have The Innovative Group develop an improvement program tailored to the bank's needs. The firm had implemented similar programs for approximately 30 banks and 14 savings and loan associations.

More importantly, according to Mr. Sims and to Sally H. Lay, director of educational programs, the communication and selling skills program appeared to have "more of a lasting value than the purely motivational type training programs to which we had previously been exposed." Mr. Sims added, "It made us realize that our greatest asset is our own employees."

Digesting Fidelity's particular requirements, The Innovative Group developed a two-part program which was subsequently presented by the latter's specialists, Bruce Kruger and Jack Mason.

The first session, a half-day period called the "Top Performers' Workshop," addressed those customer-contact people who had performed well on the shopping survey plus others selected by the bank as strong contributors—a total of 14 people.

The second session, two days in length and designated as the "Leaders' Workshop," was conducted for approximately 36 of the bank's branch managers, assistant managers, department heads and assistant department heads; those people who would be responsible for conducting bank-run learning sessions for most employees.

The top performers' workshop was a loosely structured session in which the employees—made aware of how they were selected, including details on the shopping survey—were stimulated to help determine what training aids were needed and to help develop a logical, bank-compatible approach to better communication and selling skills. Most of these "top performers" were aware that the bank wanted to improve customer service, but they also recognized that no one had specifically instructed them how to do this. In addition, as top performers, these people had good communication skills, but generally lacked an understanding of how they fit into the bank's selling process.

During the session, these people were exposed to principles of behavioral science and then were given a preview of the comprehensive sessions to

be held for the other employees. In recognition that these individuals could contagiously influence their colleagues, they were encouraged to publicly voice their opinions of the program and the potential benefits. Portions of this session were videotaped. Their supervisors were shown the video-tapes and made aware of the enthusiasm of these employees for producing more effective service.

Miss Lay, who coordinated the program for the bank, had the highest commendations for Messrs. Kruger and Mason for their ability to get the participants involved and, particularly, for their use of *open-ended* questions. One which stuck in her mind was, "What unique services does the bank offer?"

The answers given to the question made the participants realize that they knew more about the bank than they thought they did. "We've got midnight teller service," said one. "We offer a 24-hour Tel-a-bank service," added another. And a third said, "We offer free checking accounts for senior citizens, for the 18 to 25 age group and for non-profit organizations. We must be the friendliest bank in town!"

These answers also made the participants realize that they knew a great deal about the services even though they seldom told customers about them.

Following this half-day session, the two-day managers' training was given. This session (identified as the "training the trainers" workshop) was broken into two parts—an introduction on the first day and "hands-on" practice in leading small group learning sessions on the second. The introduction included a review of the shopping survey, the bank's basic communication and sales objectives, advances in learning theory and means of creatively solving problems.

The second day was primarily devoted to role playing. Managers alternated as leaders and "staff members," using handbooks, visual aids and a set of audio cassette tapes provided by The Innovative Group.

The handbook and tapes presented a systematic approach to practicing customer interaction and skills and covered the following major steps: Greeting the customer, identifying yourself, probing the customer's need, presenting services to meet the need, translating service features into customer benefits, achieving agreement or decision, applying cross-selling techniques.

At the end of this session, each manager was requested to complete a simple questionnaire which asked, "In your opinion, what additions would make this program more effective?" Surpris-

ingly perhaps, few respondents suggested such typical answers as "better training facilities" or "more time for training." Instead, approximately 55% indicated their belief that the program would not work without the involvement and total support of highest-echelon management.

For this reason and because the "top performers" had evoked similar sentiments (which seems to speak rather well for the bank's working environment), The Innovative Group developed a third session called the bank officer's seminar and presented it about five weeks later. Covering much of the ground of the earlier sessions plus a report on employee progress and enthusiasm, this session for the president and all vice presidents resulted in unanimity of program support and awareness at every level of the objectives and methods.

Representative of opinion at this upper level are the comments of President Craig. "We had investigated quite a number of motivational programs," he said. "However, the communication and selling skills program provided us with an organized format for development of leadership and communication skills. It gave us a clear point of reference for improvement of our services to our customers."

Although it is probably too early to assess the total impact the program will have, the program has already stimulated a number of positive reactions.

For example, a number of employees had become concerned about the many potential customers who did not receive immediate attention by the person or department appropriate to their need. As a result, the bank is working on faster response to inquiries.

Other employees have expressed serious interest in learning more about bank services than those in which they are directly concerned.

Another measure of program effectiveness is said to have come from competitive banks in the area. One bank wanted to hire away a Fidelity employee who had been extra courteous and informative. And an employee of another bank was so impressed with the new look that she promised to open an account with Fidelity.

In short, the Fidelity people appear to have developed a new awareness of both their fellow employees and customers. One teller, in fact, proclaimed, "I'm going to treat every customer as if he had \$1 million in our bank." • •

In-House vs. Service Bureau Requirements, Costs To Market Automated Customer Services

“WHOM DO I need and what are my projected expenditures in order to successfully market data processing services?”

This is a question often asked us by Mid-Continent-area bank officials exploring alternative ways to offer commercial data processing services.

As a nationwide supplier of data processing services to banks and their depositors, we have found that Mid-Continent-area banks are concerned not only with the cost, but with the time and personnel required to develop and provide a competitive automated customer services program.

To understand fully the significance of these concerns, some background on why banks provide automated customer services (ACS) and how service bureaus enter the picture is both necessary and revealing.

Since the mid 1960s, many banks with data processing departments have found their own data processing equipment was not being used to full capacity. By offering ACS, the banks hoped to fill the “hardware,” build a stronger commercial depositor dependency, attract new commercial accounts and, hopefully, turn a profit.

Unfortunately, these banks found that their customers’ data processing needs began to exceed the bank’s original commitment to data processing services. For example, most banks initially provided a single service such as payroll, but their ACS customers wanted labor distribution, accounts payable, accounts receivable or general ledger and financial accounting services. ACS customers were often heard to say, “You do our payroll, you should be able to provide services for our other needs.” The chance that banks might jeopardize deposits and profitable banking business because of an insufficient ACS program became a concern.

Moreover, banks without data processing departments were finding that in order to remain competitive in the commercial deposits marketplace, they, too, had to offer ACS.

The problems faced were serious enough to cause many banks to seek outside solutions from service bureaus.

These banks found more than one option open to them. For example, banks wanting to maintain a “total control” image with their customers could enter into what we call a “manufacturers arrangement.” Under this arrangement the bank maintains complete account control, selling the services to the user and, if it wishes, subsequently handling customer training and servicing requirements.

Service Bureau Co. (SBC) acts as a “manufacturer” of the services provided to the customer by his bank. Our applications, programs, educational and reference materials, procedures and “know-how” are utilized by the bank. Marketing training, applications training and the required skills needed by the bank to offer an effective ACS program are provided by SBC.

The bank bills its customer, the “user,” for the services provided. We, in turn, bill the bank at our special bank services rate.

Or, if a bank decides it is in its best interest, SBC assumes full or partial responsibility for marketing and customer servicing. These banks enter into what we call a “referral” arrangement. Under this arrangement, the service bureau marketing and servicing representatives work directly with bank calling officers to develop an effective marketing program in which the bank derives the benefits of offering SBC’s applications and expertise to its customers.

For its assistance, the bank receives a new account “commission” plus a percentage of the processing revenue for each customer referred with whom SBC enters into a contract.

Whether the arrangement is “manufacturing” or “referral,” banks find outside services helpful in three particular areas:

- Eliminating the substantial cost and time required to develop and effectively market a full line of ACS applications.

- Providing the expertise and know-how required to successfully provide a viable “full service” ACS program.

- Providing the marketing support to help become adept in an unfamiliar marketplace.

Important considerations in any bank’s determination of its best course in ACS are the personnel and marketing support expenditures involved in the different alternatives. Let’s examine those considerations.

In attempting to market ACS, banks find they need a marketing staff that requires capabilities beyond and unlike those of traditional banking services, in that they must have skills not only in data processing, business procedures and accounting, but, just as importantly, they must be professional marketers. Historically, banks have found it difficult to retain good marketing representatives due to the limited bank career growth available in ACS.

In addition, significant resource is required to handle quality control and customer servicing functions. Again, this is outside of the realm of traditional banking operations. These persons are often required to work on the customer’s premises to provide training and assistance to the customer’s personnel. These persons have to be professionals, capable of solving a client’s accounting, record keeping and management information problems.

There is also the need for a continuing management commitment to ACS. Since ACS are outside the mainstream of banking activity, finding capable management in this area is often a problem. This manager needs, in addition to data processing and sales skills, experience in marketing, finance, education, advertising and product promotion.

And finally, a substantial and ongoing commitment of personnel and resources is needed in product research and development to maintain and continually enhance present services and to develop new services.

Besides salaries for marketing and technical personnel, considerable overhead expenditures in management time, clerical support, building space

By S. CRAIG HEARNE
The Service Bureau Co.
Greenwich, Conn.

"Revenues from data processing services offered by banks are expected to increase dramatically in the next three to four years."

and materials must be assumed.

Let's look at the service bureau alternatives many banks have elected.

Under the "manufacturing" arrangement described previously, the bank still bears the expense of its own marketing and/or customer servicing staff. We provide training on an ongoing basis for a bank's noncontact employees (bookkeepers, accountants, cashiers) and contact employees (loan officers, branch managers, etc.). The objective of this training is to provide these people with the ability to recognize a potential ACS customer and to then refer this prospect to the appropriate "closer" in the ACS marketing department.

Under the terms of a "referral" arrangement, SBC trains both the contact and noncontact employees so that they may refer customers to SBC's marketing department. We have found it useful to develop marketing programs in conjunction with the bank's marketing department, utilizing bank calling officers and SBC marketing representatives. In this sort of program, a bank can utilize its own strengths in marketing as well as those of SBC, plus having SBC's customer training expertise.

In both arrangements, banks receive the full benefits of our product research and development operations, eliminating the accompanying enormous personnel and support expenditure for the bank.

Another area that banks have found service bureaus to be helpful is in advertising and sales promotion.

The need to advertise and promote becomes a significant factor. Development of a campaign to challenge competitors is not only a costly proposition, but again requires ACS expertise, which many banks do not have.

We have found the key aspects in developing an advertising campaign to be:

- A coordinated campaign of newspaper and business periodical advertising in conjunction with direct mail advertising.

- Product services brochures to be used by bank ACS representatives and calling officers in their customer call programs.

- Statement stuffers, counter pieces and direct mail pieces to be used as part of a coordinated depositor coverage program.

- Presentation materials to be used in presenting ACS, such as desk top flip chart presentations, and audio-visual materials such as slides and foils for presentations to large groups.

These are the necessary tools that are required to effectively market data processing services. The development and production costs exclusive of media and printing can run well in excess of \$20,000 for each application service offered.

National service bureaus, such as SBC, on the other hand, are developing these materials for a large number of customers and can consequently spread the cost over a large base.

Promotional material provided by a service bureau varies with each firm, but I can comment on what SBC provides for its banking customers. We issue a comprehensive promotional kit geared to tell the bank's story, not SBC's, to the bank's marketplace under both the "manufacturing" and "referral" arrangements. This "banking services promotional kit" provides newspaper ads, direct mail pieces and recommendations for direct mail campaigns, a full line of service brochures for every product and counter display materials. SBC also provides extensive audio-visual sales aids, such as slide presentations.

The goal is to create awareness that a full line of ACS is available to the commercial depositor through his bank.

Revenues from data processing services offered by banks are expected to increase dramatically in the next three to four years.

Independent research organizations have forecast increases as much as 260% by 1979. Surveys taken by the ABA have also indicated a dramatic increase in the emphasis banks will be placing on ACS during this same time frame.

It now seems clear that banks are in the data services business to stay and all indications from our offices support this trend in the Mid-Continent area.

Banks will be offering more services to a wider segment of the marketplace. Competition for the businessman's deposits will become more intense.

As a result, the need for new services, professionally marketed, with effective advertising and promotional programs will be more important than ever.

The resulting expertise and expenditures required by these services will, we believe, cause more and more banks to look for outside service bureaus for solutions to these requirements. • •

Financial Lessons

(Continued from page 22)

ty and prosperity of the institution. Meeting the economic, financial and organizational pressures upon the institution and its policies are the tests of management and too many managements had low scores on these tests in 1974. In fact, management development is a key problem of banking as it faces the challenges in the decades to come. In my opinion, the training of new and competent management has not been given adequate attention by the banking system, and will need a great deal more attention in the future.

Perhaps of even greater importance was the needed attitude of caution respecting management competence. Continuous appraisal of management capabilities and performance is a characteristic of an enlightened board and action to remove an incompetent or hazardous management is the true test of such a board. Unfortunately management removal is such a traumatic experience that boards are loathe to take the action.

Moreover, with directors largely selected by management and listening to the explanations of management, the directors' loyalties and lack of independent information or appraisal interferes with their handling of director responsibilities. With the very public examples of the past year where bank managements were kept on the job long beyond the time when incompetence or unsound banking practices were evident, one could hope that every board would look carefully at its own managements and bank condition.

In summary, conceptualization, control, constraint and caution are synonyms for policies which should have been exercised to a high degree by banking in 1974. To those of you who did the job, my sincere congratulations. To those who did not, I hope you have learned these lessons just as we in the regulatory agencies will need to learn them. We are all involved in maintaining the ongoing health, vitality and progressiveness of this highly public-service oriented industry and for the benefit of our nation let us resolve to learn from our mistakes of past years, and repeat as few as possible in coming years. • •

Syndicated Commercials: Good for Your Bank?

AT ONE TIME or another, most bankers have considered the use of syndicated advertising. It seems that every other day an unsuspecting secretary opens the mail to find a new "Program Just Released." Or maybe some salesman comes strolling into your office with a fistful of promises—and goes strolling out with a signed contract and a big chunk of your ad budget.

The phrase "syndicated advertising" brings to mind a negative connotation for many bankers. I feel that this is both understandable and unfortunate.

We have plodded through mounds of syndicated materials, the major portion related to newspaper advertising. In fact, the phrase "syndicated advertising" most often conjures up scenes of print campaign after print campaign.

And now, more and more often, we're seeing radio jingles pave the way into "our" syndicated trade. Just turn your radio on. You'll undoubtedly hear 10 different ways of describing our venerable institutions in song. One-word themes or catchy phrases in every kind of music from hillbilly to soul mark the acceptance we as bankers, in general, have given this form of syndicated advertising.

So, we can expect to be called upon to look at 12 newspaper campaigns and listen to five radio jingles a month—right? Not quite, I'm afraid. You're forgetting that multi-faceted, vast-reaching electronic purge—television. You guessed it—now we have to sit down to evaluate a syndicated *television* campaign.



By H. PHILIP HOWE
Chairman
Kansas State Bank
Manhattan

Most of us have had some sort of experience with TV advertising. We've long since reassessed our understanding of local advertising; and, although a few of us still balk once in a while, we are convinced that we really are spending that money to reach more of our audience with greater effectiveness. But a syndicated television commercial—can it work?

Although it's sometimes mind-boggling to try to sort out the myriad of material available or to decide if there is really anything you're trying to say, I would advise that it's well worth all the trouble.

Certainly, many of the campaigns simply do not project the look or the feeling you want your bank to have. Some seem to have a "canned" appearance—too general or too impersonal. Some are too expensive. Others are simply mediocre.

However, we've all seen good programs, too—the ones that work. Perhaps we need to be more aware of our own needs and be more intelligently discerning as we look at the available material.

Seeing the potential in a prospective syndicated campaign is not a simple matter. It takes the awesome processes of visualization and creativity to imagine the campaign personalized for you—to picture it becoming "yours." The actual work of personalizing a syndicated campaign, however, is a relatively simple matter. It can be accomplished with the help of your advertising agency or the newspaper, radio or television people you work with. The artist, the copywriter, and the TV production man will help you make the elements of the syndicated campaign work the way you want them to work to meet your bank's specific needs.

If it involves that much, you may ask, why can't I just create my own and forget syndication. The answer—you can. However, it has been my experience that using good syndicated material can prove just as effective and be much less expensive; and often, as in the case of television commercials, I can get special techniques and a professional look that I simply can't get otherwise for the money.

For the past couple of years, our bank has been using a syndicated radio jingle and theme (print logos included) from The Professional Advertiser, Inc., based in Manhattan. Last fall, the firm introduced a television campaign. The program is syndicated, which

means, as in regard to other media, that it was produced and designed to be used by a multitude of banks across the country.

Admittedly, I wondered about the necessary generality of such a campaign and worried about its possible "canned" appearance—but I wanted to see it. Now we're using it. This particular set of television commercials eliminates much that concerned me.

A total of five commercials is offered. Three are ready to air with the addition of our copy and logo as we want it. The other two spots are open/close commercials, "doughnut" or "sandwich" commercials, as they are sometimes called. That is to say, each of the commercials has a pre-designed "open" of several seconds and a "close" of the same scene. The time between the open and the close can be used to feature current premium items, employees, promotions and the like, by means of slides, camera cards, a live announcer or film that is on hand at the bank, etc. So the open/close concept not only allows flexibility; but the commercials can be made into either 30-second or 60-second spots—even 10-second ones if that's what we want!

For example, we recently offered a color TV as "prepaid interest" on savings. Our first television spot was made up of one of the open/close commercials, using a well known local figure "in the center" to do a personal explanation of the offer. When we needed a shorter version for a certain time slot, it was simply a matter of asking our ad agency to make the existing one-minute commercial into a 30-second commercial. The commercials looked good, were economical to produce—and they worked!

This particular syndicated package also included a jingle with the television commercials. We use it with our TV spots as well as on radio to help tie our advertising together. There are 16 different versions of the jingle and music, so we have a variety of material to work with.

All in all, we have been pleased with the quality and the utility of the commercial package.

Kansas State Bank was chartered only six years ago and is the newest bank in Manhattan. There are three other banks in town, drawing from an area of about 100,000 people. We are a small bank, but we are considered "the" suburban bank. Our nearest television facility is in Topeka, about 50 miles away.

Television time, as we all well know, does not come cheaply; so we are always looking for a way to keep our production costs down. The syndicated

package does just that. We have a variety of material that is easy and economical to use. Besides that, the commercials have a professional look about them that seems often available only with network material.

We like the "image" the commercials convey. The over-all feeling is that of a people-concern; and we want our bank to be thought of as concerned—personal. The people in the commercials are "real" people and the photography and color are beautiful. The open/close spots use a split-screen technique—the kind of production we simply couldn't afford on an individual basis.

Perhaps the most important advantage of these commercials is that they don't have that "canned" look we're all so concerned about. With a minimum of time and expense, along with some creative and production advice from our local advertising agency, the spots

do what we want—show our premiums, our people, our own special image. The program has real flexibility.

We've found that consistency in our advertising is of vital and lasting importance. By using the theme of our campaign in all phases of our advertising—television, newspaper, radio, direct mail and in-bank—we have a more effective program. We back it with good production and well planned, consistent placement. We've found out the hard way that theme-hopping and slapped together commercials are not the best way for a bank to spend its ad budget.

In summary, we feel that using a good syndicated program of television commercials and a jingle has helped us become more effective in our advertising—and at the same time, has aided us in becoming more efficient with our advertising.

We tried it. We liked it! ••

Aim of Newly Created FDIC Office Is Protection of Bank Customers

THE FEDERAL Deposit Insurance Corp. has established a special "consumer affairs" unit, called the Office of Bank Customer Affairs. It will report directly to the FDIC board and will serve as a focal point for protecting the legitimate interests of bank customers in nonmember banks supervised and examined by the FDIC.

Under the terms of Public Law 93-637, signed into law by the President last January, creation of a separate unit within each of the federal bank regulatory agencies to "receive and take appropriate action" on complaints with respect to "unfair or deceptive acts or practices . . . by banks" is required. It was indicated by FDIC officials that the responsibilities of the new office would not be limited to the unfair practices described in the law or specified in regulations to be adopted later this year by the Fed under the new act.

The Office of Bank Customer Affairs would also:

- Receive all bank customer complaints and inquiries sent to the FDIC, with responsibility for prompt investigation and appropriate disposition and for coordinating the work presently performed within FDIC by members of the Division of Bank Supervision, the Legal Division and other personnel.
- Recommend to the FDIC board proposed regulations and policy statements applicable to nonmember banks

for the protection of bank customers, e.g., in such areas as equal credit opportunity, fair housing lending, bank advertising practices and real estate settlement practices.

• Recommend to the FDIC board formal enforcement action against nonmember banks where previous efforts at voluntary compliance with the requirements of "consumer legislation" or bank customer regulations and policy statements have been unsuccessful.

• Recommend to the FDIC board special investigations and surveys related to bank-customer matters.

Officials of the FDIC also indicated that the corporation will continue to expect its examiners to determine the facts relevant to a determination of the degree of compliance by nonmember banks with the protections afforded bank customers in "consumer legislation," applicable regulations and agency policy statements and to take routine steps to obtain voluntary compliance if noncompliance is indicated. Enforcement would be a responsibility of the new office.

Pending the appointment of a full time director for the new office, Stephen C. Hansen, who now is special assistant to the chairman, will take on the additional responsibilities of acting director. Mr. Hansen is a former New York state legislator and, prior to joining the FDIC in 1973, served as special assistant to the under secretary of Housing and Urban Development. ••

Call Maurine.

When Red Ward and Wilbur Waters are out, Maurine minds the bank, or at least those matters that relate to correspondent banking.

After many years of experience in dealing with various divisions of Fourth National, Maurine Berry knows the ropes.

No matter what co-bank service you need, Maurine knows how to get the job done.

If Red and Wilbur are out, call Maurine.

You might like her better than Red and Wilbur anyway!



(918) 587-9171



Call Maurine, the better banker's banker.

TULSA, OKLAHOMA

Kansas Banker Plugs Advocacy Advertising To Give Public Free Enterprise Story

WHEN WAS the last time your bank ran an advocacy advertisement?

A what?

Advocacy—or awareness—advertising by banks is not prevalent in many places today, according to Clifford W. Stone, chairman, Walnut Valley State, El Dorado, Kan.

But one place advocacy advertising is evident is El Dorado. For Mr. Stone is a strong believer in presenting arguments supporting the free enterprise system. He doesn't just present them in conversation or in speeches to civic groups. He presents them in the form of bank-sponsored advertisements in the local press. In fact, more than 10% of his bank's annual advertising budget is spent for advocacy messages.

And Mr. Stone says he has never received criticism for his project.

"Just as the lives and well being of the passengers on an ocean liner are very much dependent upon the preservation and safe conduct of the vessel, so are we, journeyers in the American Way, dependent upon the integrity of its framework," Mr. Stone said.

And that's why Walnut Valley State embarked on a program of dedicating a portion of its advertising and public relations efforts and budget to presenting explanatory reminders to the public of the bare principles existing among the variegated details of different businesses, according to Mr. Stone.

"In an age when 'one man-one vote' is of overriding concern to those who make the laws under which our economic system operates," Mr. Stone said, "business cannot afford to neglect any precaution against the voters voting the enterprise/incentive system out of existence—to everyone's detriment.

"Our plan of action is based upon a constant and continuing search of all forms of written communication coming our way for articles or advertisements that tell a facet of the enterprise/incentive story in a succinct and interesting way.

"When we find something germane to the issues involved, we seek permission to reproduce the material (with full attribution) in our advertising."

Among the ads sponsored by Walnut Valley State in recent months were "A

By **JIM FABIAN**
Associate Editor

Look at the Fuel Crisis," written by a geologist at Kansas State University. Purpose of the message, according to Mr. Stone, was to place the topic of the fuel crisis in perspective, to enable the citizens of El Dorado to learn the facts and form their own conclusions, rather than be unduly influenced by one side or the other.

Another ad presented "A Look at DDT," which reviewed some of the aspects concerning the pesticide problem. Mr. Stone chose this subject as a means of rebuttal to what he terms one-sidedness on the topic by TV commentators. As a farmer, Mr. Stone became annoyed at those who would ban DDT and thereby "run the real risks of seriously reducing crop production and increasing insect-borne diseases."

Another advocacy ad took "A Look at Oil and Profits," which was designed to present the opposing view to that which condemned oil companies for

making excess profits due to the fuel shortage.

An ad entitled "A Look at Beekeepers vs. Beef Feeders" was published, Mr. Stone said, "to bring home the fact to the public that the one sure way to have lots of good quality meat is to have lots of people making a profit out of producing meat."

The bank departed from its usual advertising format to publish a list of important events in the history of the U. S. The ad bore the intriguing title "Hardship and controversy are part of our American heritage. So is overcoming them." Mr. Stone said that "these great and not-so-great moments in American history serve to remind us that even in the face of adversity America has always emerged a stronger nation."

The president of Kansas State University was author of another Walnut Valley State advocacy ad entitled "A Look at the Farmer—Friend or Foe?" Mr. Stone said that the president's remarks "put the whole situation in proper perspective in a few words. We received many appreciative comments from our farm customers and some from 'city folks.'"

The bank took almost an entire page in the newspaper for an ad that reprinted a message written by the chairman of a large New York bank holding company. The text took issue with the "doomsday" syndrome that is prevalent in the national press.

Mr. Stone said that, before the ad was run, he was informed by "supposedly knowledgeable" people that no one would read it, because it was so long.

"I can't recall an ad which I have had anything to do with in the last 20 years which elicited more favorable comment," Mr. Stone said. "No one on our staff received even so much as a hint that anyone did not approve of the ad and all were surprised by the number of customers who mentioned it. Their comments indicated clearly that the ad had been discussed in family gatherings or in social groups or had been clipped and sent on to someone else who might be interested."

A series of three advocacy ads deal-



"If Our Government Shut The Door On Exports, Wouldn't My Food Be Cheaper?"

Perhaps temporarily, but in the long-run it would raise food prices.

Not only that, but such a drastic action would reduce the number of jobs in shipping, processing, marketing, banking, and other activities. Someone in your family might hold one of those jobs now.

Exports take the harvest from one-out-of-four acres of American farms and those acres would be idled because we cannot consume here at home all that farmers can produce. The costs of government farm programs would rise and so would taxes to pay for them.

Farm exports have greatly helped the U.S. balance of payments and without exports the dollar would be in very serious trouble. Inflation would be more rampant than it is now and imports would cost you more.

Look around your house and see all the imported items you enjoy. How are we going to pay for them unless we have something to ship overseas? And what better way do we have to pay the bill than to export farm products from our highly productive agricultural plant?



One of three advocacy ads published by Walnut Valley State on the topic of food prices. Ads were lauded by Kansas Bankers Association, which urged member banks to reprint them locally.



When it's a question of profit or loss...

Let's talk.

Let's talk. Let's open new avenues of communication so that we get to know each other better. So that we know, and better understand, your problems. So that you know, and better use, our experience. As we've traveled down the road of ninety years of banking, we've gained worlds of experience. The kind of experience that helps banks turn losses into profits . . . the kind of experience that it's easy — and nice — to share. So — let's talk. Ask. Inquire. Question. Request. Your man from the Whitney knows — or knows where he can learn.

Whitney
NATIONAL BANK OF NEW ORLEANS
Established 1883



Mr. Stone, ch., Walnut Valley State, appeared at last year's BMA convention with his daughter, Sue Stone Hunter, who is marketing director, Twin City State, Kansas City, Kan. Both took part in the convention program.

ing with the subject of food were so well received that the statewide advertising committee of the Kansas Bankers Association distributed copies of the ads to all Kansas banks with the suggestion that the ads be published by banks in their communities. The ads pointed to the fact that food, despite the increase in its cost, was still a bargain in the U. S.; that moves to prohibit exports of food would be self-defeating in the long run; and that food could be abundant for a long time to come because of the efficiency of the free enterprise system.

Mr. Stone called on fellow bankers at last year's Bank Marketing Association convention to join him in his advocacy advertising campaign to fight against the current anti-business mood permeating the nation. He cited congressional liberals who "are annoyed by the softness of anti-business measures" and a prediction that the country is in "the worst anti-business mood in history."

He called on bankers to do their part

Have You Seen This?

A straightforward explanation of the necessity for business profits is presented in the April, 1975, *Reader's Digest* (pages 38-40). The article (actually a paid advertisement for The Business Roundtable) explains the cost of producing a \$50 dress and explains how the purchaser of the dress is helping to maintain the free enterprise system in the U. S. Reprints of the article are available from the magazine at the following prices: 10 copies, 50¢; 50 copies, \$2; 100 copies, \$3.50; 500 copies, \$12.50; 1,000 copies, \$20. Write Reprint Editor, *The Reader's Digest*, Pleasantville, N. Y. 10570.

in influencing those (including college students and their professors) who are anti-business.

"We must not let the headiness of the success of the free enterprise system rob us of the will to work to maintain and enhance that success," he said. That is why, he continued, his bank has resolved to try to do its bit for

"ourselves and those segments of our economy most important to our own region to try to help arm our friends and neighbors with information that we believe to be accurate, fair and proper as a base for their own judgments, votes and communication with the representatives in government."

Independent Community Banks in Illinois Urge Careful EFTS Study, Installation

THE INDEPENDENT Community Banks in Illinois (ICBI), a relative new organization of about 300 banks, has gone on record as supporting legislative study of Electronic Funds Transfer Systems (EFTS). Its members also belong to the Illinois Bankers Association and the two are working together in opposition to branching.

ICBI leaders state that branch banking would reduce the amount and availability of credit for small businessmen, farmers and individuals, as well as dramatically reduce the number and competitiveness of Illinois banks.

They also state that, if the EFTS study indicates the system would be in the best interest of the public, the sys-

tem should be adopted. ICBI officials also state that adoption of EFTS, should it occur, should be brought about in a responsible manner, allowing all financial institutions to participate fairly. This would enable all institutions to serve their customers in the best manner.

President of the ICBI is Robert Murray, president, Citizens State Bank, Milford. Director of the organization's Springfield office is Robert Wingert, a graduate of Southern Methodist University. Dr. James D. Nowlan, professor of government at Knox College, Galesburg, and former state legislator, assists the ICBI as legislative counsel.

Pilot EFTS Strategy Study To Be Sponsored by ABA, 10 Bankers Associations

WASHINGTON, D. C.—Three Mid-Continent-area state bankers associations are among 10 that have been selected to join with the ABA in sponsorship of a Multi-State Pilot EFTS Strategy Study. The three associations are Indiana, Kansas and Oklahoma. Indiana has limited branching and Kansas and Oklahoma, no branching, but both have facilities laws.

The seven other participating associations are California, Colorado, Florida, Massachusetts, Michigan, South Carolina and Wisconsin.

Four distinct goals have been laid out for the study by the ABA's Payments System Planning Division, according to Executive Vice President Willis W. Alexander. These goals are:

1. The broad mix of the 10 states—two with state-wide branching, four with no branching and four with limited branching—will provide a sound base from which to develop a national assessment of the current and future

state of EFTS developments. From this, an EFTS handbook will be written for senior bank executives and other interested groups.

2. Alternative strategies will be developed, based on individual analyses of the EFTS market, competitive, legal and regulatory environments in each participating state.

3. A proved methodology will be developed for future EFTS strategy studies which may be utilized subsequently in other states.

4. An educational presentation customized to each state situation will be provided for participating states.

Mr. Alexander noted that the EFTS Strategy Study findings also will serve as background material for the banking industry member of the National Commission on Electronic Funds Transfers.

Every 45-60 days, the ABA Payments System Policy Committee's Support Group will conduct progress and quality control reviews of the study, which will be conducted by the Arthur D. Little Co., Cambridge, Mass.

Each participating state association will have substantial responsibilities in providing legal counsel and coordinating logistics for instate work.

Every Director and Officer Needs a Copy of . . .

The BANK BOARD Letter's new manual

CONFLICTS OF INTEREST

For Directors and Officers
of Financial Institutions

By DR. LEWIS E. DAVIDS, Hill Professor of
Bank Management, University of Missouri

With A. Ruth Davids, Senior Research
Associate

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For Directors and Officers of
Financial Institutions

By LEWIS E. DAVIDS, Hill Professor of Bank Management,
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With A. Ruth Davids, Senior Research Associate

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MID-CONTINENT BANKER for May 15, 1975

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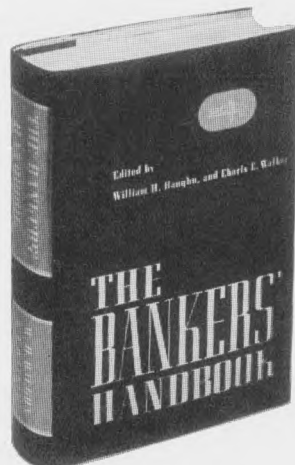
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Mobile Home Industry Faces Challenges: It Must Act, Not React, to Change

By **EMIL SCHWARTZ** and **DON KNUST**, Vice Presidents,
**Advance Mortgage Corp., Detroit, and Nationwide
Financial Services Corp., St. Louis**

WHO IS the mobile home customer?

The 1970 census revealed that 42.5% of all mobile home dwellers were below age 35 and that 31.6% were 55 and older.

The mobile home market is concentrated among young marrieds, blue collar and retired workers. Increasing unemployment normally hits this group first. This means as inflation continues, many in this group will find themselves working overtime, part-time or holding down two jobs just to make ends meet.

The loss of additional income due to economic conditions, coupled with rising living costs, places added pressure on this group just to sustain its present standard of living. This cuts into savings and may very well force deferment of major purchases like a mobile home.

As a result, the mobile home dealer also suffers. As his prices increase, he simply cannot pass along high money costs to the consumer. In fact, many states maintain regulatory rate ceilings. Consequently, lenders themselves are retaining a larger portion of the total finance charges. When reserves for losses are maintained, the amount of reserves due or payable the dealer is small or nonexistent.

Another factor contributing to the dealer's income is his revenue from insurance. Because of his difficulties in increasing premium rates, along with the increased loss ratios, this source of revenue and daily cash flow are severely affected. Moreover, during the past 17 months, the dealer's wholesale inventory interest costs have doubled.

Even before the economic slump was fully evidenced, many mobile home lenders began to experience problems within their own portfolios. There was and still is a slow, but continual increase in the number of past-due percentages. The average loan delinquency rate for mobile homes averaged 4% in a 1973 survey undertaken by the Mobile Home Manufacturers Association and is rising. While repossessions are becoming more frequent, an alarming and unfavorable indicator is the frequency of voluntary repossessions.

For the first time, lenders are beginning to experience liquidation problems. Some are now facing losses.

How was this condition created?

Call it a swell sales promotion effort by the service companies in soliciting and signing new lenders and supplying them with an abundance of retail paper. Add the extension of maturities, erosion of down payment requirements and cession of credits until a buyer could be found. Too many industry leaders believed that profits and satisfactory performance combined with credit insurance was a sure thing. Consequently, they neglected to employ basic credit policies and sound judgment. What followed was a bitter pill for many to swallow and may continue to be in the foreseeable future.

What of the future insofar as lending opportunities go?

As a result of what has happened in the past 20 months, many in the lending community have not only become more sophisticated, but much more aware of money costs, product profit-

ability, etc. Financing the mobile home industry with its tremendous appetite for funds has taxed the liquidity of many lenders. Others who have been disappointed with their yields, portfolio performance and rising administrative costs have abandoned the industry altogether and may never return.

It's quite appropriate to point out that those lending institutions which have remained in the market have paid a higher price for the financing of long-term fixed-rate investments. These lenders will have to maintain present or higher spreads to justify the profitability of mobile home receivables. The dealers who sit back and yearn for the good old days had better evaluate their financial relationships.

The key to future industry growth

(Continued on page 54)

Financial Newsletter Started

A financial newsletter designed to assist recreation vehicle manufacturers and dealers in communicating with their bankers has been provided to all members of the Recreation Vehicle Industry Association (RVIA). Members were urged to present the newsletter to their bankers and dealers.

Called "RV Financial Facts," the newsletter cites the low delinquency rate of RV loans, RV industry growth, amount of RV loans at all banks and detailed data on standards, owner profile and utilization and recreation vehicle categories.

In his open letter to the financial community on the cover of the newsletter, RVIA President Douglas W. Toms told bankers that "RV loans have been rewarding to you, and we want to keep it that way." Mr. Toms also said the RV industry recognizes bankers' problems, and that the newsletter will assist them.

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Author of "How to Plan, Organize and Conduct
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Financial Institutions Demand Service From Career Apparel Suppliers

Anything less will result in a search for a new supplier

WHAT MAKES for a satisfied customer of career apparel? Wide selection of outfits? Economy prices for outfits? Way-out designs? Fast service for additional outfits?

The best way to find the answer is to contact banks that have reordered apparel from the same supplier. Due to the great number of apparel suppliers, it is not always a simple matter to find a bank that will give high marks to its apparel supplier.

Yet such suppliers do exist, and they are becoming better known among bankers through the comments of their satisfied customers.

One such supplier is G. Carlyle Struven, Inc., of Chicago, Ill. Numerous other high quality apparel suppliers are operating in the Mid-Continent area, but several Struven clients are sufficiently pleased with their service that they are willing to share with our readers the elements that make an apparel supplier a candidate for repeat business.

Teresa Lukach at Streator (Ill.) National says her bank is pleased with its career apparel and the service rendered by the supplier. She says the bank would have done nothing differently in arranging for its apparel, which has been in use since early 1972. Miss Lukach advises bankers shopping for apparel to check the quality of any garments offered and to make sure they carry a good guarantee as to wearability. Also, continuity of color is a must when ordering additional outfits for new employees, who are outfitted at Streator National after being on the job for 60 days.

According to Miss Lukach, the Struven outfits have worn well, as the supplier said they would. She gave the

By **JIM FABIAN**
Associate Editor

supplier credit for taking the measurements of each person to be outfitted and, if alterations were necessary after the outfits were delivered, paying for them. When asked why the Struven firm was selected as a supplier, Miss Lukach replied, "After research of other banks, we decided he could supply the look we were looking for."

Proof of the bank's satisfaction with its apparel is the fact that it plans to reorder from Struven next year.

The bank's current apparel, worn by all female employees, consists of brown and gold outfits for winter wear and orange, cream and brown frost plaid with accessories of the colors contained in the plaid for summer wear.

Employees at Greater Louisville (Ky.) First Federal Savings have been wearing career apparel since 1963. The current batch of apparel was the first

to be ordered from Struven and the change from a previous supplier was made primarily because the previous supplier's outfits gave the appearance of uniforms, which is often anathema to today's bank employee.

In seeking out a supplier, according to Jonathan C. Brooks, personnel director, several things are important, including the quality of the product, ease of maintenance, the experience of the manufacturer, his ability to keep delivery schedules, continuity guarantees, provisions for proper fit and the standing of the supplier with other bank customers.

Four suppliers were asked to make presentations, according to Mr. Brooks. A committee of 10 employees viewed selections and made recommendations to management as to style, color and the supplier. According to Mr. Brooks, the Struven firm was selected to supply the garments because its outfits had the "best style, color and quality of the lines we looked at. In addition, his company offered a product and service of the quality we wanted at a reasonable cost."

The supplier sent a representative to measure all employees, with those at the Main Office being both measured and fitted with sample garments. Those in the branch offices were measured only.

Mr. Brooks said that after the initial order arrived, some 35% of the employees had fitting problems. The supplier felt this percentage was too high so a representative was sent to find what was wrong and correct it. The largest portion of improper fits were in the branches because employees there did not try on samples, but were merely measured. According to Mr. Brooks,



Employees of Streator (Ill.) National model new career apparel featuring plaids in orange, cream and brown frost. Woman in center is Teresa Lukach, apparel coordinator at bank.

all complaints were adjusted satisfactorily by the supplier, whose policy is to have alterations done locally.

Employees' ensembles include eight pieces in orange, cream and grey plaid with solid coordinating colors of brown, orange and cream for accessories. All of the firm's female employees are outfitted. Newly hired employees are given smocks that harmonize with the apparel to wear until their outfits arrive from the supplier.

First Bank, Indianapolis, has been using apparel for two years. The only thing management would have done differently when the apparel was ordered would have been to order a larger selection of garments, according to Joyce Nickol in the personnel department.



LEFT: Banks desiring to outfit male as well as female employees can obtain tailored career fashions from firms such as Angelica Uniform Group, Inc., St. Louis, which offers this blazer to create a distinguished image and raise employee morale. RIGHT: A total of 32 outfits can be made from these four-piece ensembles made of 100% texturized Dacron polyester by Fashion World of New York. Models illustrate how garments can be "mixed and matched."

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in your Career Apparel Program

Switch to

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INCORPORATED

Where satisfied bankers
keep coming back again and again.

ment.

Stability and reputation of the supplier are important things to look out for when considering an apparel supplier, Miss Nickol said. The bank made

a concentrated study of apparel suppliers before selecting Struven and the firm has supplied the bank with a second order of outfits that were first worn in March. First Bank's outfits, in blue, green and white, are worn by all non-officer personnel, with men wearing coordinated suits and ties. Cost of the outfits is split between the bank and the employees.

First National, Evergreen Park, Ill., has been using apparel for seven years. According to Jean Blasi at the bank, things a customer should look for in its apparel supplier are reliability and rapid processing of new employee small orders.

The Struven firm was selected upon recommendation by a neighboring bank. First National's outfits consist of pantsuits, dresses and jackets in bone and bittersweet and all customer-contact personnel are outfitted. According to Miss Blasi, the outfits are quite durable.

A general consensus of what makes a satisfied apparel customer is *service*. The supplier that can provide alterations locally, fill requests for additional matching garments quickly and can offer quality for a fair price is the supplier most likely to get repeat orders from his customers. ••



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Case History Reveals Banker's Reasoning Behind Adoption of Apparel Programs

CAREER apparel has had a significant impact for Beloit State in terms of employee turnover, recruiting, controlling absenteeism and boosting morale.

Since we introduced career apparel in 1968, we have been able to cut down our recruiting efforts because we have more walk-in applicants than we can use. Career apparel is an important aspect of our recruiting and hiring of new employees.

It has positive aspects for both the potential employee and the employer because girls looking for jobs at our bank know they will be given clothing and will save money. They also know they won't have to compete with other women as far as being well dressed goes. As a result, many potential employees who would not ordinarily apply for a bank job because they felt they could not afford to spend all their money on attractive clothing, can and do apply.

This means that we have a wider spectrum of applicants to choose from and it also helps us in our hiring because career apparel eliminates the need to judge an employee by appearance during the preliminary interviews. The way a person looks has a strong effect upon hiring decisions since we know that people who work for our bank will be having public contact and their appearance is important.

Before instituting our career apparel program we had to concern ourselves with the way the applicant dressed, and, perhaps, we lost good potential employees because they could not af-

By **LARRY SPOONER**
Vice President and Cashier
Beloit (Wis.) State Bank



Employees of Beloit State model various combinations of outfits possible with the bank's standard "corporate outfit." Colors are red, white and blue.

ford good clothes. It doesn't matter now what the first impression is, we get right down to the important points, such as ability, intelligence and personality.

Since the introduction of career apparel, once employees are with us, they stay longer. Our turnover has been reduced by approximately 25% per year. A good example of this is seen in one section of our bookkeeping department which, prior to career apparel, had a high turnover. Employees rarely remained in that department for more than a year, but today, all employees have been with us over two years.

We also have discovered that career apparel reduces and controls tardiness because girls know what they are going to wear and they don't have to spend time in the morning staring at their closets.

The aspects are most interesting because we started our program in 1968 for an entirely different reason. At that time we were primarily concerned with corporate image. To get our program started we established a panel of 12 women who studied career apparel for

(Reprinted with permission from the "1975 Annual Guide to Career Apparel" by the Career Apparel Institute, New York City.)

10 months and then prepared a 40-page report in which they recommended style and color. In our first program we purchased the first two outfits for the employees. New employees shared the cost with the bank on a 50-50 basis.

As our experience with career apparel increased, we realized that there is a basic need for people to look different and, as a result, we expanded the program this year to include additional garments which the employees may purchase on an optional basis. We now give a yearly allowance for this purpose.

Our standard "corporate outfit," which is required of all female employees, is a red trimmed blue skirt, jacket and blouse. Optional garments are additional skirts and jackets (either red, white or blue) plus tunics, blouses, vests and slacks.

The bank retains ownership of the required outfits but employees who depart retain items they purchase themselves.

All our employees like wearing career apparel including, and this may come as a surprise, the young people. They may reject uniformity at first, but they also seem to place a great deal of stock in identifying and being part of something. When new employees are going through training, they are not wearing career apparel. When they finally are given their outfits they feel that it is a mark of achievement and that they "belong."

Our employees have estimated that they save between \$200-\$300 a year on clothing. On our present plan, through which they buy optional clothing, the average expenditure by each employee is \$50 per year.

One point that cannot be overemphasized is the tremendous psychological influence of working on a team. Appearance is important. Girls often feel they have to look good to be liked. If they do not look good, or if they cannot afford to buy the clothing which would help them look as good as someone else, they are likely to become psychologically depressed. Ambition and enthusiasm are suppressed.

There is, for example, the typical

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When a driver leaves your loan department with an auto loan, but without credit life insurance, you may have created a problem for yourself.

How much of a problem depends on your own credit life claims experience, but even a few uninsured drivers can be expensive.

Credit life with every loan is not only good banking, you're doing your loan customer a favor. As the company that writes more credit life in this area than any other company, nobody knows that better than we do. For professional credit life service, call one of the Standard Bearers.

How many *D.W.I.'s do you have?

*(Drivers Without Insurance)



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problem of a single girl, who lives at home and is able to spend all her money on clothes, standing next to a mother of six who can't afford the same variety and quality of clothing and, as a result, feels inferior if not jealous. Career apparel breaks this barrier and allows all employees to use their native abilities.

Obviously we are enthusiastic about our career apparel program and what it has done for Beloit State Bank. I firmly believe that career apparel is one of the best things that ever happened to this bank. ••

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the garment business**

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Apparel Guide Published

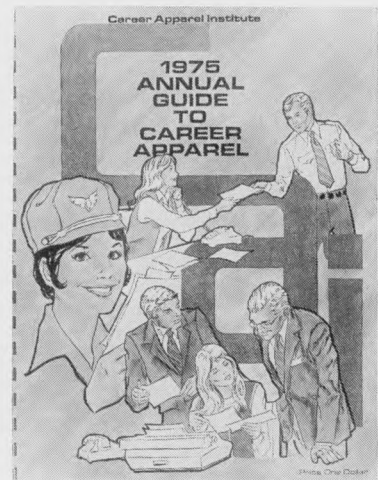
The 1975 edition of the "Guide to Career Apparel," has been published by the Career Apparel Institute (CAI) offering information on the growing business tool called career apparel.

The guide explains how career apparel has been used in a number of different fields. Case histories are included about companies that have found career apparel programs helpful in their advertising campaigns, in reducing absenteeism, changing images, improving employee morale and stimulating recruitment programs.

Information on how to start and how to replace programs is included in the guide, as well as descriptions of the various accessories available and how individual components can be worn in different combinations.

A directory of CAI members and their specialties, along with a list of the literature which they make available, provides the opportunity to acquire further information.

Copies of the "1975 Guide to Career Apparel" may be obtained for \$1 plus 25c handling and postage by writing to the Career Apparel Institute, 1156 Avenue of the Americas, New York, NY 10036.



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Today's corporate image is reflected in fashioned career apparel. Creative Image gives professionalism to today's career women. The woman comes first... and Creative Image presents a collection of designer ensembles that lets the woman and her spirit come through. Isn't it about time you and Creative Image get together to put on your best look.

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NABW Dinner Speakers



Exchanging greetings at a dinner given recently by the Metropolitan St. Louis group of the National Association of Bank Women are (l. to r.) Marjorie Crennel, Lake Region v.p., and v.p., Warren (Mich.) Bank; Violet Hosey, ch., Metropolitan St. Louis group, and a.v.p., Godfrey (Ill.) State; and June Darby Ellison, Midwest region v.p., and public relations officer, Mercantile Trust, St. Louis.

Financial Planning Program Offered Bank Customers

DENVER—A personal financing plan is being offered by First National, Denver. The plan is a computerized home-study course that provides professional, individualized counseling to bank customers.

The program allows customers to set their own pace in covering six subjects: Investments; employment benefits; building a financial foundation; taxes, gifts and property ownership; trusts and wills; and plans and prospects.

Each lesson is mailed to customers and takes about two hours to read. A quiz is included to test the customer's knowledge. Answers are critiqued by a computer, then mailed to the customer along with the next lesson. When the computer determines that an answer is incorrect, it is programed to explain why it is incorrect.

The personal financial planning program was produced by First National, Boston, through Rutland & Co., an educational firm. First of Denver has rights to the program in a seven-state area. The bank offers the program to customers for \$36 and to non-customers for \$50.

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Employees Go 'Bananas,' Bring 'Bread' To Bank



Mrs. Diane Woods holds Nat'l Blvd. Bank's "Top Banana" trophy, appropriately bedecked with the tropical fruit.

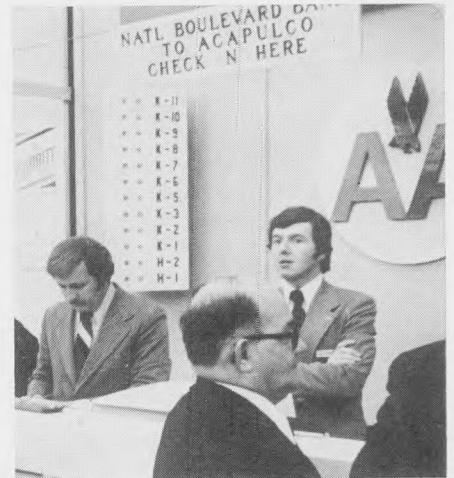
JUST ABOUT everybody on the staff at National Boulevard Bank, Chicago, went bananas last year. To be exact, 83% of all personnel participated in the bank's employee incentive promotion entitled "How We Make Bread from Bananas."

The promotion was a tie-in to the bank's 10-month publicity blitz to establish itself as the "number one bank in the new downtown"—Chicago's near north side.

When the dust had settled and new business figures were totaled, bank management learned that a staff that has gone bananas was a staff that really brought the bread into the bank, to the tune of more than 5,000 new checking accounts, more than 5,000 new regular savings accounts and many new customers for the trust, consumer credit and safe deposit departments.

Teams of employees competed for days off, athletic event and theater tickets, which were awarded throughout the promotion. Grand prizes for 17 individual winners were trips for two to Acapulco last January.

According to a bank spokesman, an important fringe benefit of the promotion was the cross-training and cross-selling done by many employees. The program encouraged employees from every department to become involved in new business efforts, the spokesman said. •••



ABOVE. Special sign designates check-in area at airport for Nat'l Blvd. Bank employees traveling to Mexico as reward for sales efforts.



RIGHT: Nat'l Blvd. Bank employees relax at restaurant in Acapulco during all expenses paid vacation they won as top performers in bank's "bananas" contest.

Are Package Plans All Alike? Not Those With Tax Saver Checking!

PACKAGE plans are no longer found in isolated banks. Like incentives and free checking, they have proliferated to the point that they have lost some of their attraction.

For this reason, promoters of bank package plans have been searching for "that something extra" that can restate their plan as the unique plan in any given area. Tax Saver checking has been found to fill the bill and is being adopted as part of package plans by numerous banks throughout the nation.

What is Tax Saver checking? It's a unique plan, developed by Exchange National, Chicago, that makes it simple for checking account customers to keep records of expenditures that are tax deductible. Thus the system enables customers to receive the maximum deduction when figuring their income tax.

Tax Saver checking is not just a new personal check, but a new personal checking system. It consists of specially coded checks, a check register and an organizer file. Each Tax Saver check includes 12 numbered boxes corresponding to itemized deduction categories on Internal Revenue Service Form 1040. When a check is written for a deductible expense, the checkwriter simply marks the appropriate box on the check.

The Tax Saver check register provides deduction information to assure that the checkwriter marks the correct

By **JIM FABIAN**
Associate Editor

box on the check. It also helps him from overlooking a possible deduction through ignorance of what is and what isn't deductible since it contains an explanation of the kinds of personal expenditures that are deductible.

The writer's canceled checks are filed in the organizer, which is indexed according to the 12 categories of deductibles. When the taxpayer prepares his return, the checks are organized in such a way as to make the job easier. Even if the taxpayer hires someone else to prepare his return, the organizer enables the other person to spend less time on the job, thus lowering the cost of preparing the return.

When Exchange National began offering Tax Saver checking, it realized a tripling in the number of new checking accounts opened. Within the first year of the new service, new checking accounts increased by 140%.

The bank began marketing Tax Saver checking in 1973 and has sold individual rights to the plan to some 170 banks, including Bank of America, San Francisco, and First National City Bank, New York. Exchange National has also made arrangements for Tax Saver checking to be included in a package of retail banking services called BanClub™, originated by Financial Institution Services, Inc., Nashville. To date, approximately 700 banks in 33 states offer Tax Saver checking to 700,000 package club members.

BanClub is one of the pioneer package plans offered to banks, and provides clients with services such as unlimited free check-writing privileges, unlimited personalized checks, national discounts on merchandise, accidental death insurance and travel and marketing support.

Tax Saver was seen as a strengthening for BanClub and, in December, 1973, the two firms joined forces to of-

fer Tax Saver to BanClub accounts while, at the same time, leaving Exchange National free to market Tax Saver independently.

Banks licensing Tax Saver checking from Exchange National or BanClub receive marketing kits that include research on customer reactions to Tax Saver checking. Included in the research is the fact that a bank can expect up to 13% of its regular checking account customers to switch to Tax Saver checking.

In the case of BanClub accounts, this is a significant fact, since those customers switching from regular checking (which often is free) to Tax Saver checking as a part of a package plan offered for a monthly fee, are expressing their willingness to pay for something they formerly received at no cost simply to qualify for the Tax Saver concept.

(Continued on page 78)

Introducing First BankClub from First National.
For \$3.00 a month you can get just about all the banking services you'll ever need.

Portion of brochure promoting First BankClub package plan at First Nat'l, Mobile, Ala., features Tax Saver checking plan among other services.

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Correspondent banks serve their customers best when they can say "yes." We don't have to tell you banks make money lending, not declining credit needs.

But there are times in every well managed bank when management has to say "no." When you have to turn down a loan. And nobody likes it. The borrower, nor the bank. But when it happens there is usually a sensible reason.

If it never happens, you can guess what would eventually happen to that bank.

We can participate in sound loans today. And we are. We're looking for wise loan investments to help everybody involved. When you meet a correspondent officer from First National, you can be sure he's not dealing from a rigid position, imposing inflexible policies. He's anxious to serve you and your borrower. And your community.

At First National we consider your borrower and your bank. We're trying to say "yes."

**Sometimes
we had to say "no."
That's why we can still
say "yes."**



**FIRST NATIONAL BANK
OF MEMPHIS**



NEW IBAA OFFICERS are (l. to r.): treas., William P. Givens, pres., Merchants Nat'l, Muncie, Ind.; pres., Kenneth J. Benda, pres., Hartwick (Ia.) State; 1st v.p., Charles O. Maddox Jr., pres., Peoples Bank, Winder, Ga.; and 2nd v.p., Edward A. Trautz, pres., East Lansing (Mich.) State.

EFTS Takes Spotlight At IBAA Convention

EFTS (electronic funds transfer systems), which has been in the news in banking since early 1974, was the dominant issue at the 45th annual convention of the Independent Bankers Association of America in Las Vegas in March. EFTS was explored from every point of view—in President Embree K. Easterly's address, in committee reports, in resolutions and in a special panel presentation.

Association spokesmen emphasized that the IBAA is not opposing electronic funds transfer, but is trying to see that the terminals are controlled properly. In a resolution addressed to "national EFTS issues," the convention unanimously referred to EFTS as "a technology which has not yet really found a clear market. EFTS offers to relieve some of the burden of handling a great volume of checks and other records and to allow banks to serve their customers better. However, electronic banking, as a whole, raises many critical questions of public policy that

have not been answered and which, according to their solutions, eventually will greatly affect whatever scope will evolve for these new systems."

The resolution declared that the IBAA represents more than 7,300 smaller and medium-sized state and national banks that would be put at a substantial competitive disadvantage by the proliferation of customer-bank communications terminals (CBCTs) on a preferential basis.

"The Comptroller's position," according to the IBAA, "favors large banks with more sophisticated research and development facilities with the connected ability to dominate particular markets through use of EFT systems to the detriment of smaller state and national banks. The IBAA is concerned that the Comptroller's ruling permitting CBCTs to expand without being subject to the branching provisions of federal law will permit the type of predatory and anti-competitive practices which will erode the congressionally

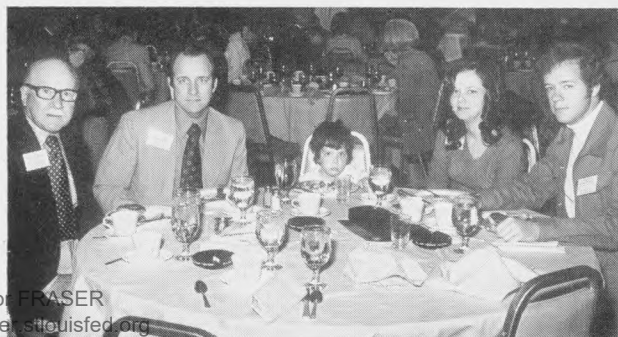
mandated federal banking policy and undermine the banking system generally."

The resolution also strongly endorsed a moratorium bill—S. 245 and H.R. 1619—in Congress that would stop use of EFTS for deposit and non-preauthorized loan activities by federally insured institutions of all types during the period of the EFTS Commission study. The IBAA, continued the resolution, believes EFTS activities should be decelerated to give all financial institutions and regulators sufficient time to determine the best course to follow in the orderly development of electronic banking and to consider, in a less pressured atmosphere, the National Commission's report, an interim version of which is due in October of this year.

In a second resolution addressed "state issues," the IBAA urged adoption of state statutes "to prevent domination in use of EFTS" to preserve a dispersed system of federal and state financial institutions. In addition, the as-

LEFT: Members of family of IBAA Pres. (1974-75) Embree K. Easterly at buffet breakfast are (l. to r.): Polyet Breaud, Mr. Easterly's father-in-law; Robert Easterly, son of Mr. Easterly, who is pres., Capital Bank, Baton Rouge; young Robin Easterly, granddaughter of Embree Easterly; Mrs. Robert Easterly and James Easterly, another son. All are from Baton Rouge. Mr. and Mrs. Richard Easterly, son and daughter-in-

law of Embree Easterly, and the latter's daughter, Sharon, also attended the convention. Sharon Easterly had charge of convention tennis tournament. RIGHT: Also enjoying buffet breakfast are (l. to r.): Mr. and Mrs. D. A. Ghrist, Kansas City, Kan.; A. G. Lawson, Lincoln, Ill.; Dean Bright, Farmer City, Ill; Mrs. Lawson and Mrs. Bright.





LEFT: Attending buffet breakfast are (l. to r.): Mr. and Mrs. Elvin Foehner, Highland, Ill.; Mrs. Merle McCubbins and Mr. McCubbins, Cabool, Mo.; and Mrs. E. E. Coldwell and Mr. Coldwell, Marion, O.
 CENTER: Shown at men's luncheon are three Missouri bankers (l. to r.):

M. A. Buxton, Pleasant Hope; Frank R. Carter, Pierce City, and Robert E. Smith, Marshfield. RIGHT: Another buffet breakfast group are (l. to r.): Mr. and Mrs. Luther Keitt and Mr. and Mrs. John Wright, all of Henderson, Tex.

sociation's resolution advocated that customers using EFT systems be assured that their privacy and confidentiality are protected as a tradition and as a legal right. Such customers, said the IBAA, include individuals, partnerships, corporations, governmental units and banks as customers of other banks.

The president on EFTS. The IBAA's outgoing president, Embree K. Easterly, president, Capital Bank, Baton Rouge, told his audience that "of all the important issues facing independent banking, none is more urgent than EFTS."

He said that the IBAA—just the Friday before the convention began—took part in a congressional hearing on a moratorium bill that would suspend EFTS activity until the National Commission on Electronic Funds Transfers has submitted its recommendations.

"When Congress created the commission," said Mr. Easterly, "the intent was that there be no action by federal agencies in this field until the commission had completed its report. However, Congress left the door open a crack by permitting EFTS activity on a limited and experimental basis."

The Comptroller of the Currency, continued the Louisiana banker, then swung the door wide open last December by issuing his interpretive ruling on CBCTs for national banks without regard for state branching laws and without geographic restrictions. According to Mr. Easterly, the Comptroller's ruling "had the effect of pressuring state legislatures into changing state laws so that state-chartered banks could use EFTS terminals as freely as national banks. State-chartered banks could not branch into another state, however."

Mr. Easterly pointed out that when the IBAA filed a petition asking the Comptroller to rescind his ruling, and he would not do so, the association filed suit in U. S. District Court for the District of Columbia to block implementation of the ruling.

EFT seminar. EFTS was discussed further during the IBAA convention at an EFT seminar. Emergence of elec-

tronic banking in Nebraska was discussed by H. L. Gerhart Jr., president, First National, Newman Grove. He talked about the electronic terminals installed by a federal S&L in the Hinky Dinky grocery stores and about the lawsuits by Nebraska's attorney general and others charging that such installations violate both state and federal law.

With reference to a proposed electronic banking system for his state, Mr. Gerhart enumerated a number of questions to be answered before precipitate enactment of legislation. These questions included: What additional costs would an electronic system involve for banks, and what would be the effect of passing these costs on to borrowers? Would such a system enable larger metropolitan banks to siphon funds out of rural and suburban communities and decrease the availability of credit to rural and suburban borrowers?

Another panelist, Robert E. Knight, research officer and economist, Federal Reserve, Kansas City, said that in designing an electronic banking system, it's important to preserve the individual's freedom in how to make or receive payments.

Mr. Knight, after discussing the background and development of electronic banking, pointed out that many fundamental problems remain to be solved, among them the legality of



Mr. and Mrs. R. P. Gabbard of Beattyville, Ky., are pictured at buffet breakfast.

using a savings account like a checking account at a point-of-sale (POS) terminal, sharp consumer dissatisfaction with reduced personal control over finances, cost of justification of a broad electronic system, security problems and potential for computer fraud and the great potential for infringement on our basic freedoms as transactions flow through computers owned by the government or private financial institutions.

A Michigan banker—Edward A. Trautz, president, East Lansing State—explained the federal government's direct-deposit program for social security beneficiaries, a program that will be implemented nationwide later this year.

According to Mr. Trautz, to participate in an electronic payments system, bankers must become members of an automated clearing house. He said the main beneficiaries of an ACH will be larger banks because costs are reduced as volume of electronic items cleared increases. Nevertheless, he continued, small banks must have access to the electronic system.

The correspondent bank's role in helping smaller banks hook into an EFT system was discussed by William J. Davis, vice president and manager, correspondent bank division, American National, Chicago. He said that correspondent banks could help by providing a means of access into an EFT system through the larger bank's computers. He added that a correspondent bank also could act as a technical consultant to smaller banks, providing educational assistance and staff training.

Although Mr. Davis conceded that many electronic banking problems were still to be resolved, he expressed confidence that such problems were amenable to ultimate solution.

Bank ownership. The basic problem in maintaining a bank's independence "is how to arrange for the orderly transfer of ownership and succession of bank management without surrendering the bank to a large multi-bank

(Continued on page 54)

Representatives of Banking, S&Ls, Gov't Present Opinions at CBCT Hearings

ABOUT 34 persons appeared at a two-day hearing held in the nation's capital April 2 and 3 by Comptroller of the Currency James E. Smith on his customer-bank communication terminal (CBCT) interpretive ruling. The witnesses spoke for and against the CBCTs.

Comptroller Smith's ruling, issued last December, allows national banks to establish CBCTs (electronic terminals) off premises without regard to geographic limitations. Such terminals may be in the form of automated teller machines (ATMs) or point-of-sale (POS) terminals. The latter may be installed in such places as supermarkets.

ABA President-Elect J. Rex Duwe (president and chairman, Farmers State, Lucas, Kan.) was one of those who testified for the CBCT ruling. He pointed out that electronic banking is new only in method of delivering the services, not in the services themselves and that CBCT services allow for faster, safer and more efficient banking convenience than do mail and telephone services—traditional methods of access to banks from the outside.

Significant events leading to the Comptroller's ruling were outlined in the ABA testimony:

- Major retailers turning to POS terminals.

- The Federal Home Loan Bank Board authorizing S&Ls to establish remote-service units, not defined as branches.

- A Lincoln, Neb., S&L initiating off-premise service terminals at the Hinky Dinky supermarkets.

- Nebraska banks responding by developing plans for NETS (Nebraska Electronic Transfer System), to be shared by participating banks in the state.

- Innovative legislation in Washington state, providing for terminal sharing by depository institutions in that state.

Because of these events, continued Mr. Duwe, the Comptroller's ruling intended "to provide national banks with competitive equality."

According to the ABA official, the ruling will benefit bank customers through expanded hours of service and the greater convenience of an increased

number of locations where financial transactions can be conducted.

He said the same type of privacy controls placed on existing customer data files used for extending credit or cashing checks can be placed on CBCT services.

Mr. Duwe added that the ruling will allow for the proposed National EFTS Commission to make recommendations based on experience rather than mere conjecture, while allowing for EFT developments to be monitored by financial institution regulators, Congress and the people in the marketplace.

ABA's Duwe cites ruling for providing "competitive equality"; independents point out disadvantages, say smaller banks can't compete.

First Federal Lincoln. The Comptroller's December ruling was advocated at length in testimony given by John E. Dean, president, First Federal S&L, Lincoln, Neb., which—early in 1974—established POS terminals in two Hinky Dinky supermarkets. Although their operations were halted temporarily by legal action, they were started up again last summer. In fact, Mr. Dean told the Comptroller, the Hinky Dinky program now is in effect in Omaha, Fremont and Wahoo, Neb., in addition to Lincoln, and soon will be started in the Nebraska communities of Grand Island, Hastings and Kearney in conjunction with two other S&Ls—Nebraska S&L, Omaha, and Nebraska State Savings Association, Fremont.

The Hinky Dinky project is being conducted under the name, "The Money Service" (TMS).

Mr. Dean listed what he described as "cardinal points" relating to the TMS (or any POS) system.

The savings customer, he said, is afforded a new and more convenient service than ever before by being able to conduct his financial transaction and having access to his savings funds from supermarkets (and other merchants soon to install terminals) at home or from other cities he may visit. The cus-

tommer, continued Mr. Dean, is provided financial service without having to pay a transaction charge or fee and, most of all, earns interest on his money while it remains on deposit. According to the S&L official, the customer is better served now that his funds are accessible to him whether or not he's known by the merchant, because wherever he is, his computer knows him and is willing to transact business.

The merchant, without investment of his capital funds or payment of discounts, fees or transaction costs, said Mr. Dean, now may offer newer and better customer services that will displace check-cashing transactions and reduce bad-check losses and cash-working fund previously required for check-cashing services. The merchant may anticipate new customer services, including grocery sales to bank POS customers (having overdraft privileges) at par (no discounts or fees). This will be a *first*, emphasized Mr. Dean, in the bank/supermarket community.

Financial institutions, he went on, will derive many benefits from the system. TMS, he explained, is an introduction and meaningful approach and beginning to electronic banking. This is of major import, in Mr. Dean's opinion, as a means of establishing early automatic clearing house (ACH) use and traffic, hopefully justifying ACH programs now in existence. TMS offers a customer service and convenient access to his money, said Mr. Dean, to an extent capable of making TMS a primary S&L/customer relationship and a base for cross-selling future family financial services. Participants in such a system, Mr. Dean testified, will experience operating cost levels never before considered possible and will start the much-needed change in the mix of funds held on deposit by attracting a higher and more favorable mix, thereby stemming the increase in the cost of deposit/savings account/CDs, reversing the five years' upward trend.

As part of his presentation, Mr. Dean said that the rights of small independent merchants, S&Ls and banks—to fully and fairly participate in such systems at costs within their means—must be protected and preserved in law. He said he believes this can be achieved only through mandatory ter-

minimal sharing without discrimination of any sort. Otherwise, he continued, "We will fail in our duty to protect all parties and, most of all, the American people from anti-competitive and monopolistic practices.

"Make no mistake, it is truth and fact that EFT is a friend of the small and independent banks and small S&Ls wherein their rights of participation and fair competition are and will be fully preserved and guaranteed to them in law."

Mr. Dean outlined several stages of the TMS program and then said that the next and most important one will get underway in midsummer 1975. At that time, he said, the \$37-million state-chartered Gateway Bank of Lincoln will offer to its depositors full direct-debit EFT/POS deposit and withdrawal services on customer accounts. In addition, he said, his S&L is, under terms of a written contract, working together with a large metropolitan national bank in developing a plan for sharing terminals, clearing accounts and computer switching techniques. This plan, he predicted, will be available to all banks, S&Ls and merchants without regard to size or location.

Justice Department. The Comptroller's ruling was backed by the Justice Department, which was represented at the hearing by Donald I. Baker, deputy assistant attorney general, antitrust division. Operation of off-premises CBCTs by national banks, said Mr. Baker, is sound from a public policy standpoint, and Comptroller Smith's decision has vital pro-competitive aspects.

Mr. Baker's lengthy testimony described in detail why his department believes EFT services will not injure the public interest. It has not yet been demonstrated, he continued, that CBCTs pose any massive threat either to banking or to the public. Accordingly, he said, there's no need for any new and extensive pattern of regulation specifically aimed at controlling CBCTs and particularly no need for the type of regulation presently imposed on the operation of full-service branches.

Justice doesn't believe these terminals should be operated under a compulsory-sharing rule, said Mr. Baker. Among reasons for this opinion, according to Mr. Baker, are that the rule would generate substantial pressures to standardize and freeze CBCT technology, could promote the organization of CBCT systems as a single monopoly utility and would significantly lessen the competitive incentives of an innovative organization to develop a unique funds-transfer technology.

A number of representatives of the

Independent Bankers Association of America (IBAA) presented their views at the hearing.

Fred T. Brooks, president, Merchants State, Dallas, and a past president of IBAA, expressed concern over the Comptroller's ruling because it "permits national banks to 'branch' in clear violation of federal law and without regard for state law." Mr. Brooks stated that the ruling "ignores the basic principles under which the dual banking system has operated for many years and puts many state banks at a real and immediate disadvantage because they cannot do what you have authorized national banks to do."

Mr. Brooks, who is president, Independent Bankers Association of Texas, predicted that the ruling will disrupt and eventually destroy the dual banking system. He accused the Comptroller of revising the entire banking structure "in a way which is procedurally inadequate, basically unfair, not in accordance with the specific provisions of the National Bank Act and beyond the scope of the authority granted to you by Congress. We are concerned that a government official believes he may 'repeal' an act of Congress."

He stated that the IBAA is not opposed to EFTS, but is opposed to "a premature, unregulated, unrestrained and unequal system in which we were not allowed to participate by operation of state law."

He said the IBAA strongly supports existing legislation calling for a EFTS study commission. He said the Comptroller's ruling is in direct opposition to the intent of this legislation.

He said the ruling is "like laying out a new paved road without stripes or speed limits." He also said there is no evidence that EFTS would be more economical than the present paper-transfer system and that there is evidence that the public in general does not desire EFTS.

Mr. Brooks said that the IBAA is greatly concerned with problems of

how smaller banks can attain access to EFTS systems and how entry of per-transaction fees will be determined and regulated. "We are concerned that unregulated use of these systems by the largest national banks and HCs may well 'freeze out' smaller banks and cause a multiplication of problems throughout the country."

Ralph Tilley, president, Vevay (Ind.) Deposit Bank and president of the Independent Bankers Association of Indiana, expressed concern at the possibility of large national banks encroaching on his bank's trade area with CBCTs. He said smaller banks cannot afford the equipment to install such machines as can large national banks; therefore smaller banks will suffer at the hands of the larger banks. • •

CBCT Limit Expected

At press time, the Comptroller of the Currency was expected to announce momentarily the placement of geographic restrictions on the placement of CBCTs by national banks. The consideration of such a restriction is thought to have resulted from testimony given at a hearing airing the pros and cons of CBCTs held in Washington by the Comptroller's office recently (see adjoining article).

A spokesman for the Comptroller said one possible restriction would be limiting the CBCTs of any one bank to an area up to 50 miles from the bank's headquarters. He said it would "be unconscionable to limit CBCTs to the artificial boundaries of state lines."

The 50-mile restriction would permit national banks located near state lines to cross them. Banks in St. Louis, Kansas City, Memphis, Louisville and other cities in the Mid-Continent area would thus be permitted to install CBCTs in adjacent states as long as the installations were not more than 50 miles from a bank's headquarters.

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Convention

(Continued from page 51)

holding company," said Robert D. Dixon, chairman of the IBAA's Bank Ownership and Management Succession Subcommittee. He's president, Rolfe (Ia.) State.

According to Mr. Dixon, his subcommittee has agreed to give priority to establishing a forum or seminar-type program for buyers and sellers of banks and for people involved in management succession. He said the forum will focus on these subjects:

1. The mechanics of organizing a one-bank HC and discussion of modifications of regulations to make the one-bank HC vehicle more workable for the independent banker.

2. Bank-stock appraisal, methods of stock transfer and ways to finance such transfers.

3. Tax problems involved in transfer of bank stock, what's possible under

present regulations and what alternatives there may be for various situations of stock transfer.

4. Estate planning for bankers concerned with bank-ownership transfer within their own families or within their own banks.

5. Succession of bank management that may or may not involve transfer of bank stock or, at most, a minority interest in bank ownership.

New officers. Kenneth J. Benda, president, Hartwick (Ia.) State, succeeded Mr. Easterly as IBAA president. He was its first vice president. Advanced from second vice president to first vice president was Charles O. Maddox Jr., president, Peoples Bank, Winder, Ga. By tradition, he will become IBAA president next year. Elected second vice president was Edward A. Trautz, president, East Lansing (Mich.) State. William P. Givens, president, Merchants National, Muncie, Ind., was elected to a two-year term as IBAA treasurer.

Next convention. The IBAA's 1976 convention will be held March 14-18 at the Sheraton Waikiki Hotel, Honolulu. ••

Mobile Home

(Continued from page 36)

lies in the need to recognize and manage change—to act rather than react.

Past experience indicates that banks and other financial institutions have and will continue to play an important role in the mobile home financing picture. They have profited from this relationship and the potential for more of the same is there.

The demand for low- to moderate-cost housing is a strong consumer-driven need.

How the industry positions itself to serve this need is the greatest challenge mobile home financing faces today. ••

Mobile Home Portfolio Help Planned by Trade Association

A program to assist lenders in servicing their mobile home loans has been announced by the National Association of Mobile Home Service Companies (NAMHSC), trade association for financial service companies specializing in originating, servicing and insuring mobile home and recreation vehicle loans.

The association intends to serve as a "clearing house" for any lenders who may need help in servicing and/or insuring their mobile home loan portfolio, according to T. O. Wantuck, president of the trade group.

Mr. Wantuck noted that some service companies have been casualties of the current economic situation.

"The result has been that some lenders are left in the position of having to service their own mobile home paper, which they may not be prepared to do," Mr. Wantuck said.

"It is our aim to offer a means of bringing these lenders together with viable mobile home service firms.

"The lender and the service company could then work out the details of how the portfolio in question would be handled," Wantuck said.

Inquiries should be directed to the association's headquarters at 2002 Midwest Plaza, 801 Nicollet Mall, Minneapolis, MN 55402.

Quick Quiz For Busy Bankers

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Advancement Opportunities Are Good For Dedicated Branch Managers

FEW BANK presidents have stopped at the branch manager's desk on the way to the top, nor have many other members of senior management.

National and international banking, commercial lending and trust management are the assignments that have traditionally led to the executive suite. But I am not writing about the past or the present, but what I see for tomorrow.

The fact is that the branches of today have little relevance to the branches in existence when today's presidents started their banking careers. The role of branches has been greatly expanded, new responsibilities have been added and new requirements for branch managers have been developed. The banking business is changing and thus, branch managers should reap benefits.

Obviously, states that permit statewide branching provide the most opportunities for branch managers.

In North Carolina, for example, expansion by banks has created many job opportunities for branch managers. At the end of 1969, North Carolina National (NCNB) had 91 offices in 27 communities. In less than five years, the number has grown to 155 in 53 communities. A few of these additional branches resulted from mergers, but more than 50 represent new offices—and new branch manager positions.

Such expansion creates branch manager assignments and increases promotional opportunities for employees throughout the bank. When interstate branching comes there will be even more opportunities.

Promotional opportunities also are enhanced if there are not just more branches, but more types of branches. For example, at NCNB we have three levels of branches. Each type provides the basic transaction services, including teller services and customer service activities. The second type adds consumer lending and the third type includes commercial lending and marketing. Branch managers are assigned to all three, plus assistant managers in larger facilities.

Where limited or no lending activity exists, the branch manager position can be filled by promoting individuals

By HUGH L. McCOLL JR.
President
North Carolina National Bank
Charlotte, N. C.

from operations coordinator positions or elevating experienced customer service employees or tellers.

The other two levels of branches can be staffed with employees who have participated in NCNB's branch manager development program. It's a major source of individuals, assuming these assignments are people employed originally in the consumer credit departments as collectors and having subsequently served as assistant branch managers or consumer lending representatives.

This three-level system provides important management opportunities as well as experience and training for other assignments.

"Unlike people in most other banking assignments, the branch manager must be a generalist."

One of the next steps after being a branch manager is supervising a group of branches. In Charlotte, for example, where we have 25 branches, we have four area managers and a director of branches. Supervising an entire city's retail operations is another step. We have 38 city executives, seven regional executives and, at the top of our retail ladder, a statewide banking group executive who is a member of our management committee.

Each of these categories involves varying levels of responsibility and challenge. For example, one particularly challenging assignment is managing a new office—either in an existing city or in an entirely new community.

Consumer credit, commercial banking, administration and marketing are other avenues for promotion. And it is possible to move in and out of these areas. Let me use one individual as an example. He started out as a management trainee, then served as assistant branch manager and then branch man-

ager before moving to international banking. He then supervised marketing functions in one of our cities and was recently named city executive in a community where we had never had an office before.

This is the kind of career path a branch manager can think about and plan for. He should decide what he wants and let his boss and his bank know what he wants.

I would like to elaborate about why the responsibilities of the branch manager prepare him or her for other banking assignments.

Anyone who is a manager or aspires to be one in any organization knows that a good manager is a generalist—someone who can handle responsibilities in many broad areas of business.

Unlike people in most other banking assignments, the branch manager must be a generalist, and on a daily basis must perform a wide variety of functions, including marketing, consumer lending, commercial banking, personnel administration, customer service and sales. To carry out these responsibilities successfully, the branch manager must be well organized, decisive, people-oriented, attuned to detail and much more.

The best way for me to describe the scope of the branch manager's function is to outline the nearly three-month branch manager development program at NCNB.

Before sitting in a classroom, our candidates are assigned to a branch for a few days to gain an appreciation of how a branch should be run. The concept of modeling is a valuable training technique for developing good managers. While in the branch, the trainee gains exposure to teller functions, customer service, direct lending and general operations.

Following this exposure, the trainee is sent to our consumer lending school to develop the requisite skills for making direct loans. The one-week school also provides exposure to indirect lending, collection/adjusting practices and dealer floor plans.

Continuing to place emphasis on the real world of banking, we next place our trainees in a consumer credit de-

partment for 30 to 45 days. The trainee is given the opportunity to make direct loans under the supervision of an experienced direct lender. After the practice period, the trainee is tested and provided with a skills development plan when need for improvement is indicated.

The trainee then goes to our five-week branch manager school to become thoroughly familiar with the administrative practices, techniques, forms, rules and procedures of operating a branch. The school covers the seven areas of commercial lending, bank services, branch operations, sales

training, branch administration, supervisory training and personnel policies.

The commercial lending workshop, for example, is designed to provide commercial lending skills, with major emphasis on small commercial loans. However, the trainees learn enough about large commercial loans to be able to spot potential customers and refer them to other supporting units.

There are four areas of responsibility that provide important experience for future assignments in banks.

If the bank is truly profit-oriented, the branch manager should be the first level of the profit-planning and control

process. For a bank, the best overdraft protection is competent branch managers who understand assets and liabilities.

The branch manager should have a solid grounding in selling techniques. The manager should cross-sell bank services as well as bring in new accounts.

The branch manager should be capable of maximizing the human resources under his or her jurisdiction. The branch manager should insure that all branch employees are properly motivated, developed and promoted. Anyone really wanting to move up from the branch manager spot should find and develop a replacement.

Finally, the branch manager is the major community contact. To many customers, he is really the president of the bank. His is a 24-hour job, for wherever the manager goes, he or she is representing the bank. The manager who speaks to the Rotary Club about the economy is really promoting the bank. The manager who participates in the United Appeal drive is really helping the bank be a good corporate citizen. This community participation benefits the bank's image and contributes to the manager's leadership training, for skills acquired through these experiences are important in higher-level managerial positions.

The job of branch manager, like many jobs, can be a dead end or a stepping stone. The opportunity for advancement is there, but it won't happen unless the individual makes it happen. I've had a lot of people working for me, in a lot of positions, who spent a great deal of time telling me how good they were and why they deserved to move rapidly up the ladder. I've had other employees who didn't have to say anything, because they showed me through their work that they were capable of accepting further responsibility. You can guess the category from which most promotions have come.

In today's banking world, I can't think of a better stepping stone job than that of branch manager, provided it is approached with dedication and determination. • •



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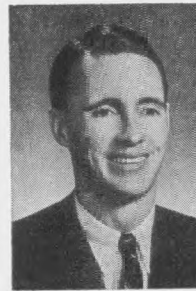
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- First Alabama Bank of Athens, N.A.
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- First Alabama Bank of Guntersville
- First Alabama Bank of Hartselle
- Phenix National Bank, Phenix City
- Farmers & Marine Bank, Bayou La Batre

First Alabama



EDWARDS



JOHNSON

Convention 'First-Timers'

These new faces will be representing city-correspondent banks at state conventions this year.

Mississippi Convention

• William S. Johnson represents the correspondent bank department at Merchants National, Mobile. He has served in many departments at the bank and holds a BS degree in agricultural business and economics from Auburn.

• James A. Edwards is an assistant vice president in the banks, bank holding companies and related activities division at First National, Chicago. He joined the bank in 1965.

• Andrew O. Watson is a member of the national banking division of Morgan Guaranty Trust, New York, which he joined in 1973. He holds degrees from the University of California and the University of Chicago Graduate School of Business.

Indiana Convention

• Charles L. Mountz joined the correspondent team at First National, St. Louis, last October, coming from the credit department. He joined the bank last year as a credit analyst.

New Mexico Convention

• George W. Porter is a correspondent banking representative with Commerce Bank, Kansas City. He joined the bank as a management trainee in 1973.

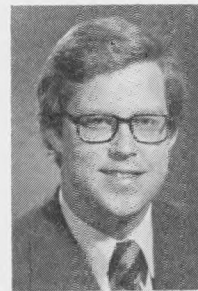
• John H. Cope is a vice president and manager of the correspondent banking department at First National, Fort Worth.

• Duncan E. Kincheloe Jr. is an assistant vice president at United Missouri Bank, Kansas City, which he joined in 1973. He travels in Texas and New Mexico.

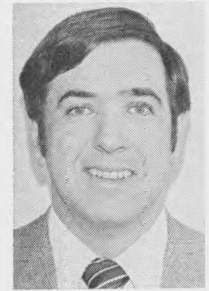
• Rex B. House is a vice president in the correspondent banks department at Texas Bank, Dallas. He travels in west Texas and New Mexico.

• Daniel Flynn, senior vice president, represents Texas Bank, Dallas, in south Texas and the Rio Grande Valley. He is assistant manager of the correspondent banks and southwestern accounts department.

• Robert E. Taubenheim, loan officer at First National, Chicago, joined the bank's banks, bank holding companies and related activities division in 1971 and represents the bank in southwestern states.



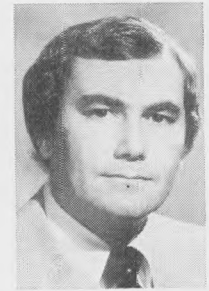
WATSON



MOUNTZ



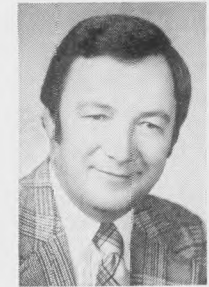
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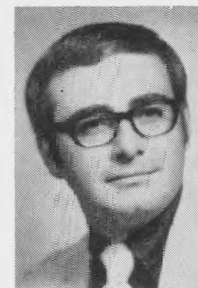
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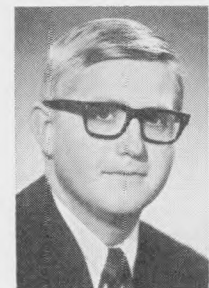
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Encompassing thirty-nine banking offices, this comprises the largest banking system in the state and one of the largest in the middle South area.

This growth, we believe, is due to Deposit Guaranty's dedication to sound fiscal policies, to the guardianship of those funds entrusted to its care, to the protection of its shareholders' investment, to a continuing involvement in the civic affairs of the communities it serves and the state as a whole, to a concern for the welfare of its staff and to providing complete and up-to-date financial services for its loyal customers.

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Monticello, Monticello Bank / Natchez, City Bank & Trust Co. /
Newhebron, Newhebron Bank / And Offices in Clinton and Pearl.

Mississippi Convention

President



LAMPTON

R. Ben Lampton, MBA pres., is pres., First Nat'l, Jackson. He is a graduate of the School of Banking of the South and is a past pres., Jackson Chamber of Commerce.

Vice President



HOWARD

W. E. Howard Jr., assn. v.p., is pres., Commercial Nat'l, Laurel, which he joined as a dir. in 1954. He has served MBA as ch., Bank Management Conference. He is a graduate of the School of Banking of the South.

Treasurer



MITCHELL

John H. Mitchell Jr., MBA treas., is v. ch. & CEO, Nat'l Bank of Commerce (formerly Peoples Bank), Starkville. He is a former pres., Young Bankers Section, and has served as ch. of several MBA committees.

Biloxi, May 17-21

Headquarters—BUENA VISTA HOTEL

PROGRAM

FIRST SESSION, 9:15 a.m., May 19

Call to Order and Invocation.

Executive Committee Report—W. E. HOWARD JR., committee chairman, vice president, Mississippi Bankers Association, and president, Commercial National Bank, Laurel.

Resolutions—JOHN J. HARRY, committee chairman and president and CEO, First National Bank, Laurel.

Financial Report—JOHN H. MITCHELL JR., treasurer, Mississippi Bankers Association, and vice chairman and CEO, Commercial National Bank, Laurel.

Chair of Banking Report—DR. HARVEY S. LEWIS, head of chair of banking, University of Mississippi.

Young Bankers Section Report—BOBBY L. HARPER, president, Young Bankers Section, and vice president, National Bank of Commerce, Columbus.

Address—ROY E. JACKSON, regional director, FDIC, Memphis.

SECOND SESSION, 9:30 a.m., May 20

Call to Order and Invocation.

President's Address—R. BEN LAMPTON, president, Mississippi Bankers Association, and president, First National Bank, Jackson.

Report on the School of Banking of the South—ORRIN H. SWAYZE, director emeritus, School of Banking of the South.

Meeting of the Mississippi Members of the American Bankers Association—LEO W. SEAL JR., immediate past president, Mississippi Bankers Association, and president & CEO, Hancock Bank, Gulfport.

Presentation of 50-Year Club Certificates.

Address—J. REX DUWE, president-elect, American Bankers Association, and chairman, Farmers State Bank and Trust Company, Lucas, Kansas.

Necrology Committee Report—ORRICK METCALFE, committee chairman, and chairman, Britton & Koontz First National Bank, Natchez.

Resolutions Committee Report—JOHN J. HARRY.

Report of Nominating Committee and Election of Officers.

More Than Sun and Sand Promised by Miss.BA For 87th Annual Meeting

FDIC regional director Roy E. Jackson from Memphis and J. Rex Duwe, ABA president-elect, and chairman, Farmers State, Lucas, Kan., will be highlighting the 87th annual Mississippi Bankers Association convention, which will meet May 17-21 at Pete Fountain's Buena Vista Hotel in Biloxi.

The MBA golf tournament is set to

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FERRILL BATTLETT

Deposit Guaranty Plaza Dedicated

TOP: J. H. Hines, chairman, Deposit Guaranty National, Jackson, makes opening remarks at recent dedication of new Deposit Guaranty Plaza complex. Mississippi Governor William L. Waller and other dignitaries participated at the dedication, which featured traditional ribbon cutting. Untraditionally, ribbon extended from top to bottom of 310-foot tower and a 14-foot-wide pair of scissors was used to cut it. BOTTOM: Shortly after dedication, bank hosted its correspondents at an open house and tour of new complex.



begin at 8:30 a.m. Saturday, May 17, at the Broadwater Beach Sea Course and the MBA tennis tourney will kick off at noon at Pete Fountain's Buena Vista tennis courts. First-day registration will start at 2 p.m. in the hotel lobby and the Greater Mississippi Life party will be from 6-8 in the Hurricane Room.

Registration on May 18 will begin at 9 a.m. and the golf match will wind

up that day, with tee-off time at noon. At 2 will be the First National of New Orleans party in the Pete Fountain Room and Fountain Terrace, with the 5:30 Deposit Guaranty National of Jackson fete at poolside.

Registration will begin at 9 a.m. Monday and the first business session will start 15 minutes later in the Regency Room Arcade. R. Ben Lampton, MBA president, and president, First National, Jackson, will preside.

Following the opening ceremonies will be the executive committee report by Chairman W. E. Howard Jr., MBA vice president, and president, Commercial National, Laurel. Committee Chairman John J. Harry, president and CEO, First National, Laurel, will then provide the resolutions committee report. John F. Mitchell Jr., MBA trea-

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Condensed Statement of Condition
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PER COMPTROLLER'S CALL AS OF APRIL 16, 1975

RESOURCES

Loans and Discounts	\$ 83,682,999.84
United States Bonds and Securities	22,173,592.83
Other Bonds and Securities.....	34,572,167.41
Federal Funds Sold.....	8,400,000.00
Banking Houses, Furniture and Fixtures.....	3,225,547.89
Other Real Estate.....	659,020.61
Other Assets.....	2,510,605.34
Cash and Sight Exchange.....	19,918,845.96
Total Assets	\$175,142,779.88

LIABILITIES

Capital Stock	\$3,015,200.00
Capital Notes.....	480,000.00
Surplus.....	8,564,080.00
Undivided Profits.....	975,470.55
Reserve for Contingencies.....	2,301,595.97
Total Capital Accounts	\$ 15,336,346.52
Reserve for Interest, Taxes, etc.	3,923,374.01
Federal Funds Purchased	3,425,000.00
Other Liabilities	86,000.00
Deposits.....	152,372,059.35
Total Liabilities.....	\$175,142,779.88



Hancock Bank
New Light on Modern Banking

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OFFICES: Bay St. Louis, Gulfport, Pass Christian, Long Beach,
 Northeast (Pass Road, Gulfport), Mississippi City-Handsboro,
 Edgewater, Norwood Village, Mississippi Test Facility,
 U.S. Navy CB Center, Poplarville (Bank of Commerce).

sure, and vice chairman & CEO, Commercial National, Laurel, will read the financial report. The chair of banking report will be given by Dr. Harvey S. Lewis of the University of Mississippi. Dr. Lewis is the head of chair of banking at Ole Miss. Bobby L. Harper, Young Bankers Section (YBS) president, and vice president, National Bank of Commerce, Columbus, will report on the YBS. The first session will then be rounded-out by an address by Mr. Jackson of the FDIC.

Beginning at 11 a.m. will be the First National of Jackson party in the Pete Fountain Room and Fountain Terrace. At noon, the lunch for the executive committee and past presidents will be served in Hurricane Room E, after which, the executive committee will meet.

Evening activity will commence at 4 p.m. with the Hancock Bank, Gulfport, oyster bar in the Sun Room and Terrace, followed at 6:30 by the MBA cocktail party in the Pete Fountain Room and Fountain Terrace. Ben's "Happy Times" party, a seafood jamboree, is slated to start at 7:30. Entertainment will be provided by The Shoppe.

The Tuesday, May 20, schedule will be kicked off by the breakfast for graduates of the School of Banking of the South (SBS) in the Fountain Terrace. Ray K. Smith, SBS executive trustee, and president & CEO, First National, Greenville, will preside. Registration will open at 9, followed by the 9:30 beginning of the second general session in the Regency Room Arcade.

President Lampton will start things off with the president's address, then Orrin H. Swayze, SBS director emeritus, will report on that institution. A meeting of the Mississippi members of the American Bankers Association will then ensue, headed by Leo W. Seal Jr., immediate past MBA president, and president and CEO, Hancock Bank, Gulfport. Following that will be the presentation of 50-Year Club certificates, then an address by J. Rex Duwe, president-elect of the ABA, and chairman, Farmers State Bank, Lucas, Kan.

Orrick Metcalfe, committee chairman, and chairman, Britton & Koontz First National, Natchez, is slated to give the report of the necrology committee, after which, Mr. Harry will provide the conventioners with a resolutions committee report. The report of the nominating committee and election of officers will end the second session.

For the women, a social hour and luncheon will commence in the Hurricane Room at 11:30 a.m., with entertainment by Glenda Brundage of Hattiesburg.

Hancock Bank's oyster bar will once again open at 4 p.m. in the Sun Room and Terrace. The annual banquet is set for 7:30 in the Hurricane Room. During the banquet, there will be an announcement of the winners of the golf and tennis tournaments, an address by convention speaker "Mick" Delaney, the introduction and installation of officers and convention adjournment.

The breakfast for the executive committee begins at 8:30 Wednesday morning, to be followed by a meeting of the executive committee. Both breakfast and meeting will occur in the Hurricane Room.

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CRAWFORD



BERRYHILL

Three Bankers Will Leave MBA's Exec. Committee

Three bankers are retiring this year from the Mississippi Bankers Association executive committee. They are Farrell F. Berryhill, president, First National, Pontotoc; William F. Crawford, chairman, State Bank, Brookhaven; and N. L. Cassibry Jr., president, Cleveland State.

Mr. Berryhill is a past president of the Young Bankers Section of the MBA and a past president of the Northeast Mississippi Chapter of the Bank Administration Institute. He also has served as MBA Group One vice president. His education took place at Hendrix College, Conway, Ark., and the School of Banking of the South.

Mr. Crawford joined State Bank, Brookhaven, in 1954, as a clerk, was elected assistant cashier the same year and, in 1958, became assistant vice president. He was elevated to the position of vice president in 1960, becoming vice chairman in 1965. Later that year, he was named chairman, a position he still holds. Mr. Crawford has been an MBA executive committee member since 1973 and is a past MBA president. Information about Mr. Cassibry was not available at press time.

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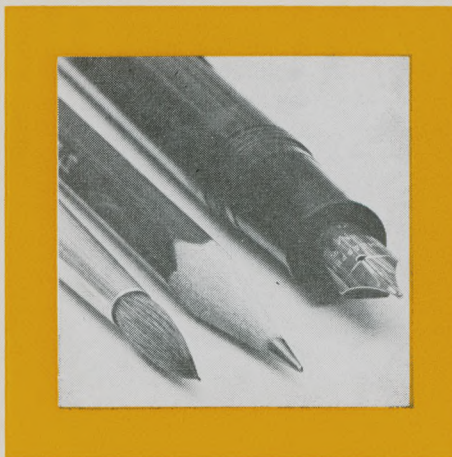
Common Capital	Total
\$450,000.00	Resources
Earned Surplus	Over \$29,000,000.00
\$885,000.00	

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The Bank of Greenwood, Greenwood; Tylertown Bank, Tylertown



Rally 'round the men from Commerce Bank

May 4-6 — Nebraska Bankers Convention,
Omaha — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, Edwin B. Lewis



May 4-6 — Texas Bankers Convention,
Houston — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, George W. Porter



May 4-6 — Arkansas Bankers Convention,
Hot Springs — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, Ben F. Caldwell



May 13-15 — Oklahoma Bankers Convention,
Tulsa — P. V. Miller, Jr., Fred N. Coulson, Jr.,
Tom C. Cannon, Ben F. Caldwell



May 14-16 — Kansas Bankers Convention,
Topeka — P. V. Miller, Jr., Fred N. Coulson, Jr.,
John C. Messina, Ben F. Caldwell,
Frampton T. Rowland Jr., W. Thomas Falls, Jr.



May 11-13 — Missouri Bankers Convention,
Kansas City — James M. Kemper, Jr., P. V. Miller, Jr.,
Fred N. Coulson, Jr., Larry E. Lumpe, Elmer Erisman,
John C. Messina, Paul F. Langewisch



June 4-7 — Colorado Bankers Convention,
Colorado Springs — P. V. Miller, Jr.,
Fred N. Coulson, Jr., Tom C. Cannon



May 29-31 — New Mexico Bankers Convention,
Albuquerque — Fred N. Coulson, Jr.,
Tom C. Cannon, George W. Porter



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New Mexico Convention

President



JARAMILLO

Henry Jaramillo Jr., NMBA pres., is pres., Ranchers State, Belen, which he organized in 1960. He is past ch., Group 4, and served on the NMBA budget and legislative committees.

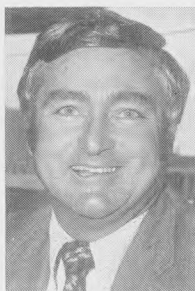
Pres.-Elect



STEWART

Wayne Stewart, assn. pres.-elect, is pres., First Nat'l, Alamogordo. He began his banking career in 1950 at Panhandle State, El Paso, Tex., going to his present bank in 1956. He has been a dir., El Paso branch, Dallas Fed, since 1972.

Treasurer



LOCKHART

Robert Lockhart, assn. treas., is sr. v.p., Santa Fe Nat'l, which he joined in 1958 as a management trainee. He is a past pres. of BAI's Rio Grande Chapter.

Albuquerque, June 12-14

Headquarters Hotel—HILTON INN

PROGRAM

FIRST SESSION, 10 a.m., June 13

Call to Order—HENRY JARAMILLO JR., president, New Mexico Bankers Association, and president, Ranchers State, Belen.

National Anthem—GENE IVES of "The Company."

Invocation—FATHER GEORGE SALAZAR, San Felipe de Neri Church, Old Town Plaza, Albuquerque.

Address of Welcome—HARRY KINNEY, mayor of Albuquerque.

Response—WAYNE STEWART, president-elect, New Mexico Bankers Association, and president, First National, Alamogordo.

Address—JERRY APODACA, governor of New Mexico.

Address—"The AIB—Its Heritage, Its Contributions and Its Potential," RUDOLPH R. FICHTEL, director, AIB, Washington, D. C.

Address—FRANCINE NEFF, treasurer of the U. S.

SECOND SESSION, 9 a.m., June 14

Call to Order—HENRY JARAMILLO JR.

American Bankers Association Meeting—ROBERT H. ALLAN JR., ABA state vice president, and president, First State Bank, Gallup.

Report of the Executive Vice President—DENTON R. HUDGEONS.

Recognition of 25- and 50-Year Club Members—HENRY JARAMILLO JR.

Address—WILL ROGERS JR.

Report of the Audit Committee—DAVID A. RUIZ, chairman and executive vice president, First State Bank, Gallup.

Report of the Resolutions Committee—JAMES K. LUSK, chairman and president, Roswell State Bank.

President's Annual Report—HENRY JARAMILLO JR.

Report of the Nominating Committee—JAMES A. CLARK, president, First National, Albuquerque.

Election of Officers.

Presentation of Past President's Pin and Certificate.

Remarks by New President—WAYNE STEWART.

Selection of 1977 Convention City.

Announcements.

Adjournment.

Principal Convention Speakers



APODACA



FICHTEL



NEFF



ROGERS

Principal speakers on the program for the NMBA convention include Jerry Apodaca, governor of New Mexico; Rudolph P. Fichtel, AIB director; Francine Neff, treasurer of the U. S.; and Will Rogers Jr., publisher and actor.

Local, National Speakers Set for NMBA Convention In Albuquerque June 12-14

New Mexico bankers will have the opportunity to hear local and national views on banking during the 64th annual convention of the New Mexico Bankers Association in Albuquerque June 12-14. Headquarters for the event will be the Hilton Inn.

Presenting the local views will be such dignitaries as Mayor Harry E. Kinney of Albuquerque, Jerry Apodaca, governor of New Mexico and the association's officers and members. Rudolph R. Fichtel, AIB director, and Francine Neff, U. S. treasurer, both of Washington, D. C., along with Will Rogers Jr., actor and newspaper publisher from Beverly Hills, Calif., will offer examinations from the national standpoint.

The convention committees' dinner will be held in the Granada Room at the Hilton Inn at 6:30 p.m., June 11. Entertainment will be by Louis Cappo.

Registration will commence at 8 a.m., Thursday, June 12, in the Garden Room. Those wishing to enter the men's golf tournament may tee off between 8 a.m. and 1 p.m. at the Para-

dise Hills Country Club, while the women's event will be at the Rio Rancho Country Club. An 8:30 continental breakfast for the women will be featured, with tee-off time set for 9.

The past president's luncheon is slated for the Florentine Room at the Hilton at noon, with entertainment by The Collegiates. The reception that evening will begin at 6 and last until 7:30. Site of the reception will be the patio and the Bob Martinez Mariachi Band will stroll amongst the conventioners.

Activities on Friday, June 13, will begin at 8 a.m. with the annual prayer breakfast in the International Ballroom. Kenneth Bonnell, breakfast chairman, and chairman and CEO, First National, Roswell, will preside. Dr. Rex P. Kyker, head, department of communications, Abilene (Tex.) Christian College, will give the address and The Living Word will provide the musical renditions.

At 9:30 a.m., the first general session will begin the Mediterranean Ballroom. The call to order will be issued at 10 by Henry Jaramillo, association president, and president, Ranchers State, Belen. This will be followed by the singing of the National Anthem by Gene Ives of "The Company."

Special Convention Speakers



KYKER



MEINCKE

Giving the address at the June 13 prayer breakfast during the NMBA convention will be Dr. Rex P. Kyker, head, dept. of communications, Abilene (Tex.) Christian College. William A. Meincke, FBI special agent in charge, Albuquerque, will present his speech, "Kidnap and Extortion as Related to the Wife of a Banker," at the June 13 women's luncheon.

Father George Salazar of San Felipe de Neri Church in Old Town Plaza, Albuquerque, will offer the invocation, followed by the address of welcome by Albuquerque Mayor Harry E. Kinney. Wayne Stewart, NMBA president-elect and president, First National, Alamogordo, will give the response.

Jerry Apodaca, governor of New Mexico, will then address the convention attendants. Also on the dais will be Rudolph R. Fichtel, director, AIB, Washington, D. C., who will speak on "The AIB—Its Heritage, Its Contributions and Its Potential," followed by the session's final speaker, Francine Neff, treasurer of the U. S.

An 8 a.m. women's tennis tournament will kick off the social events for Friday. A continental breakfast will be offered at the Indoor Tennis Club, then, at 8:30, the play will begin. At 11:30 the luncheon for the women will start and Elsie Jaramillo will preside, with Paulette Jaramillo Koch as mistress of ceremonies. The social hour will continue from that time until noon, when the food will be served. William A. Meincke, FBI special agent in charge, Albuquerque, will give an address entitled "Kidnap and Extortion as Related to the Wife of a Banker."

To continue the calendar of Friday's social events, Henry Jaramillo Jr. will host the president's noon luncheon at the indoor pool. Entertainment will be by The Enchanters. At the same hour, a men's tennis tournament will start at the Indoor Tennis Club. The women will have a bridge tournament in International Ballrooms E, F, G and H. A cocktail party will begin at 6 p.m. on the patio, courtesy of State National, El Paso, Tex., and a buffet supper is planned to commence at 6:30 in the International Ballroom. The square dance group, The Bell Ringers, will do the entertainment honors.

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RANCHERS STATE BANK OF BELEN, N. M.

are proud that our president, Henry Jaramillo Jr., has served the New Mexico Bankers Association as president during the year, 1974-75.

We appreciate the assistance and cooperation given to Mr. Jaramillo by New Mexico bankers during his term of office in his efforts and program on behalf of the New Mexico Bankers Association.



Henry Jaramillo, Jr.

The convention's final day, June 14, is slated to be kicked off by a 7:15 buffet breakfast in the International Ballroom, thanks to First National of Roswell, Roswell State Bank and Security National in Roswell.

At 8:30, the organ music of Mark L. Davis will signal the beginning of the final general session. The call to order will once again be made by Henry Jaramillo Jr., followed by a meeting of the New Mexico members of the American Bankers Association headed by Robert H. Allan Jr., ABA state vice president, and president, First State Bank, Gallup. Purpose of the meeting will be election of state delegates to the ABA convention and election of a member to the ABA governing council.

Following the ABA business, Denton R. Hudgeons will give the report of the executive vice president. Mr. Jaramillo will then preside over the recognition of 25- and 50-Year Club members. Will Rogers Jr., the guest speaker of the day, will then address the audience.

After Mr. Rogers' words the finishing business of the session will take place. David A. Ruiz, chairman and executive vice president, First State Bank, Gallup, will give the audit committee's report, then James K. Lusk, chairman and president, Roswell State Bank, will offer the report of the resolutions committee. Mr. Jaramillo's president's report will then ensue, after which James A. Clark, chairman and president, First National, Albuquerque, and immediate past association president, will give the report of the nominating committee.

Election of officers will be next on the session's schedule, with presentation of the past president's pin and certificate, remarks by the new president, selection of the 1977 convention city and announcements comprising the final events before adjournment.

A 2 p.m. meeting of the executive council will occur in the Riviera Room.

Saturday's social events are set to begin at 5 p.m. with a cocktail party, courtesy of El Paso (Tex.) National, on the patio. At 7, the banquet will start in the International Ballroom. Mr. Jaramillo will preside, Father Salazar will provide the invocation and the dinner show and dancing will be by the talents of The Shoppe and Bill Mason and His Band, respectively.

■ **BOB GOODMAN** and Ben Wyne have been promoted to senior vice presidents at Citizens Bank, Albuquerque. Mr. Goodman is in charge of bank administration and Mr. Wyne heads loan administration.

■ **DR. MANUEL FERRAN** has been named president of El Valle State, Albuquerque, while Sadie Sanchez has been promoted from vice president to senior vice president. Larry Lamb, an attorney, has been named a director.

■ **DANIEL A. SISK** has been elected chairman of First New Mexico Bank-share Corp., Albuquerque, filling the vacancy left by the death of Robert L. Tripp. Mr. Sisk is an attorney and former justice of the state supreme court.

■ **TRAVIS WALLER**, president, First State of Sierra County, Truth or Consequences, has resigned to accept the presidency of Buena Vista (Colo.) Bank. He will be succeeded by Johnny Taylor, who has been serving as vice president and cashier.

■ **GEORGE S. JENKS**, chairman and CEO, Albuquerque National, and Jerry Pritchard, a businessman, have been named directors, Security National, Roswell. Mr. Pritchard is an advisory director.

STATEMENT OF CONDITION of **THE FIRST NATIONAL BANK**

OF ARTESIA, NEW MEXICO

At close of Business December 31, 1974

RESOURCES

Loans and Discounts	\$14,400,401.42
Overdrafts	23,652.65
Stock in Federal Reserve Bank	30,000.00
Banking House Furniture & Fixtures	370,000.00
U. S. Bonds	\$1,999,859.99
Obligations of U. S. Govt. Agencies	697,603.96
Other Bonds	8,503,159.06
Federal Funds Sold	1,800,000.00
Cash & Due From Banks	7,911,556.93
Income Earned, Not Collected	460,802.76
TOTAL	\$36,197,036.77

LIABILITIES

Capital	\$ 500,000.00
Surplus	500,000.00
Undivided Profits & Reserves	2,656,718.35
Other Liabilities	179,745.92
Income Collected, Not Earned	222,381.92
Deposits	32,088,190.58
Dividend Checks Outstanding	50,000.00
TOTAL	\$36,197,036.77

OFFICERS

CHAS. K. JOHNSON, President
C. F. HAMMETT, Sr. Vice-President
VERNON WATSON, Vice-President
DAVID T. SIMONS, Vice-President
GEORGE H. FERRIMAN, Cashier-
Trust Officer
FLOYD E. HALL, Asst. Vice-President
ROBERT ASLINGER, Asst. Vice-President
E. G. HUBBARD, Asst. Cashier
BRENT HAMMETT, Asst. Cashier



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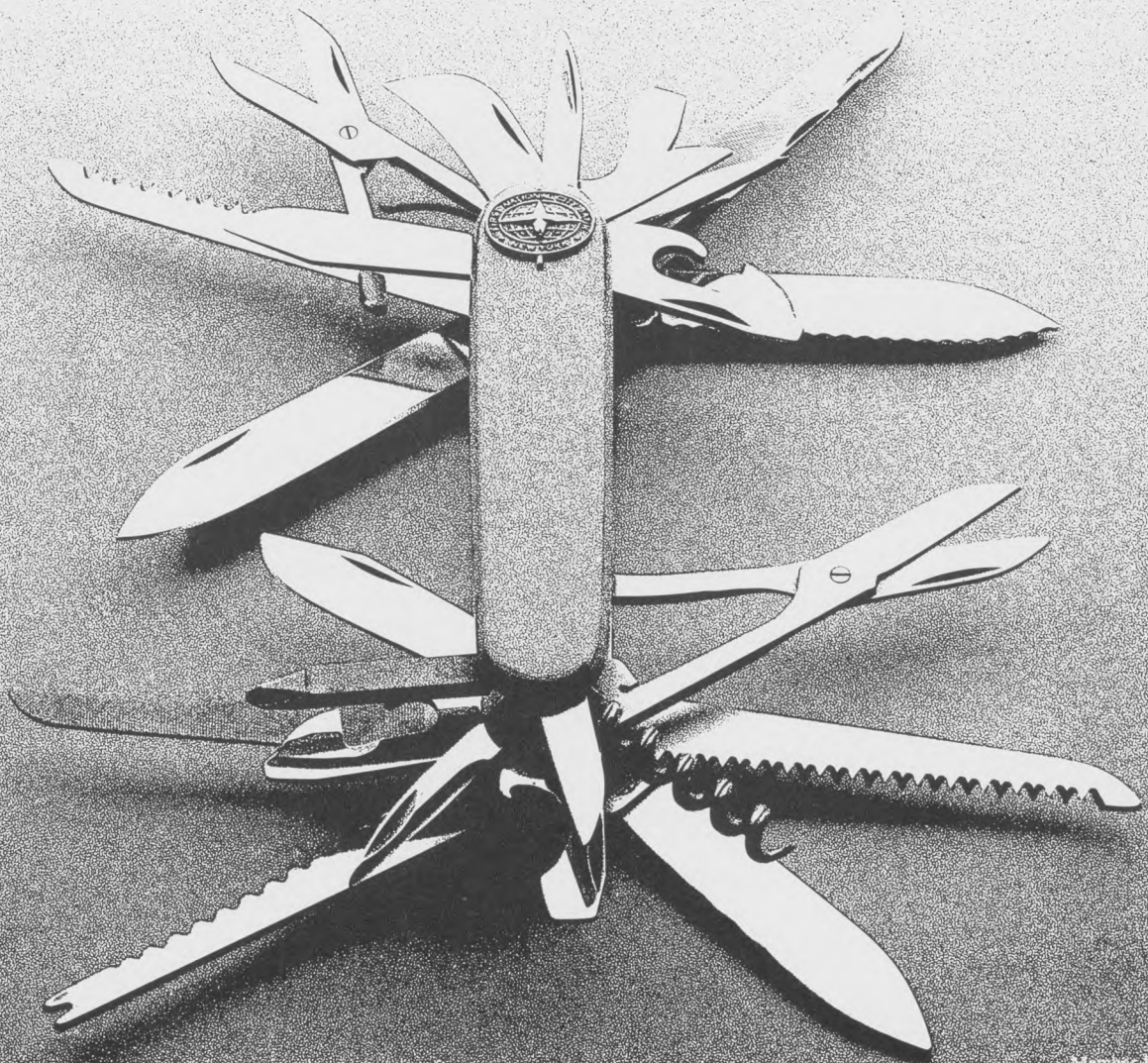
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Indiana Convention

President



LIFE

Richard A. Life, assn. pres., is pres., Wabash Valley Bank, Peru, which he joined in 1954. He was elected pres. in 1966. He has served IBA as ch. of the convention com. and has served on numerous other committees.

Vice President



GRIFFIS

C. Lloyd Griffis, assn. v.p., is pres., Old-First Nat'l, Bluffton, which he joined in 1963. He is a former IBA treas. and is a past ch. of the legislative com. and a past pres. of Region One.

Treasurer



BRENNER

Howard Brenner, assn. treas., is pres., Tell City Nat'l, which he first joined in 1937. After serving in other banks he rejoined Tell City Nat'l in 1959 as pres. He has served on several IBA committees.

FRENCH LICK, June 11-12

Headquarters—FRENCH LICK-SHERATON HOTEL

PROGRAM

FIRST SESSION, 9:30 a.m., June 11

Call to Order and President's Message—RICHARD A. LIFE, president, Indiana Bankers Association, and president, Wabash Valley Bank, Peru.

Treasurer's Report—HOWARD BRENNER, treasurer, Indiana Bankers Association, and president, Tell City National Bank.

Meeting of Members of American Bankers Association—WILLIAM C. FARRELL JR., ABA state vice president, and president, Elston Bank, Crawfordsville.

Address—"Washington, Energy and the Future," WILLIAM D. RUCK-ELSHAUS, attorney, Washington D. C.

Address—"Regulatory Structure in the '80s," JAMES E. FARIS, president, Conference of State Bank Supervisors and director, Indiana Department of Financial Institutions, Indianapolis.

Address—"AIB Anniversary Message," DONALD R. JULIAN, AIB associate councilman, and assistant trust officer, Old National Bank, Evansville.

SECOND SESSION, 9:30 a.m., June 12

Call to Order—RICHARD A. LIFE.

Report of Nominating Committee.

Election of Officers.

Address—"EFTS Update," STEPHEN R. LOW, consultant, Arthur D. Little, Inc., Cambridge, Massachusetts.

Address—"Banking Issues—1975," GERALD M. LOWRIE, executive director-government relations, American Bankers Association, Washington, D. C.

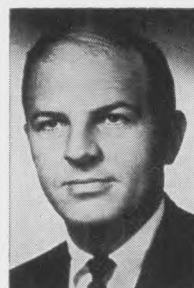
Address—DONALD S. HOWARD, senior vice president, First National City Bank, New York.

Adjournment.

Convention Speakers



HOWARD



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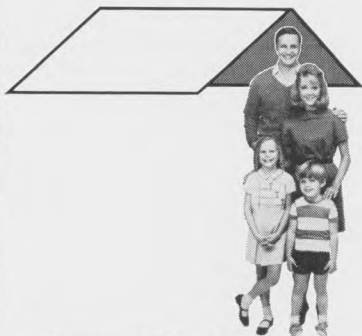
In very short order, the young secretary and her family found a temporary home, thanks to the local Red Cross Chapter. Plus help with clothing, furnishings—even food.

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'Changing Things for Better' Is Theme of IBA Convention Set for French Lick June 11-12

The 78th annual convention of the Indiana Bankers Association will deal with the theme "Helping You Change Things for the Better" when it convenes at the French Lick-Sheraton Hotel June 11-12.

Convention speakers were selected to support the theme. They include William D. Ruckelshaus, Indianian who was the first head of the Environmental Protection Agency and who also served as acting director of the FBI and as deputy Attorney General, who will discuss "Washington, Energy, and the Future." Slated to discuss the regulatory structure of the 1980s is James E. Faris, president, Conference of State Bank Supervisors and director of the Indiana Department of Financial Institutions, Indianapolis.

Other featured speakers will include Stephen R. Low, consultant at Arthur D. Little, Inc., Cambridge, Mass, whose topic will be "EFTS Update"; and Gerald M. Lowrie, ABA executive director of government relations and Donald S. Howard, senior vice president, First National City Bank, New York, who will discuss 1975's banking issues.

The Wednesday evening banquet speaker will be Chris Schenkel, Hoosier sportscaster now with the ABC TV network. He is a director of Counting House Bank, North Webster, Ind.

Entertainment for wives will include a talk entitled "How to Have an Affair With Your Husband," presented by Coleene McCollum from the broadcast media.

Chairman of the convention program committee this year is Thomas L. Dusthimer, president, First National, Elkhart. Serving on the committee are the following:

Merrill H. Bell, secretary, Fountain Trust, Covington; Jerry Gidley, president, Marshall County Bank, Plymouth; John P. Gourley, president, First National, Mishawaka; Joseph H. Huber Jr., executive vice president and controller, Peru Trust; Harry J. Johnson, president, Batesville State; Gerald R. McIntyre, president, Colonial National, Newburgh; Gary K. McWilliams, vice president, Indiana National, Indianapolis; and Donald L. Norman, president, Peoples Bank, Brownstown.

Chairman of the women's convention program committee is Mrs. Robert R. Park, Muncie. Committee members include Mrs. Howard Brenner, Tell City; Mrs. John Gourley, Mishawaka; Mrs. C. Lloyd Griffis, Bluffton; Mrs. Robert

Laue, Indianapolis; Mrs. Richard A. Life, Peru; Mrs. Robert C. Nelson, Indianapolis; Mrs. Donald Norman, Brownstown; Mrs. Robert Shawler, Gas City; and Mrs. Dale Siekman, Rising Sun.

Farrell, Firestone Nominated For IBA Officer Positions

The IBA nominating committee has made the following selections for IBA officer positions for 1975-76:

C. Lloyd Griffis, president, Old-First National, Bluffton—IBA president; William C. Farrell Jr., president, Elston Bank, Crawfordsville—IBA vice president; Wayne E. Firestone, president, State Bank, Rensselaer—IBA treasurer.

Nominated for directors at large are Edgar P. Hughes, senior vice president, National City Bank, Evansville; Kent Simpson, president, Farmers-Citizens, Salem; and Robert Park, senior vice president, Merchants National, Muncie.

Mr. Farrell is current chairman of the IBA's EFTS task force and is immediate past president of Region Four. He has been president and CEO at his bank since 1969 and his banking career began in 1947 at American Fletcher National, Indianapolis, where he served in the correspondent department.

Mr. Firestone has been with his bank since 1957 and is a former president of Region Two and has served on the legislative committee of IBA. He is a past president of the Independent Bankers Association of Indiana and is currently serving on that group's resolutions committee.



FARRELL



FIRESTONE

■ RICHARD A. STRAIN has been named vice president in charge of data processing at American Fletcher National, Indianapolis. He joined the bank in 1973.

■ LAFAYETTE NATIONAL has acquired Collings Farm Management Service, Inc., Lafayette, as part of the bank's farm management department. Roy A. Smith, Collings' owner and operator, has been elected assistant vice president in Lafayette's farm management staff.

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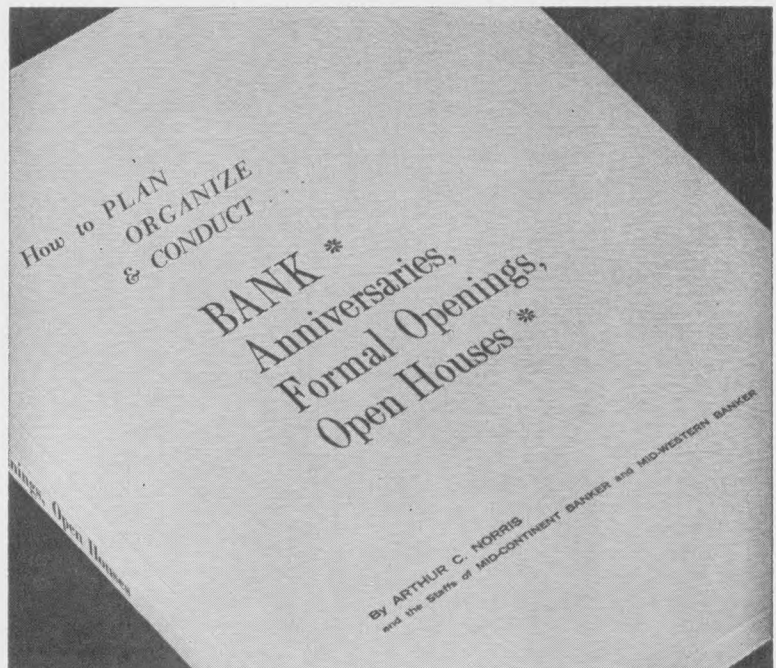
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hundreds of new customers . . . new accounts.

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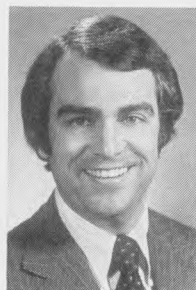
From the Mid-Continent Area

Alabama

■ ROSS BYRD has been appointed electronic funds transfer systems specialist for the Ala.BA. His primary duty will be to keep abreast of developments, studying legal, technical and competitive aspects. Mr. Byrd has 10 years' experience in banking and 10 years in computer sales, systems and communications terminals. In addition, he has designed computer systems for several banks.



BYRD



MATTHEWS

Arkansas

■ BILL MATTHEWS has been named vice president, business development, at Commercial National, Little Rock. The new post was created to cater to the expanding need of Arkansas businesses for specialized financial services. Mr. Matthews also will provide marketing support for clients of the bank through specialized financial subsidiaries and departments. Before his appointment at Commercial National, Mr. Matthews was a vice president at Dallas International Bank.

■ BANK BUILDING CORP., St. Louis, has named two Mid-Continent area banks as winners of its third design awards program. Winners of awards of excellence are National Bank of Commerce, El Dorado, and Grant County Bank, Sheridan.

■ SAM M. WALTON, chairman, and Carl Baggett, president, both of Bank of Pea Ridge, lead a group which has bought controlling interest in First National, Rogers. They have assumed their respective titles at First National. Ray Harris will continue as a director and an active operating officer at First National, while L. W. Harris, the bank's CEO, has retired after 40 years' service.

Illinois

■ JAMES T. SHEEHAN has been appointed vice president, loan department, Commercial National, Chicago. Mr. Sheehan began his financial career with a Hammond, Ind., bank and, prior to joining Commercial National, served as vice president of two Chicago-area banking institutions.

Bank Opens in Sugar Grove



(From l.) G. Ward Stearns, ch., Bank of Sugar Grove, Arlyn Jahr, Sugar Grove mayor, and Frederick R. Mason, bank CEO, cut the ribbon—made of over-sized souvenir checks—at the official opening of the new institution. The attractions were refreshments, gifts and the offer of a free one-year checking account for new depositors.

■ GIRARD W. SENESAC has been promoted from cashier to vice president and cashier; David Kuczenski and Vivienne Coe, from assistant cashiers to assistant vice presidents; and Alice Acquaviva has been named assistant vice president, personal banking department, First National, Harvey. Mr. Senesac joined the bank in 1958; Mr. Kuczenski, in 1967; Mrs. Coe, in 1955; and Mrs. Acquaviva, in 1960.

■ KENNETH J. ROEH has been named vice president and trust officer, First National, Rockford. He was assistant to the president.

■ RICHARD J. TOBIN has been named vice president and controller, First National, Skokie. He previously had been with a public accounting firm.

Branching Bill Defeated

SPRINGFIELD—A last-ditch try to keep legislation alive permitting limited branching in Illinois has been defeated in the state Senate. A motion on April 8 to overrule the Senate Finance Committee's rejection of the bill was five votes short of a majority. No attempt was made to revive a companion bill permitting HCs.

Both bills had been sponsored by the Association for Modern Banking in Illinois (AMBI).

Trust School Set for July

The Alabama Trust School, a one-week session of intensive trust study, will hold its third annual session July 20-26 on the campus of Birmingham-Southern College.

Established to meet training needs of banks from throughout the Southeast, the school offers a three-year curriculum designed for new trust personnel, but senior clerical or experienced trust officers may find it helpful in broadening their knowledge.

Each session consists of 35 hours of on-campus classroom instruction taught by recognized trust professionals. First-year students get a wide-angle view of the business, with introductory courses in nine areas of study. Second- and third-year students focus more closely on management, taxation and fiduciary law, along with other advanced subjects.

All students are issued study manuals, which outline subjects to be taught. A comprehensive examination is given at week's end, covering the material, then each student receives a grade report. Permanent grade records are maintained at the school.

The Trust School is sponsored by the Ala.BA's Trust Division, in conjunction with Birmingham-Southern's Edward L. Norton Center. Registration fee, which includes tuition, room and board, is \$175 per session. Deadline for submitting applications and fee payments is May 31.

For application forms and more information, write: Coordinator, Alabama Trust School, P.O. Box 844, Birmingham-Southern College, Birmingham, AL 35204.

BOOKS FOR THE BANK DIRECTOR



QUANTITY PRICES

2-5 copies	\$4.25 each
6-10 "	4.15 "
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Responsibilities of Bank Directors \$4.50

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.

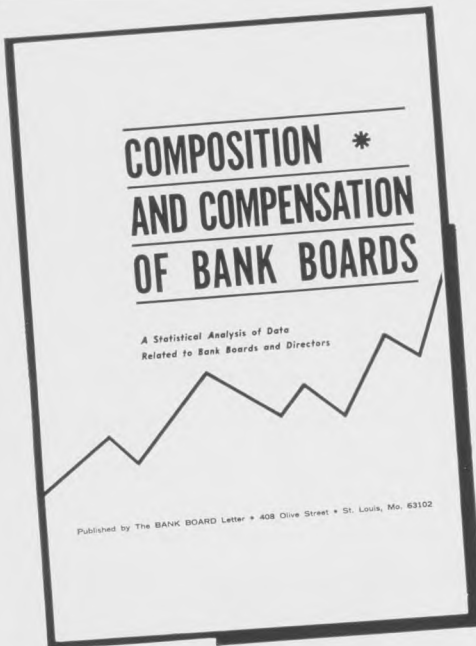
The author examines the director's responsibilities to shareholders in terms of investment return, continuity of management, long-range planning, the effects of structural changes on competition, e.g., bank holding companies, branching and merger trends. One chapter also is devoted to potential reactions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

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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.

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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.

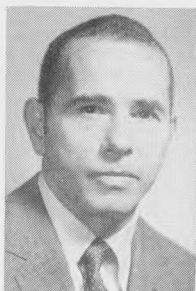
MID-CONTINENT BANKER for May 15, 1975

Kansas

KBA Management Clinic Features Ability Update

The Kansas Bankers Association will hold its 1975 bank management clinic June 10-12 at the University of Kansas, Lawrence. Theme for the clinic is "Update Your Management Abilities!" and several speakers and films are on the program.

Speakers include Dr. Michael H. Mescon, chairman, department of management, Georgia State University, Atlanta. He will address the audience on "Some Observations on Break-Even Administration—and the Daughter of the Sensuous Manager," and "The Sensuous Manager Looks at the Economic Outlook."



MESCON



JENNINGS

Archie Dykes, U of K chancellor, will provide "Greetings from the University" and Conant Wait, chairman, KBA Recodification Task Force, will offer views on "Enjoying the New Kansas Banking Code."

"Stress Management—the Antidote to Future Shock," "Bank Management in 1976" and "Maze Brightness—And Executive Reaction to Stress" are speech topics of Dr. Eugene Jennings, professor of management, Graduate School of Business, Michigan State University. Harry Garrett, director of personnel, Citizens & Southern National, Atlanta, will answer the question "Do Personnel Management, Regulations and Salary Administration Bug You?"

Group sessions featuring distinguished panel members and moderators will round out the program by giving those in attendance a chance to question panelists and to voice opinions.

Topics covered will include state and federal legislation, EFTS, MACHA, administration, H.R. 10 and IRA, HCs, and other topics.

Films to be shown during the clinic include "Kansas Banking Is for Everyone!" and "The Future in Your Hands." Footage by the National Football League entitled "Football Follies" will be the event's final offering.

Gabriel Succeeds O'Leary In State Banking Post

Arthur Gabriel, president and managing officer, DeSoto State, has been named Kansas' new bank commissioner by Governor Robert F. Bennett. Mr. Gabriel succeeds Carl O'Leary, who has resigned.

Mr. Gabriel also is a director and executive committee member at Lenexa State and a director at Centennial State, Mission. He is a former president, Johnson County Bankers Association, and has served as a member of the state legislature for eight years. During four of those years, he was chairman, House Commercial and Financial Institutions Committee.

Mr. O'Leary indicated that his early resignation was to permit Mr. Gabriel early planning time in conjunction with the state legislature's consideration of a recodification bill that is up for passage.

Mr. Gabriel said, "This bill is the result of two years of work by a KBA task force, and in addition to a general housecleaning of all banking laws, it gives the State Banking Commissioner and the banking board broader powers for closer supervision of state banks."

Mr. O'Leary said he will become president, Baxter State, Baxter Springs, while Mr. Gabriel indicated that he will remain as president of DeSoto State.



GABRIEL

■ LARRY GRAHAM, assistant vice president at First National, Topeka, has been named manager of the correspondent division.

Kentucky

■ JAMES R. BURKHOLDER IV has been promoted to assistant treasurer, correspondent banking division, at Louisville Trust. He visits banks in the territory south of Indianapolis.

■ ROY D. WYNN and Gerald R. Hovermale have been promoted to assistant cashiers at Traders National, Mt. Sterling. Mr. Wynn has been with the bank since 1972 and Mr. Hovermale, since 1973.

■ ANDY LEE COLBURN has been promoted to assistant vice president at Bank of Danville. He joined the bank in 1974 and presently is manager, installment loan department.

■ JOSEPH A. PLATT has joined Citizens National, Somerset, as vice president and cashier, the position he held at his previous bank, Powell County Bank, Stanton.

■ AL FLORENCE has been elected vice chairman at Central Bank, Lexington.

■ JOHN DELANEY has been promoted from assistant vice president to vice president at Peoples Bank, Berea, and Joan W. Broaddus has been appointed to assistant vice president. Mr. Delaney joined the bank in 1973 and Miss Broaddus, in 1967.

■ CHARLES ELZA has been named assistant vice president at Corbin Deposit Bank, while Betty Wilder and Maxine Parker have been promoted to assistant cashiers. Mr. Elza has been with the bank since 1973.

Kentucky Convention Set

The Kentucky Bankers Association will hold its 1975 convention September 7-9 at the Galt House in Louisville.

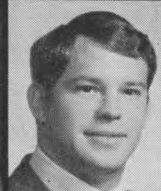
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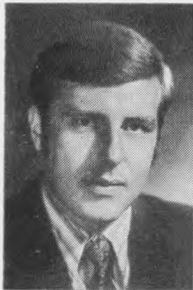


Servicemark of Citizens Fidelity Corporation

Louisiana

■ LUTION B. HILL has been appointed executive vice president and treasurer of First Commerce Corp. and executive vice president of its principal subsidiary, First National, New Orleans. He will be in charge of the HC's finance and administrative group.

Missouri



MONTGOMERY



MAUZÉ

■ JAMES F. MAUZÉ has been elected a senior vice president at Mercantile Trust, St. Louis. He will have general administrative responsibilities in the trust department. Scott A. Montgomery has been promoted to vice president and placed in charge of the bank's metropolitan division II, St. Louis group, banking department, while James H. Baughman, Michael C. Erb and Schuyler G. Herbert have been named assistant trust officers. Mr. Montgomery, who has been with the bank since 1967, served as a correspondent banking officer for a number of years.

■ STEVEN E. VAJDA has joined Bank Building Corp., St. Louis, Central Division, as a consultant services manager. He will represent the company in Missouri. Prior to joining Bank Building, Mr. Vajda had been assistant vice president and director, public relations and marketing, Southern Illinois National, Fairview Heights. Previously, he had been St. Louis area sales manager, bank card division, Commerce Bank, Kansas City.

■ JAMES DALE FELTZ JR. has been elected cashier at Missouri State Bank, St. Louis, while James N. Gemignani has been named assistant operations officer. Mr. Feltz most recently was administrative assistant to the vice president-administration, Mark Twain Bancshares, St. Louis, and Mr. Gemignani had previously been customer representative, business development, for the bank.



MacCARTHY



VAJDA

■ JOHN PETERS MacCARTHY has been elected president and chief operating officer of St. Louis Union Trust. He also serves as secretary at First Union, Inc., controlling HC. He was elected executive vice president at Union Trust in 1969 and had previously been a partner in a St. Louis law firm.

Oklahoma

■ JERRY BARKER, senior vice president, has been elected president and a director, City National, Lawton; Lieutenant General (retired) Harry Critz, general executive vice president, has been elevated to president, Fort Sill National, affiliate bank; and George C. Whitten has been named chairman of the two banks, all succeeding Jacob R. (Dolph) Montgomery. Mr. Montgomery, 68, died February 23 of a heart ailment. He became president when he and his family purchased control of City National in 1931. Mr. Montgomery established Fort Sill National in 1946, serving as its president and chairman until his death. He had been inducted into the OBA Hall of Fame.

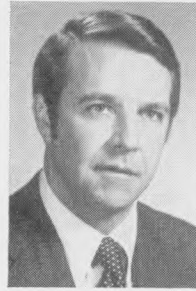
■ LAURA MARIE MARBERRY has been elected a director, First National, Midwest City. She has been associated with the bank since 1954 and became vice president in 1961.

■ LAWRENCE E. UNDERHILL JR. has been elected executive vice president and a director, Shepherd Mall State, Oklahoma City. He was with another Oklahoma City bank.

Died: Kenneth S. (Boots) Adams, director, First National, Bartlesville, and former chairman, Phillips Petroleum Co., March 30, at St. Lukes Hospital, Houston, where he had been a patient for several days. He was 75. Mr. Adams was a director at First National from 1937 to 1954, when he resigned to accept a directorship at the Kansas City Fed. In 1966, he was again elected as director, First National.

Tennessee

■ JAKE F. BUTCHER has been named CEO and chairman, while Rex Moon has been named president and chief administrative officer at Hamilton National, Knoxville. Both formerly were associated with C&C Banking Group, Knoxville.



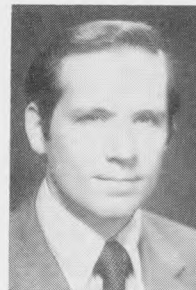
MOON



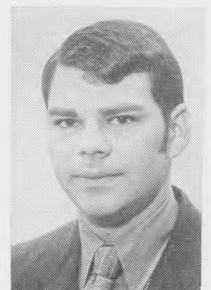
BUTCHER

Texas

■ JAMES S. FOX, loan officer in the correspondent department at Bank of the Southwest, Houston, has been promoted to assistant vice president. Mr. Fox has been a loan officer since 1973. He calls on correspondent bank customers in west Texas, New Mexico and Oklahoma.



GRANT



FOX

■ JOSEPH M. GRANT, currently president and chief operating officer at Capital National, Austin, has been elected executive vice president and advisory director at Fort Worth National. Prior to joining Capital National, Mr. Grant was a senior vice president and economist at Texas Commerce Bank, Houston, and a senior vice president of Texas Commerce Bancshares. He began his banking career in 1961 with First National City Bank, New York.

Died: Oscar R. Weyrich, 88, on March 21, 44 days after celebrating his 70th year with Houston Citizens Bank. He was serving as an advisory director at the time of his death. Mr. Weyrich began his banking career in 1905 with the old Houston Land & Trust as an office boy and rent collector. He rose through the ranks, becoming president in 1944 and chairman in 1958.



LEFT: Harriscorp Finance's Money Stores are located in Chicago-area shopping centers. RIGHT: Nationwide Financial Services' Person-to-Person Financial Centers are located in Denver, Phoenix, Salt Lake City and New Orleans.

HC Subsidiaries Penetrate Consumer Market With Money Stores and Financial Centers

BANKERS often have been criticized for not entering various financial markets and thus forfeiting those markets to competitors. Examples include the unwillingness of many bankers to grant long-term mortgage loans, which set the stage for S&Ls, or an aversion on the part of some bankers to grant agriculture loans, giving rise to production credit associations.

Bank holding companies cannot be accused of negligence in entering financial fields that their banks may have shunned for one reason or another. Witness the trend toward the establishment of loan offices in areas outside the normal trade area of the HC's banks. Cases in point are the new Money Stores in the Chicago area established by Harriscorp Finance, a wholly owned subsidiary of Harris Bankcorp, Chicago, and the opening of Person-to-Person Financial Centers by Citicorp, New York.

Both these projects enable the HCs to cultivate business outside the trade area of their banks. Harris Bankcorp's Money Stores are located outside the city limits of Chicago—an area where the HC's bank, Harris Trust, Chicago, cannot venture, due to Illinois' non-branching law. Citicorp's Person-to-Person Financial Centers are more far-flung, being located in New Orleans,

By **JIM FABIAN**
Associate Editor

Salt Lake City, Denver and Phoenix—areas where the HC's bank, First National City, New York, is not a household word among consumers.

The setups of the two projects are not the same, but the purpose is—to put HC funds to work.

Harriscorp Finance's Money Stores are designed to provide convenient, low-interest personal loan facilities in Chicago's metropolitan area shopping centers.

"The Money Stores offer the public convenient locations for personal borrowing plus the low interest rates usually associated with a bank," said William L. Johnson, vice president and general manager of Harris Finance. He added that "an important feature of the Money Stores is simple-interest loans on which interest is charged only for the time the loan is outstanding."

Customers can establish revolving lines of credit so they can write unsecured loans for themselves with drafts that can be used like checks.

Customers with approved credit can take out loans in amounts up to \$15,000, payable on a regular installment basis with a 10-year maximum repay-

ment period. Considerable emphasis is given to the fact that interest rates at Money Stores are approximately $\frac{1}{2}$ lower than those charged by Chicago-area finance companies.

Money Store machines make loans by disbursing cash during all shopping center hours to customers with revolving credit privileges. The machines dispense cash up to a daily maximum of 10% of the customer's approved credit line, with the cash becoming a loan.

Money Stores advertise one-day loan approvals to persons applying by telephone or in person.

Initially, last December, five Money Stores were opened, with several more scheduled to be opened this year.

Citicorp's Person-to-Person Financial Centers offer a broader scope of services than the Money Stores. The concept has been touted as "a new type of consumer financial services institution."

Person-to-Person is set up specifically to provide personal services to the broad consumer market only, according to W. James Tozer Jr., senior vice president at Citicorp. He says this is an important distinction from most banks, which focus also, if not primarily, on business firms. Each Person-to-Person customer is assigned to an ac-

count executive who helps satisfy the customer's financial needs on a person-to-person basis, Mr. Tozer said.

"In developing this new kind of financial center," he continued, "we talked with literally thousands of consumers and designed Person-to-Person to provide what the customer says he needs in financial services and does not feel has been readily available in the marketplace."

Mr. Tozer said that Person-to-Person offers a wider variety of financial services than loan companies and many services not generally offered by banks.

Interest rates charged by Person-to-Person are billed as being slightly higher than those charged by banks, but lower than those charged by finance companies.

Among the services available at the four Person-to-Person offices are the following:

- Mortgage-in-advance—a mortgage commitment offered to prospective homebuyers before house hunting begins. Mr. Tozer said this enables the prospective homeowner to know in advance what he can afford. FHA, VA and conventional mortgages up to \$55,000 are available.

- Tailored loans, designed to meet an individual's needs through a variety of repayment plans.

- Family money management courses, to help consumers understand the basics of family budgeting and financial planning.

- A Person-to-Person card that qualifies customers for free services, such as notary public, check cashing, money orders, gift checks and travelers checks.

- Convenience account payment orders that permit customers to write checks that are charged to their accounts as loans.

- Homeowners' loans that enable customers to borrow up to \$25,000 on the equity of their homes.

Time Deposits Accepted

One of the offices of Person-to-Person Financial Centers has been converted to an industrial loan corporation, thereby enabling it to accept time deposits.

The office, located in Murray, Utah, was scheduled to begin offering thrift certificates in April following Fed approval and an OK by the Utah Commissioner of Financial Institutions.

Called Citicorp Person-to-Person Financial Center of Utah, the new industrial loan corporation insures deposits up to \$40,000 per person, with the coverage arranged with a private insurer. It is the only industrial loan corporation in the state to offer deposit insurance.

The Fed's Regulation Y permits bank HCs to operate industrial loan firms so long as they conform to state law and do not accept both demand deposits and make commercial loans.

The Utah operation is on an experimental basis.

- Fact sheets that provide helpful financial information and enables customers to make more effective use of their money.

Person-to-Person Financial Centers are designed to serve those in the \$7,500 to \$15,000 income bracket.

A total of 15 offices are open in the four cities as part of a test run. The cities were selected because they were located where Citicorp had some presence through its subsidiary, Nationwide Financial Services, which is based in St. Louis. According to Carl Feisenfeld, vice president, market surveys in the four cities showed they were suited to Person-to-Person service.

Nationwide Financial Services operates 148 offices in 18 states and has gross receivables exceeding \$230 million. • •

tiation to its plan. It serves as a promotional boost in the face of competition.

Longview (Tex.) National officials term Tax Saver checking "a very valuable marketing tool in our area." They estimate that some 35% of the bank's BanClub members are checking off the deduction boxes on their checks as the checks are written.

Bankers admit that Tax Saver checking requires customers to expend a little more effort when writing and filing checks, but they agree that the service is a valuable one and its incorporation in a package plan assures the bank that no competitor in its trade area can offer a duplicate plan. This factor is one that brings new accounts to a bank!

- **Detroit Bank** has paid \$11,000 to 110 of its employees under its Buy-A-Car-Now program. Under terms of the program, the bank offers a \$100 bonus to any employee who purchased a new car between January 16 and March 1 built or distributed by any American auto manufacturer. The program was initiated to help boost domestic auto sales in Detroit.

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Package

(Continued from page 48)

Among Mid-Continent area banks offering Tax Saver checking in BanClub plans is First National, Mobile, Ala., which has offered Tax Saver for almost a year. Every First BankClub member is automatically issued Tax Saver checks, the register and file box. Approximately 12% of the bank's personal checking accounts are now in the club plan. A bank spokesman says that the primary purpose of offering Tax Saver checking is to provide differen-

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No bank anywhere gives its correspondent bank officers more freedom to act on their own.

Because we know our men.

And they know their bank.

For any special services from overline loans to computerized bond analysis, get the job done better . . . by working with a man who speaks for First.

Fast.

Some Special Services for Our Correspondent Banks:

Fast action on overline loans . . . even if your bank is not yet a First correspondent.

Computer services second to none. Years of experience in all forms of EDP. Our computer marketers and technicians will be happy to visit and talk with you.

Computerized transit and clearing activities speed up collections with the new RCPC's.

Bond Department services, including fast computerized portfolio analysis. Our investment experts are in constant contact with bond dealers nationwide.

Personal and Corporate Trust services through St. Louis Union Trust. Largest trust company in Missouri. Over \$4 billion in assets.

Exchange ideas at our Annual Conference of Bank Correspondents . . . plus special educational seminars.

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in St. Louis**

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